GOVERNMENT OF SIKKIM
FINANCE, REVENUE AND EXPENDITURE DEPARTMENT
GANGTOK

Medium Terms Fiscal Plan for Sikkim
2013-2014 to 2015-2016

To be presented before the Sikkim Legislative Assembly as required under sub section (1) of section 3 of the Sikkim Fiscal Responsibility and Budget Management Act. 2010 (15 of 2010)

Medium Term Fiscal Plan for Sikkim: 2013-14

1. Introduction – Fiscal Policy Overview

The State of Sikkim has made remarkable progress in achieving socio-economic development in 11th Plan period and aims at broad based and sustainable growth process during the 12th Plan period. The fiscal policy adopted by the State Government over the years and as reflected in this year's budget, endeavors to provide an enabling environment for economic development and achievement of social sector commitments. The Gross State Domestic Product (GSDP) at constant prices recorded a growth rate of 8.16 per cent in 2011-12. The per capita income of the state, which was Rs.30727 in 2004-05, has increased substantially to Rs.136362 in 2011-12 at current prices[1]. The major socio-economic indicators for the State show commendable improvement. The poverty ratio has declined to 13.1 per cent as compared to all India average of 29.8 per cent. While the literacy rate has increased to 82.2 per cent, the IMR has gone down to 26 per 1000. The economic development has helped the State Government to pursue its development agenda. The State has been emerging from the devastating earthquake of 2011 and the rebuilding and reconstruction activities are still going on.

The Fiscal Responsibility and Budget Management Act (FRBM) adopted in the fiscal year 2010-11 continues to provide a benchmark for fiscal management in terms of budget decisions and achievements of prescribed fiscal targets. The Act requires the State Government to present a Medium Terms Fiscal Policy (MTFP) to reflect on fiscal policy choices made by the Government in the ensuing budget year and the fiscal stance of the Government in two future years beyond the budget year in a transparent manner. This is the third MTFP. The FRBM Act was enacted with the objective of managing the fiscal policy that ensures stability and sustainability. A sustainable fiscal management improves the credibility of the Government and ensures provision of required level of physical and social infrastructure. Adequate social and physical infrastructure helps providing an enabling environment for investments which would create employment and incomes for the people of the state.

[1] State Income Unit, DESM&E, Government of Sikkim

The fiscal adjustment path for Sikkim recommended by the Thirteenth Finance Commission (TFC) with targeted fiscal deficit to ensure sustainable level of debt ends at 2014-15. The MTFP however includes projections till 2015-16. The last year of the MTFP will come under the award period of the 14th Finance Commission, which has already been constituted. The ensuing budget for the year 2013-14 and MTFP for next two outward years continue to adhere to the quantitative fiscal targets with regard to deficits and debt level as enunciated by the TFC. The prudent fiscal management of the State was recognised by the TFC and it recommended performance incentive grant for Sikkim along with various state specific grants. While the TFC grants have been put to use in the specified sectors, there are many other sectors in which the State requires generous grants from the Fourteenth Finance Commission. Indeed the State faces considerable cost disabilities in service provisions and any innovative programme requires contribution from the Central Government.

The MTFP 2013-14 presents the fiscal policy stance of the Government and projected fiscal targets in the ensuing budget year and two outward years. It reviews the macroeconomic and fiscal performance of Sikkim for the period from 2004-05 to 2013-14. The assumptions with regard to the revenue augmentation and expenditure restructuring parameters for the preparation of the MTFP are arrived at on the basis of the data covering the period from 2004-05 to 2013-14 (BE) and taking into consideration the policy announcements relating to revenue augmentation measures and expenditure priorities in various sectors.

The rest of the report is organized as follows. The Section 2 provides an analysis of the recent macroeconomic achievements. The fiscal policy overview, tax, expenditure, and borrowing policies for the ensuing year and the priorities in the medium term are presented in Section 3. This section follows the Form F-1 of the Medium Term Fiscal Policy as per the Sikkim FRBM Act, Rule 3. In Section 4, Medium Term Fiscal Plan containing the projection of fiscal variables and assumptions underlying the projections has been given. This follows the Form F 2 of Sikkim FRBM Act, Rule 3. The concluding remarks are contained in section 5. The disclosures, following the Medium Term Fiscal Policy as per the Sikkim FRBM Act Rule 3 and Rule 4, are given in the Section called Disclosures.

2. Macroeconomic Outlook

The macroeconomic performance and the outlook for the medium term influence the preparation of MTFP. The State economy is assumed to provide a base for the revenue and any projection for the future years has to be related to the growth performance of the State. The state level fiscal policy assumes key role in the development of different sectors and macroeconomic performance. While the Sikkimese economy was evolving as a service sector driven economy, since 2009-10 the relative share of secondary sector has increased mostly driven by manufacturing, construction and power sectors. The inter-sectoral composition of GSDP since 2004-05 shows that the service sector, which accounted for half of the State GSDP till 2008-09, has declined to about 38 per cent in 2011-12. At the same time the relative share of the secondary sector has grown to about 54 per cent in 2011-12 (Table 1). The share of primary sector has been declining over the years and the share of mining and quarrying activities remained very small.

Table 1
Composition of GSDP (Constant Prices)

(Per cent)

	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12
Primary, of Which	**18.71**	**17.74**	**16.76**	**16.18**	**14.56**	**8.74**	**8.32**	**8.04**
Agriculture	18.59	17.63	16.65	16.07	14.40	8.65	8.22	7.94
Mining & Quarrying	0.12	0.11	0.11	0.11	0.15	0.10	0.10	0.10
Secondary, of which	**28.72**	**29.25**	**29.54**	**30.18**	**34.94**	**55.03**	**54.67**	**54.16**
Manufacturing	3.86	3.60	3.66	3.90	3.65	28.44	26.88	25.84
Construction	19.23	19.86	19.44	18.69	15.52	9.91	10.26	10.68
Electricity & Water supply	5.62	5.78	6.44	7.59	15.76	16.69	17.54	17.64
Tertiary, of Which	**52.58**	**53.01**	**53.70**	**53.64**	**50.51**	**36.22**	**37.01**	**37.80**
Transport	2.69	2.63	2.59	2.48	2.26	1.61	1.60	1.59
Trade, Hotel and Restaurant	5.19	4.84	4.62	4.51	4.07	2.43	2.30	2.22
Banking & Insurance	2.58	2.95	3.59	4.04	3.64	2.60	3.12	3.74
Real Estate	9.99	9.38	9.19	9.94	9.49	5.60	5.46	5.32
Public Admn	14.60	15.14	15.52	14.79	14.15	11.72	11.56	11.53
Other Services	16.09	16.52	16.41	15.81	14.70	10.93	11.45	11.57
GSDP Growth Rate		**8.45**	**4.53**	**6.53**	**14.81**	**71.59**	**6.90**	**6.93**

Source: State Income Unit, DESM&E, Government of Sikkim .

The impressive growth of GSDP in recent years was due to the contributions from power and manufacturing sectors. The Planning Commission (State Plan Division) while analyzing the growth process of the State during the Eleventh Plan indicated that commissioning of power projects, strengthening of small scale industries and pharmaceutical industries helped the growth process. The MTFP projection, however, is based on the growth path prescribed by the TFC for Sikkim. TFC has assumed a nominal growth rate of 11.25 per cent for Sikkim during the period 2012-13 to 2014-15.

3. Fiscal Profile of the State

3.1 Fiscal Policy Overview

The fiscal trend since 2004-05 presented in Table 4 shows that there has been considerable improvement in the fiscal situation in recent years. The State has been maintaining surplus in the revenue account and the fiscal deficit has been reduced to the level prescribed by the TFC. The introduction of FRBM Act in 2010-11 provided the rule based fiscal management with defined deficit and debt targets. The post FRBM experience indicates considerable improvement in fiscal situation and containment of fiscal deficit and rise in revenue surplus. The surplus in the revenue account which was at 11.7 per cent to GSDP in 2008-09, increased to 12.9 per cent in 2012-13 revised estimates. The budget estimates for 2013-14 assumes a revenue account surplus of 9.7 per cent to GSDP. The fiscal deficit was reduced considerably from 7.2 per cent relative to GSDP in 2008-09 to about 2 per cent in 2011-12 and is projected to remain limited to 3 per cent in the budget estimates for the year 2013-14. The fiscal consolidation will be instrumental for growth in the future years by creating fiscal space for the State Government to allocate resources to the priority areas. The MTFP projects to maintain the fiscal consolidation process in the two outward years and improve resource availability to social and economic sectors.

The fiscal trend indicates that the State Government complied with the TFC recommendations and its own FRBM targets. The TFC in their fiscal consolidation path for Sikkim has targeted the fiscal deficit to decline and recommended it to be at the level of 3.5 per cent to GSDP in 2011-12 and 2012-13 and further reduce to 3 per cent in 2013-14 and 2014-15. The State FRBM act, enacted in 2010-11, stipulates to reduce the fiscal deficit to 3 per cent of GSDP by 2013-14. The MTFP 2013-14 builds on the strong fiscal performance of the State Government and complies with TFC proposed path of fiscal consolidation.

Table 2

Fiscal Profile of Sikkim: An Overview

(% to GSDP)

	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13 (RE)	2013-14 (BE)
Revenues	**58.1**	**54.6**	**55.7**	**59.8**	**54.4**	**38.2**	**30.1**	**34.2**	**43.5**	**41.0**
Own Revenue	13.1	13.1	16.0	16.4	15.2	10.9	7.3	6.4	7.1	7.2
Own Tax Revenues	**6.7**	**7.4**	**8.0**	**7.9**	**6.2**	**3.6**	**3.9**	**3.5**	**4.0**	**4.1**
Own Non-Tax Revenues	**6.4**	**5.7**	**7.9**	**8.5**	**9.1**	**7.3**	**3.4**	**2.9**	**3.2**	**3.1**
Central Transfers	**45.0**	**41.5**	**39.7**	**43.4**	**39.2**	**27.3**	**22.8**	**27.8**	**36.4**	**33.8**
Tax Devolution	6.2	9.1	10.3	13.8	11.3	6.1	7.3	7.3	7.5	8.0
Grants	38.8	32.4	29.4	29.6	28.0	21.2	15.5	20.5	28.9	25.8
Revenue Expenditure	**48.4**	**44.7**	**45.1**	**45.8**	**42.8**	**29.8**	**28.2**	**28.9**	**30.6**	**31.2**
Interest Payment	5.7	5.1	5.3	4.7	4.8	2.5	2.6	2.3	2.2	2.0
Pension	1.8	2.1	2.3	2.0	1.8	2.1	2.2	2.1	2.6	2.7
Capital Expenditure	**20.4**	**17.3**	**15.1**	**16.6**	**18.9**	**11.2**	**6.4**	**7.9**	**16.1**	**12.7**
Capital Outlay	20.3	17.3	15.1	16.6	18.9	10.6	6.3	7.3	16.0	12.6
Net Lending	0.1	0.0	0.0	0.0	0.0	0.6	0.1	0.6	0.0	0.1
Revenue Deficit	**-9.7**	**-9.9**	**-10.6**	**-14.0**	**-11.7**	**-8.4**	**-2.0**	**-5.3**	**-12.9**	**-9.7**
Fiscal Deficit	**10.7**	**7.5**	**4.5**	**2.6**	**7.2**	**2.8**	**4.4**	**2.1**	**3.2**	**3.0**
Primary Deficit	**5.0**	**2.3**	**-0.9**	**-2.1**	**2.5**	**0.2**	**1.8**	**-0.1**	**1.1**	**1.0**
Outstanding Debt	**61.9**	**60.3**	**61.2**	**62.3**	**59.9**	**37.4**	**34.0**	**30.4**	**29.9**	**29.9**

Source (Basic Data): Finance Accounts and State Budget 2013-14
Note: The GSDP figures are from State Income Unit, DESM&E, Government of Sikkim .
Negative sign indicates revenue surplus

3.2 Revenue Mobilisation

The central transfers that include share in central taxes and grants constitute the major source of revenue for the State Government. On an average the central transfers constitutes little more than there fourths of the total State revenues. The central transfer, which constituted 39.2 per cent in 2008-09 relative to GSDP, has come down to 36.4 per cent in the revised estimates of 2012-13 and is budgeted at 33.8 per cent in 2013-14. Own tax and own non–tax revenue are expected to be 4.1 and 3.1 (net of lottery expenditure) per cent of GSDP respectively as per the BE of 2013-14. From Table 2 it is evident that the own revenue and GSDP ratio has declined substantially since 2008-09. While the growth of state taxes remained healthy, the ratio with GSDP has declined due to very high increase in GSDP since 2009-10. The generation of electricity by newly commissioned power projects and growth of chemical and pharmaceutical industries have contributed heavily to the growth of GSDP and the State taxes have not kept pace with the GSDP growth. A disaggregated analysis of revenue performance of the state is undertaken to determine the revenue prospects while preparing the MTFP aligned with the provisions of FRBM act of Sikkim.

Composition of own tax revenue is given in Table 3. The sales tax/VAT and State excise are two major sources of own tax revenue for the State. The relative share of the VAT was at 42.3 per cent in 2011-12, the last year for which audited figures are available. It is set to rise to 55 and 53 per cent respectively in 2012-13 (RE) and 2013-14 (BE). The relative share of State excise in total own revenue has remained at about 25 per cent leaving the year 2011-12 when its share jumped to 32.8 per cent. During the same time period the motor vehicle tax has evolved as one of the major state taxes. The trend growth rates of individual tax components explain the change in tax structure in the state. The sales tax, state excise and motor vehicle tax have shown high growth rates during this period.

Table 3
Composition of Own Tax Revenue

(Per cent)

	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13 (RE)	2013-14 (BE)	Growth (04-05 to 13-14)
Own Tax Revenues	100	100	100	100	100	100	100	100	100	100	14.2
Sales Tax	41.2	38.5	43.1	41.1	50.8	54.1	51.1	42.3	55.1	52.9	18.0
State Excise Duties	28.0	22.4	19.2	19.2	23.3	25.6	25.3	32.8	25.7	25.6	16.8
Motor Vehicle Tax	2.8	2.9	3.4	3.1	3.5	3.5	3.8	5.6	4.1	3.9	20.3
Stamp Duty and Registration Fees	1.2	1.5	1.5	2.2	2.2	2.0	2.0	2.8	2.0	1.9	20.3
Other Taxes	2.0	2.2	5.9	10.0	12.9	14.4	17.6	16.5	13.2	15.7	43.8

The buoyancy coefficients for the State taxes during the period 2004-05 to 2013-14 given in Table 4 reveal that the growth of taxes has fallen behind the growth of the GSDP. The buoyancy coefficient explains the percentage growth in tax revenue in response to one percentage growth in GSDP. This relationship assumes that the

State GSDP is the proxy for tax base. The pattern of growth in the State suggests that the sectors growing rapidly and contributing to growth process have not contributed to tax revenues. Particularly the generation of electricity by the hydro-electric sector though contribute to the growth numbers, their effects are yet to be felt in terms rise in business and trade activities in the State. The growth process is expected to provide impetus to rise in trade and business activities and thus higher tax collection in the future years. The MTFP after calibrating the growth potential of the GSDP and other tax measures announced in BE 2013-14 makes suitable adjustment in tax buoyancies for projection of tax revenues in the medium term.

Table 4
Buoyancy of Taxes: 2004-05 to 2012-13

Own Tax Revenues	0.546
Sales Tax	0.687
State Excise Duties	0.672
Motor Vehicle Tax	0.773
Stamp Duty and Registration Fees	0.763
Other Taxes	1.501

Source (Basic Data): Finance Accounts and State Budget 2012-13

The own non-tax revenue remains an important source of revenue for the State as it constitutes about half of the own revenue receipts. Income from State lottery, power sector, road transport, and interest receipts has been the main source of non-tax revenue (Table 5). The relative share of lottery income (net) shows volatility in terms of its contribution to the own non-tax revenue and set to decline from 17.8 per cent in 2011-12 to 12.6 per cent in 2013-14 (BE). The Government initiatives like broad basing the lottery operations with the introduction of the on-line lotteries, and introduction of on-line casino operations with the passage of Sikkim Casino Games (Control & Tax) Act 2002 are expected to yield increasing revenue from lottery operations. The relative share of income from power sector has increased in recent years showing a peak of 64. 2 per cent in 2009-10 as the newly commissioned hydro-project units started giving the State share in the production of electricity. Although the relative share of power sector has gradually declined from 2009-10 high, it still remains large at 34.6 per cent in 2013-14 (BE). The hydro power projects being constructed in the State are expected to make significant contribution in the coming years also. The Government had rationalized the power tariff by raising it by 16 % in 2012-13, which helped in improving the income from this source. The share of road transport in own non-tax revenue has been growing over the years. The income from forestry and wild life, though declined in between, seems to have been recovering in the recent years.

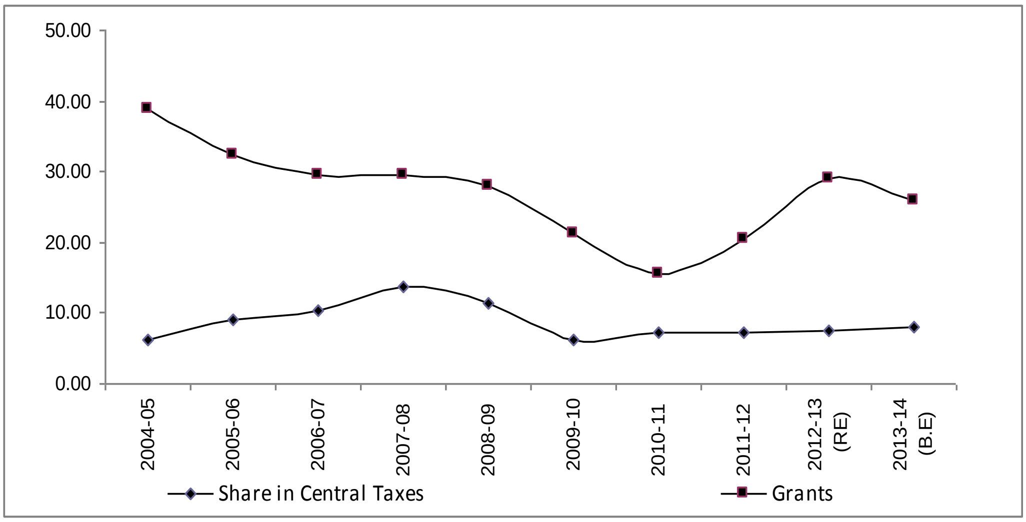
Table 5
Composition of States' Own Non-tax Revenues

(Per Cent)

	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13 (RE)	2013-14 (BE)
Own Non-Tax Revenue	100	100	100	100	100	100	100	100	100	100
Interest Receipts	7.2	5.5	3.1	7.1	8.9	9.9	7.2	12.0	7.2	9.1
Dividends and Profits	0.8	1.0	0.4	0.3	0.4	0.1	0.8	0.0	0.1	0.3
Police	3.9	12.4	8.1	6.9	4.0	3.3	9.9	5.3	15.2	15.8
Public Works	2.2	2.7	2.2	2.0	1.7	0.6	1.6	2.2	1.4	1.4
Administrative Services	3.4	2.6	1.5	1.2	0.9	1.0	1.4	2.7	1.3	1.3
Net Lottery Income	28.0	19.5	29.1	14.5	15.0	9.2	16.4	17.8	16.9	12.6
Edu, Sports, Art & Cult.	0.7	0.8	0.6	0.6	0.6	0.4	0.6	0.6	0.4	0.5
Medical and Pub. Health	0.9	0.8	0.3	0.5	0.3	0.2	0.2	0.5	0.4	0.4
Water Sup. and Sanitation	1.0	1.0	1.2	1.0	0.9	0.6	1.2	1.2	1.2	1.2
Urban Development	0.8	0.6	0.4	0.6	0.5	0.7	0.3	0.7	0.3	0.2
Forestry and Wildlife	7.1	8.8	5.5	5.2	3.9	2.0	4.5	5.1	4.6	4.8
Plantations	1.5	1.8	1.1	1.0	0.8	0.4	1.1	1.1	1.1	1.1
Other Rural Dev. Prog.	0.7	1.1	0.6	0.5	0.4	0.6	0.5	0.5	0.4	0.5
Power	19.2	24.6	33.9	46.1	52.9	64.2	40.9	32.7	33.9	34.6
Road Transport	19.3	12.0	8.6	7.4	6.0	4.6	9.3	12.7	10.8	11.3
Tourism	0.7	0.7	0.5	0.6	0.7	0.4	1.3	0.8	1.7	1.8
Others	2.6	4.1	2.7	4.6	1.9	2.0	2.8	4.2	3.1	3.2

Source (Basic Data): Finance Accounts and State Budget 2013-14

Figure 1
Central Transfers as Percentage of GSDP



From the Figure 1 it is evident that the share in central taxes remained at about 8 per cent of GSDP in recent years. Comparatively the Central grants contribute more to the State revenues. The Central grant to the State was further widened due to the recommendations of the TFC relative to various state specific grants and performance incentive grant. Starting from 2011-12, the State has been receiving State specific grants recommended by the TFC such as development of tourism, innovation of suspension foot bridges under North Districts of Sikkim, water security and public health engineering, police training and infrastructure, residential facility for police, border area development, State Capacity Building Institute, and conservation of heritage and culture. These grants, to be continued till 2014-15, have contributed substantially to the overall revenues of the State and facilitated building infrastructure in the sectors for which grants are targeted. The State has also received performance incentive grant for three years from 2010-11 to 2012-13. The State continues to get TFC grants for elementary education, environment related grants including forest, and water sector management, incentive grants to improve quality of public expenditure starting from 2010-11 to 2014-15. The grants for maintenance of roads and bridges, however, started in the year 2011-12.

3.3 Expenditure Profile

The social sector, particularly education and health in Sikkim, receive special attention in the resource allocation. In order to improve the quality of education and health infrastructure, the State Government has initiated several measures. The expenditure pattern presented in Table 6 reflects these trends over the years. Due to spurt in growth of GSDP in 2009-10, the ratio of expenditure variables with GSDP declined. Thus the expenditure pattern since 2009-10 will be of interest in the context of the MTFP. The revenue expenditure, which had declined from 29.8 per cent relative to GSDP in 2009-10 to 28.9 per cent in 2011-12, is set to rise in revised estimates for the year 2012-13 and budget estimates for the year 2013-14. The revenue expenditure is projected to reach at 31.2 per cent to the GSDP in 2013-14 (BE). The revenue expenditure profile shows that while the general service remained flat relative to GSDP, the expenditure on economic and social services have increased during 2009-10 and 2013-14 (BE). The MTFP elaborates on the expenditure restructuring in the medium term where emphasis has been given to priority sector development spending.

Table 6
Expenditure Profile

(Per cent to GSDP)

	2004-05	**2005-06**	**2006-07**	**2007-08**	**2008-09**	**2009-10**	**2010-11**	**2011-12**	**2012-13 (RE)**	**2013-14 (BE)**
Revenue Expenditure	**48.4**	**44.7**	**45.1**	**45.8**	**42.8**	**29.8**	**28.2**	**28.9**	**30.6**	**31.2**
General Services	**14.9**	**14.4**	**15.5**	**15.5**	**13.8**	**10.7**	**9.6**	**9.0**	**10.0**	**10.4**
Interest Payment	5.7	5.1	5.3	4.7	4.8	2.5	2.6	2.3	2.2	2.0
Pension	1.8	2.1	2.3	2.0	1.8	2.1	2.2	2.1	2.6	2.7
Other General Services Excluding Salary	7.4	7.2	7.9	8.8	7.2	6.2	4.7	4.6	5.2	5.7
Social Services	**17.6**	**16.9**	**16.5**	**17.5**	**16.7**	**11.3**	**11.4**	**12.3**	**11.4**	**12.1**
Education	8.8	9.4	9.3	9.1	8.4	6.4	7.6	5.6	5.7	6.0
Medical and Public Health	2.8	2.3	2.3	2.6	2.3	1.8	1.5	1.4	1.3	1.3
Other Social Services	6.0	5.2	4.9	5.8	6.0	3.1	2.4	5.3	4.4	4.9
Economic Services	**15.9**	**13.4**	**13.1**	**12.8**	**12.2**	**7.8**	**7.0**	**7.3**	**8.7**	**8.2**
Compensation and Assignment to LBs	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.2**	**0.4**	**0.5**	**0.5**
Capital Expenditure	**20.4**	**17.3**	**15.1**	**16.6**	**18.9**	**11.2**	**6.4**	**7.9**	**16.1**	**12.7**
Capital Outlay	20.3	17.3	15.1	16.6	18.9	10.6	6.3	7.3	16.0	12.6
Net Lending	0.1	0.0	0.0	0.0	0.0	0.6	0.1	0.6	0.0	0.1

Source (Basic Data): Finance Accounts and State Budget 2013-14

The capital expenditure, which had slowed down in 2010-11 and 2011-12 relative to the GSDP, seems to have revived in 2012-13 (RE) and 2013-14 (BE). The requirements for achieving sustainable level of debt and deficit as stipulated in the FRBM fiscal targets required limiting the level of capital expenditure. The capital expenditure, however, has increased from 7.9 per cent to GSDP in 2011-12 to 16.1 per cent in 2012-13 (RE) and the budget estimates for 2013-14 sets a target of 12.7 per cent (Table 6). The composition of capital expenditure shows that sectors like water supply and sanitation, transport, energy and tourism have been the focus areas. The education and rural development sectors also have attracted relatively higher capital expenditure. The improvement in fiscal situation in the State provides opportunity to reinforce the core development strategy of building the social and physical infrastructure. The MTFP is prepared based on the rationale of restructuring the government spending by emphasizing the critical areas.

Table 7
Composition of Capital Expenditure

(Per Cent)

	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13 (RE)	2013-14 (BE)
Capital Expenditure	**100**	**100**	**100**	**100**	**100**	**100**	**100**	**100**	**100**	**100**
General Services	**4.7**	**5.0**	**6.5**	**9.5**	**12.6**	**13.7**	**12.6**	**4.1**	**12.6**	**15.5**
Social Services	**37.2**	**31.5**	**36.6**	**32.6**	**31.1**	**34.0**	**36.8**	**45.0**	**40.1**	**36.2**
Education	8.3	7.2	7.7	4.7	4.8	4.2	8.7	10.2	5.9	5.7
Health	1.0	2.3	0.6	0.6	1.1	0.5	7.1	15.8	7.3	8.2
Water supply, Sanitation, Housing & Urban Development	27.4	22.0	27.2	25.6	24.7	27.9	20.5	18.5	26.4	21.1
Information, Publicity & Broadcasting (21)	0.0	0.0	0.0	0.0	0.0	0.2	0.2	0.2	0.1	0.0
Welfare of SC/STBC	0.3	0.0	0.9	0.3	0.5	0.2	0.1	0.2	0.5	0.4
Social Security	0.2	0.0	0.1	1.3	0.1	0.9	0.1	0.0	0.0	0.7
Economic Services	**58.1**	**63.5**	**57.0**	**58.0**	**56.2**	**52.3**	**50.7**	**50.9**	**47.2**	**48.3**
Agriculture	1.1	1.5	1.8	1.7	1.5	2.3	1.4	2.8	1.8	1.4
Rural Development	3.3	1.9	7.7	9.2	4.0	5.2	5.0	5.8	1.6	2.1
Special Areas Programmes	0.9	7.2	8.0	5.5	1.7	1.8	2.5	2.9	1.8	1.4
Irrigation	0.7	0.6	0.8	0.7	0.8	0.5	1.2	0.5	0.7	0.4
Energy	28.2	25.5	11.7	11.4	10.1	11.1	7.3	6.1	7.0	3.5
Industries and Minerals	1.9	2.3	1.1	0.6	1.1	0.8	0.4	0.3	0.4	0.4
Transport	20.3	20.7	19.1	20.4	29.1	22.8	21.8	23.1	23.5	26.8
Science & Technology	0.0	0.0	0.1	0.4	0.3	0.2	0.0	0.0	0.0	0.0
Tourism	1.7	3.9	6.7	8.0	7.6	7.6	11.0	9.3	10.5	12.3

Source (Basic Data): Finance Accounts and State Budget 2012-13

3.4 Outstanding Debt and Government Guarantee

Outstanding debt of the Government of Sikkim has declined from 37.4 per cent in 2009-10 to 30.4 per cent in 2011-12, the last year for which audited data is available (Table 2). The outstanding debt is estimated to fall further in RE 2012-13 and BE 2013-14. The FRBM Act of the state stipulates to maintain the outstanding debt at prudent and sustainable level. With the improvement in fiscal situation in the State, the debt burden has been slowing down. The TFC in their revised fiscal roadmap have worked out the yearly outstanding debt burden for all the states aligning with the fiscal path. The outstanding debt burden of Sikkim for the years 2013-14 and 2014-15 as per the TFC fiscal roadmap is 58.80 and 55.90 relative to the GSDP respectively. The debt-GSDP ratio in the State remains lower than that of the TFC numbers. The decline in the average cost of debt of the state as a result of the debt restructuring formula of the Twelfth Finance Commission has helped to lowering the debt burden. Decline in the average cost of debt will result in higher fiscal space for the state government through reduction in the volume of interest payments, which has declined from 2.5 per cent in 2009-10 relative to GSDP to 2 per cent in 2013-14 (BE).

Table 8
Composition of Debt and Liabilities

(Per Cent)

	2008-09	2009-10	2010-11	2011-12	2012-13 (RE)
A. Public Debt	76.87	78.15	74.63	72.56	72.47
Internal Debt	61.34	65.86	63.94	66.41	66.71
Loans and Adv. from the Central Govt.	15.53	12.28	10.69	6.15	5.76
B. Other Liabilities	23.13	21.85	25.37	27.44	27.53
Small Savings, Provident Fund etc	18.94	17.96	21.00	22.67	23.82
Reserve Fund	1.32	1.04	0.85	0.72	0.02
Deposits	2.87	2.85	3.51	4.05	3.70
Total Public Debt & Other Liabilities	100	100	100	100	100.00

Source (Basic Data): Finance Accounts and State Budget 2013-14

The accumulated stock of debt is the outcome of the fiscal profile that has emerged over the years. The structure of outstanding debt has an important bearing on interest payment as different debt instruments carry different rates of interest depending on the type of borrowing and maturity structure. The share of market borrowing in the state has increased over the years while the share of loans and advances from the Central government has declined in the last two years (Table 8).

The share of high cost debt instruments like small savings, provident funds, etc. has shown a rising trend since 2008-09.

The Planning Commission of India has indicated six parameters to determine the quality of debt stock of any State.

1. The Debt Stock should be below 30 per cent of the GSDP.
2. Debt should be below 300 per cent of the Total Revenue Receipts (TRR).
3. The interest payment should be less than 18 per cent as a ratio of TRR.
4. The debt growth should not be more than 1.25 times the growth in revenues.
5. The revenue component of the fiscal deficit should not be more than 50 per cent.
6. The fiscal deficit should not be more than 25 per cent of the TRR.

The degree of debt overhang for Sikkim as examined taking into consideration these criteria is given in Table 9. The debt ratio remained above 30 per cent of GSDP till 2011-12 and has come down after that. The debt as a percentage of TRR remained much below 300 per cent and declining sharply in recent years and was as low as 68.8 per cent in 2012-13 (RE). The interest payment as a percentage of TRR remained below 18 per cent as indicated in the Planning Commission parameters. The state government could generate a revenue surplus and the ratio of debt growth to revenue growth is below the permissible target of 1.25. The state's fiscal deficit remained below 25 per cent of the TRR.

Table 9
Indicators of Debt Management

(Per Cent)

	2009-10	2010-11	2011-12	2012-13 (RE)
Debt Stock as per cent of GSDP*	37.4	34.0	30.4	29.9
Debt as a per cent of TRR	97.8	112.9	88.9	68.8
Interest payment as a per cent of TRR	6.6	8.7	6.6	5.0
Growth rate of debt	18.6	6.0	5.1	9.5
Growth rate of revenue	33.4	-8.3	33.5	41.5
Ratio debt growth-revenue growth	0.6	-0.7	0.2	0.2
FD as a per cent of TRR	7.2	14.7	6.3	7.4

Note: This represents the aggregate debt liabilities of the State

Guarantees given by the State Government

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 sum guaranteed by the State government on 31st March 2013 was Rs.310. crore (Budget Documents – 2013-14), which is below the permissible limit.

4. Medium Term Fiscal Plan: 2013-14 to 2015-16

4.1 Fiscal Indicators

Table 10 ***(follows Form F2 of the Act)***
Fiscal Indicators-Rolling Targets

		Previous Year (Y-2) Actuals	Current Year (Y-1) Revised Estimates	Ensuing Year (Y) Budget Estimates	Targets for Year (Y+1	Targets for Year Y+2)
		2011-12	2012-13 (RE)	2013-14 (BE)	2014-15	2015-16
1	Revenue deficit as percentage of GSDP	-5.27	-12.85	-9.74	-10.50	-11.34
2	Revenue deficit as percentage of Total Revenue Receipts (TRR)	-15.41	-29.55	-23.77	-24.13	-24.53
3	Fiscal deficit as percentage to GSDP	2.14	3.24	3.00	3.00	3.00
4	Total Outstanding Liabilities as percentage of GSDP	30.39	29.92	29.90	29.87	29.85

Notes:

1. GSDP is the Gross Domestic Product at current prices as per revised series of 2004-05 base
2. The negative sign in revenue deficit indicates surplus.

The fiscal indicators such as fiscal deficit, revenue deficit and liabilities showing the fiscal outcomes for previous year, current year, ensuing budget year and two outward years are presented in the Form F-1 following the stipulations of the Sikkim FRBM Act (Table 10). The fiscal indicators show that there has been an improvement in fiscal situation and the State Government achieved the targets of the fiscal path chalked out by the Thirteenth Finance Commission (TFC) starting from the year 2012-13. After the enactment of the FRBM Act of Sikkim in 2010, this is the third MTFP document that contains fiscal projections for the period 2013-14 (BE) to 2015-16. The MTFP builds on the fiscal consolidation process of the State Government and the fiscal outlook for the budget year and the two outward years comply with the TFC fiscal path. It needs to be mentioned here that the fiscal path chalked out by the TFC ends at 2014-15, whereas the MTFP goes beyond this target year. However the MTFP assumes that the fiscal management in the State will continue to be prudent and remain sustainable even after the TFC targets. The Fourteenth Finance Commission, which has already been constituted, will provide guidelines and principles for fiscal management for the State Government starting from the year 2015-16. The Government of Sikkim is committed to adhere to the fiscal path to be suggested by the Fourteenth Finance Commission also.

Table 11
Medium Term Fiscal Plan: 2012-13 to 2014-15

(AS Percent to GSDP)

	2011-12	2012-13	2013-14	2014-15	2015-16
Revenue Receipts	**34.19**	**43.49**	**40.98**	**43.52**	**46.25**
Own Tax Revenues	**3.50**	**3.96**	**4.09**	**4.14**	**4.19**
Income Tax	0.00	0.00	0.00	0.00	0.00
Sales Tax	1.48	2.18	2.16	2.21	2.25
State Excise Duties	1.15	1.02	1.05	1.02	1.00
Motor Vehicle Tax	0.20	0.16	0.16	0.16	0.16
Stamp Duty and Registration Fees	0.10	0.08	0.08	0.07	0.07
Other Taxes	0.58	0.52	0.64	0.68	0.71
Own Non-Tax Revenues	**2.91**	**3.16**	**3.06**	**3.08**	**3.11**
Central Transfers	**27.79**	**36.37**	**33.82**	**36.29**	**38.95**
Tax Share	7.28	7.47	8.00	8.63	9.31
Grants	20.51	28.90	25.82	27.66	29.64
Revenue Expenditure	**28.92**	**30.64**	**31.24**	**33.02**	**34.90**
General Services	**8.96**	**9.96**	**10.40**	**11.02**	**11.69**
Interest Payment	2.27	2.15	1.99	2.11	2.11
Pension	2.07	2.56	2.73	3.18	3.70
Other General Services	4.62	5.24	5.68	5.74	5.88
Social Services	**12.28**	**11.43**	**12.15**	**12.96**	**13.82**
Education	5.65	5.70	5.96	6.31	6.69
Medical and Public Health	1.36	1.35	1.30	1.34	1.39
Other Social Services	5.28	4.38	4.89	5.31	5.75
Economic Services	**7.31**	**8.72**	**8.16**	**8.51**	**8.87**
Compensation and Assignment to LBs	**0.37**	**0.53**	**0.53**	**0.53**	**0.53**
Capital Expenditure	**7.92**	**16.09**	**12.74**	**13.50**	**14.34**
Capital Outlay	7.33	16.04	12.65	13.42	14.27
Net Lending	0.59	0.05	0.09	0.08	0.07
Revenue Deficit	**-5.27**	**-12.85**	**-9.74**	**-10.50**	**-11.34**
Fiscal Deficit	**2.14**	**3.24**	**3.00**	**3.00**	**3.00**
Primary Deficit	**-0.13**	**1.08**	**1.01**	**0.89**	**0.89**
Outstanding Debt	**30.39**	**29.92**	**29.90**	**29.87**	**29.85**

Notes: 1. GSDP is the Gross Domestic Product at current prices as per revised series of 2004-05 base
2. The negative sign in revenue deficit indicates surplus.

The detailed projection of fiscal variables presented in Table 11 shows that the revenue account surplus has been growing during the MTFP period and the fiscal deficit has been stabilized at 3 per cent relative to the GSDP. Starting with the budget year, the capital expenditure has grown in the last two years of the MTFP. The capital expenditure could be raised due to significant revenue surplus without adversely affecting the fiscal deficit. Investments in physical and social infrastructure have received larger attention in the State for which capital expenditure has grown steadily. The focus on investments in infrastructure will remain a key factor in fiscal policy of the Government with the State economy growing in future years. Higher growth of the economy which would further improve the revenue situation coupled with prudent expenditure management is expected to improve the capital expenditure.

4.2 Assumption Underlying the Fiscal Indicators

According to the TFC roadmap for fiscal consolidation, Sikkim was expected to achieve 3.5 per cent fiscal deficit relative to GSDP by 2011-12 and reach at 3 per cent level by 2013-14. Despite the natural calamities and disruption in business activities affecting revenues the State managed to adhere to the TFC fiscal targets as stipulated in the FRBM Act of Sikkim. The MTFP assumes to continue with the fiscal consolidation process and structure the expenditures in the priority areas to help the development process in the State.

The MTFP uses the GSDP growth rate prescribed by the TFC on a year on year basis for the period from 2013-14 to 2014-15 for Sikkim (see Box 1). For the year 2015-16, which is beyond the TFC award period, the MTFP uses the same growth rate as that of the year 2014-15. For the purpose of MTFP, instead of taking aggregate own revenue, prescriptive buoyancy based growth rates of individual taxes are used for projection purpose. The buoyancy coefficients for the period 2004-05 to 2013-14 indicate that the growth rate of the State taxes is below the growth rate of the GSDP. The prescriptive buoyancies for individual taxes like sales tax, excise duty, motor vehicle tax, stamps and registration duties have been increased keeping in mind the scope for improvement in these taxes. For other taxes, the observed buoyancy for the period between 2004-05 and 2013-14 was taken as prescriptive buoyancies. The 2013-14 budget projected higher sales tax collection target of Rs.225 crores as against actual figures of Rs.124.19 croers in 2011-12.. The higher tax collection target was based on the Government's attempt to streamline the tax administration and expansion of tax base. The Government has initiated major e-governance programmes in the tax departments to introduce online registration, e-filling of returns and electronic control and evaluation majors.

The MTFP proposes to keep the trend growth rate of non-tax revenues for the period from 2004-05 to 2013-14 (BE) for the purpose of projection. In the case of central transfers also, the recommended State specific grants by the TFC are factored in during the projection year. For the share in central taxes budgetary figure for the year 2013-14 is allowed to grow at a rate marginally lower than the observed rate of trend growth rate during 2004-05 to 2013-14 (BE).

Expenditure Restructuring under MTFP

The revenue expenditure has been stabilized at around 30 per cent relative to GSDP since 2009-10. The profile of expenditure in the State reveals that due to higher emphasis on priority sector spending the revenue expenditure as percentage to GSDP has increased in RE 2012-13 and BE 2013-14. The MTFP proposes to continue with this fiscal management approach and provide higher level of sources to priority sectors. The MTFP, while restructuring the expenditure, keeps in consideration the fiscal targets to be achieved by the State in the medium term. Thus attempt was not made to compress the revenue expenditure to achieve the fiscal targets. In the medium term efforts have been made to improve the revenue surplus through higher revenue generation and provide for the spending in the development sector. The encouraging trend that comes out of the expenditure structure is the rise in share of social and economic services in resource allocation.

The ensuing budget contains policy announcements regarding new schemes in various sectors. The Government initiated several new schemes to improve social and economic infrastructure last year. The resource allocation in the MTFP has taken into consideration all the existing programmes and new schemes proposed in the 2013-14 budget announcements. The existing and new schemes in various sectors like agriculture and rural development, health, education, tourism, and other infrastructure sectors underline the focus areas for the Government in the medium term. Based upon the announced policies of the State Government, the MTFP proposes to strengthen social and economic sector expenditure further by making adequate provisions. The social sector expenditure as per cent of GSDP increases from 12.15 per cent in BE 2013-15 to 13.82 per cent in 2015-16. Similarly the expenditure under economic services has increased from 8.16 to 8.87 per cent during this period. The general services also experience a rise.

The revenue expenditure, taking into account allocations to different sectors based on Government priorities during the MTFP period, rises from 31.24 per cent to GSDP in BE 2013-14 to 34.90 per cent in 2015-16 (Table 11). The rise in revenue expenditure during the projection period is not very sharp and the MTFP takes a balanced view between keeping the focus on social and economic sectors intact and remain in the fiscal consolidation. The rise in revenue expenditure does not reduce the revenue surplus, which is used for higher capital expenditure and stabilize the fiscal deficit..

The capital expenditure at 12.74 per cent to GSDP in 2013-14 (BE) has been higher than that for the year 2011-12 at 7.92 per cent. As the fiscal deficit is stabilized at 3 per cent to GSDP and revenue account surplus has been growing in the medium term, the capital expenditure is allowed to grow during the MTFP period. The capital expenditure increased from 12.74 per cent to GSDP in 2013-14 (BE) to 14.34 per cent in 2015-16. The capital expenditure is raised during the MTFP period aligned with the fiscal targets. The MTFP keeps the requirements of infrastructural development in the State and immediate need for rebuilding of the earthquake affected infrastructure while projecting the capital expenditure.

Debt and Deficit under MTFP

The revenue surplus profile, which indicates a rising trend during the MTFP period, is given in Table 11. The rise in revenues that includes central transfers and controlled increase in revenue expenditure resulted in higher revenue surplus. The fiscal deficit has been estimated to remain at 3 per cent level starting with the 2013-14 (BE). The fiscal deficit target complies with the fiscal adjustment prescribed by the

TFC for Sikkim. The emerged fiscal profile shows that the outstanding debt is also stabilized below 30 per cent relative to GSDP.. This debt-GSDP ratio path remains lower than that of the debt path for Sikkim proposed by the TFC. The TFC has assumed a debt-GSDP ratio of 58.80 per cent in 2013-14, and 55.90 per cent in 2014-15 (see Report of TFC, Annex 9.1, pp 409). It needs to be emphasized here that the State Government is committed to strengthen the fiscal consolidation process and achieve the objectives of the FRBM Act.

Box 1
Proposed MTFP Targets

Macro Parameters

- Nominal Growth of GSDP as prescribed by the TFC, 11.25 per cent

Revenue Resources

- Sales tax assumes a buoyancy of 1.2 as against the observed buoyancy of 0.687
- The state excise duty assumes a buoyancy of 0.750.
- The stamp duty and registration fees assumes a buoyancy of 0.800
- Motor Vehicle tax assumes a buoyancy of 1.00
- Other taxes assumes a buoyancy of 1.501

Expenditure Projections

- Pension payments are projected on the basis of the historical growth rates for pension payments for the period from 2004-05 to 2013-14 (BE). The observed growth of pension during this period was 30 per cent.
- The interest payments have been estimated on the basis of the effective rate of interest calculated on the base year (2011-12) value of interest payment divided by the stock of debt of the previous year.
- The growth rates in the area of high priority development expenditure in social services and within that, in health and education, are assumed to continue during the MTFP period.
- Social services expenditures will grow at the rate of 18.66 per cent per annum.
- Education expenditure will grow at the rate of 17.86 per cent per annum
- Health expenditure will grow at the rate of 15.00 per cent per annum.
- Capital expenditure to GSDP ratio is expected to increase from 12.74 per cent in 2013-14 (BE) to 14.34 per cent in 2015-16 with a growth rate of 17 per cent.

Deficit and Debt targets

- The MTFP 2013-14 to 2015-16 projects the revenue surplus to increase from 9.74 per cent to the GSDP to 11.34 per cent.
- The fiscal deficit is projected to remain at 3 per cent level relative to the GSDP
- The outstanding debt to GSDP ratio is expected to decline from 29.90 per cent to 29.85 per cent.

5. Conclusion

The MTFP covering the period from 2013-14 (BE) to 2015-16 has been prepared on a backdrop of an improved fiscal situation in the State. The fiscal performance indicators for the year 2011-12, the last year for which the actual data is available, reflect this situation. The State Government has initiated several schemes in the social and economic sectors in recent years. The MTFP has been prepared with objective of safeguarding the fiscal consolidation process and provide adequate resources to existing schemes in priority areas. Thus the medium term framework is based on detailed analysis of the state finances and the revenue and expenditure policies announced in recent years and in the budget of 2013-14. The revenue augmentation measures, expenditure side restructuring based on the priorities expressed in the budget, and the resultant borrowing requirements are elaborated in the MTFP. In the revenue side, the need for improving revenue receipts is reflected in the changes in tax policies and tax administration measures. The MTFP makes projections for two outward years beyond the BE 2013-14 keeping the requirement of achieving fiscal prudence to continue on the proposed fiscal roadmap of the TFC. The MTFP proposes to maintain the 3 per cent fiscal deficit relative to GSDP and generate increasing level of surplus in the revenue account. The favourable fiscal situation made it possible to increase the capital expenditure during the MTFP period. As the growth prospective for the state looks bright in the coming years, the State will be able to increase the capital expenditure. The debt burden of the State is already below the limits suggested by the TFC. With the decline in debt servicing obligation for the state based on realistic assumption with regard to the average cost of debt and the level of fiscal deficit, the debt burden is further projected to decline. To conclude, the Government of Sikkim is committed to maintain the fiscal discipline and stability in the State and manage the fiscal policy to strengthen the growth process.

Disclosures

Form D-1

(*See* Rule 4)

Select Fiscal Indicators

Sl. No.	Item	Previous Year 2011-12 (Actuals)	Current Year 2012-13(RE)
1	Gross Fiscal Deficit as Percentage to GSDP	2.14	3.24
2	Revenue Deficit as Percentage of GSDP	-5.27	-12.85
3	Revenue Deficit as Percentage of Gross Fiscal Deficit	-245.61	-396.83
4	Revenue deficit as Percentage of TRR	-15.41	-29.55
5	Debt Stock as Percentage of GSDP	28.94	28.81
6	Total Liabilities as Percentage to GSDP	30.39	29.92
7	Capital Outlay as Percentage of Gross Fiscal Deficit	341.78	495.31
8	Interest Payment as Percentage of TRR	6.64	4.95
9	Salary Expenditure as Percentage of TRR	37.29	29.00
10	Pension Exp. As Percentage of TRR	6.05	5.90
11	Non-development Expenditure as Percentage of Aggregate Disbursements	25.54	25.67
12	Non-tax Revenue as Percentage of TRR	8.50	7.26

Form D-2

(*See* Rule 4)

Components of State Government Liabilities

Rs. Crore

Category	Raised during the fiscal year		Repayment during the fiscal year		Outstanding Amount (End March)	
	Previous Year (Actuals)	Current year (RE)	Previous Year (Actuals)	Current year (RE)	Previous Year (Actuals)	Current year (RE)
Internal Debt	86.89	232.26	45.30	62.30	1695.26	1865.22
Loan from Centre	0.55	14.50	3.36	10.45	157.00	161.05
State Provident Funds	195.35	209.50	126.83	122.35	578.80	665.95
Reserve Funds/Deposits	410.45	127.33	394.77	145.11	121.76	103.98
Other Liabilities						

Form D-3

(*See* Rule 4)

Guarantees Given by the Government (Rs. Crore)

Sl.No	Name of the Institution to which Guarantees is given	Maximum Guarantee given	Remarks.
1	Sikkim Industrial Development & Investment Corporation Ltd.	285.00	
2	Scheduled Castes Scheduled Tribes and Other Backward Classes Development Corporation Ltd. (SABCO)	25.00	
	Total	310.00	

Form D-4

(*See* Rule 4)

Number of Employees in Public Sector Undertakings & Aided Institutions and Expenditure of State Government

Sl.No	Sector Name	Total Employees as on 31.3.2013	Related Expenditure Rs. Crore	
			On Salary	On Pension
A(a)	Regular government Employees	30903	1178.91	239.66
(b)	Work Charged	1636		
(c)	Muster Roll	10801		
(d)	Others	10739		
B	Public Sector Undertakings & Aided Institutions			
1	State Bank of Sikkim	314	11.05	
2	Govt. Fruit Preservation Factory	87	1.02	
3	Sikkim Hatcheries Pvt. Ltd	10	0.06	
4	Sikkim Poultry Dev corp.	5	0.04	
5	Sikkim Handloom and Handicraft Dev. Corp.	9	0.41	
6	Denzong Agricultural Co operative Society.	40	0.47	0.009
7	Sikkim State Co- Operative Bank Ltd.	60	2.11	0.22
8	Sikkim Co- Operative Milk Producers' Ltd.	133	1.73	0.10
9	Sikkim Schedule Caste & Schedule Tribe and Other Backward Classes Dev. Co operation Ltd. (SABCO)	23	0.95	
10	State Trading Corporation of Sikkim.	63	2.42	0.12
11	Sikkim Industrial Dev and Investment Corporation Ltd.	43	1.81	
12	Sikkim Tourism Dev. Corporation Ltd.	87	1.10	0.05
13	Sikkim State Co-Operative Supply & Marketing Federation Ltd.	88	2.42	0.026
14	Sikkim Power Dev. Corporation .	66	0.92	
15	Sikkim Consumers' Co operative Society Ltd.	26	0..37	
16	Sikkim Livestock Processing & Development Corporation Ltd	2	0.03	

Source of information of Sl.A is from DESM&E.The total employee under A(d) is inclusive of B.