

**FISCAL RESPONSIBILITY AND BUDGET MANAGEMENT
(AMENDMENT) BILL, 2021
BILL NO. 9 OF 2021**

A

BILL

further to amend the Fiscal Responsibility and Budget Management Act, 2010.

Be it enacted by the Legislature of Sikkim in the Seventy- Second Year of the Republic of India as follows:-

Short title and Commencement 1 (1) This Act may be called the Sikkim Fiscal Responsibility and Budget Management (Amendment) Act, 2021.

(2) It shall come into force at once.

Ammendment of Section 5 2 In the Fiscal Responsibility and Budget Management Act, 2010,

(1) in sub- Section (1),

(i) for the clause (b) and the entries relating thereto, the following shall be substituted , namely:-

"(b) The State Government shall adhere to a maximum fiscal deficit of 4% of Gross State Domestic Product (GSDP) in 2021-22, 3.5% of Gross State Domestic Product (GSDP) in 2022-23 and maintain it at 3% of Gross State Domestic Product (GSDP) in 2023-24 and thereafter:

Provided that, an annual additional borrowing space of 0.5% of Gross State Domestic Product (GSDP) would be allowed for the period 2021-22 to 2024-25 based on certain performance criteria in the power sector:

Provided further that , if the State Government is not able to fully utilize its sanctioned borrowing limit, as specified above, in any particular year during the years from 2021-22 to 2024-25, it will have the option of availing this unutilized borrowing amount in any of the subsequent years within 2021-22 to 2025-26"

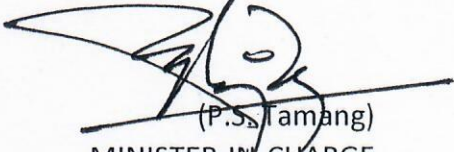
(ii) for clause (d), the following shall be substituted, namely:-

"(d) The State Government shall maintain a declining trend of Debt to Gross State Domestic Product (GSDP) ratio after the financial year 2022-23. The indicative debt path shall be as under:

Financial Year	Debt to GSDP
2021-22	27.5
2022-23	28.1
2023-24	28.1
2024-25	28
2025-26	27.9

STATEMENT OF OBJECTS AND REASONS

The State Government felt it expedient to amend the Fiscal Responsibility and Budget Management Act, 2010 in view of the decision of the Government of India to allow more fiscal space to the State Government from the financial year 2021-22 to 2025-26 as per the recommendation of the 15th Finance Commission.


(P.S. Tamang)
MINISTER-IN-CHARGE
Chief Minister
Government of Sikkim

FINANCIAL MEMORANDUM

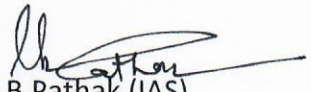
The Bill, if enacted and brought into operation, would not involve any additional expenditure from the Consolidated fund of the State. However, the Bill proposes to increase the borrowing limit from the existing limit.

Recommendation of the Governor under Article 207(1) of the Constitution of India.

The Governor having been informed of the subject matter of the Bill, has been pleased to recommend the introduction and consideration of the said Bill by the Sikkim Legislative Assembly.

MEMORANDUM REGARDING DELEGATED LEGISLATION

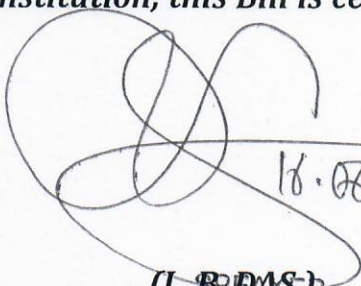
NIL


V.B. Pathak (IAS)
ADDITIONAL CHIEF SECRETARY,
FINANCE DEPARTMENT

Additional Chief Secretary
Finance Department
Govt. of Sikkim, Gangtok

The Fiscal Responsibility Bill, Bill No. 09 of 2021 having been passed by the Sikkim Legislative Assembly on 15th June, 2021 is hereby presented for assent of the Hon'ble Governor in pursuance with Article 200 of the Constitution of India.

In accordance to Article 199 (4) of the Constitution, this Bill is certified to be a Money Bill.

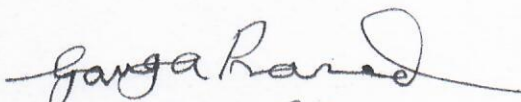


16.06.2021

(L. B. DAS)
SIKKIM LEGISLATIVE ASSEMBLY
SPEAKER

SIKKIM LEGISLATIVE ASSEMBLY

I hereby give my assent to the Bill.



18-06-2021

(Ganga Prasad)
Governor of Sikkim