



GOVERNMENT OF SIKKIM

2025-26

**EXPLANATORY
MEMORANDUM
TO THE
ANNUAL BUDGET**

(As laid before the Legislature)

MARCH, 2025

I N D E X

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ANNUAL BUDGET - 2025-26

Introduction :

The Annual Financial Statement, as required under Article 202(1) of the Constitution of India has been prepared according to the Heads of Classification of Accounts prescribed in terms of Article 150 of the Constitution of India. The statement shows the estimated receipts and expenditure of the Government of Sikkim for the Financial Year 2025-26. The details of the estimates of receipts under the various Major/Minor heads, Sub-Heads and Object Heads have been prepared in the form of "Estimates of Receipts" and the details of gross expenditure under the various Major/Minor heads, Sub-heads and Object heads have been prepared in the form of "Demands for Grants".

The General Financial Position of the State Government on the basis of (a) accounts for the year 2023-24 (Actuals) (b) Budget/ Revised Estimate for the year 2024-25, and (c) Budget Estimate for the year 2025-26 are summarised below :-

| | <i>(In Thousands of Rupees)</i> | | | |
|---|---------------------------------|-------------------------------|--------------------------------|-------------------------------|
| Particulars | Actual 2023-24 | Budget Estimate 2024-25 | Revised Estimate 2024-25 | Budget Estimate 2025-26 |
| I. Consolidated Fund: | | | | |
| 1. Revenue Receipts | 83513798 | 107491298 | 110379323 | 122313716 |
| 2. Expenditure met from Revenue | 82205503 | 102497917 | 99697432 | 110281733 |
| 3. Surplus on Revenue Account | 1308295 | 4993381 | 10681891 | 12031983 |
| 4. Capital Receipts | 27857994 | 32756122 | 37740222 | 37090122 |
| 5. Expenditure met from Capital including loans and advances | 29575696 | 37529027 | 47085458 | 51675256 |
| 6. Surplus on Capital Account | -1717702 | -4772905 | -9345236 | -14585134 |
| Total - Consolidated Fund (Net) | -409407 | 220476 | 1336655 | -2553151 |
| II. Contingency Fund: | | | | |
| Receipts | - | - | - | - |
| Disbursements | - | - | - | - |
| Total - Contingency Fund (Net) | - | - | - | - |
| III. Public Accounts: | | | | |
| Receipts | 233621664 | 216751634 | 223808796 | 233176246 |
| Disbursements | 233443527 | 216531156 | 216531156 | 234296512 |
| Total - Public Accounts (Net) | 178137 | 220478 | 7277640 | -1120266 |
| Grand Total (I + II + III) | -231270 | 440954 | 8614295 | -3673417 |
| Opening Balance | 762558 | 2699729 | 531288 | 9145583 |
| Closing Balance | 531288 | 3140683 | 9145583 | 5472166 |

BUDGET AT A GLANCE 2025-26

(In lakhs of Rupees)

| Sl. No. | Items | Actual 2023-24 | Budget Estimate 2024-25 | Revised Estimate 2024-25 | Budget Estimate 2025-26 |
|-----------|---|-------------------|-------------------------|--------------------------|-------------------------|
| 1 | 2 | 3 | 4 | 5 | 6 |
| A) | Tax Revenue | 174816.61 | 216354.14 | 198654.13 | 207623.37 |
| | <i>As % of GSDP</i> | 3.57 | 4.12 | 3.78 | 3.64 |
| B) | Non Tax Revenue | 87441.49 | 92697.08 | 98778.08 | 100723.67 |
| | <i>As % of GSDP</i> | 1.79 | 1.76 | 1.88 | 1.77 |
| C) | Transfers from the Centre (i+ii) | 572879.88 | 765861.76 | 806361.02 | 914790.12 |
| | <i>As % of GSDP</i> | 11.71 | 14.57 | 15.34 | 16.05 |
| | <i>i) Share of Central Taxes</i> | 428545.00 | 483917.00 | 505130.00 | 551909.00 |
| | <i>ii) Grant in aid from the Central Govt.</i> | 144334.88 | 281944.76 | 301231.02 | 362881.12 |
| D) | Total Revenue Receipts (A+B+C) | 835137.98 | 1074912.98 | 1103793.23 | 1223137.16 |
| E) | Total Revenue Expenditure | 822055.03 | 1024979.17 | 996974.32 | 1102817.33 |
| | <i>i) Of which Salary</i> | 310353.79 | 365362.03 | 362883.58 | 403193.63 |
| | <i>ii) Interest Payments</i> | 82362.88 | 91834.27 | 91851.94 | 107137.18 |
| | <i>iii) Pension</i> | 130108.64 | 151278.73 | 140478.73 | 176223.99 |
| | <i>iv) Other Revenue Expenditure (E-(i+ii+iii))</i> | 299229.72 | 416504.14 | 401760.07 | 416262.53 |
| F) | Revenue Surplus (D-E) | 13082.95 | 49933.81 | 106818.91 | 120319.83 |
| | <i>As % of GSDP</i> | 0.27 | 0.95 | 2.03 | 2.11 |
| G) | Primary Revenue Surplus (F+ E ii) | 95445.83 | 141768.08 | 198670.85 | 227457.01 |
| | <i>As % of GSDP</i> | 1.95 | 2.70 | 3.78 | 3.99 |
| H) | Recovery of Loan and advances | 38.84 | 32.72 | 32.72 | 32.72 |
| I) | Capital Receipts | - | - | - | - |
| J) | Capital Expenditure | 266066.01 | 333796.06 | 429342.70 | 450501.28 |
| K) | Disbursement of Loans and Advances | 55.10 | 135.00 | 135.00 | 135.00 |
| L) | Fiscal Deficit (F+H+I) - (J+K) | 252999.32 | 283964.53 | 322626.07 | 330283.73 |
| | <i>As % of GSDP</i> | 5.17 | 5.40 | 6.14 | 5.79 |
| | <i>i) As per FRBM/ FCD*</i> | 2.67 | 2.70 | 2.41 | 3.00 |
| | <i>ii) Special Central Assistance to States for Capital Expenditure</i> | 1.63 | 1.95 | 2.90 | 1.82 |
| | <i>iii) Pension Funding Adjustment</i> | 0.53 | 0.45 | 0.53 | 0.49 |
| | <i>iv) Power Sector Reforms</i> | 0.35 | 0.30 | 0.30 | 0.48 |
| M) | Public Debt and Other obligations as on 31st March | 1522688.32 | 1805959.69 | 1845314.39 | 2175598.12 |
| | <i>As % of GSDP</i> | 31.12 | 34.36 | 35.11 | 38.17 |
| N) | Guarantees outstanding (Guarantee given by the State Government) | 432102 | 432102 | 432102 | 432102 |
| | <i>As % of GSDP</i> | 8.83 | 8.22 | 8.22 | 7.58 |
| O) | Consolidated Debt (M+ N) | 1954790.32 | 2238061.69 | 2277416.39 | 2607700.12 |
| | <i>As % of GSDP</i> | 39.95 | 42.59 | 43.33 | 45.75 |

* For the Financial Years 2023-24 (Actuals), 2024-25 (BE & RE) and 2025-26 (BE), the Special Central Assistance as Loan to States for Capital Expenditure and Pension Funding Adjustment is over and above the normal borrowing ceiling as per the guidelines issued by the Ministry of Finance, Government of India. Further, the normal borrowing ceiling is maintained within 3% of GSDP as prescribed under the FRBM Act.

SIKKIM BUDGET 2025-26

CONSOLIDATED FUND

The position of the Consolidated Fund of the State on the basis of (a) accounts for the year 2023-24 (Actuals) (b) Budget Estimate/ Revised Estimate for the year 2024-25 and (c) Budget Estimates for the year 2025-26 is summarised below :

| <i>In Thousands of Rupees</i> | | | | |
|--|-------------------|-------------------------------|--------------------------------|-------------------------------|
| Particulars | Actual 2023-24 | Budget Estimate 2024-25 | Revised Estimate 2024-25 | Budget Estimate 2025-26 |
| CONSOLIDATED FUND | | | | |
| <u>REVENUE RECEIPTS</u> | | | | |
| A. TAX REVENUE | | | | |
| (a) Goods and Services Tax | 22837761 | 27107107 | 24818307 | 27241746 |
| (b) Taxes on Income & Expenditure | 27687462 | 31466701 | 33194400 | 36174200 |
| (c) Taxes on property & Capital Transactions | 571407 | 545100 | 545100 | 514200 |
| (d) Taxes on Commodities & Services | 9239531 | 10908206 | 11820606 | 12023091 |
| TOTAL A - TAX REVENUE | 60336161 | 70027114 | 70378413 | 75953237 |
| B. NON - TAX REVENUE | | | | |
| (b) Interest Receipts, Dividends & Profits | 991292 | 740000 | 1140000 | 771967 |
| (c) Other Non-Tax-Revenue | | | | |
| (i) General Services | 1873401 | 1946476 | 1946476 | 2090258 |
| (ii) Social Services | 341737 | 427458 | 427458 | 413331 |
| (iii) Economic Services | 5537719 | 6155774 | 6363874 | 6796811 |
| Total-Other Non-Tax Revenue | 7752857 | 8529708 | 8737808 | 9300400 |
| TOTAL B - NON-TAX REVENUE | 8744149 | 9269708 | 9877808 | 10072367 |
| C. GRANTS-IN-AID & CONTRIBUTIONS | | | | |
| Grants-in-aid from Central Govt. | 14433488 | 28194476 | 30123102 | 36288112 |
| TOTAL C - GRANTS-IN-AID & CONTRIBUTIONS | 14433488 | 28194476 | 30123102 | 36288112 |
| TOTAL - REVENUE RECEIPTS | 83513798 | 107491298 | 110379323 | 122313716 |

In Thousands of Rupees

| Particulars | Actual 2023-24 | Budget Estimate 2024-25 | Revised Estimate 2024-25 | Budget Estimate 2025-26 |
|---|-------------------|-------------------------------|--------------------------------|-------------------------------|
| <u>CAPITAL RECEIPTS</u> | | | | |
| (a) Internal Debt of the State Govt. | 19845300 | 22380200 | 22380200 | 26513200 |
| (b) Loans & Advances from the - Central Government | 8008810 | 10372650 | 15356750 | 10573650 |
| (c) Recovery of Loans & Advances - given by the State Government | 3884 | 3272 | 3272 | 3272 |
| TOTAL-CAPITAL RECEIPTS | 27857994 | 32756122 | 37740222 | 37090122 |
| TOTAL RECEIPTS - CONSOLIDATED FUND | 111371792 | 140247420 | 148119545 | 159403838 |

In Thousands of Rupees

| Particulars | Actual 2023-24 | Budget Estimate 2024-25 | Revised Estimate 2024-25 | Budget Estimate 2025-26 |
|---|-------------------|-------------------------------|--------------------------------|-------------------------------|
| <u>EXPENDITURE MET FROM REVENUE</u> | | | | |
| A. GENERAL SERVICES | | | | |
| (a) Organs of State | 1885148 | 1838458 | 1883807 | 1806456 |
| (b) Fiscal Services | | | | |
| (i) Collection of Taxes on Income & Expenditure | 26862 | 35642 | 35642 | 39891 |
| (ii) Collection of Taxes on Property and Capital Transactions | 141700 | 271556 | 280400 | 211533 |
| (iii) Collection of Taxes on Commodities & Services | 727947 | 837588 | 840788 | 906253 |
| TOTAL (b) - Fiscal Services | 896509 | 1144786 | 1156830 | 1157677 |
| (c) Interest payments & servicing of Debt | 8386288 | 9383427 | 9501372 | 10923718 |
| (d) Administrative Services | 8375908 | 9999703 | 9865675 | 10613228 |
| (e) Pension and Miscellaneous General Services | 13275677 | 18313923 | 14533923 | 21121301 |
| TOTAL - A GENERAL SERVICES | 32819530 | 40680297 | 36941607 | 45622380 |
| B SOCIAL SERVICES | | | | |
| (a) Education, Sports, Art & Culture | 13945943 | 16540114 | 16370568 | 17303401 |
| (b) Health and Family Welfare | 6209956 | 6943552 | 6947703 | 7195555 |
| (c) Water Supply, Sanitation, Housing and Urban Development | 3248794 | 3591977 | 3674953 | 3376546 |
| (d) Information & Publicity | 178921 | 180250 | 177750 | 193896 |
| (e) Welfare of Schedule Castes/ Tribes and Other Backward Classes | 981506 | 964762 | 970228 | 605780 |
| (f) Labour and Labour Welfare | 142828 | 201585 | 199421 | 234834 |
| (g) Social Welfare & Nutrition | 3841334 | 6114405 | 5887998 | 4696755 |
| (h) Others | 345504 | 366810 | 355642 | 391294 |
| TOTAL - B SOCIAL SERVICES | 28894786 | 34903455 | 34584263 | 33998061 |
| C ECONOMIC SERVICES | | | | |
| (a) Agriculture & Allied Activities | 6594895 | 8825795 | 8825520 | 10649885 |
| (b) Rural Development | 2772164 | 4058277 | 4068643 | 4518436 |
| (c) Special Area Programme | 249081 | 411000 | 386000 | 211001 |
| (d) Irrigation & Flood Control | 400246 | 388379 | 389278 | 372924 |
| (e) Energy | 4239304 | 4565778 | 5614878 | 5409775 |
| (f) Industry & Minerals | 727750 | 1172252 | 1186071 | 1137689 |
| (g) Transport | 3787643 | 4222105 | 4278311 | 5038351 |
| (i) Science Technology & Environment | 126589 | 228269 | 226318 | 203122 |
| (j) General Economic Services | 634757 | 1579930 | 1582049 | 1684783 |
| TOTAL - C ECONOMIC SERVICES | 19532429 | 25451785 | 26557068 | 29225966 |
| D GRANTS-IN-AID AND CONTRIBUTIONS | 958758 | 1462380 | 1614494 | 1435326 |
| TOTAL - REVENUE EXPENDITURE | 82205503 | 102497917 | 99697432 | 110281733 |

In Thousands of Rupees

| Particulars | Actual 2023-24 | Budget Estimate 2024-25 | Revised Estimate 2024-25 | Budget Estimate 2025-26 | |
|---|--|-------------------------------|--------------------------------|-------------------------------|------------------|
| DISBURSEMENT ON CAPITAL ACCOUNTS | | | | | |
| A | Capital account of General Services | 7207741 | 9649490 | 9207766 | 14495357 |
| B | Capital account of Social Services | 12268343 | 13386133 | 18891510 | 13536773 |
| C | Capital account of Economic Services | 7130517 | 10343983 | 14834994 | 17017998 |
| TOTAL - CAPITAL EXPENDITURE | | 26606601 | 33379606 | 42934270 | 45050128 |
| E PUBLIC DEBT | | | | | |
| (a) | Internal debt of State Government | 2849802 | 4022349 | 4024116 | 6520520 |
| (b) | Loans and Advances from the Central Government | 113783 | 113572 | 113572 | 91108 |
| TOTAL-E PUBLIC DEBT | | 2963585 | 4135921 | 4137688 | 6611628 |
| F | LOANS AND ADVANCES | 5510 | 13500 | 13500 | 13500 |
| H | TRANSFER TO CONTINGENCY | - | - | - | - |
| TOTAL - EXPENDITURE MET FROM CONSOLIDATED FUND | | 111781199 | 140026944 | 146782890 | 161956989 |