



GOVERNMENT OF SIKKIM

2026-27

**EXPLANATORY
MEMORANDUM
TO THE
ANNUAL BUDGET**

(As laid before the Legislature)

JULY, 2026

I N D E X

Sl. No.	C o n t e n t s	Page No.
1	Introduction - General Financial Position	<i>1</i>
2	Budget at a Glance	<i>2</i>
3	Consolidated Fund - Revenue Receipts	<i>3</i>
4	Consolidated Fund - Capital Receipts	<i>4</i>
5	Consolidated Fund - Revenue Disbursements	<i>5</i>
6	Consolidated Fund - Capital Disbursements	<i>6</i>

ANNUAL BUDGET 2026-27

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 2026-27. 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 2024-25 (Actuals) (b) Budget/ Revised Estimate for the year 2025-26, and (c) Budget Estimate for the year 2026-27 are summarised below :-

(In Thousands of Rupees)

Particulars	Actual 2024-25	Budget Estimate 2025-26	Revised Estimate 2025-26	Budget Estimate 2026-27
I. Consolidated Fund:				
1. Revenue Receipts	94512546	122313716	103320965	123788806
2. Expenditure met from Revenue	89688234	110281733	100093261	117333964
3. Surplus on Revenue Account	4824312	12031983	3227704	6454842
4. Capital Receipts	37725770	37090122	41348412	60773922
5. Expenditure met from Capital including loans and advances	38765695	51675256	43867287	67213391
6. Surplus on Capital Account	-1039925	-14585134	-2518875	-6439469
Total - Consolidated Fund (Net)	3784387	-2553151	708829	15373
II. Contingency Fund:				
Receipts	-	-	-	-
Disbursements	-	-	-	-
Total - Contingency Fund (Net)	-	-	-	-
III. Public Accounts:				
Receipts	283825268	233176246	233176246	284976160
Disbursements	287495490	234296512	234296512	285467127
Total - Public Accounts (Net)	-3670222	-1120266	-1120266	-490967
Grand Total (I + II + III)	114165	-3673417	-411437	-475594
Opening Balance	531353	9145583	645518	234081
Closing Balance	645518	5472166	234081	-241513

BUDGET AT A GLANCE 2026-27

(In lakhs of Rupees)

Sl. No.	Items	Actual 2024-25	Budget Estimate 2025-26	Revised Estimate 2025-26	Budget Estimate 2026-27
1	2	3	4	5	6
A)	Tax Revenue	181486.94	207623.37	207623.37	227470.62
	<i>As % of GSDP</i>	<i>3.40</i>	<i>3.64</i>	<i>3.64</i>	<i>3.61</i>
B)	Non Tax Revenue	91005.23	100723.67	100723.67	112436.19
	<i>As % of GSDP</i>	<i>1.71</i>	<i>1.77</i>	<i>1.76</i>	<i>1.79</i>
C)	Transfers from the Centre (i+ii)	672633.29	914790.12	724862.61	897981.25
	<i>As % of GSDP</i>	<i>12.61</i>	<i>16.05</i>	<i>12.69</i>	<i>14.26</i>
	i) Share of Central Taxes	509010.00	551909.00	540474.00	511295.01
	ii) Grant in aid from the Central Govt.	163623.29	362881.12	184388.61	386686.24
D)	Total Revenue Receipts (A+B+C)	945125.46	1223137.16	1033209.65	1237888.06
E)	Total Revenue Expenditure	896882.34	1102817.33	1000932.61	1173339.64
	i) Of which Salary	333909.14	403193.63	386885.52	425362.16
	ii) Interest Payments	94859.08	107137.18	97914.58	126226.05
	iii) Pension	137666.08	176223.99	139598.08	164880.85
	iv) Other Revenue Expenditure (E-(i+ii+iii))	330448.04	416262.53	376534.43	456870.58
F)	Revenue Surplus (D-E)	48243.12	120319.83	32277.04	64548.42
	<i>As % of GSDP</i>	<i>0.90</i>	<i>2.11</i>	<i>0.57</i>	<i>1.03</i>
G)	Primary Revenue Surplus (F+ E ii)	143102.20	227457.01	130191.62	190774.47
	<i>As % of GSDP</i>	<i>2.68</i>	<i>3.99</i>	<i>2.28</i>	<i>3.03</i>
H)	Recovery of Loan and advances	36.65	32.72	32.72	32.72
I)	Capital Receipts	-	-	-	-
J)	Capital Expenditure	346280.12	450501.28	372521.59	589547.45
K)	Disbursement of Loans and Advances	-	135.00	35.00	135.00
L)	Fiscal Deficit (F+H+I) - (J+K)	298000.35	330283.73	340246.83	525101.31
	<i>As % of GSDP</i>	<i>5.59</i>	<i>5.79</i>	<i>5.96</i>	<i>8.34</i>
	i) As per FRBM/ FCD*	1.32	3.00	2.70	3.00
	ii) Special Central Assistance to States for Capital Expenditure	3.27	1.82	2.44	5.26
	iii) Pension Funding Adjustment	0.51	0.49	0.55	0.08
	iv) Power Sector Reforms	0.49	0.48	0.27	0.00
M)	Public Debt and Other obligations as on 31st March	1886644.94	2175598.12	2222777.40	2747878.71
	<i>As % of GSDP</i>	<i>35.37</i>	<i>38.17</i>	<i>38.92</i>	<i>43.64</i>
N)	Guarantees outstanding (Guarantee given by the State Government)	123993	432102	123993	123993
	<i>As % of GSDP</i>	<i>2.32</i>	<i>7.58</i>	<i>2.17</i>	<i>1.97</i>
O)	Consolidated Debt (M+ N)	2010637.94	2607700.12	2346770.40	2871871.71
	<i>As % of GSDP</i>	<i>37.69</i>	<i>45.75</i>	<i>41.09</i>	<i>45.60</i>

* For the Financial Years 2024-25 (Actuals), 2025-26 (BE & RE) and 2026-27(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 2026-27

CONSOLIDATED FUND

The position of the Consolidated Fund of the State on the basis of (a) accounts for the year 2024-25 (Actuals) (b) Budget Estimate/ Revised Estimate for the year 2025-26 and (c) Budget Estimates for the year 2026-27 is summarised below :

In Thousands of Rupees

Particulars	Actual 2024-25	Budget Estimate 2025-26	Revised Estimate 2025-26	Budget Estimate 2026-27
CONSOLIDATED FUND				
<u>REVENUE RECEIPTS</u>				
A. TAX REVENUE				
(a) Goods and Services Tax	24403579	27241746	26407947	26697606
(b) Taxes on Income & Expenditure	33209738	36174200	35214100	33454800
(c) Taxes on property & Capital Transactions	443529	514200	514200	759100
(d) Taxes on Commodities & Services	10992848	12023091	12673490	12965057
TOTAL A - TAX REVENUE	69049694	75953237	74809737	73876563
B. NON - TAX REVENUE				
(b) Interest Receipts, Dividends & Profits	1288255	771967	771967	1362633
(c) Other Non-Tax-Revenue				
(i) General Services	1405249	2090258	2090258	1888353
(ii) Social Services	401013	413331	413331	365262
(iii) Economic Services	6006006	6796811	6796811	7627371
Total-Other Non-Tax Revenue	7812268	9300400	9300400	9880986
TOTAL B - NON-TAX REVENUE	9100523	10072367	10072367	11243619
C. GRANTS-IN-AID & CONTRIBUTIONS				
Grants-in-aid from Central Govt.	16362329	36288112	18438861	38668624
TOTAL C - GRANTS-IN-AID & CONTRIBUTIONS	16362329	36288112	18438861	38668624
TOTAL - REVENUE RECEIPTS	94512546	122313716	103320965	123788806

In Thousands of Rupees

Particulars		Actual 2024-25	Budget Estimate 2025-26	Revised Estimate 2025-26	Budget Estimate 2026-27
<u>CAPITAL RECEIPTS</u>					
(a)	Internal Debt of the State Govt.	20109995	26513200	27200000	27199300
(b)	Loans & Advances from the -				
	Central Government	17612110	10573650	14145140	33571350
(c)	Recovery of Loans & Advances -				
	given by the State Government	3665	3272	3272	3272
TOTAL-CAPITAL RECEIPTS		37725770	37090122	41348412	60773922
TOTAL RECEIPTS - CONSOLIDATED FUND		132238316	159403838	144669377	184562728

In Thousands of Rupees

Particulars		Actual 2024-25	Budget Estimate 2025-26	Revised Estimate 2025-26	Budget Estimate 2026-27
EXPENDITURE MET FROM REVENUE					
A.	GENERAL SERVICES				
(a)	Organs of State	1669534	1806456	1948661	1912542
(b)	Fiscal Services				
(i)	Collection of Taxes on Income & Expenditure	34449	39891	39891	44220
(ii)	Collection of Taxes on Property and Capital Transactions	268226	211533	211683	182678
(iii)	Collection of Taxes on Commodities & Services	890680	906253	907503	1036918
TOTAL (b) - Fiscal Services		1193355	1157677	1159077	1263816
(c)	Interest payments & servicing of Debt	9485908	10923718	10894826	12832605
(d)	Administrative Services	9226895	10613228	10113657	10890007
(e)	Pension and Miscellaneous General Services	14074974	21121301	14574705	17556541
TOTAL -A GENERAL SERVICES		35650666	45622380	38690926	44455511
B	SOCIAL SERVICES				
(a)	Education, Sports, Art & Culture	15325781	17303401	16294433	16772887
(b)	Health and Family Welfare	6552124	7195555	7494582	7477932
(c)	Water Supply, Sanitation, Housing and Urban Development	2952645	3376546	3022223	3547602
(d)	Information & Publicity	166797	193896	196196	220911
(e)	Welfare of Schedule Castes/ Tribes and Other Backward Classes	434186	605780	554053	669236
(f)	Labour and Labour Welfare	190492	234834	236591	243298
(g)	Social Welfare & Nutrition	5115863	4696755	4563947	8367613
(h)	Others	349408	391294	620403	328345
TOTAL - B SOCIAL SERVICES		31087296	33998061	32982428	37627824
C	ECONOMIC SERVICES				
(a)	Agriculture & Allied Activities	7044444	10649885	8766431	12428756
(b)	Rural Development	2834576	4518436	3919044	7034990
(c)	Special Area Programme	1000	211001	21336	1,500.00
(d)	Irrigation & Flood Control	335367	372924	366908	394994
(e)	Energy	5475421	5409775	7058772	6113782
(f)	Industry & Minerals	752999	1137689	902191	1275549
(g)	Transport	3932668	5038351	4615018	4635923
(i)	Science Technology & Environment	183724	203122	191631	283387
(j)	General Economic Services	998955	1684783	1230838	1823042
TOTAL - C ECONOMIC SERVICES		21559154	29225966	27072169	33991923
D	GRANTS-IN-AID AND CONTRIBUTIONS	1391118	1435326	1347738	1258706
TOTAL - REVENUE EXPENDITURE		89688234	110281733	100093261	117333964

In Thousands of Rupees

Particulars		Actual 2024-25	Budget Estimate 2025-26	Revised Estimate 2025-26	Budget Estimate 2026-27
<u>DISBURSEMENT ON CAPITAL ACCOUNTS</u>					
A	Capital account of General Services	8981473	14495357	10807142	16858025
B	Capital account of Social Services	13859401	13536773	12760625	26267811
C	Capital account of Economic Services	11787138	17017998	13684392	15828909
TOTAL - CAPITAL EXPENDITURE		34628012	45050128	37252159	58954745
E	PUBLIC DEBT				
(a)	Internal Debt of State Government	4025072	6520520	6520520	8155605
(b)	Loans and Advances from the Central Government	112611	91108	91108	89541
TOTAL-E PUBLIC DEBT		4137683	6611628	6611628	8245146
F	LOANS AND ADVANCES	-	13500	3500	13500
H	TRANSFER TO CONTINGENCY	-	-	-	-
TOTAL - EXPENDITURE MET FROM CONSOLIDATED FUND		128453929	161956989	143960548	184547355