

Arunachal Pradesh Budget Analysis 2026-27

The Deputy Chief Minister of Arunachal Pradesh, Mr. Chowna Mein, presented the Budget for the financial year 2026-27 on March 10, 2026.

Budget Highlights

- The **Gross State Domestic Product (GSDP)** of Arunachal Pradesh for 2026-27 (at current prices) is projected to be Rs 41,341 crore, amounting to growth of 0.1% over 2025-26.
- **Expenditure (excluding debt repayment)** in 2026-27 is estimated to be Rs 35,295 crore, a decrease of 8% from the revised estimate of 2025-26. In addition, debt of Rs 1,312 crore will be repaid by the state.
- **Receipts (excluding borrowings)** for 2026-27 are estimated to be Rs 30,743 crore, a decrease of 10% from the revised estimate of 2025-26. This is mainly due to a decrease in the share in central taxes.
- **Revenue surplus** in 2026-27 is estimated to be 9% of GSDP (Rs 3,672 crore), lower than the revenue surplus of 17% of GSDP in 2025-26 as per the revised estimates (Rs 6,991 crore).
- **Fiscal deficit** for 2026-27 is targeted at 11% of GSDP (Rs 4,551 crore), higher than the revised estimate for 2025-26 (10.5% of GSDP). In 2026-27, the state has budgeted receipt of Rs 3,850 crore as 50-year interest-free central capex loan (9.3% of GSDP). In 2025-26, as per revised estimates, receipts on this account are estimated to be Rs 3,704 crore (9.0% of GSDP). This loan is not included in the annual borrowing ceiling for the state.

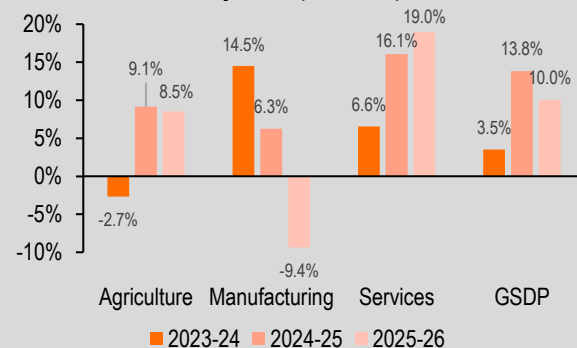
Policy Highlights

- **Education:** The state will formulate a policy on early child care and education. The Chief Minister’s School Sports Programme will be launched.
- **MSMEs:** The ARUN MSME Mission will be launched to strengthen and upscale MSMEs. The mission will cover food processing, textiles, handicrafts, tourism, and other activities in the services sector.
- **Agriculture:** Five initiatives will be launched to encourage sericulture: (i) development of low-cost automation for women-led enterprises, (ii) establishment of climate-resilient high-altitude seed clusters, (iii) skill development of young weavers, (iv) integrated seri-tourism, and (v) capacity building.
- **Energy and Climate:** The government aims to restructure the power sector activities to ensure reliable supply and accountability. A task forces will be constituted to suggest modalities for participating in the carbon credit market, and issuance of green bonds for investment in renewables. A project for off-grid electrification of border and left-out villages will be launched. A policy to enhance electric vehicle adoption will be introduced. A high-powered committee will be constituted to suggest measures for sustainable management of water.
- **Infrastructure:** Work will commence for development of aerocity near the Donyi Polo Airport. For the twin capital region, feasibility of transport solutions such as monorail and ropeway systems will be examined.

Arunachal Pradesh’s Economy

- **GSDP:** In 2025-26, Arunachal Pradesh’s GSDP (at constant prices) is estimated to grow by 10% over the previous year. In comparison, India’s GDP is estimated to grow by 7.4% in 2025-26.
- **Sectors:** In 2025-26, agriculture, manufacturing, and services sectors are estimated to contribute 27%, 21%, and 52% of Arunachal Pradesh’s economy, respectively (at current prices).
- **Per capita GSDP:** In 2025-26, Arunachal Pradesh’s per capita GSDP (at current prices) is estimated to be Rs 3,09,994, an increase of 11% over the previous year. In 2025-26, India’s per capita GDP is estimated to increase by 7% to Rs 2,51,393.

Figure 1: Growth in Arunachal Pradesh’s GSDP at constant prices (2011-12)

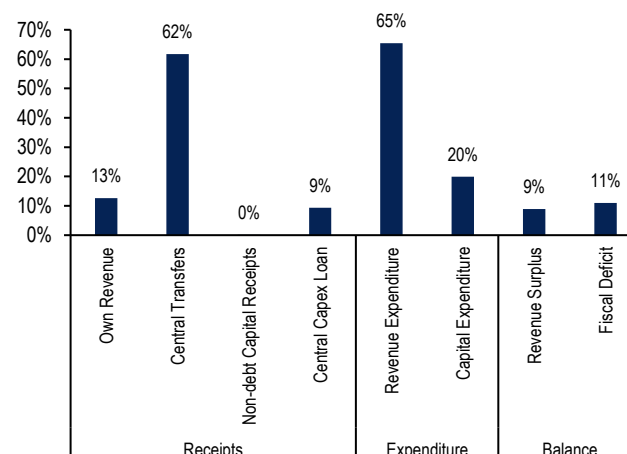


Note: These numbers are as per constant prices (2011-12) which implies that the growth rate is adjusted for inflation.
Sources: FRBM Statement, Arunachal Pradesh Budget Documents 2026-27; PRS.

Budget Estimates for 2026-27

- **Total expenditure (excluding debt repayment)** in 2026-27 is targeted at Rs 35,295 crore. This is a decrease of 8% from the revised estimate of 2025-26. This expenditure is proposed to be met through **receipts (excluding borrowings)** of Rs 30,743 crore and net borrowings of Rs 4,551 crore. Total receipts for 2026-27 (other than borrowings) are expected to register a decrease of 10% over the revised estimate of 2025-26.
- The state estimates a **revenue surplus** of 9% of GSDP (Rs 3,672 crore) in 2026-27, lower than the revenue surplus of 17% of GSDP (Rs 6,991 crore) in 2025-26 as per the revised estimates.
- **Fiscal deficit** for 2026-27 is targeted at 11% of GSDP (Rs 4,551 crore), higher than the revised estimates for 2025-26 (10.5% of GSDP). The central government has been providing 50-year interest-free loans to state governments for capital expenditure since 2020-21. In both 2025-26 and 2026-27, receipts from this loan are estimated to be around 9% of GSDP. This loan is not included in the annual borrowing ceiling for the state.

Figure 2: Receipts and expenditure as % of GSDP in 2026-27 (as per budget estimates)



Note: Capital expenditure excludes debt repayment.
Sources: Arunachal Pradesh budget documents; PRS.

Table 1: Budget 2026-27 - Key figures (in Rs crore)

Items	2024-25 Actuals	2025-26 Budgeted	2025-26 Revised	% change from 2025-26 BE to 2025-26 RE	2026-27 Budgeted	% change from 2025-26 RE to 2026-27 BE
Total Expenditure	32,617	39,842	39,442	-1%	36,607	-7%
(-) Repayment of debt	808	1,034	953	-8%	1,312	38%
Net Expenditure (E)	31,810	38,809	38,489	-1%	35,295	-8%
Total Receipts	34,291	39,842	39,442	-1%	36,607	-7%
(-) Borrowings	3,981	5,288	5,307	0.4%	5,863	10%
of which central capex loans*	2,471	3,288	3,704	13%	3,850	4%
Net Receipts (R)	30,310	34,554	34,135	-1%	30,743	-10%
Fiscal Deficit (E-R)**	1,500	4,255	4,354	2%	4,551	5%
as % of GSDP	3.1%	8.9%	10.5%		11.0%	
Revenue Surplus	8,597	4,581	6,991	53%	3,672	-47%
as % of GSDP	18.0%	9.6%	16.9%		8.9%	
Primary Deficit**	599	3,260	3,364	3%	3,534	5%
as % of GSDP	1.3%	6.8%	8.1%		8.5%	
GSDP	47,823	47,823	41,314	-14%	41,341	0.1%

Note: BE is Budget Estimates; RE is Revised Estimates. *Central government has been providing 50-year interest-free loans to state governments for capital expenditure since 2020-21. These loans are excluded from the calculation of the state's borrowing ceiling. **The deficit figures may not match with those presented in the budget documents due to exclusion of capex loans for calculation of deficits. Sources: Annual Financial Statement, Arunachal Pradesh Budget Documents 2026-27; PRS.

Expenditure in 2026-27

- **Revenue expenditure** for 2026-27 is proposed to be Rs 27,062 crore, a decrease of 0.3% from the revised estimate of 2025-26. This includes expenditure on salaries, pension, interest, grants, and subsidies.
- **Capital outlay** for 2026-27 is proposed to be Rs 8,231 crore, a decrease of 27% over the revised estimate of 2025-26. Capital outlay indicates the expenditure towards creation of assets. Sectors with the highest decrease are: (i) transport (decrease of Rs 4,229 crore), and (ii) education (decrease of Rs 1,392 crore).

Table 2: Expenditure budget 2026-27 (in Rs crore)

Items	2024-25 Actuals	2025-26 Budgeted	2025-26 Revised	% change from 2025-26 BE to 2025-26 RE	2026-27 Budgeted	% change from 2025-26 RE to 2026-27 BE
Revenue Expenditure	21,710	29,963	27,133	-9%	27,062	-0.3%
Capital Outlay	10,097	8,842	11,352	28%	8,231	-27%
Loans given by the state	3.1	3	3.3	9%	2.3	-30%
Net Expenditure	31,810	38,809	38,489	-1%	35,295	-8%

Sources: Annual Financial Statement, Arunachal Pradesh Budget Documents 2026-27; PRS.

Committed expenditure: Committed expenditure of a state typically includes expenditure on payment of salaries, pension, and interest. A larger proportion of the budget allocated for committed expenditure items limits the state's flexibility to decide on other expenditure priorities, such as capital outlay. In 2026-27, Arunachal Pradesh is estimated to spend Rs 18,486 crore on committed expenditure, which is 60% of its estimated revenue receipts. This comprises spending on salaries (46% of revenue receipts), pension (10%), and interest payments (3%). In 2024-25, as per actual figures, 34% of revenue receipts were spent on committed expenditure items.

Table 3: Committed Expenditure in 2026-27 (in Rs crore)

Items	2024-25 Actuals	2025-26 Budgeted	2025-26 Revised	% change from 2025-26 BE to 2025-26 RE	2026-27 Budgeted	% change from 2025-26 RE to 2026-27 BE
Salaries	7,332	13,185	11,720	-11%	14,254	22%
Pension	2,165	2,795	2,942	5%	3,214	9%
Interest payment	901	994	990	-0.5%	1,017	3%
Total	10,398	16,974	15,652	-8%	18,486	18%

Sources: Annual Financial Statement, Arunachal Pradesh Budget Documents 2026-27; PRS.

Sector-wise expenditure: The sectors listed below account for 54% of the total expenditure on sectors by the state in 2026-27. A comparison of Arunachal Pradesh's expenditure on key sectors with that by other states is shown in Annexure 1.

Table 4: Sector-wise expenditure under Arunachal Pradesh Budget 2026-27 (in Rs crore)

Sector	2024-25 Actuals	2025-26 Budgeted	2025-26 Revised	2026-27 Budgeted	% change from 2025-26 RE to 2026-27 BE	Budget Provisions (2026-27 BE)
Transport	5,620	4,142	7,255	3,334	-54%	Rs 124 crore has been allocated towards capital outlay for roads and bridges.
Education, Sports, Arts, and Culture	4,156	3,466	5,013	3,295	-34%	Rs 500 crore has been allocated for Mission Shikshit Arunachal 2029.
Agriculture and Allied Activities	1,630	2,618	1,809	2,161	19%	Rs 50 crore has been allocated for Atmanirbhar Krishi Yojana.
Energy	2,793	2,869	2,868	2,143	-25%	Rs 193 crore has been allocated as capital outlay for the energy sector.
Police	1,591	3,075	1,781	2,011	13%	Eight crore rupees have been allocated towards establishing modern forensic science laboratory.
Health and Family Welfare	1,769	1,257	2,007	1,694	-16%	Rs 51 crore has been allocated for Chief Minister Arunachal Arogya Yojana. Rs 11 crore has been allocated for Dulari Kanya Scheme.
Rural Development	1,039	1,410	1,419	1,346	-5%	Rs 500 crore has been allocated for CM State Rural Roads Developments Program.
Irrigation and Flood Control	1,766	1,679	2,152	1,337	-38%	Rs 300 crore has been allocated for capital outlay for minor irrigation. Rs 43 crore has been allocated for flood control projects.
Water Supply and Sanitation	1,312	1,738	1,386	1,089	-21%	Rs 200 crore has been allocated for enhancement of urban sanitation across towns.
Urban Development	1,186	581	1,315	798	-39%	A capital outlay of Rs 32 crore has been allocated for urban development.
% of total expenditure on all sectors	72%	59%	70%	54%		

Sources: Annual Financial Statement, Arunachal Pradesh Budget Documents 2026-27; PRS.

Receipts in 2026-27

- **Total revenue receipts** for 2026-27 are estimated to be Rs 30,733 crore, a decrease of 10% from the revised estimate of 2025-26. Of this, Rs 5,208 crore (17%) will be raised by the state through its **own resources**, and Rs 25,525 crore (83%) will come **from the centre**. Resources from the centre will be in the form of state's share in central taxes (67% of revenue receipts) and grants (16% of revenue receipts).
- **Devolution:** In 2026-27, the state's share in central taxes is estimated at Rs 20,665 crore, a decrease of 16% from the revised estimate of 2025-26. This may be due to a decrease in Arunachal Pradesh's share in devolution, as per the recommendations of the 16th Finance Commission (see Page 7 for more details).
- **Grants from the centre** in 2026-27 are estimated at Rs 4,860 crore, a decrease of 2% from the revised estimate for 2025-26.
- **State's own tax revenue:** Arunachal Pradesh's total own tax revenue is estimated to be Rs 3,634 crore in 2026-27, an increase of 12% over the revised estimate of 2025-26. Own tax revenue as a percentage of GSDP is estimated at 8.8% in 2026-27, higher than the revised estimates for 2025-26 (7.9%). As per the actual figures for 2024-25, own tax revenue was 5.9% of GSDP.

Table 5: Break-up of the state government's receipts (in Rs crore)

Items	2024-25 Actuals	2025-26 Budgeted	2025-26 Revised	% change from 2025-26 BE to 2025-26 RE	2026-27 Budgeted	% change from 2025-26 RE to 2026-27 BE
State's Own Tax	2,820	3,396	3,249	-4%	3,634	12%
State's Own Non-Tax	1,048	1,212	1,429	18%	1,575	10%
Share in Central Taxes	22,611	24,992	24,475	-2%	20,665	-16%
Grants-in-aid from Centre	3,829	4,944	4,972	1%	4,860	-2%
Revenue Receipts	30,307	34,544	34,125	-1%	30,733	-10%
Non-debt Capital Receipts	3	10	10	0%	10	0%
Net Receipts	30,310	34,554	34,135	-1.2%	30,743	-10%

Note: BE is Budget Estimates; RE is Revised Estimates.

Sources: Annual Financial Statement, Arunachal Pradesh Budget Documents 2026-27; PRS.

- In 2026-27, **State GST** is estimated to be the largest source of own tax revenue (68% share).
- State GST revenue is estimated to increase by 13% over the revised estimate of 2025-26.
- Revenue from Sales tax/ VAT in 2026-27 is expected to be 11% higher than the revised estimate of 2025-26.
- Revenue from state excise is estimated to register an increase of 8% in 2026-27 over the revised estimate of 2025-26.

Transfers to local bodies

In 2026-27, the state government has budgeted to transfer Rs 317 crore to local bodies from its own resources, which is 6% of its own revenue. This includes: (i) Rs 300 crore to rural local bodies, and (ii) Rs 17 crore to urban local bodies.

Source: Statement of Budgetary Provisions for Rural and Urban Local Bodies, Arunachal Pradesh Budget Documents 2026-27; PRS.

Table 6: Major sources of state's own-tax revenue (in Rs crore)

Head	2024-25 Actuals	2025-26 Budgeted	2025-26 Revised	% change from 2025-26 BE to 2025-26 RE	2026-27 Budgeted	% change from 2025-26 RE to 2026-27 BE
State GST	1,846	2,179	2,182	0.1%	2,461	13%
Sales Tax/ VAT	555	673	573	-15%	634	11%
State Excise	299	406	362	-11%	392	8%
Taxes on Vehicles	81	88	85	-3%	94	10%
Stamps Duty and Registration Fees	30	18.4	17.6	-4%	20	14%
Land Revenue	8	32	30	-4%	34	12%

Sources: Annual Financial Statement, Arunachal Pradesh Budget Documents 2026-27; PRS.

Deficits and Debt in 2026-27

The Arunachal Pradesh Fiscal Responsibility and Budget Management Act, 2006 provides annual targets to progressively reduce the outstanding liabilities, revenue deficit and fiscal deficit of the state government.

Revenue balance: It is the difference of revenue expenditure and revenue receipts. A revenue deficit implies that the government needs to borrow to finance those expenses which do not increase its assets or reduces its liabilities. The budget estimates a revenue surplus of Rs 3,672 crore (9% of the GSDP) in 2026-27. A high revenue surplus stems from significant central transfers relative to a low GSDP base.

Fiscal deficit: It is the excess of total expenditure over total receipts. This gap is filled by borrowings and leads to an increase in total liabilities. In 2026-27, the fiscal deficit is estimated to be 11% of GSDP (Rs 4,551 crore). The 16th Finance Commission has recommended the annual fiscal deficit limit for states to be 3% of GSDP for the 2026-31 period. The central capex loans will be excluded to arrive at the borrowing ceiling. In 2026-27, central capex loans are budgeted at Rs 3,850 crore (9% of GSDP).

Outstanding liabilities: Outstanding liabilities is the accumulation of total borrowings at the end of a financial year. It also includes any liabilities on public accounts such as provident funds. At the end of 2026-27, outstanding liabilities (excluding central capex loans) are estimated to be 35.1% of GSDP, higher than the revised estimate for 2025-26 (34.4% of GSDP).

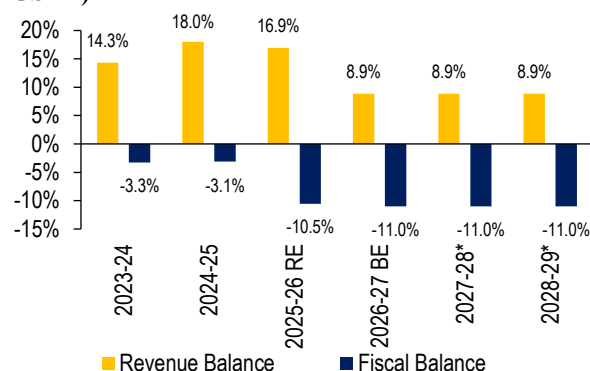
Table 7: Central Capex Loans to Arunachal Pradesh

Year	Amount (Rs crore)	% of GSDP
2023-24	2,363	4.9%
2024-25	2,471	5.2%
2025-26 RE	3,704	9.0%
2026-27 BE	3,850	9.3%
2027-28*	4,428	9.3%
2028-29*	5,092	9.3%

Note: *Figures from 2027-28 onwards are projections. RE is Revised Estimates; BE is Budget Estimates.

Sources: FRBM Statement, Arunachal Pradesh Budget Documents 2026-27; PRS.

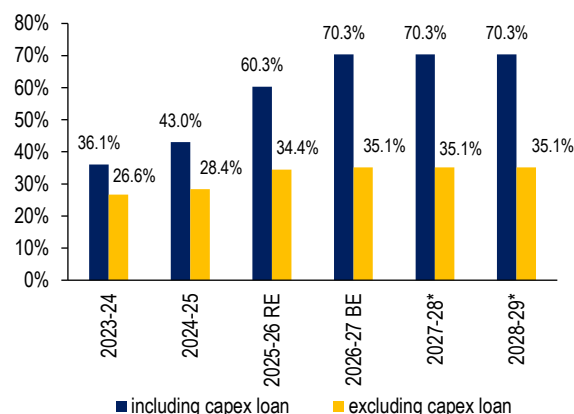
Figure 3: Revenue and Fiscal Balance (% of GSDP)



Note: *Figures from 2027-28 onwards are projections. RE is Revised Estimates; BE is Budget Estimates. (+) indicates a surplus and (-) indicates a deficit.

Sources: FRBM Statement, Arunachal Pradesh Budget Documents 2026-27; PRS.

Figure 4: Outstanding liabilities (as % of GSDP)



Note: *Figures from 2027-28 onwards are projections. RE is Revised Estimates; BE is Budget Estimates.

Sources: FRBM Statement, Arunachal Pradesh Budget Documents 2026-27; PRS.

Outstanding Government Guarantees: Outstanding liabilities of states do not include a few other liabilities that are contingent in nature, which states may have to honour in certain cases. State governments guarantee the borrowings of State Public Sector Enterprises (SPSEs) from financial institutions. As of March 2024, outstanding guarantee by the state government is estimated to be Rs 1.3 crore (0.003% of GSDP).

Power distribution

In Arunachal Pradesh, power distribution is undertaken by a government department. In 2024-25, Aggregate Technical and Commercial Losses (AT&C Losses) in Arunachal Pradesh stood at 46%, significantly higher than the national average (15%). AT&C losses indicate the percentage of power supplied for which no payment was received. Technical losses arise from factors such as heat and energy losses in the wires and other equipment. Commercial losses could be due to non-collection of revenue and theft. In the budget speech, the Deputy Chief Minister announced that the government aims to restructure the entire power spectrum from generation to transmission to distribution. This is to enable reliable supply and enhanced accountability. It also aims to achieve 100% installation of smart meters by March 2027, and introduce a power sector loss reduction incentive model.

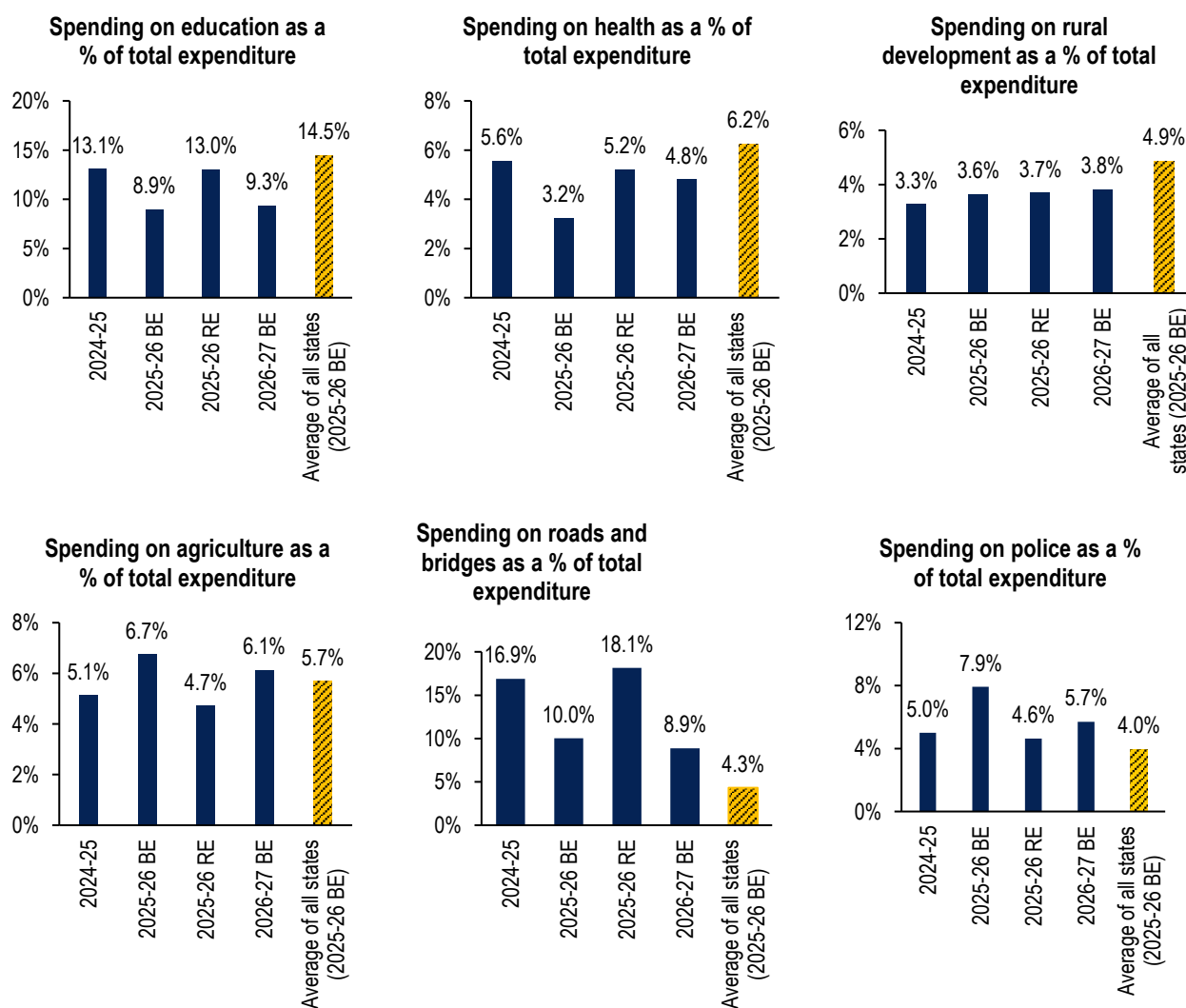
Sources: Report on Performance of Power Utilities 2024-25, Power Finance Corporation; PRS.

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Annexure 1: Comparison of states' expenditure on key sectors

The graphs below compare Arunachal Pradesh's expenditure in 2026-27 on six key sectors as a proportion of its total expenditure on all sectors. The average for a sector indicates the average expenditure in that sector by 31 states (including Arunachal Pradesh) as per their budget estimates of 2025-26.¹

- **Education:** Arunachal Pradesh has allocated 9.3% of its expenditure towards education in 2026-27. This is lower than the average allocation for education by states in 2025-26 (14.5%).
- **Health:** Arunachal Pradesh has allocated 4.8% of its expenditure towards health in 2026-27. This is lower than the average allocation for health by states in 2025-26 (6.2%).
- **Rural development:** Arunachal Pradesh has allocated 3.8% of its expenditure towards rural development in 2026-27. This is lower than the average allocation for rural development by states in 2025-26 (4.9%).
- **Agriculture:** Arunachal Pradesh has allocated 6.1% of its expenditure towards agriculture in 2026-27. This is higher than the average allocation for agriculture by states in 2025-26 (5.7%).
- **Roads and bridges:** Arunachal Pradesh has allocated 8.9% of its expenditure towards roads and bridges in 2026-27. This is higher than the average allocation for roads and bridges by states in 2025-26 (4.3%).
- **Police:** Arunachal Pradesh has allocated 5.7% of its expenditure towards police in 2026-27. This is higher than the average allocation for police by states in 2025-26 (4.0%).



Note: 2024-25, 2025-26 (BE), 2025-26 (RE), and 2026-27 (BE) figures are for Arunachal Pradesh.

Sources: Annual Financial Statement, Arunachal Pradesh Budget Documents 2026-27; various state budgets; PRS.

¹ The 31 states include the Union Territories of Delhi, Jammu and Kashmir, and Puducherry.

Annexure 2: Recommendations of the 16th Finance Commission for 2026-31

The Report of the 16th Finance Commission (Chair: Dr. Arvind Panagariya) was tabled in Parliament on February 1, 2026. The recommendations will apply for the five-year period between 2026-27 and 2030-31. The 16th Commission (FC) has recommended the share of states in the divisible pool of central taxes at 41%. The share remains unchanged from the 15th Finance Commission award period (2020-26). Divisible pool is arrived at after excluding cost of collection and cesses and surcharges from the gross tax revenue collected by the central government. The 16th FC has proposed a revised criteria to determine the share of individual states. See [here](#) for a PRS summary of the 16th Finance Commission Report. Based on the recommendations of the 16th FC, Arunachal Pradesh will have a 1.35% share in the divisible pool of central taxes for the 2026-31 period.

The 16th FC has recommended grants worth Rs 9.47 lakh crore over the five-year period. These comprise grants for: (i) urban and rural local bodies, and (ii) disaster management. It has discontinued the following grants recommended by the 15th FC: (i) revenue deficit grants, (ii) sector-specific grants, and (iii) state-specific grants. Grants recommended for Arunachal Pradesh over the 2026-31 period include: (i) Rs 233 crore for urban local bodies, (ii) Rs 1,698 crore for rural local bodies, and (iii) Rs 616 crore as disaster management grants. States will also receive a one-time grant for merger of peri-urban villages into adjoining larger urban local body with population of one lakh or above.

Table 8: Individual share of states in the taxes devolved by the centre (out of 100)

State	14 th FC (2015-2020)	15 th FC (2021-26)	16 th FC (2026-31)
Andhra Pradesh	4.31	4.05	4.22
Arunachal Pradesh	1.37	1.76	1.35
Assam	3.31	3.13	3.26
Bihar	9.67	10.06	9.95
Chhattisgarh	3.08	3.41	3.30
Goa	0.38	0.39	0.37
Gujarat	3.08	3.48	3.76
Haryana	1.08	1.09	1.36
Himachal Pradesh	0.71	0.83	0.91
Jammu and Kashmir	1.85	-	-
Jharkhand	3.14	3.31	3.36
Karnataka	4.71	3.65	4.13
Kerala	2.50	1.93	2.38
Madhya Pradesh	7.55	7.85	7.35
Maharashtra	5.52	6.32	6.44
Manipur	0.62	0.72	0.63
Meghalaya	0.64	0.77	0.63
Mizoram	0.46	0.50	0.56
Nagaland	0.50	0.57	0.48
Odisha	4.64	4.53	4.42
Punjab	1.58	1.81	2.00
Rajasthan	5.50	6.03	5.93
Sikkim	0.37	0.39	0.34
Tamil Nadu	4.02	4.08	4.10
Telangana	2.44	2.10	2.17
Tripura	0.64	0.71	0.64
Uttar Pradesh	17.96	17.94	17.62
Uttarakhand	1.05	1.12	1.14
West Bengal	7.32	7.52	7.22

Table 9: State-wise details of grants-in-aid for 2026-31 (in Rs crore)

State	Rural Local Bodies	Urban Local Bodies	Disaster Management
Andhra Pradesh	16,627	12,158	6,125
Arunachal Pradesh	1,698	233	616
Assam	14,580	3,249	5,243
Bihar	51,923	9,169	13,615
Chhattisgarh	11,664	4,990	2,481
Goa	174	726	112
Gujarat	18,802	23,764	8,459
Haryana	8,270	7,834	2,922
Himachal Pradesh	3,744	435	2,682
Jharkhand	14,231	6,093	2,806
Karnataka	18,889	18,483	6,419
Kerala	3,308	16,683	1,935
Madhya Pradesh	32,033	16,016	11,697
Maharashtra	32,817	46,803	29,619
Manipur	1,262	609	259
Meghalaya	1,479	377	437
Mizoram	567	377	284
Nagaland	697	667	408
Odisha	18,715	5,078	8,900
Punjab	8,486	7,834	2,477
Rajasthan	31,467	12,680	9,211
Sikkim	218	203	455
Tamil Nadu	16,930	25,069	8,486
Telangana	9,968	11,548	2,774
Tripura	1,176	1,016	356
Uttar Pradesh	83,261	33,543	15,321
Uttarakhand	4,047	2,497	4,954
West Bengal	28,203	22,023	6,869

Sources: Reports of the 14th, 15th, and 16th Finance Commission; PRS.

Table 10: Taxes devolved to states as per Union Budget 2026-27 (in Rs crore)

State	2024-25 Actuals	2025-26 Revised	2026-27 Budgeted
Andhra Pradesh	51,564	56,374	64,362
Arunachal Pradesh	22,386	24,475	20,665
Assam	39,855	43,572	49,725
Bihar	1,28,151	1,40,105	1,51,832
Chhattisgarh	43,409	47,459	50,427
Goa	4,918	5,377	5,571
Gujarat	44,314	48,448	57,311
Haryana	13,926	15,225	20,772
Himachal Pradesh	10,575	11,562	13,950
Jharkhand	42,135	46,066	51,236
Karnataka	46,467	50,802	63,050
Kerala	24,527	26,815	36,355
Madhya Pradesh	1,00,019	1,09,348	1,12,134
Maharashtra	80,486	87,994	98,306
Manipur	9,123	9,974	9,554
Meghalaya	9,773	10,684	9,631
Mizoram	6,371	6,965	8,608
Nagaland	7,250	7,926	7,341
Odisha	57,692	63,074	67,460
Punjab	23,023	25,171	30,464
Rajasthan	76,779	83,940	90,446
Sikkim	4,944	5,405	5,113
Tamil Nadu	51,971	56,819	62,531
Telangana	26,782	29,280	33,181
Tripura	9,021	9,862	9,783
Uttar Pradesh	2,28,565	2,49,885	2,68,911
Uttarakhand	14,245	15,573	17,415
West Bengal	95,852	1,04,793	1,10,119
Total	12,74,121	13,92,971	15,26,255

Note: Actuals for 2024-25 and Revised Estimates for 2025-26 have been reported in the Union Budget after adjusting for excess or less devolution in previous years. Sources: Union Budget Documents 2026-27; PRS.

Annexure 3: Comparison of 2024-25 Budget Estimates and Actuals

The following tables compare the actuals of 2024-25 with budget estimates for that year.

Table 11: Overview of Receipts and Expenditure (in Rs crore)

Particular	2024-25 BE	2024-25 Actuals	% change from BE to Actuals
Net Receipts (1+2)	31,278	30,310	-3%
1. Revenue Receipts (a+b+c+d)	31,268	30,307	-3%
a. Own Tax Revenue	2,953	2,820	-5%
b. Own Non-Tax Revenue	1,054	1,048	-1%
c. Share in central taxes	21,432	22,611	5%
d. Grants-in-aid from the Centre	5,829	3,829	-34%
2. Non-Debt Capital Receipts	10	3	-69%
3. Borrowings	4,563	3,981	-13%
Of which central capex loans	2,000	2,471	24%
Net Expenditure (4+5+6)	34,270	31,810	-7%
4. Revenue Expenditure	25,932	21,710	-16%
5. Capital Outlay	8,335	10,097	21%
6. Loans and Advances	3	3.1	3%
7. Debt Repayment	1,195	808	-32%
Revenue Surplus	5,336	8,597	61%
Revenue Surplus (as % of GSDP)	11%	18%	
Fiscal Deficit	2,993	1,500	-50%
Fiscal Deficit (as % of GSDP)	6.3%	3.1%	

Source: Arunachal Pradesh Budget Documents of various years; PRS.

Table 12: Key Components of State's Own Tax Revenue

Head	2024-25 BE	2024-25 Actuals	% change from BE to Actuals
Land Revenue	27	8	-70%
State GST	2,199	1,846	-16%
State Excise	294	299	2%
Sales Tax/ VAT	369	555	51%
Taxes on Vehicles	47	81	72%
Stamps Duty and Registration Fees	16	30	86%

Source: Arunachal Pradesh Budget Documents of various years; PRS.

Table 13: Allocation towards Key Sectors

Sector	2024-25 BE	2024-25 Actuals	% change from BE to Actuals
Welfare of SC, ST, OBC, and Minorities	68	37	-46%
Agriculture and Allied Activities	2,657	1,630	-39%
Rural Development	1,549	1,039	-33%
Social Welfare and Nutrition	1,148	805	-30%
Police	1,689	1,591	-6%
Water Supply and Sanitation	1,350	1,312	-3%
Health and Family Welfare	1,767	1,769	0%
Education, Sports, Arts, and Culture	4,087	4,156	2%
Energy	2,733	2,793	2%
Transport	4,490	5,620	25%
of which Roads and Bridges	4,210	5,369	28%
Housing	234	321	37%
Irrigation and Flood Control	1,147	1,766	54%
Urban Development	736	1,186	61%

Source: Arunachal Pradesh Budget Documents of various years; PRS.