

Mizoram Budget Analysis 2024-25

The Chief Minister of Mizoram, Pu Lalduhoma, presented the Budget for the state for the financial year 2024-25 on February 27, 2024.

Budget Highlights

- The **Gross State Domestic Product (GSDP)** of Mizoram for 2024-25 (at current prices) is projected to be Rs 48,038 crore, amounting to a growth of 22% over 2023-24.
- **Expenditure (excluding debt repayment)** in 2024-25 is estimated to be Rs 13,786 crore, a decrease of 6% over the revised estimates of 2023-24. In addition, debt of Rs 491 crore will be repaid by the state.
- **Receipts (excluding borrowings)** for 2024-25 are estimated to be Rs 12,420 crore, a decrease of 3% as compared to the revised estimate of 2023-24.
- **Revenue surplus** in 2024-25 is estimated to be 1.2% of GSDP (Rs 565 crore), higher than the revised estimates for 2023-24 (0.7% of GSDP).
- **Fiscal deficit** for 2024-25 is targeted at 2.8% of GSDP (Rs 1,366 crore). In 2023-24, as per the revised estimates, fiscal deficit is expected to be 4.7% of GSDP, higher than the budget estimate of 3.5% (Rs 1,247 crore).

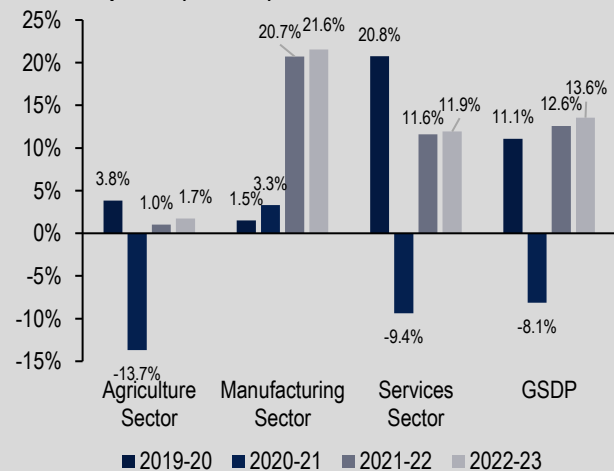
Policy Highlights

- **Power supply:** Electricity tariffs will not be increased to provide relief to household consumers. Upgradation initiatives such as replacing old transformers with new ones, connecting rooftop solar to the grid, and creating other infrastructure will be undertaken. Rs 20 crore has been allocated for this.
- **Stamp duty:** Stamp duty is proposed to be increased from 1% of the market value of property to 3%. A concession will be provided to widows at 2.5%.
- **Anti-intoxicants drive:** Efforts will be made with civil society, to combat the menace of drugs and alcoholism. Restoration and de-addiction programmes will be run through a network of residential homes and non-institutional services. Rs 50 lakh has been allocated for this in 2024-25.
- **Hand-holding policy (Bana Kaih):** The policy provides assistance to people engaged in agriculture and industry. In 2024-25, various programmes, initiatives, and central government schemes will be converged under this policy, to benefit those in agriculture and industry. Rs 200 crore has been allocated under this scheme for 2024-25.

Mizoram's Economy

- **GSDP:** In 2022-23, Mizoram's GSDP (at constant prices) grew at 13.6%. In comparison, national GDP is estimated to grow at 7% in 2022-23.
- **Sectors:** The agriculture sector grew by 1.7% in 2022-23. Manufacturing sector grew by 21.6% while services grew by 12% in 2022-23.
- In 2022-23, agriculture, manufacturing, and services sectors are estimated to contribute 21%, 33%, and 46% to the economy, respectively (at current prices).
- **Per capita GSDP:** The per capita income of Mizoram in 2022-23 (at current prices) is estimated at Rs 2,32,126, a compounded growth of 14% from 2012-13.

Figure 1: Growth in GDP and sectors in Mizoram at constant prices (2011-12)



Note: Agriculture includes mining and quarrying; Manufacturing includes construction and electricity. These numbers are as per constant prices (2011-12) which implies that the growth rate is adjusted for inflation.

Sources: Mizoram Economic Survey 2023-24; PRS.

Budget Estimates for 2024-25

- **Total expenditure (excluding debt repayment)** in 2024-25 is targeted at Rs 13,786 crore. This is a decrease of 6% over the revised estimate of 2023-24. This expenditure is proposed to be met through **receipts (excluding borrowings)** of Rs 12,420 crore and net borrowings of Rs 1,501 crore. Total receipts for 2024-25 (other than borrowings) are expected to register a decrease of 3% over the revised estimate of 2023-24.
- **Revenue surplus** in 2024-25 is estimated to be 1.2% of GSDP (Rs 565 crore), higher than the revised estimates for 2023-24 (0.7% of GSDP).
- **Fiscal deficit** for 2024-25 is targeted at 2.8% of GSDP (Rs 1,366 crore), lower than the revised estimates for 2023-24 (4.7% of GSDP). Fiscal deficit in 2023-24 is estimated to be higher at the revised stage due to a 25% increase in capital outlay, and a 13% increase in revenue expenditure. Note that the fiscal deficit for 2024-25 may be higher, if the state is not able to meet the estimated 22% GSDP growth.

Table 1: Budget 2024-25 - Key figures (in Rs crore)

Items	2022-23 Actuals	2023-24 Budgeted	2023-24 Revised	% change from BE 23-24 to RE 23-24	2024-25 Budgeted	% change from RE 23-24 to BE 24-25
Total Expenditure	14,019	14,210	16,105	13%	14,277	-11%
(-) Repayment of debt	2,603	1,443	1,443	0%	491	-66%
Net Expenditure (E)	11,416	12,767	14,662	15%	13,786	-6%
Total Receipts	14,328	14,210	16,046	13%	14,412	-10%
(-) Borrowings	4,019	2,690	3,247	21%	1,992	-39%
Net Receipts (R)	10,309	11,520	12,799	11%	12,420	-3%
Fiscal Deficit (E-R)	1,108	1,247	1,863	49%	1,366	-27%
as % of GSDP	3.4%	3.5%	4.7%		2.8%	
Revenue Surplus	190	418	257	-39%	565	120%
as % of GSDP	0.6%	1.2%	0.7%		1.2%	
Primary Deficit	614	585	1,199	105%	761	-37%
as % of GSDP	1.9%	1.6%	3.1%		1.6%	
GSDP	32,829	35,904	39,356	10%	48,038	22%

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

Sources: Annual Financial Statement, Mizoram Budget 2024-25; PRS.

Expenditure in 2024-25

- **Revenue expenditure** for 2024-25 is proposed to be Rs 11,822 crore, a decrease of 5% over the revised estimate of 2023-24. This includes the expenditure on salaries, pensions, interest, grants, and subsidies. Revenue expenditure is estimated to be 13% higher at the revised stage in 2023-24, as compared to the budget estimate of 2023-24 (Rs 11,069 crore).
- **Capital outlay** for 2024-25 is proposed to be Rs 1,954 crore, a decrease of 8% over the revised estimate of 2023-24. Capital outlay indicates the expenditure towards asset creation. Capital outlay is estimated to be Rs 2,128 crore in 2023-24 at the revised stage, 25% higher than the budget estimate for 2023-24.

Gender Budget 2024-25

Mizoram introduced a Gender Budget in 2024-25. It indicates how much of the total budget is being spent towards the welfare of women. In 2024-25, Mizoram's Gender Budget is estimated to be Rs 74 crore, which is 1% of its total expenditure for the year. A significant portion of the gender budget (78%) is being spent on social welfare schemes. Of this, Rs 42 crore is estimated to be spent on Anganwadi services, which provide supplementary nutrition, pre-school non-formal education, immunisation, and health check-up services.

The rest of the gender budget will be spent on education (Rs 13 crore) and police (four crore rupees).

Table 2: Expenditure budget 2024-25 (in Rs crore)

Items	2022-23 Actuals	2023-24 Budgeted	2023-24 Revised	% change from BE 23-24 to RE 23-24	2024-25 Budgeted	% change from RE 23-24 to BE 24-25
Revenue Expenditure	10,092	11,069	12,509	13%	11,822	-5%
Capital Outlay	1,322	1,697	2,128	25%	1,954	-8%
Loans given by the state	2	2	25	1149%	11	-58%
Net Expenditure	11,416	12,767	14,662	15%	13,786	-6%

Sources: Annual Financial Statement, Mizoram Budget 2024-25; PRS.

Committed expenditure: Committed expenditure of a state typically includes expenditure on payment of salaries, pensions, and interest. A larger proportion of budget allocated for committed expenditure items limits the state's flexibility to decide on other expenditure priorities such as capital outlay. In 2024-25, Mizoram is estimated to spend Rs 7,167 crore on committed expenditure, which is 58% of its estimated revenue receipts. This comprises spending on salaries (37% of revenue receipts), pension (16%), interest payments (5%). Salary expenditure in 2024-25 is expected to be Rs 4,597 crore, 6% less than the revised estimate of 2023-24. In 2022-23, Mizoram's committed expenditure was 65% of its revenue receipts.

Table 3: Committed Expenditure in 2024-25 (in Rs crore)

Committed Expenditure	2022-23 Actuals	2023-24 Budgeted	2023-24 Revised	% change from BE 23-24 to RE 23-24	2024-25 Budgeted	% change from RE 23-24 to BE 24-25
Salaries	4,403	4,643	4,899	6%	4,597	-6%
Pension	1,834	1,876	1,956	4%	1,966	0%
Interest payment	494	662	664	0%	605	-9%
Total Committed Expenditure	6,731	7,181	7,518	5%	7,167	-5%

Sources: Annual Financial Statement, Mizoram Budget 2024-25; PRS.

Sector-wise expenditure: The sectors listed below account for **58%** of the total expenditure on sectors by the state in 2024-25. A comparison of Mizoram's expenditure on key sectors with that of other states is shown in Annexure I.

Table 4: Sector-wise expenditure under Mizoram Budget 2024-25 (in Rs crore)

Sector	2022-23 Actuals	2023-24 Budgeted	2023-24 Revised	% change from BE 2023-24 to RE 2023-24	2024-25 Budgeted	% change from RE 2023-24 to BE 2024-25
Education, Sports, Arts, and Culture	1,728	1,872	2,104	12%	2,374	13%
Energy	991	832	910	9%	944	4%
Health and Family Welfare	734	751	949	26%	840	-11%
Agriculture and Allied Activities	718	663	951	43%	727	-24%
Police	706	700	780	11%	726	-7%
Roads and Bridges	766	519	1,142	120%	645	-44%
Welfare of SC, ST, OBC, and Minorities	553	506	585	16%	612	5%
Rural Development	312	337	440	31%	438	0%
Urban Development	112	595	856	44%	376	-56%
Social Welfare and Nutrition	251	248	367	48%	319	-13%
% of total expenditure on all sectors	60%	55%	62%	13%	58%	-6%

Sources: Annual Financial Statement, Mizoram Budget 2024-25; PRS.

- Expenditure in several sectors such as urban development, roads and bridges, agriculture, and social welfare is estimated to reduce in 2024-25, as compared to the revised estimates of 2023-24. Expenditure in these sectors at the revised stage is estimated to be significantly higher than the budget estimate of 2023-24. This is partly because no capital outlay was estimated in 2023-24 for agriculture, roads and bridges, and social welfare at the budget stage.

Receipts in 2024-25

- Total revenue receipts** for 2024-25 are estimated to be Rs 12,386 crore, a decrease of 3% over the revised estimate of 2023-24. Of this, Rs 2,435 crore (20%) will be raised by the state through its **own resources**, and Rs 9,952 crore (80%) will come **from the centre**. Resources from the centre will be in the form of state's share in central taxes (49% of revenue receipts) and grants (31% of revenue receipts).
- Devolution:** In 2024-25, state's share in central taxes is estimated at Rs 6,099 crore, an increase of 10% over the revised estimate of 2023-24.
- Grants from the centre** in 2024-25 are estimated at Rs 3,853 crore, a decrease of 25% from the revised estimate for 2023-24. Grants are lower in 2024-25 partly on account of revenue deficit grants tapering off. The 15th Finance Commission had recommended revenue deficit grants worth Rs 6,544 crore for Mizoram

for five years between 2021-22 and 2025-26. It received 75% of these grants by 2023-24, and will receive Rs 1,079 crore in 2024-25 and Rs 586 crore in 2025-26. It will receive Rs 1,474 crore in 2023-24. In 2024-25, grants are also expected to reduce on account of grants for centrally sponsored schemes being 25% lower than the amount estimated at the revised stage for 2023-24.

- **State's own tax revenue:** Mizoram's total own tax revenue is estimated to be Rs 1,312 crore in 2024-25, an increase of 11% over the revised estimate of 2023-24. Own tax revenue as a percentage of GSDP is estimated at 2.7% in 2024-25, lower than the revised estimates for 2023-24 (3%), and the actual figures for 2022-23 (3.4%).

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

Items	2022-23 Actuals	2023-24 Budgeted	2023-24 Revised	% change from BE 2023-24 to RE 2023-24	2024-25 Budgeted	% change from RE 2023-24 to BE 2024-25
State's Own Tax	1,102	1,084	1,183	9%	1,312	11%
State's Own Non-Tax	1,028	897	902	1%	1,122	24%
Share in Central Taxes	4,745	5,107	5,522	8%	6,099	10%
Grants-in-aid from Centre	3,407	4,398	5,158	17%	3,853	-25%
<i>Of which</i>						
Revenue Deficit Grants	1,615	1,474	1,474	0%	1,079	-27%
Centrally Sponsored Schemes	1,600	2,670	3,424	28%	2,559	-25%
Other grants/transfers	192	254	261	3%	214	-18%
Revenue Receipts	10,282	11,487	12,766	11%	12,386	-3%
Non-debt Capital Receipts	26	34	34	0%	34	0%
Net Receipts	10,309	11,520	12,799	11.1%	12,420	-3%

BE is Budget Estimates; RE is Revised Estimates.

Sources: Annual Financial Statement, Mizoram Budget 2024-25; PRS.

- In 2024-25, **State GST** is estimated to be the largest source of own tax revenue (80% share). State GST revenue is estimated to increase by 10% over the revised estimates of 2023-24.
- Revenue from stamps duty and registration fees is expected to rise from Rs 14 crore in 2023-24 to Rs 30 crore in 2024-25. This may be because the government has announced an increase in the stamp duty from 1% of the market value of the property to 3%.

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

Head	2022-23 Actuals	2023-24 Budgeted	2023-24 Revised	% change from BE 2023-24 to RE 2023-24	2024-25 Budgeted	% change from RE 2023-24 to BE 2024-25
State GST	904	865	952	10%	1,045	10%
Sales Tax/ VAT	113	120	132	10%	140	6%
Taxes on Vehicles	41	43	43	0%	50	17%
Stamps Duty and Registration Fees	8	14	14	0%	30	107%
Land Revenue	10	20	20	0%	22	13%
State Excise	2	2	2	0%	2	11%

Sources: Annual Financial Statement, Revenue Budget, and Mizoram Budget 2024-25; PRS.

Deficits, Debt, and FRBM Targets for 2024-25

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

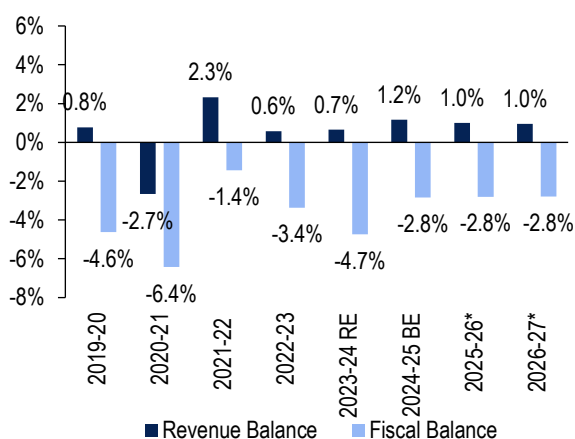
Revenue surplus: It is the difference of revenue receipts and revenue expenditure. A revenue surplus implies that the state need not rely on borrowings to fund revenue expenditure. The budget estimates a revenue surplus of Rs 565 crore (or 1.2% of the GSDP) in 2024-25. The surplus is observed due to revenue deficit grants received from the Centre. If the grant of Rs 1,079 crore were not provided in 2024-25, Mizoram would have a revenue deficit of Rs 514 crore.

Fiscal deficit: It is the excess of total expenditure over total receipts. This gap is filled by borrowings by the government and leads to an increase in total liabilities. In 2024-25, the fiscal deficit is estimated to be 2.8% of GSDP. For 2024-25, the central government has permitted fiscal deficit of up to 3.5% of GSDP to states, of which 0.5% of GSDP will be available only upon carrying out certain power sector reforms. The state will also be eligible to avail 50-year interest-free loan for capital outlay from the central government over and above its borrowing limit. It is estimated to receive Rs 500 crore on account of this loan in 2024-25.

As per the revised estimates, in 2023-24, the fiscal deficit of the state is expected to be 4.7% of GSDP. This is higher than the budget estimate for 2023-24 (3.5%). Any unutilised fiscal deficit limit from years since 2021-22 may be utilised in subsequent years. The fiscal deficit is projected to be maintained at 2.8% of GSDP by 2026-27.

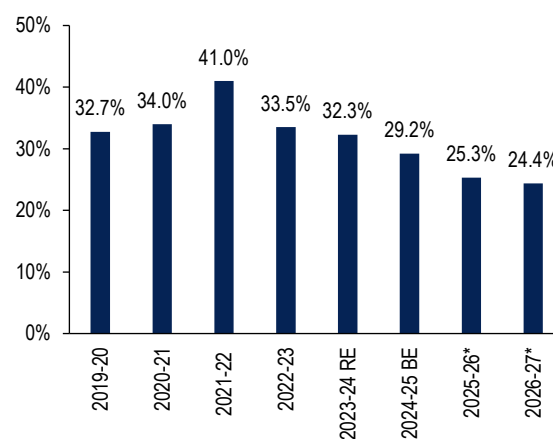
Outstanding liabilities: Outstanding liabilities is the accumulation of total borrowings at the end of a financial year, it also includes any liabilities on public account. At the end of 2024-25, the outstanding liabilities are estimated to be 29% of GSDP, lower than the revised estimate for 2023-24 (32% of GSDP). The outstanding liabilities significantly rose in 2021-22 (41% of GSDP), and have moderated thereafter.

Figure 2: Revenue and Fiscal Balance (% of GSDP)



Note: *Figures for 2025-26 and 2026-27 are projections; RE is Revised Estimates; BE is budget estimates.
Sources: Medium Term Fiscal Policy, Mizoram Budget 2024-25; PRS.

Figure 3: Outstanding Liabilities (as % of GSDP)



Note: *Figures for 2025-26 and 2026-27 are projections; RE is Revised Estimates; BE is budget estimates.
Sources: Medium Term Fiscal Policy, Mizoram Budget 2024-25; PRS.

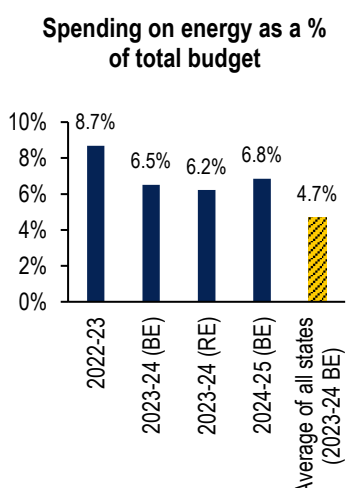
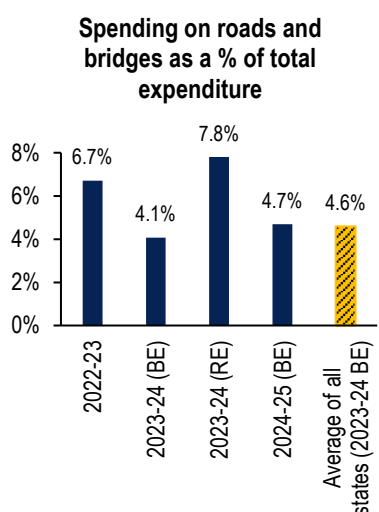
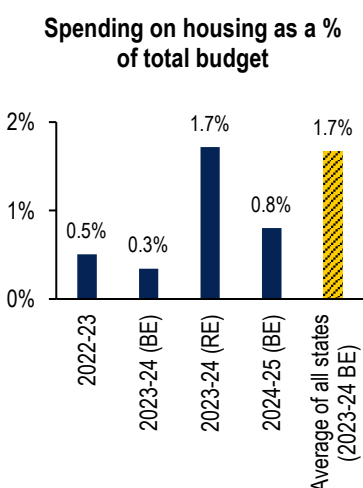
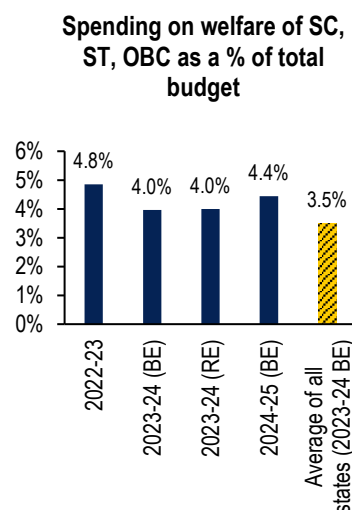
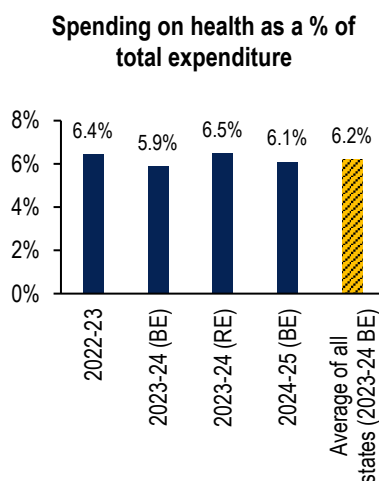
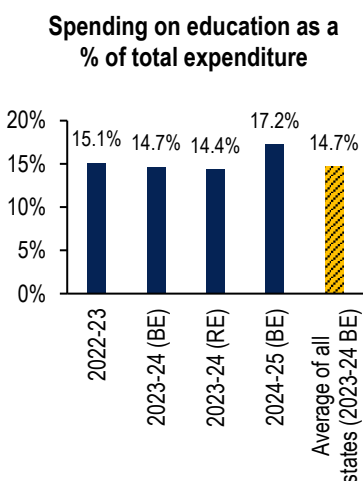
Outstanding Government Guarantees: Outstanding liabilities of states do not include a few other liabilities that are contingent in nature, which states may have to honour in certain cases. State governments guarantee the borrowings of State Public Sector Enterprises (SPSEs) from financial institutions. As of March 31, 2023, the state's outstanding guarantee is estimated to be Rs 69 crore, which is 0.2% of Mizoram's GSDP in 2022-23.

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Annexure 1: Comparison of states' expenditure on key sectors

The graphs below compare Mizoram's expenditure in 2024-25 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 Mizoram) as per their budget estimates of 2023-24.¹

- **Education:** Mizoram has allocated 17.2% of its expenditure on education in 2024-25. This is higher than the average allocation for education by states in 2023-24 (14.7%).
- **Health:** Mizoram has allocated 6.1% of its total expenditure towards health, which is similar to the average allocation for health by states (6.2%).
- **Welfare of SC, ST and OBCs:** Mizoram has allocated 4.4% of its expenditure on welfare of SCs, STs, and OBCs. This is higher than the average allocation by states (3.5%).
- **Housing:** Mizoram has allocated 0.8% of its expenditure towards housing, lower than the average allocation of states (1.7%).
- **Roads and bridges:** Mizoram has allocated 4.7% of its expenditure towards roads and bridges. This is similar to the average allocation by states (4.6%).
- **Energy:** Mizoram has allocated 6.8% of its total expenditure towards energy, which is significantly higher than the average allocation by states (4.7%). Note that Mizoram does not have a power distribution company, and carries out the function through its power department.



Note: 2022-23, 2023-24 (BE), 2023-24 (RE), and 2024-25 (BE) figures are for Mizoram. Sources: Annual Financial Statement, Mizoram Budget 2024-25; various state budgets; PRS.

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

Annexure 2: Comparison of 2022-23 Budget Estimates and Actuals

The following tables compare the actuals of 2022-23 with budget estimates for that year.

Table 7: Overview of Receipts and Expenditure (in Rs crore)

Particular	2022-23 BE	2022-23 Actuals	% change from BE to Actuals
Net Receipts (1+2)	11,460	10,309	-10%
1. Revenue Receipts (a+b+c+d)	11,426	10,282	-10%
a. Own Tax Revenue	801	1,102	38%
b. Own Non-Tax Revenue	836	1,028	23%
c. Share in central taxes	4,083	4,745	16%
d. Grants-in-aid from the Centre	5,705	3,407	-40%
2. Non-Debt Capital Receipts	34	26	-21%
3. Borrowings	2,548	4,019	
Net Expenditure (4+5+6)	12,670	11,416	-10%
4. Revenue Expenditure	10,007	10,092	1%
5. Capital Outlay	2,663	1,322	-50%
6. Loans and Advances	1	2	265%
7. Debt Repayment	1,338	2,603	95%
Revenue Balance*	1,420	190	-113%
Revenue Balance (as % of GSDP)*	3.6%	0.6%	-
Fiscal Deficit	1,210	1,108	-8%
Fiscal Deficit (as % of GSDP)	3.1%	3.4%	-

Note: * Negative sign (-) indicates a deficit.

Source: Mizoram Budget Documents of various years; PRS.

Table 8: Key Components of State's Own Tax Revenue

Tax Head	2022-23 BE	2022-23 Actuals	% change from BE to Actuals
Land Revenue	19	2	-90%
Taxes on Vehicles	35	8	-78%
Sales Tax/ VAT	115	113	-2%
State GST	598	904	51%
Stamps Duty and Registration Fees	11	41	266%
State Excise	1	10	856%

Source: Mizoram Budget Documents of various years; PRS.

Table 9: Allocation towards Key Sectors

Sector	2022-23 BE	2022-23 Actuals	% change from BE to Actuals
Urban Development	708	112	-84%
Irrigation and Flood Control	93	37	-60%
Transport	1,128	826	-27%
<i>of which Roads and Bridges</i>	<i>1,103</i>	<i>766</i>	<i>-31%</i>
Rural Development	410	312	-24%
Agriculture and Allied Activities	873	718	-18%
Education, Sports, Arts, and Culture	1,795	1,728	-4%
Health and Family Welfare	721	734	2%
Water Supply and Sanitation	471	504	7%
Police	636	706	11%
Welfare of SC, ST, OBC, and Minorities	492	553	12%
Social Welfare and Nutrition	218	251	15%
Energy	645	991	54%
Housing	13	58	353%

Source: Mizoram Budget Documents of various years; PRS.