

# Mizoram Budget Analysis

## 2025-26

The Chief Minister of Mizoram, Pu Lalduhoma, presented the Budget for the state for the financial year 2025-26 on March 04, 2025.

### Budget Highlights

- The **Gross State Domestic Product** (GSDP) of Mizoram for 2025-26 (at current prices) is projected to be Rs 36,089 crore, amounting to growth of 6% over 2024-25.
- Expenditure (excluding debt repayment)** in 2025-26 is estimated to be Rs 14,624 crore, a decrease of 8% from the revised estimates of 2024-25. In addition, debt of Rs 419 crore will be repaid by the state.
- Receipts (excluding borrowings)** for 2025-26 are estimated to be Rs 12,973 crore, a decrease of 3% to the revised estimates of 2024-25.
- Revenue surplus** in 2025-26 is estimated to be 1.6% of GSDP (Rs 563 crore), as compared to a revenue deficit of 0.1% of GSDP (Rs 39 crore) at the revised estimate stage in 2024-25.
- Fiscal deficit** for 2025-26 is targeted at 4.6% of GSDP (Rs 1,652 crore). In 2024-25, as per the revised estimates, fiscal deficit is expected to be 7.6% of GSDP, higher than the budgeted 2.8% of GSDP.

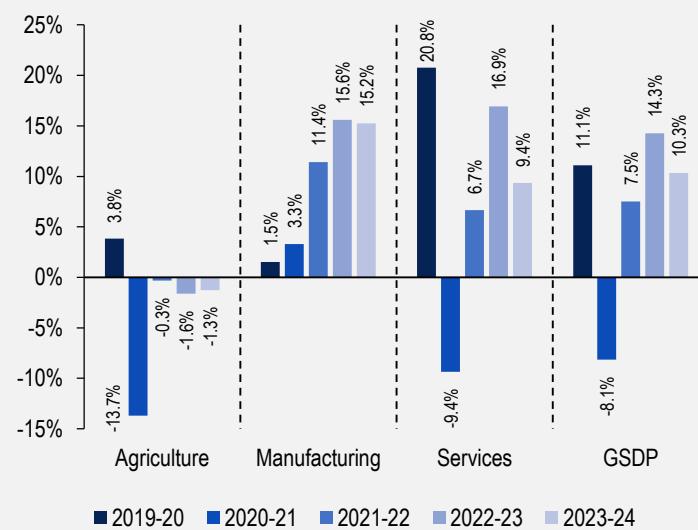
### Policy Highlights

- Hand-holding policy (Bana Kaih):** The policy provides financial assistance to people engaged in agriculture and industry. Rs 350 crore has been allocated under this scheme for 2025-26.
- Agricultural subsidies:** Mizoram Agriculture Marketing Board has been allocated Rs 110 crore for 2025-26. This fund will be utilised to guarantee a minimum support price for crops such as broom grass, ginger, turmeric, Mizo chillies, and locally grown paddy.
- Healthcare:** Government will introduce a universal healthcare scheme from April to provide health insurance of up to five lakh rupees cover per year to beneficiaries.
- Improved Taxation:** The Taxation Department will undergo modernisation with new staff recruitments, to help enhance tax revenue.

### Mizoram's Economy

- GSDP:** In 2023-24, Mizoram GSDP (at constant prices) is estimated to grow by 10.3% over the previous year. In comparison, India's GDP is estimated to grow by 9.2% in 2023-24.
- Sectors:** In 2023-24, agriculture, manufacturing, and services sectors are estimated to contribute 18%, 33%, and 49% of Mizoram's economy, respectively (at current prices).
- Per capita GSDP:** In 2023-24, Mizoram's per capita GSDP (at current prices) is estimated to be Rs 2,75,633, an increase of 11% over 2022-23. In 2023-24, India's per capita GDP is estimated to be Rs 2,15,935.

**Figure 1: Growth in Mizoram'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: MoSPI; PRS.

## Budget Estimates for 2025-26

- **Total expenditure (excluding debt repayment)** in 2025-26 is estimated at Rs 14,624 crore. This is a decrease of 8% from the revised estimate of 2024-25. This expenditure is proposed to be met through **receipts (excluding borrowings)** of Rs 12,973 crore and net borrowings of Rs 1,807 crore. Total receipts for 2025-26 (other than borrowings) are expected to be 1% higher than the revised estimate of 2024-25.
- The state estimates a **revenue surplus** of 1.6% of GSDP (Rs 563 crore) in 2025-26, as compared to a revenue deficit of 0.1% of GSDP at the revised estimate stage in 2024-25.
- **Fiscal deficit** for 2025-26 is targeted at 4.6% of GSDP (Rs 1,652 crore), lower than the revised estimates for 2024-25 (7.6% of GSDP). This could be attributed to an increase in the fiscal deficit from Rs 1,366 crore to Rs 2,597 crore, along with a decrease in the GSDP from Rs 48,038 crore to Rs 34,003 crore in the revised estimates compared to the budget estimates for 2024-25.

**Table 1: Budget 2025-26 - Key figures (in Rs crore)**

Items	2023-24 Actuals	2024-25 Budgeted	2024-25 Revised	% change from BE 24-25 to RE 24-25	2025-26 Budgeted	% change from RE 24-25 to BE 25-26
Total Expenditure	17,004	14,277	16,416	15%	15,043	-8%
(-) Repayment of debt	4,889	491	491	0%	419	-15%
<b>Net Expenditure (E)</b>	<b>12,116</b>	<b>13,786</b>	<b>15,925</b>	<b>16%</b>	<b>14,624</b>	<b>-8%</b>
Total Receipts	17,840	14,412	15,393	7%	15,199	-1%
(-) Borrowings,	6,402	1,992	2,065	4%	2,226	8%
<b>Net Receipts (R)</b>	<b>11,438</b>	<b>12,420</b>	<b>13,328</b>	<b>7%</b>	<b>12,973</b>	<b>-3%</b>
<b>Fiscal Deficit (E-R)</b>	<b>678</b>	<b>1,366</b>	<b>2,597</b>	<b>90%</b>	<b>1,652</b>	<b>-36%</b>
as % of GSDP	2.1%	2.8%	7.6%		4.6%	
<b>Revenue Balance<sup>#</sup></b>	<b>577</b>	<b>565</b>	<b>-39</b>	<b>-107%</b>	<b>563</b>	<b>-1536%</b>
as % of GSDP	1.8%	1.2%	-0.1%		1.6%	
<b>Primary Deficit</b>	<b>96</b>	<b>761</b>	<b>1,964</b>	<b>158%</b>	<b>859</b>	<b>-56%</b>
as % of GSDP	0.3%	1.6%	5.8%		2.4%	
<b>GSDP</b>	<b>31,918</b>	<b>48,038</b>	<b>34,003</b>	<b>-29%</b>	<b>36,089</b>	<b>6%</b>

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.

<sup>#</sup>Negative figures indicate revenue deficit.

Sources: Annual Financial Statement, Mizoram Budget Documents 2025-26; PRS.

## Expenditure in 2025-26

- **Revenue expenditure** for 2025-26 is proposed to be Rs 12,385 crore, a decrease of 7% over the revised estimate of 2024-25. This includes the expenditure on salaries, pension, interest, and subsidies.
- **Capital outlay** for 2025-26 is proposed to be Rs 2,236 crore, a decrease of 13% from the revised estimate of 2024-25. Capital outlay indicates the expenditure towards creation of assets.
- In 2025-26, loans and advances by the state are expected to be four crore rupees, 80% lower as compared to the revised estimate of 2024-25.

**Table 2: Expenditure budget 2025-26 (in Rs crore)**

Items	2023-24 Actuals	2024-25 Budgeted	2024-25 Revised	% change from BE 24-25 to RE 24-25	2025-26 Budgeted	% change from RE 24-25 to BE 25-26
Revenue Expenditure	10,837	11,822	13,334	13%	12,385	-7%
Capital Outlay	1,254	1,954	2,573	32%	2,236	-13%
Loans given by the state	25	11	18	76%	4	-80%
<b>Net Expenditure</b>	<b>12,116</b>	<b>13,786</b>	<b>15,925</b>	<b>16%</b>	<b>14,624</b>	<b>-8%</b>

Sources: Annual Financial Statement, Mizoram Budget Documents 2025-26; 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 2025-26, Mizoram is estimated to spend Rs 7,418 crore on committed expenditure, which is 57% of its estimated revenue receipts. This comprises spending on salaries (34% of revenue receipts), pension (17%), and interest payments (6%). In 2023-24, as per actual figures, 61% of revenue receipts were spent on committed expenditure.

**Table 3: Committed Expenditure in 2025-26 (in Rs crore)**

Committed Expenditure	2023-24 Actuals	2024-25 Budgeted	2024-25 Revised	% change from BE 24-25 to RE 24-25	2025-26 Budgeted	% change from RE 24-25 to BE 25-26
Salaries	4,408	4,328	4,450	3%	4,374	-2%
Pension	1,995	1,966	2,248	14%	2,251	0%
Interest	582	605	632	5%	793	25%
<b>Total</b>	<b>6,985</b>	<b>6,899</b>	<b>7,330</b>	<b>6%</b>	<b>7,418</b>	<b>1%</b>

Sources: Annual Financial Statement, Mizoram Budget Documents 2025-26; PRS.

**Sector-wise expenditure:** The sectors listed below account for **52%** of the total expenditure on sectors by the state in 2025-26. A comparison of Mizoram's expenditure on key sectors with that by other states is shown in Annexure 1.

**Table 4: Sector-wise expenditure under Mizoram Budget 2025-26 (in Rs crore)**

Sectors	2023-24 Actuals	2024-25 BE	2024-25 RE	2025-26 BE	% change from RE 24-25 to BE 25-26
Education, Sports, Arts, and Culture	1,738	2,374	2,550	2,093	-18%
Energy	841	944	1,158	980	-15%
Agriculture and Allied Activities	771	857	943	827	-12%
Health and Family Welfare	644	840	1,100	826	-25%
Police	738	726	771	753	-2%
Welfare of SC, ST, OBC, and Minorities	585	612	651	651	0%
Transport	970	673	1,020	599	-41%
Rural Development	224	438	504	417	-17%
Social Welfare and Nutrition	211	319	616	400	-35%
<b>% of total expenditure on all sectors</b>	<b>56%</b>	<b>57%</b>	<b>59%</b>	<b>52%</b>	

Sources: Annual Financial Statement, Mizoram Budget Documents 2025-26; PRS.

## Receipts in 2025-26

- **Total revenue receipts** for 2025-26 are estimated to be Rs 12,948 crore, a decrease of 3% from the revised estimate of 2024-25. Of this, Rs 2,616 crore (20%) will be raised by the state through its **own resources**, and Rs 10,331 crore (80%) will come **from the centre**. Resources from the centre will be in the form of state's share in central taxes (55% of revenue receipts) and grants (25% of revenue receipts).
- **Devolution:** In 2025-26, the state's share in central taxes is estimated at Rs 7,112 crore, an increase of 11% over the revised estimate of 2024-25.
- **Grants from the centre** in 2025-26 are estimated at Rs 3,219 crore, a decrease of 27% over the revised estimates for 2024-25. Revenue Deficit Grants are estimated to decrease by 46% over the revised estimates for 2024-25, as per the recommendation of the fifteenth financial commission. The Fifteenth Finance Commission recommended Rs 6,544 crore in revenue deficit grants for Mizoram from 2021-22 to 2025-26. Of this, Rs 5,958 crore has already been released to the state until 2024-25.
- **State's own tax revenue:** Mizoram's total own tax revenue is estimated to be Rs 1,478 crore in 2025-26, an increase of 11% over the revised estimate of 2024-25. Own tax revenue as a percentage of GSDP is estimated at 4.1% in 2025-26, higher than the revised estimates for 2024-25 (3.9%). As per the actual figures for 2023-24, own tax revenue as a percentage of GSDP was 3.7%.

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

Items	2023-24 Actuals	2024-25 Budgeted	2024-25 Revised	% change from BE 2024-25 to RE 2024-25	2025-26 Budgeted	% change from RE 2024-25 to BE 2025-26
State's Own Tax	1,196	1,312	1,336	2%	1,478	11%
State's Own Non-Tax	1,085	1,122	1,127	0%	1,138	1%
Share in Central Taxes	5,647	6,099	6,434	6%	7,112	11%
Grants-in-aid from Centre	3,486	3,853	4,397	14%	3,219	-27%
<b>Revenue Receipts</b>	<b>11,414</b>	<b>12,386</b>	<b>13,294</b>	<b>7%</b>	<b>12,948</b>	<b>-3%</b>
Non-debt Capital Receipts	24	34	34	0%	25	-26%
<b>Net Receipts</b>	<b>11,438</b>	<b>12,420</b>	<b>13,328</b>	<b>7%</b>	<b>12,973</b>	<b>-3%</b>

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

Sources: Annual Financial Statement, Mizoram Budget Documents 2025-26; PRS.

- In 2025-26, **State GST** is estimated to be the largest source of own tax revenue (78% share). State GST revenue is estimated to increase by 10% over the revised estimates of 2024-25.
- Revenue from Sales tax/ VAT in 2025-26 is expected to be 10% higher than the revised estimate stage of 2024-25.
- Revenue from Taxes on Vehicles is estimated to be similar in 2025-26 over the revised estimate of 2024-25.

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

Head	2023-24 Actuals	2024-25 Budgeted	2024-25 Revised	% change from BE 2024-25 to RE 2024-25	2025-26 Budgeted	% change from RE 2024-25 to BE 2025-26
State GST	969	1,045	1,045	0%	1,150	10%
Sales Tax/ VAT	126	140	140	0%	154	10%
Taxes on Vehicles	46	50	50	0%	50	0%
Other taxes and duties*	0	0.12	30	24,900%	50	67%
Stamps Duty and Registration Fees	17	30	24	-21%	24	2%
Land Revenue	10	22	22	0%	23	5%

Note: \* Other taxes and duties includes road maintenance cess and social infrastructure & services cess. Sources: Annual Financial Statement, Revenue Budget, Mizoram Budget Documents 2025-26; PRS.

## Deficits, Debt, and FRBM Targets for 2025-26

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

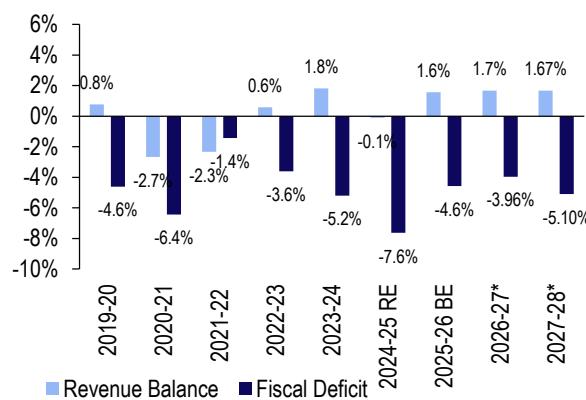
**Revenue balance:** It is the difference of revenue expenditure and revenue receipts. A revenue deficit implies that the government needs to borrow to finance those expenses which do not increase its assets or reduces its liabilities. The budget estimates a revenue surplus of Rs 563 crore (or 1.6% of the GSDP) in 2025-26.

**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 2025-26, the fiscal deficit is estimated to be 4.6% of GSDP. For 2025-26, the central government has permitted fiscal deficit of up to 3% of GSDP to states. Additional borrowing space up to 0.5% of GSDP will also be available for undertaking certain power sector reforms.

As per the revised estimates, in 2024-25, the fiscal deficit of the state is expected to be 7.6% of GSDP. This is higher than the budget estimate for 2024-25 of 2.8% of GSDP.

**Outstanding liabilities:** Outstanding liabilities the accumulation of total borrowings at the end of a financial year. At the end of 2025-26, the outstanding debt is estimated to be 38.8% of GSDP, higher than the revised estimate for 2024-25 (38.3% of GSDP).

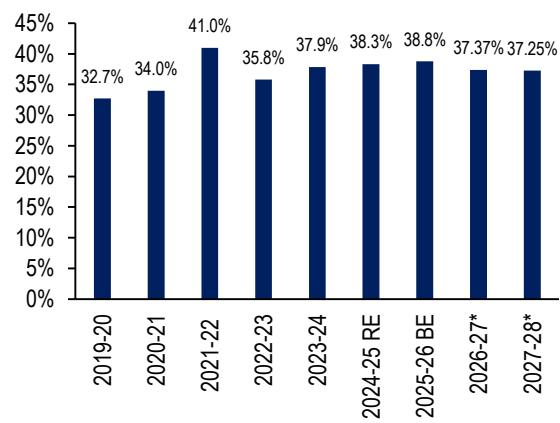
**Figure 2: Revenue Balance and Fiscal Deficit (as % of GSDP)**



Note: \*Figures from 2026-27 onwards are projections. RE is Revised Estimates; BE is budget estimates. Negative figures indicate a deficit.

Sources: Medium Term Fiscal Policy, Mizoram Budget Documents 2025-26; PRS.

**Figure 3: Outstanding Liabilities (as % of GSDP)**



Note: \*Figures from 2026-27 onwards are projections. BE is budget estimates.

Sources: Medium Term Fiscal Policy, Mizoram Budget Documents 2025-26; PRS.

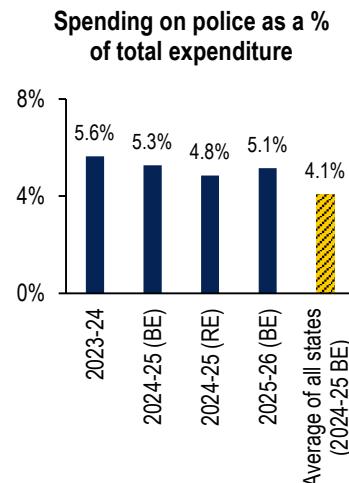
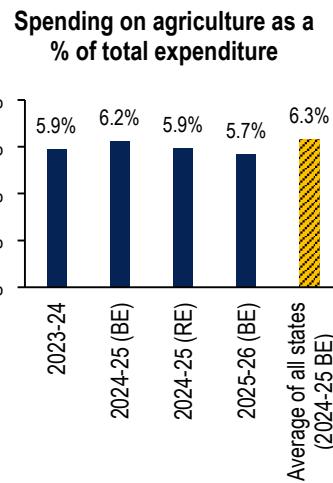
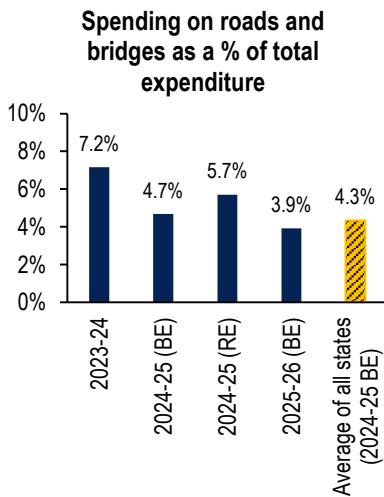
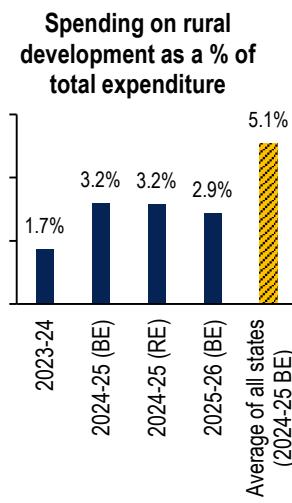
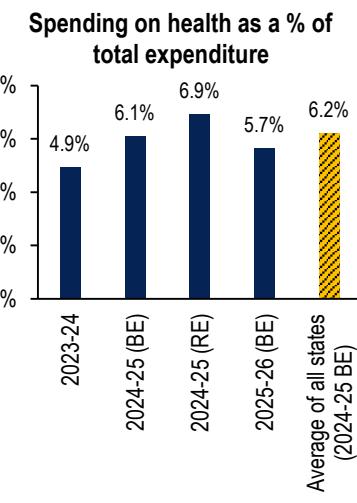
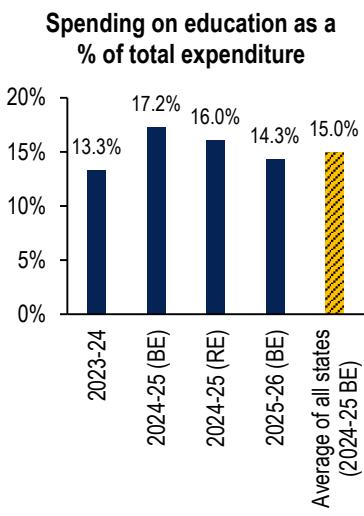
**Outstanding Government Guarantees:** Outstanding debt of states do not include a few other liabilities that are contingent in nature, which states may have to honour in certain cases. State governments guarantee the borrowings of State Public Sector Enterprises (SPSEs) from financial institutions. As per 2023-24 actuals, the state's total outstanding guarantees are estimated to be Rs 49.5 crore. Revised estimates of 2024-25 and budget estimates of 2025-26 expect the guarantees to remain the same.

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## Annexure 1: Comparison of states' expenditure on key sectors

The graphs below compare Mizoram's expenditure in 2025-26 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 the Union Territories of Delhi, Jammu and Kashmir, and Puducherry) as per their budget estimates of 2024-25.<sup>1</sup>

- **Education:** Mizoram has allocated 14.3% of its expenditure on education in 2025-26. This is lower than the average allocation for education by states in 2024-25 (15%).
- **Health:** Mizoram has allocated 5.7% of its expenditure on health in 2025-26. This is lower than the average allocation for health by states in 2024-25 (6.2%).
- **Rural development:** Mizoram has allocated 2.9% of its expenditure on rural development in 2025-26. This is lower than the average allocation for rural development by states in 2024-25 (5.1%).
- **Roads and bridges:** Mizoram has allocated 3.9% of its expenditure on roads and bridges in 2025-26. This is lower than the average allocation for roads and bridges by states in 2024-25 (4.3%).
- **Agriculture:** Mizoram has allocated 5.7% of its expenditure on agriculture in 2025-26. This is lower than the average allocation for agriculture by states in 2024-25 (6.3%).
- **Police:** Mizoram has allocated 5.1% of its expenditure on police in 2025-26. This is higher than the average allocation for police by states in 2024-25 (4.1%).



Note: 2023-24, 2024-25 (BE), 2024-25 (RE), and 2025-26 (BE) figures are for Mizoram.

Sources: Annual Financial Statement, Mizoram Budget Documents 2025-26; various state budgets; PRS

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

## Annexure 2: Comparison of 2023-24 Budget Estimates and Actuals

The following tables compare the actuals of 2023-24 with budget estimates for that year.

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

Particular	2023-24 BE	2023-24 Actuals	% change from BE to Actuals
<b>Net Receipts (1+2)</b>	<b>11,493</b>	<b>11,438</b>	<b>0%</b>
1. Revenue Receipts (a+b+c+d)	11,460	11,414	0%
a. Own Tax Revenue	1,084	1,196	10%
b. Own Non-Tax Revenue	870	1,085	25%
c. Share in central taxes	5,107	6,099	19%
d. Grants-in-aid from the Centre	4,398	3,486	-21%
2. Non-Debt Capital Receipts	34	24	-29%
3. Borrowings	2,690	6,402	138%
<b>Net Expenditure (4+5+6)</b>	<b>12,767</b>	<b>13,074</b>	<b>2%</b>
4. Revenue Expenditure	11,069	10,837	-2%
5. Capital Outlay	1,697	2,236	32%
6. Loans and Advances	2	1	-49%
7. Debt Repayment	1,443	4,889	239%
<b>Revenue Balance</b>	<b>391</b>	<b>577</b>	<b>48%</b>
Revenue Balance (as % of GSDP)	1.6%	1.8%	
<b>Fiscal Deficit</b>	<b>1,274</b>	<b>678</b>	<b>-47%</b>
Fiscal Deficit (as % of GSDP)	3.5%	2.1%	

Source: Mizoram Budget Documents of various years; PRS.

**Table 8: Key Components of State's Own Tax Revenue (in Rs crore)**

Tax Source/Head	2023-24 BE	2023-24 Actuals	% change from BE to Actuals
Land Revenue	20	10	-48%
Sales Tax/ VAT	120	126	5%
Taxes on Vehicles	43	46	8%
State GST	865	969	12%
Stamps Duty and Registration Fees	14	17	16%
State Excise	1.8	3	43%

Source: Mizoram Budget Documents of various years; PRS.

**Table 9: Allocation towards Key Sectors**

Sector	2023-24 BE	2023-24 Actuals	% change from BE to Actuals
Irrigation and Flood Control	89	25	-72%
Rural Development	337	224	-34%
Water Supply and Sanitation	481	389	-19%
Social Welfare and Nutrition	248	211	-15%
Health and Family Welfare	751	644	-14%
Education, Sports, Arts, and Culture	1,872	1,738	-7%
Agriculture and Allied Activities	793	771	-3%
Energy	832	841	1%
Police	700	738	5%
Welfare of SC, ST, OBC, and Minorities	506	585	16%
Urban Development	595	750	26%
Transport	555	970	75%
of which Roads and Bridges	519	936	80%
Housing	44	143	229%

Source: Mizoram Budget Documents of various years; PRS.