



GOVERNMENT OF MIZORAM

BUDGET SPEECH

of
Pu LALDUHOMA

HON'BLE CHIEF MINISTER
&
FINANCE MINISTER

for 2026 - 2027

in the
9th MIZORAM LEGISLATIVE ASSEMBLY

on
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BUDGET 2026-27

SPEECH OF PU LALDUHOMA

FINANCE MINISTER OF MIZORAM

February 26, 2026

Hon'ble Speaker,

With your permission, I rise to present the budget for the Financial Year 2026-2027.

INTRODUCTION

1. Sir, it gives me great pleasure to present my third consecutive Budget to this august House. As stated in my earlier Budget presentations, our Government, since assuming office, has made it a conscious objective to prepare realistic Budgets that reflect the actual condition of the State's economy. This year's Budget has been prepared against the backdrop of fiscal consolidation, which has been our guiding principle since our first year in office and reflects our Government's resolve to strengthen the State's finances, enhance service delivery and accelerate development across critical sectors such as infrastructure, education, health, agriculture and social welfare. Emphasis has been laid on improving connectivity, power supply, generating livelihoods and safeguarding the interests of vulnerable sections of society.
2. It is our goal not only to contribute to the realization of Viksit Bharat, but also to serve as active growth drivers in India's journey towards achieving this vision. In this context, the Transformed Mizoram Vision 2047 Roadmap Workshop, a full-day, unprecedented whole-of-Government and whole-of-society deliberative exercise to chart the State's long-term development pathway in alignment with

Viksit Bharat 2047 was held in December, 2025. It is our mission to contribute 1% to India's GDP by 2047, envisaging a structural shift towards a services and innovation led economy.

3. Our sustained efforts towards fiscal consolidation will provide the necessary foundation for achieving the long-term objectives of Vision 2047. By rationalising expenditure, prioritising capital investment and strengthening revenue mobilisation, our budgetary policy seeks to create the fiscal space required for growth-enhancing investments, skill development, employment generation and the promotion of micro, small and medium enterprises. The present Budget, therefore, is not merely an annual financial statement, but a calibrated fiscal instrument to support Mizoram's gradual and sustainable transition towards a developed economy in alignment with Vision 2047.
4. The Government remains firmly committed to the principles of sound fiscal management and in furtherance of its policy to phase out the practice of accumulation of funds to reduce the outstanding liability in the Public Account in the form of K-Deposit, D-III, General Provident Fund and Pension funds, the Government released ₹1,467.56 crore from K-Deposit and D-III during 2025–26. Further, ₹1.94 crore was also declared as lapsed deposit during the year thereby reducing the committed liabilities of the State. I am also pleased to report that General Provident Fund and other retirement benefits are no longer kept pending for extended periods and are now being disbursed within an acceptable time frame.
5. Hon'ble Speaker, the Government's commitment to fiscal responsibility is further reinforced by ongoing improved cash flow management. Timely release of funds has enabled the State to make early payments of power purchase dues. Consequently, the State secured rebates on power purchase bills amounting to ₹476.04 lakh between April 2025 and January 2026, resulting in tangible savings for the State exchequer. This outcome, consistent with the previous year, reflects the positive impact of efficiency in expenditure management and prudent use of public resources.

6. In its ongoing efforts towards fiscal consolidation and strengthened expenditure control, the Government constituted a Study Team to recommend measures to reduce committed liabilities and improve GST collection. As per its recommendations, the Public Works Department's committed liabilities, amounting to ₹5.83 crore, the Power & Electricity Department's accumulated committed liabilities of ₹12.62 crore and the Public Health Engineering Department's liabilities of ₹58 crore is planned to be cleared over the next three years. Beyond clearing these liabilities, the Study Team has also recommended systemic safeguards to prevent their recurrence, including the implementation of a robust inventory management system, stricter procurement and reporting procedures for emergency works and a standardised methodology for preparing Schedule of Rates (SOR) and Detailed Project Reports, to be uniformly adopted by all Works and Non-Works Departments to ensure transparency and compliance with GST provisions.
7. In a landmark achievement, the Mizoram Universal Healthcare Scheme, the first initiative of its kind in the State to transform healthcare delivery, was launched to be effective from 1st April, 2025. This Scheme aims to strengthen healthcare delivery and provide cashless access to quality healthcare for the people by providing comprehensive healthcare coverage, reduce out-of-pocket expenditure and protect households from catastrophic health expenses, thereby improving health outcomes, promoting social equity and enhancing overall well-being. The State successfully rolled out this ambitious Scheme with minimal budgetary outlay, supported primarily by subscriber contributions. Under the Mizoram Universal Healthcare Scheme (MUHCS), 96 hospitals and 3 day-care centres within the State have been empanelled. In addition, 33 hospitals outside the State, along with 12 deemed empanelled hospitals outside the State, have been brought under the Scheme. As on 18th February 2026, as many as 85,399 subscribers have availed the scheme and claims amounting to ₹1,29,51,46,465 has been settled. The State has signed a loan agreement with the Asian Development Bank on 23rd January 2026 to the tune of ₹803.74 crore as an Externally Aided Project (EAP) to be received

over the next 5 years, with 90% of the loan portion to be borne by the Union Government.

8. Over the past year, a major administrative reform was introduced through the implementation of the e-Office Project in the Mizoram Secretariat, in line with the Government of India's e-Office framework. The system enables end-to-end electronic file management, streamlines inter- and intra-governmental processes and strengthens responsive and accountable governance. By reducing physical file movement and paper usage, it is expected to generate savings in time and administrative costs while creating a transparent, efficient and paperless working environment. The rollout of the e-Office system to non-Secretariat establishments is underway and the Government plans to progressively phase out the physical file system across all offices to ensure a fully digital, efficient and transparent administrative framework.
9. Mr. Speaker Sir, the State Government has also enhanced the benefits extended to beneficiaries registered under the Mizoram Building & Other Construction Workers' Welfare Board. The maternity benefit has been increased from ₹5,000 to ₹10,000, while the disability benefit has been enhanced from ₹50,000 to ₹1,00,000. The marriage assistance has also been doubled from ₹5,000 to ₹10,000. In addition, new welfare provisions have been introduced, including an incentive of ₹20,000 for children of registered beneficiaries who secure distinction in Board examinations. Educational assistance for children has also been enhanced to further support their academic pursuits and promote educational advancement among workers' families. All these welfare measures are financed exclusively from the 1% Labour Cess collected from building and construction works.
10. The Government continues to prioritise the welfare of pensioners and during the year, has settled 4,560 pension cases resulting in a big relief to the pensioners. In addition, the Government has completed the revision of pension under the "First Formulation" in respect of 25,038 eligible pre-2016 pensioners, in accordance with the recommendations of the 7th Central Pay Commission. This method of revision,

which involves the re-fixation of pension based on the prescribed formula, is generally more beneficial and results in higher monthly pension entitlements. The implementation of pension revisions and settlement of pending cases has, however, also led to a corresponding increase in pension liabilities in the Budget, reflecting the Government's commitment to honouring its obligations towards retired employees.

11. Sir, as we are all aware, my Government's flagship programme, Handholding Scheme, designed to provide holistic support and establish a robust framework that addresses the unique challenges faced by Progress Partners was launched in September, 2024 and continues to make steady progress. Under this Scheme, the Government has disbursed loan assistance to the tune of ₹34,03,89,928 to 384 Progress Partners. The Finance Department has also released the first six-monthly interest subvention, further easing the financial burden on beneficiaries. Applications received under the Chief Minister's Special Package Grant are carefully assessed and screened to ensure transparency and merit-based support. Under this component, assistance amounting to ₹22,62,51,870 has been released to 2,713 Progress Partners, demonstrating the Government's sustained commitment to strengthening livelihoods and promoting inclusive development. Further, an amount of ₹60 crore has been released from Handholding Scheme to Mizoram Agriculture Marketing Board (MAMB) for procurement of the notified crops.
12. The Mizoram Agriculture Marketing Board, through its Secondary Collection Centres across all 11 districts, has significantly strengthened market support for ginger farmers during the year. A total of 3,40,098 quintals of ginger were procured from local farmers, for which a Minimum Support Price amounting to ₹1,41,16,84,410 was disbursed, ensuring remunerative returns and protecting cultivators from price fluctuations. In addition, the Board facilitated the procurement of 1,472 quintals of paddy produced in Mamit and Kolasib districts, with payments amounting to ₹44,18,400 made to farmers. Further, 37,810 quintals

of dry broom grass were also procured by ZOHANDCO and other empanelled and non-empanelled buyers, extending assured market access to growers of this important cash crop. These interventions reflect the Government's ongoing dedication to safeguarding farmers' incomes, stabilising agricultural markets and enhancing the agricultural value chain through assured procurement and equitable pricing mechanisms.

13. Sir, the State has actively leveraged the Scheme for Assistance to States for Capital Investment (SASCI) to augment capital expenditure and accelerate infrastructure development. This Scheme provides interest-free loans to States for undertaking priority capital projects, thereby strengthening productive assets without imposing an immediate debt servicing burden. During the year 2025-26, an amount of ₹865.75 crore has been released so far by the Department of Expenditure, Ministry of Finance which includes the ₹216.48 crore received under Part I (Untied), ₹250 crore received under Part II for development of Iconic Tourist Centre and ₹25 crore received under Part II for Police Housing. Apart from this, due to the proactive measures taken by the Government to achieve the prescribed milestones, incentives under the following parts have been availed as below:
- (i) Under Part IV, ₹199.27 crore was availed as an incentive for achieving capital expenditure growth in 2024-25 as compared to 2023-24.
 - (ii) Under Part V, ₹100 crore was availed for undertaking Mining Sector Reforms.
 - (iii) ₹60 crore was availed under Part VII B for Digital Infrastructure for Agriculture.
 - (iv) ₹15 crore was availed under Part VIII as incentives for undertaking land-related reforms in urban areas.
14. Furthermore, the State anticipates additional releases under Part III (State Share of CSS) amounting to ₹48.25 crore and under Part X -A (Urban Planning Reforms) amounting to ₹143 crore. Further, the State has received recommendation from

MoHUA to receive ₹ 112 crore under Part X -B (Compliance reduction and de-regulation for ease of doing business). It also gives me immense pleasure to report that the State has become eligible and is anticipating receipt of incentives amounting to ₹350 crore under Part IX (Efficiency in Financial Management) for having achieved the required efficiency target in financial management by successfully onboarding all Centrally Sponsored Schemes notified for implementation through the SNA SPARSH platform within the prescribed timeline. With this, the State is set to avail a total of ₹1,519 crore under SASCI during the ongoing financial year. While Part I is implemented across all States, the other components are milestone-based and not uniformly availed by all States, as they require the fulfilment of specific reform-linked conditions. I commend the concerted efforts of our State Government officials in successfully securing these additional components by achieving the targets and reform milestones laid down by the Central Government.

15. I would like to inform the House that the 50-year interest-free loan availed through SASCI is outside the borrowing space fixed by the Government of India under Article 293(3), which is 3% of GSDP. However, the SASCI loans are accounted under outstanding debt thereby increasing the total outstanding debt by a considerable amount. The Government of Mizoram has submitted a proposal to Government of India for accounting SASCI loans outside the debt stock so that the debt-GSDP ratio could come down to a reasonable figure.
16. Due to the concerted efforts of the Government, the State successfully secured the release of the backlog of Rural Local Body (RLB) Grant amounting to ₹148 crore for the financial years 2023–24 and 2024–25. With this, the total amount of backlog of RLB Grants pursued and releases secured since the assumption of Office by this ministry is ₹ 253.50 crore. The Government is also actively pursuing the release of the RLB Grant for 2025–26 and has received the recommendation for first instalment of Tied and Untied while the remaining balance is also expected within the current financial year before entering into the 16th Finance Commission era as the current year's fund is based on the recommendation of the 15th Finance Commission.

OVERVIEW OF THE STATE'S ECONOMY

17. Hon'ble Speaker, I hereby present a summary of our State's economy by emphasising key economic indicators, including GSDP, revenue surplus, fiscal deficit, and debt sustainability.
18. As mentioned in the Budget Speech for 2025-26, the Government has from the current financial year onwards, adopted a new and more robust methodology for calculating Gross State Domestic Product (GSDP), with a view to generating realistic and reliable estimates. Accordingly, the GSDP for 2025–26 (BE) was estimated at ₹36,088.82 crore. The Revised Estimate (RE) for 2025–26 now projects the GSDP at ₹39,526.42 crore, reflecting an upward revision based on improved data and sectoral performance. For the ensuing financial year 2026–27 (BE), the GSDP is projected at ₹43,817.09 crore, indicating an estimated increase of ₹4,290.67 crore over the previous year (RE) which is a projected growth of 10.85%. It is, however, important to highlight that GSDP figures are projections and will undergo annual adjustments before reaching the actual finalized status.
19. Sir, the fiscal policy of the State is largely shaped by the overall economic policy and strategy of the Central Government. Within India's federal fiscal framework, the State's fiscal position is significantly influenced by the recommendations of the Finance Commission. The 16th Finance Commission, whose award period covers five years from 2026–27 to 2030–31, has enhanced Mizoram's share in the divisible pool of Central Taxes to 0.564%. However, it has discontinued the Post-Devolution Revenue Deficit Grants and Health Grants that the State was receiving under the 15th Finance Commission. Nevertheless, the overall quantum of Central transfers to the State has been positively impacted due to the increase in the percentage share of Central taxes from 0.5% to 0.564%. This has in turn affected our revenue estimates for the year.
20. The State's Own Revenue for 2026–27 has been projected prudently and conservatively to avoid any overstatement and is estimated at ₹2,759.75 crore. This constitutes 18.41% of the Revenue Receipts and 15.80% of the Consolidated

Receipts of the State. The estimate reflects a 5.48% growth over the 2025–26 (BE), indicating steady revenue mobilisation. In line with the trend observed in the previous year, the major contributor to the State’s Own Revenue continues to be Goods and Services Tax (GST), accounting for 43.48% of the total receipts. Revenue from the Power sector ranks second, contributing 31.16% with estimated receipts of ₹860 crore. Taxes on Sales and Trades are estimated at ₹200 crore, contributing 7.25% to the State’s Own Revenue.

21. The Revenue Surplus for 2026–27 (BE) is estimated at ₹899.84 crore, marking a substantial increase over the revenue surplus of ₹562.91 crore projected in 2025–26 (BE). However, in the Revised Estimates for the current year, a revenue deficit of ₹376.41 crore is anticipated. This shortfall is primarily attributable to lower-than-anticipated devolution of Central Taxes and Duties where only ₹6,964.85 crore has been received against the Budget Estimate of ₹7,112.23 crore, resulting in a reduction of anticipated receipt by ₹147.38 crore. This is mainly due to the shortfall in collection of Central Taxes and Duties in the Central Government which affects all the States proportionately in their share of devolution. Further, certain unavoidable expenses has resulted in additional expenditures on the revenue account. An amount of ₹101.21 crore was spent for payment of the Power & Electricity Department’s outstanding Energy Shortfall Bill pertaining to 2019-2024, ₹12.24 crore was allocated for obtaining forest clearance for NIT Mizoram while ₹13.34 crore was incurred towards compensation for the construction of the Aizawl By-pass Road. Additionally, ₹77.92 crore was provided to the Public Health Engineering Department for clearance of outstanding energy bills related to water pumping. Despite these temporary fiscal pressures in the current year, the improved projections for 2026–27 (BE) reflect a strengthened revenue position and efforts towards prudent expenditure management.
22. Despite the projected Fiscal Deficit for 2025–26 (BE) witnessing a sharp hike to 4.58% of GSDP, the Revised Estimates of the Fiscal Deficit for 2025-26 is still higher at 7.56% of GSDP, which is a matter of concern and calls for corrective

fiscal measures, including curbing of non-essential expenditure. For the ensuing financial year 2026–27 (BE), the Fiscal Deficit has moderated and is estimated at 3.81% of GSDP, reflecting the State’s continued efforts toward fiscal consolidation and adherence to prudent financial management. The State remains on track to meet the fiscal deficit target of 3% of GSDP prescribed under the Mizoram Fiscal Responsibility and Budget Management Act, 2006, which is also the limit set by the 16th Finance Commission.

23. The Debt–GSDP ratio stood at 40.63% in 2024–25 (Actuals), while the estimated ratio for 2025–26 (RE) is 42.80%. The total outstanding liabilities of the State for the ensuing financial year 2026–27 (BE) is estimated at ₹19,085.15 crore. This represents an increase of ₹2,918.12 crore over the 2025–26 (RE) figure. Consequently, the Debt–GSDP ratio for 2026–27 (BE) is projected at 43.56%. Out of the outstanding liabilities of ₹19,085.15 crore for 2026-27, ₹5,308.89 crore accounts for the outstanding liability of SASCI projects.
24. During the current financial year ₹52 crore and ₹17 crore were invested in Consolidated Sinking Fund and Guarantee Redemption Fund respectively. Therefore, as on November 2025, the outstanding accumulated balances under the Consolidated Sinking Fund (CSF) stand at ₹584 crore and ₹102 crore under the Guarantee Redemption Fund (GRF). For 2026–27 (BE), contributions to these funds have been estimated at ₹73 crore for CSF and ₹17 crore for GRF, respectively. These funds are constituted from contributions by the State Government and are managed by the Reserve Bank of India on behalf of the State Government. The interest accrued, along with the accumulated corpus in the Consolidated Sinking Fund can be utilised for the redemption of outstanding Government liabilities. The Guarantee Redemption Fund, on the other hand, has been established to discharge guarantees extended to Public Sector Undertakings, societies, and other entities, in the event such guarantees are invoked. Further, the extent of Special Drawing Facility extended by the Reserve Bank of India is linked to the State’s investments and contributions to these funds. Accordingly, the State seeks to maintain adequate balances under these reserve mechanisms in order to enhance its liquidity position.

BUDGET ESTIMATES 2026-27:

I. RECEIPTS:

A. Revenue Receipts:

25. The primary sources of revenue for the State comprise its Own Tax and Non-Tax Revenues, Devolution of Central Taxes and Duties, Grants for Centrally Sponsored Schemes, as well as Grants-in-Aid and other Contributions received from the Central Government. The total Revenue Receipts for the financial year 2026–27 are estimated at ₹14,994.31 crore, reflecting an increase of ₹2,046.70 crore over the previous year. This growth is largely attributable to the enhanced share of Mizoram in the divisible pool of Central Taxes in spite of the discontinuation of certain grants.

(a) State's Own Tax Revenue

26. The main sources of State's Own Tax Revenues are SGST, professions tax, taxes on vehicles, property registration, stamp duties, minor minerals and cess collected from petroleum products. For 2026–27 (BE), the State's Own Tax Revenue is projected at ₹1,619.25 crore. In line with the trend observed in previous years, a substantial share of this revenue is derived from the Goods and Services Tax, which accounts for 74.11% of the total State's Own Tax Revenue. The projected figure for the ensuing financial year shows an increase of ₹140.99 crore, representing a growth of 9.54% over the current year's Budget Estimate.

(b) State's Own Non-Tax Revenue

27. The State's Own Non-Tax Revenue is primarily derived from utility charges such as power tariffs and water user charges, State lottery receipts, Inner Line Permit (ILP) fees, room rent from Mizoram Houses and other Government-run guest houses among other sources. There is a marginal increase in the projected Non-Tax Revenue from these sources, with the estimate for 2026–27 (BE) placed at ₹1,140.50 crore, as against ₹1,138.07 crore in 2025–26 (BE), reflecting a modest but steady growth in non-tax receipts.

(c) Devolution of Central Taxes and Duties

28. As previously stated, the 16th Finance Commission has increased Mizoram's share in the divisible pool of central taxes to 0.564 % from the 0.500 % recommended by the 15th Finance Commission. According to the Union Budget 2024-27 (BE), the divisible pool of central taxes to be distributed among 28 States in India amounts to ₹15.26 lakh crore (₹15,26,254.58 crore), with Mizoram's allocation set at ₹8608.08 crore. This represents an increase of ₹1,495.85 crore from the 2025-26 (BE) figure of ₹7,112.23 crore.

(d) Finance Commission Grants

(i) Local Body Grants

29. For the ensuing financial year 2026–27 (BE), ₹73 crore has been allocated for Rural Local Bodies and ₹49 crore for Urban Local Bodies, as recommended by the 16th Finance Commission. The Local Body Grants are classified into two components, namely Basic Grant and Performance Grant by the 16th Finance Commission. Under the Performance Grant, weightage has been assigned to the performance of the State Government as well as that of the respective Local Bodies, based on which the performance grants are to be released. Furthermore, 50% of the Basic Grant is untied, while 100% of the Performance Grant is untied.

(ii) State Disaster Risk Management Fund

30. The State Disaster Risk Management Fund comprises the State Disaster Response Fund (SDRF) and the State Disaster Mitigation Fund (SDMF). Under the State Disaster Risk Management Fund (SDRMF), a sum of ₹51.30 crore is anticipated for 2026-27, which is ₹5.70 crore lower than the current year's allocation. Funds under this head are contributed by the Centre and the State in a 90:10 ratio. For the fiscal year 2026-27, the funds under SDRMF are allocated in a ratio of approximately 80:20 between the two components, with ₹41.40 crore allocated to the State Disaster Response Fund and ₹9.90 crore to the State Disaster Mitigation Fund.

(e) Centrally Sponsored Schemes (CSS)

31. Revenue receipts under Centrally Sponsored Schemes (CSS) are transfers from the Government of India for the implementation of Central Schemes and are tied grants which must be utilized strictly in accordance with the guidelines issued by the respective Central Ministries. For the ensuing financial year 2026–27, an allocation of ₹3,320.15 crore has been made, reflecting an increase of ₹1,006.10 crore over the Budget Estimate for 2025–26. At present, the State is implementing multiple CSS across various departments, including prominent schemes such as Samagra Shiksha Abhiyan (SMSA), Pradhan Mantri Awas Yojana (PMAY) for both rural and urban areas, the erstwhile Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGS) now replaced by the Viksit Bharat- Guarantee for Rozgar and Aajeevika Mission (Gramin) (G-RAM-G), National Health Mission (NHM), Jal Jeevan Mission, National Social Assistance Programme (NSAP), Atal Mission for Rejuvenation and Urban Transformation (AMRUT), and the Swachh Bharat Mission (SBM) among others. All these Centrally Sponsored Schemes implemented by the State have now been onboarded on the SNA SPARSH platform, which is a significant achievement in itself and qualifies the State for availing incentives for efficiency in financial management under Part IX of SASCI 2025–26.

(f) Externally Aided Projects

32. Hon'ble Speaker Sir, as stated earlier, the Government of Mizoram on 23rd January 2026 signed an Externally Aided Project loan agreement with Asian Development Bank for the project titled "*Supporting Public Health Care System Strengthening to achieve Universal Healthcare for Mizoram*", popularly known as the Mizoram Universal Healthcare Scheme (MUHCS). The World Bank funded Mizoram Health Systems Strengthening Project has been successfully implemented and is expected to be closed by March 2026. In addition, the establishment of the Mizoram State Super Speciality Cancer and Research Centre under the Health & Family Welfare Department, along with the Project Readiness Financing for the

Aizawl Sustainable Urban Transport Project under the Urban Development & Poverty Alleviation Department, are presently under implementation as ongoing externally aided projects. Besides these, the 24 MW Turini Hydro Electrical Project to be funded by the New Development Bank and FOCUS 2.0 to be funded by the International Fund for Agriculture are in the pipeline. Funds under Externally Aided Projects are released through a reimbursement mechanism and follow a funding pattern of 80:20, 80% being the loan portion and 20% being the State counterpart funding portion. Of the loan portion, 10% is to be repaid by the State in accordance with the applicable financing terms while 90% is to be repaid by Government of India. For the financial year 2026–27 (BE), grants under Externally Aided Projects are anticipated at ₹130.15 crore, reflecting an increase of ₹30.15 crore over the Budget Estimate of 2025–26. This rise is primarily attributable to the new loan agreement signed with the Asian Development Bank for the Mizoram Universal Healthcare Scheme.

B. CAPITAL RECEIPTS

33. Capital receipts are estimated at ₹2,475.60 crore for the upcoming 2026–27(BE), indicating an increase of ₹224.45 crore over ₹2,251.15 crore in 2025–26(BE). This improvement is largely attributable to enhanced inflows under SASCI, which remain the key driver of growth in capital receipts. Capital receipts mainly comprise debt receipts from internal resources, recoveries of loans and advances, and public debt borrowings from the Government of India, the Reserve Bank of India, and various Central Financial Institutions. These receipts are largely utilised for capital expenditure and asset creation, contributing to the expansion of productive capacity and long-term economic development of the State. An increase in capital receipts signifies enhanced availability of resources for capital formation and development-oriented expenditure.

(a) Recovery of Loans and Advances

34. During the financial year 2026-27 (BE), ₹21.10 crore is anticipated to be recovered from various loans disbursed by the State Government. These loans include housing advances, loans to cooperative societies, and loans issued to government employees, among others. These repayments will contribute to the Capital Receipts of the State during the year.

(b) Public Debt

(i) Internal Debts

35. Mr Speaker Sir, the total Capital Receipts estimated under Internal Debt of the State for the ensuing financial year 2026–27(BE) stand at ₹1,440.04 crore, as against ₹1,465.03 crore in 2025–26(BE), reflecting a reduction of ₹24.99 crore from the current year. Out of this, a sum of ₹1,120 crore is projected to be raised through market borrowings during 2026–27(BE), which is ₹30 crore lower than the provision of ₹1,150 crore in 2025–26(BE). It may also be noted that the amount raised in 2024–25(BE) was ₹1,170 crore. This steady decline in market borrowings over the years demonstrates our Government’s conscious and sustained efforts since assuming office to moderate Open Market Borrowings and to manage debt in a responsible and sustainable manner.
36. In addition to market loans, the Government expects to raise ₹280 crore from the NABARD, ₹10 crore from the National Cooperative Development Cooperation (NCDC) which is double the provision of ₹5 crore in 2025-26(BE) due to increased economic activity of societies and ₹ 30 crore from the Urban Infrastructure Development Fund (UIDF) operated through the National Housing Bank. These borrowings reflect our continued efforts to diversify the State’s borrowing portfolio and to leverage concessional and institutional financing for priority sectors, particularly in rural development, cooperative strengthening, and urban infrastructure.

**(ii) Loans and Advances from Central Government and other
Financial Institutions**

37. A significant component of our borrowing for 2026–27 will come from the Government of India’s 50-year interest-free scheme i.e “Special Assistance to States for Capital Investment” (SASCI). An amount of ₹1,000 crore is expected to be received under this head during the year. In addition, borrowings under Externally Aided Projects within the loan components are estimated at ₹14.46 crore. Therefore, the total provision under Loans and Advances for 2026–27 (BE) is estimated at ₹1,014.46 crore. This marks an increase of ₹253.31 crore over the current year’s Budget Estimate, largely due to the enhanced allocation under SASCI.
38. The total amount of funds projected under Revenue Receipt and Capital Receipt for the fiscal year 2026-27 (BE) is ₹17,469.92 crore indicating a 14.94% growth over 2025-26 (BE).

II. DISBURSEMENTS:

A. REVENUE EXPENDITURE

39. Hon’ble Speaker Sir, as a welfare-oriented socialist State being committed to inclusive and equitable development, a substantial portion of our budget continues to be directed towards Revenue Expenditure to sustain essential public services and social protection measures. Significant allocations are made for the education sector, power subsidy, foodgrain subsidy, health services, and maintenance of security and law & order, all of which are fundamental to the well-being of our people. For the upcoming financial year 2026–27 (BE) the total Revenue Expenditure is projected at ₹14,094.47 crore indicating a 13.81% rise over the amount estimated in 2025–26 (BE) which stood at ₹12,384.70 crore. Revenue Expenditure accounts for 82.53% of the combined total of Revenue and Capital Expenditure for 2026–27(BE). The escalation in Revenue Expenditure is also

attributable to increase in administrative expenses such as power purchase commitments, maintenance of core infrastructure such as roads, government buildings, and water supply systems, and servicing of interest on public debt. The enhanced provision under Salaries reflect annual increments and the increase in Dearness Allowance / Dearness Relief. Pensionary expenditure has witnessed a notable rise due to the revision and fixation of pensions under the first formulation for pre-2016 pensioners. Pensionary charges are estimated at ₹2,502.79 crore in 2026–27 (BE), indicating an increase of 11.19% over the 2025-26 (BE). Collectively, these factors contribute to the overall increase in Revenue Expenditure for the forthcoming financial year.

B. CAPITAL EXPENDITURE

40. The State's capital expenditure is largely directed towards investments in core sectors such as infrastructure, roads and machinery which are essential for sustaining economic growth and improving service delivery. The 16th Finance Commission is of the opinion that the States will have to maintain high level of capital expenditure for the coming decade or two to develop world class infrastructure. CAPEX constitutes a critical component of the State's fiscal strategy, as it directly contributes to asset creation and the strengthening of long-term productive capacity while also facilitating the reduction of public liabilities. The Total Disbursement under Capital Expenditure for the year 2026-27 (BE) is estimated to stand at ₹2,982.44 crore, which is 12.18% higher than the current year's Budget Estimate of ₹2,658.56 crore and accounts for 17.46% of the gross total estimated expenditure for 2026-27 (BE).
41. Sir, the provision for repayment of borrowings is determined by the maturity profile of Open Market Borrowings and other loans availed by the State in previous years. In accordance with the scheduled repayments falling due, an amount of ₹392.47 crore has been allocated in 2026–27 (BE) towards debt repayment. This represents a reduction from the allocation of ₹419 crore in the current financial year, reflecting the tapering of certain maturities during the ensuing year.

42. The combined total of Revenue and Capital Expenditure estimated for the financial year 2026–27 (BE) stands at ₹17,076.92 crore.

III. SECTORAL ALLOCATIONS

A. GENERAL SERVICES SECTOR

43. The allocation under the General Services sector provides for the essential functions of governance and administration of the State. This sector encompasses expenditure on the Legislature, Secretariat Administration, District Administration, Police and other law and order machinery, as well as fiscal services, interest payments on debts and pensionary benefits. It is classified as non-development expenditure since it does not directly drive economic growth but it plays a crucial role in optimizing the effective use of development funds.
44. Under the General Services sector, a sum of ₹5,443.83 crore has been provided under the Revenue Section and ₹1,952.54 crore under the Capital Section for the upcoming financial year 2026–27 (BE), aggregating to a total outlay of ₹7,396.37 crore. This represents an increase of 13.61% over the allocation of ₹6,510.39 crore in 2025–26 (BE). The allocation for General services sector accounts for 43.31% of the total projected expenditure for the ensuing financial year.
45. The allocation under Interest Payments has registered a substantial increase of 17.23%, rising to ₹929.65 crore in 2026–27 (BE) from ₹793.01 crore in the current year's Budget Estimate. This increase is primarily attributable to the cumulative impact of borrowings contracted in previous years, including Open Market Borrowings and institutional loans, as well as the commencement of interest servicing on recently availed loans. The rise reflects the growing interest liability arising from the State's debt stock and underscores the importance of prudent debt management in the years ahead.

46. Hon'ble Speaker Sir, to strengthen fiscal decentralization and recommend the devolution of funds to the Autonomous District Councils, the 3rd State Finance Commission will be constituted during the ensuing financial year. Accordingly, a provision of ₹100 lakh has been earmarked for the constitution and operationalization of the State Finance Commission.
47. The Government remains firmly committed to combating the menace of drugs in the State. During the current financial year, “**Hulhliap short-stay**” is being conducted in coordination with the Church and YMA to facilitate de-addiction programme. 9 batches of campers were accommodated involving an expenditure to the tune of ₹383.63 lakh of which ₹ 150 lakh was incurred from the Social Infrastructure and Services Cess collected. Further, **Operation Jericho** was launched recently as a focused, ongoing effort to strengthen enforcement and prevention. To further intensify anti-drug efforts, a new budget head titled *Anti-Narcotic Activities* has been created under the Excise & Narcotics Department, with a budget of ₹40 lakh for 2026–27 (BE). This funding will aid targeted enforcement, awareness campaigns, and coordinated actions against illegal drug trafficking and substance abuse.

B. SOCIAL SERVICES SECTOR

48. The Social Services sector encompasses key areas such as Education, Sports, Health and Family Welfare, Water Supply and Sanitation, Housing, Local Administration and District Councils, Social Welfare and Nutrition, Information and Public Relations, as well as Labour and Employment, among others. This sector essentially represents the core developmental expenditure of the Government, directed towards improving the quality of life of citizens. Investments under Social Services aim at strengthening human capital, expanding access to essential services, promoting social equity, and enhancing the overall well-being and welfare of the people of the State.

49. The total allocation under the Social Services sector for 2026–27 (BE) stands at ₹5,069.27 crore, as compared to ₹4,747.24 crore in 2025–26 (BE). This reflects an absolute increase of ₹322.03 crore, translating into a year-on-year rise in allocation of approximately 6.78%. Out of the total Social Services outlay for 2026–27 (BE), ₹4,832.55 crore is provided under the Revenue Account, constituting 95.33% of the sector’s total allocation while ₹236.72 crore is earmarked under the Capital Account accounting for 4.67% of the total. In relation to the overall estimated expenditure of ₹17,076.92 crore for 2026–27 (BE), the Social Services sector accounts for 29.68% of total expenditure. This data indicates a moderate but steady increase in allocations to Social Services, reflecting continued emphasis on welfare and human development.
50. Mr Speaker Sir, to preserve and promote the cultural legacy of our State, a provision of ₹10 lakh has been introduced for undertaking archaeological surveys to identify and protect heritage sites, and ₹10 lakh has been allocated for the promotion of Music and Art under Art & Culture Department. Additionally, ₹150 lakh has been earmarked under the Art & Culture Department for extending assistance to NGOs.
51. From the ensuing financial year onwards, all allocations under the Advertising and Publicity Head will be consolidated under the Information and Public Relations Department, with ₹ 214 lakh allocated in 2026-27 (BE). This centralisation has been undertaken to ensure better coordination, improved transparency, and more efficient management of government Advertising and Publicity activities.
52. An allocation of ₹75 crore is kept for energy charges for pumping of water under the Public Health Engineering Department, which reflects an increase of ₹15 crore compared to the current fiscal year.
53. The Government has introduced the Road Maintenance Cess and the Social Infrastructure and Services Cess at the rate of ₹ 2 per litre each on Motor Spirit and another ₹ 2 per litre each on High Speed Diesel, with effect from 3rd September, 2024. The anticipated receipts under these cesses for the current year are estimated

at ₹45 crore each. However, after adjusting for the shortage of ₹1.75 crore collected during 2024-25, the net available proceeds for allocation for 2026-27 (BE) are projected at ₹43.25 crore each. As per the percentage distribution already approved by the Cabinet, 40% of the Social Infrastructure and Services Cess i.e ₹17.30 crore has been earmarked as “Top-up SMS” for salaries of staff under the Samagra Shiksha Abhiyan to bridge the funding gap remaining after the Central Government grant and the State’s matching share. Further, as already notified, 20% each of the Social Infrastructure and Services Cess is allocated to Education Sector, Social Welfare Sector and Health & Wellness Sector amounting to ₹8.65 crore for each sector. Through this structured allocation, the Government seeks to ensure that the proceeds of these cesses are channelled effectively towards priority sectors that directly impact the welfare and development of the people.

C. ECONOMIC SERVICES SECTOR

54. The Economic Services sector covers a broad spectrum of development-oriented departments and activities, including Agriculture and Allied Activities, Rural Development, the MLA Fund, Power, Irrigation and Flood Control, Industries and Minerals, Civil Aviation, Road Transport, Communication, Science and Technology, Environment and Forests, Tourism and Civil Supplies, among others. For the financial year 2026–27 (BE), a total allocation of ₹ 4,216.84 crore has been provided under this sector. This constitutes 24.69% of the total estimated expenditure for the year. The allocation reflects a 19.85% increase over the current year’s Budget Estimate of ₹3,518.37 crore, demonstrating the Government’s sustained focus on infrastructure development, productive sectors and the State's overall economic expansion.
55. Honorable Speaker, the Government’s flagship scheme, Bana Kaih (Handholding Scheme), continues to gain momentum as highlighted earlier. For the fiscal year 2026-27, a total of ₹350 crore has been earmarked for Mizoram Bana Kaih, out of which a separate allocation of ₹150 crore under a detailed head of “Thlathar leina under Handholding Scheme” is distinctly provided.

56. An amount of ₹43.25 crore has been allocated for 2026-27 to the State Road Fund Board, Public Works Department, from the fund collected through the road maintenance cess during the current financial year. This is in addition to the normal Road Fund Board budgetary allocation of ₹40 crore. As mentioned earlier, the anticipated receipts under the road maintenance cess for the current year is estimated at ₹45 crore. However, after adjusting for the fund insufficiency of ₹1.75 crore incurred during 2024–25, the net available proceeds for allocation in the ensuing financial year is projected at ₹43.25 crore. This provision will be utilized for the upkeep, upgradation, and systematic maintenance of road infrastructure across the State. In addition, ₹30 crore is allocated to PWD for road maintenance, with ₹70 crore parked for the maintenance of priority sector roads, over and above these allocations.
57. The Power & Electricity Department and the Public Health Engineering Department have each been increased by ₹200 lakh under their respective Maintenance Heads.
58. Under the Economic Services Sector, ₹550 crore has been earmarked in 2026-27 (BE) for Power Purchase, representing an increase of ₹50 crore compared to the current year's allocation. At the same time, ₹175 crore is allocated for Power Subsidy to check the increase in the power tariff.
59. Under Agriculture Department, ₹250 lakh is newly allocated for procurement of pipes which is to be distributed to farmers at a 50% subsidized rate.
60. In spite of curbing pilferage of rice with the implementation of e-Pos machine, in order to have ready stock in case of monsoon related disasters the allocation under the Food, Civil Supplies & Consumer Affairs Department for procurement of rice has been enhanced to ₹200 crore in the ensuing financial year 2026–27 (BE), as against ₹180 crore in 2025–26 (BE).

IV. CHARGED AND VOTED EXPENDITURE

61. The gross estimated expenditure for the year 2026-27 is ₹17,076.92 crore. The net estimated expenditure, after deducting ₹155.50 crore for recoveries related to the sale of foodstuffs under the Food, Civil Supplies & Consumer Affairs Department and under Stock Suspense account of Public Works Department, would amount to ₹16,921.42 crore.
62. Of the total estimated expenditure, ₹1,455.44 crore is classified as Charged Expenditure, while a gross amount of ₹15,621.48 crore, which includes deduct recoveries, is categorized as Voted Expenditure that requires approval from this august Assembly.

V. SUPPLEMENTARY DEMAND FOR GRANTS

63. Hon'ble Speaker, a supplementary demand of ₹3,724.25 crore is necessary under the Revised Estimates for 2025-26. The primary reasons for the demands surpassing the Budget Estimates are due to receipts under SASCI which has exceeded its allocation and funds released under CSS which are higher than initially anticipated and other unforeseen expenditures in the day-to-day functioning of the Government.
64. In the fiscal year 2025-26, there is a shortage of ₹3,724.25 crore over the Budget Estimate. The additional requirement consists of Charged Expenditure of ₹13.87 crore, and Voted Expenditure of ₹3,710.38 crore, the latter being subject to legislative approval.

CONCLUSION:

65. Mr. Speaker Sir, I hereby lay the Budget Estimates (excluding those for Charged Expenditure) for the Financial Year 2026-27, amounting to ₹ 15,621.48 crore, for the discussion and approval of this august House.
66. In addition to the main budget, I now present the Supplementary Demand for grants (excluding those for Charged Expenditure) for the Financial Year 2025-26 amounting to ₹3,710.38 crore for approval of the House.

Thank You.