सत्यमेव जयते

GOVERNMENT OF MIZORAM

MEDIUM TERM FISCAL POLICYSTATEMENT

(As required under Section 5(1)(a) of The Mizoram Fiscal Responsibility and Budget Management Act, 2006)

GOVERNMENT OF MIZORAM

2022-23

(As laid before the 8th Mizoram Legislative Assembly on 24th February, 2022)

FORM – I
(See Rule 3)
MEDIUM TERM FISCAL POLICY STATEMENT

A. FISCAL INDICATORS - ROLLING TARGETS

Table 1: Fiscal Indicators (as a percentage of GSDP)

Sl. No.	Item	2020-21 (Actuals)	2021-22 (Budget Estimate)	2021-22 (Revised Estimate)	2022-23 (Budget Estimate)	Target for next Two Years	
						2023-24 (Proj.)	2024-25 (Proj.)
1	**Revenue Deficit(-)/ Surplus(+) as a % of GSDP**	-2.66	1.53	-0.56	3.60	3.25	3.08
2	**Fiscal Deficit as a % of GSDP**	-6.43	-2.14	-5.2	-3.07	-3.00	-3.00
3	**Total Outstanding Liabilities as a % of GSDP**	33.98	27.63	34.4	31.81	29.30	27.70
4	**Total Outstanding Liabilities as a % Total Revenue Receipt(TRR)**	127.65	107.10	112.86	109.86	109.86	105.79
5	**Interest Payments as a % of Total Revenue Receipt(TRR)**	5.18	3.92	4.32	4.04	4.06	4.08

Note : *GSDP is the Gross State Domestic Product estimated by Economics & Statistics Department, Government of Mizoram of 2011 series: 2018-19 (final), 2019-20 (Provisional), 2020-21 (advance), 2021-22 (projected), 2022-23 (projected), 2023-24 (projected)*

1. The Medium Term Fiscal Policy Statement is presented every year before the House of the Mizoram State Legislative Assembly, as required under sub-sections 1 (a) and (2) of section 5 of the Mizoram Fiscal Reform and Budget Management Act, 2006. It sets out the three-year rolling targets for specific fiscal indicators in relation to GDP at market prices which are:-

(a)Revenue Deficit as a percentage of Gross State Domestic Product GSDP);

(b)Fiscal Deficit as a percentage of Gross State Domestic Product (GSDP);

(c)Total Outstanding Liabilities as a percentage of GSDP and also of Total Revenue Receipts;

(d) Interest Payment as a percentage of Total Revenue Receipts;

(e) any additional target(s) the Government may like to prescribe.

2. After having endured two waves of Covid-19, the path of recovery in India as in the rest of the global economy has again encountered headwinds from a rapid surge in infections due to Omicron. Even though the Indian economy stood resilient as far as it could, it is still likely to result in greater poverty and inequality. The World Economic Outlook (January 2022) published by the International Monetary Fund (IMF), has downgraded global growth forecast from 5.9 per cent in 2021 to 4.4 per cent in 2022 while the IMF predicted India's GDP growth at 9.5% in 2021 and 8.5% for 2022. India, however, estimated its GDP growth for 2022 at 9.2%. As the socio-economic impact of the pandemic on India has direct consequences on Mizoram, it being largely dependent on transfers from the Central Government.

3. The State Government heavily depends on the Central Government on the terms of devolution of resources from the Central Government as recommended by the Finance Commissions for the determination of its fiscal policy. This being the case, any change in revenue income at the Centre directly affects the State's financial condition. In this background, the Government has revised its fiscal targets as indicated ***table1*** above for RE 2021-22 and BE 2022-23.

Fiscal Outlook for RE 2021-22

4. As mentioned earlier, the Revised Estimated figure for 2021-22 provided in *Table 1* above is a reflective of covid impact on the State's finances. The Gross Fiscal Deficit in 2020-21 is 6.43% (as a percentage of GSDP) and is estimated at 2.14% in 2021-22 (BE). The deviation of Fiscal Deficit from BE 2021-22 is still large with RE 2021-22 figure pegged at 5.2% but with improved tax collection at the Centre and with business expected to slowly ease up, Fiscal Deficit for 2022-23 is estimated at 3.07%. Although the State Government has put all efforts in reducing its excess expenditure, it is still not in a position to maintain revenue surplus in the wake of the ongoing pandemic. Hence, Revenue Deficit of 0.56% is estimated in RE 2021-22 while a surplus of 1.53% is expected as per BE 2021-22. As highlighted in *Table 1* above, mounting borrowings as a measure to ease the State's financial stress resulted in increased liabilities in RE 2021-22. This is mainly because the State has availed huge Ways & Means Advances as well as interest-free loan under Special Assistance to States for Capital Expenditure.

Fiscal Outlook for BE 2022-23 and Recommendations of the Fifteenth Finance Commission.

5. Fiscal deficit for BE 2022-23 is estimated to be 3.07% of GSDP. The decline in fiscal deficit from RE 2021-22 reflects Government's commitment towards the fiscal health of the economy. State's Own Tax Revenue is projected to grow at

₹801.30 crore in BE 2022-23 from ₹786.59 crore in RE 2021-22 while Non-Tax Revenue collection for BE 2022-23 is estimated to drop at ₹836.43 crore. It may be noted the estimates are made from a pragmatic view in the midst of a surging covid third wave. Total net expenditure in FY 2022-23 is pegged at ₹14008.15 crore against ₹16391.57 crore in 2021-22 (RE). Net Revenue Expenditure in 2022-23 (BE) is budgeted at ₹10006.51 crore with a marginal reduction compared to ₹10487.15 crore in 2021-22 (RE). Net Capital Expenditure is estimated at ₹4001.64 crore in 2022-23 (BE) which is a decrease of 32.23 % over 2021-22 (RE).

6. The Finance Commission has been tasked with evolving an approach, based on its review of Union and State finances, to create fiscal environment that is sustainable and also promote equitable growth. The Twelfth Finance Commission (2005-2010) had mandated the enactment of the Fiscal Responsibility and Budget Management Act for the State Governments. In line with these fiscal reforms, Mizoram Fiscal Responsibility and Budget Management (MFRBM) Act, 2006 was legislated and enacted to be the guidepost for the fiscal management of the State and the Mizoram FRBM Rules was put in place in 2007. The enforcement of this act and rules has put a tight fiscal belt in the fiscal management of the State.

7. The Thirteenth Finance Commission recommended a fiscal consolidation roadmap which would progressively reduce and eliminate the Revenue Deficit to zero and Fiscal deficit to 3 % of GSDP by 2014-15.

8. The Fourteenth Finance Commission reviewed state of finances, deficit and debt levels of the Union and the States, keeping in view, in particular, the fiscal consolidation roadmap recommended by the Thirteenth Finance Commission and suggested measures for maintaining a stable and sustainable fiscal environment consistent with equitable growth including suggestions to amend the Fiscal Responsibility and Budget Management Acts currently in force and while doing so, the Commission considered the effect of the receipts and expenditure in the form of grants for creation of capital assets on the deficits; the Commission also considered and recommended incentives and disincentives for States for observing the obligations laid down in the Fiscal Responsibility and Budget Management Acts.

9. The first report of The Fifteenth Finance Commission (FC-XV) consistingof recommendations for the financial year 2020-21, was tabled in Parliament on February 1, 2020. The final report with recommendations for the 2021-26 was then laid in the Parliament on February 1, 2021 alongside the Union Budget 2021-22. Some of the key highlights of the Fifteenth Finance Commission are as under:

a. Vertical devolution in share of taxes to the States decreased from 42% to 41% without changing the formula of devolution. The 1% reduction has been on account of Jammu & Kashmir moving out from the State list.

b. Revenue Deficit Grant awarded to 17 States increasing from the current 14 States of the recommendation of the Fifteenth Finance Commission for the year 2020-21.

c. Sector-specific grants for States for eight sectors: (i) health, (ii) school education, (iii) higher education, (iv) implementation of agricultural reforms, (v) maintenance of PMGSY roads, (vi) judiciary, (vii) statistics, and (viii) aspirational districts and blocks. A portion ofthese grants will be performance-linked.

d. State-specific grants in the areas of: (i) social needs, (ii) administrative governance and infrastructure, (iii) water and sanitation, (iv) preservation of culture and historical monuments, (v) high-cost physical infrastructure, and (vi) tourism. The Commission recommended a high-level committee at State-level to review and monitor utilization of State-specific and sector-specific grants.

e. Grant in aid for local bodies and disaster relief fund shall continue.

f. Recognizing the need for a major restructuring of the FRBM Act, the commission had recommended the constitution of a high-powered inter-Governmental group for a new fiscal consolidation framework.

g. The Commission recommends that all States to set up State Finance Commission. The States should then act upon the State Finance Commission's recommendations and lay the explanatory memorandum as to the action taken, before the State legislature on or before March 2024. Failing this, no grants should be released to States that fail to comply. The Second Mizoram State Finance Commission has been constituted and is yet to submit its Report.

10. The Fiscal Consolidation Roadmap recommended by the Fifteenth Finance Commission is highlighted below-

i. The normal limit for net borrowing is fixed at 4% of GSDP in 2021-22, 3.5% in 2022-23 and be maintained at 3% of GSDP from 2023-24 to 2025-26.

ii. If State is not able to fully utilize its sanctioned borrowing limit as (i) above, in any particular year during the first four years of the award period (2021-22 to 2024-25), it will have the option of availing the unutilized borrowing amount in any of the subsequent years within the award period.

iii. States will be further eligible for an additional annual borrowing limit of 0.50 % of GSDP during the first four years (2021-25) upon undertaking power sector reforms.

11. In light of the broad fiscal framework designed by Fifteenth Finance Commission, the Government of Mizoram also is taking on reforms on the fiscal front for long term fiscal stability. The Government clearly understands that being an economic agency, the long term fiscal framework rests on finding enough resources to meet the investment requirements. In keeping with the recommendations of the Commission on fiscal reforms, the Government's focus on fiscal management will continue to be guided by the following principles -

a. Continuation of the process of fiscal reforms and consolidation; generation of revenue surplus and reduction of fiscal deficit.

b. Improvement of Own Tax Revenues, Own Non-Tax Revenues and Own Tax-GSDP ratio.

c. Improvement of the quality of expenditure.

d. Increment of allocation of fund in socio-economic sectors.

e. Increment of capital investment in infrastructure sector.

f. Minimization of subsidy only to the needy and deserving section of the society, especially for TPDS/Food Security Act

g. Introduction of austerity measures so as to cut down avoidable expenditure of public money.

12. Towards improving ***Own Tax Revenues, Own Non-Tax Revenues and Own Tax-GSDP ratio*****,** the Government has taken up measures such as-

a. Constitution of *Resource Mobilization Committee* to augment potential revenue generation from all sources.

b. Restructuring of Taxation Department by carrying out the reorganization package so that tax administration is improved to bring about improvement in tax collection.

c. Streamlining of tax collection system and computerization of records and collection system.

d. Capacity building of the officials involved and introduction of Management Information System as well as online payment for varioustaxes.

e. Increasing the selling price of food grains under TPDS with minimal impact to the general public and eventually replacing the TPDS with the Food Security Act.

f. Increasing water user charge so as to compensate for the unrecovered expenditure incurred for operation and maintenance of the existing water pumps and its distribution (supply) systems and to increase the efficiency of metering and revenue collection.

g. Evolving more efficient collection system of Power Tariff as the same had been raised by the JERC for Manipur and Mizoram.

13. The Government has certain expenditure commitments in the form of development expenditure on specified schemes but the Government will keep close watch on outcome oriented expenditure so that the benefits of public spending reach the targeted populace.

14. Other medium term measures on expenditure management will include computerization of treasuries, institutionalization of Performance Budgeting, Medium Term Expenditure Framework (MTEF) in selected departments and Project Appraisal, Monitoring and Evaluation system. When fully put in place, these measures will bring along qualitative improvements in the public spending and the various processes involved in budgeting and tracking of the Government's expenditure.

15. Another issue of prime concern is the future borrowings of the Government. The Government's borrowing need to follow a conscious policy of containing the net borrowings to make sure the outstanding debt stock vis-à-vis GSDP and Revenue Receipts is slowly brought down. Focus has also been laid on containing the fiscal deficit and the debt stock of the Government. The Government will, therefore, continue to work with multilateral institutions to mobilize external resources as well as private capitals for investments so that the possible shortage of funds due to limited borrowings could be supplemented by alternative resources.

16. The Government will also consciously move to reduction of interest payment burden by moving towards reduction of weighted average interest rates as well as reducing high cost loans over the medium term. The Government is slowly shifting its borrowings in favour of low-cost RIDF loan of NABARD and from SIDBI for rural infrastructure and other development oriented activities.

17. The Government will continue to invest in the Consolidated Sinking Fund and Guarantee Redemption Fund which will help build up Reserve Funds of the State in the Public Account for paying off its future direct and contingent liabilities. The Consolidated Sinking Fund is a buffer for repayment of the State's liabilities.

18. Budget 2022-23 is prepared taking into consideration the plausible impact of the pandemic but with an optimistic approach. As per the provisions in the FRBM Rules, the assumptions underlying the projection of fiscal indicators are explained below.

B. ASSUMPTIONS UNDERLYING THE PROJECTIONS OF FISCAL INDICATORS

1. Revenue Receipts

<u>Tax Revenue</u>

17. The State has continued to display a moderate level of growth in collection of Own Tax Revenues. The underlying factor that contributes to the low level of tax collection is to a great extent attributed to non-existence of large scale industries in the State. The geographical isolation, rugged terrains and limited resources is hugely detrimental for setting up large scale industries. Furthermore, the contribution of industry sector to the economy is fairly moderate making it difficult to have a broad tax base. The impediments caused by transition from the erstwhile VAT to the new tax regime in the form of GST are slowly dissipating and GST has gained traction which has helped increase State's own tax collection. However, the share of the State's Own Taxes to the overall tax receipt continues to be nominal, accounting for just over 7.01 % for BE 2022-23.

18. Computerization of Tax administration has tremendously improved the tax collection efficiency. The Taxation Department has undertaken the development of exclusive citizen-centric web-based system which is able to cater to the State's specific needs in tax administration. By offering online services such as e-payment and e-returns, the collection of tax revenue has increased manifold. Transport Department is also taking up online payment of Road tax and Passengers & Goods taxes. The Goods & Services Tax (GST), launched on 1st July, 2017 across the country, subsumed various taxes levied by State, including sales tax, entertainment tax and entry tax, except the revenue from excise on alcohol and sale of alcohol and petroleum products. As the

Goods and Services Tax (GST) gains traction across the country, the collections have been improving since 2018-19 and even amidst the covid pandemic, GST collection at the State still met its target set for 2021-22 (BE). Moreover, GST collection at the Centre is also briskly picking up after a long period of covid induced shortfall. The GST accounts for a major revenue resource for the State.

19. The State's Own Tax Revenue (SOTR) so far accrued to the State Government may be summarized as follows – ₹726.70 crore in 2018-19 (Actuals), ₹730.98 crore in 2019-20 (Actuals), ₹647.56 crore in 2020-21 (Actuals) and ₹786.59 crore in 2021-22 (RE). A total of ₹801.30 is estimated to be collected under State's Own Tax Revenue in 2022-23.

Non-Tax Revenue

20. It has been the concern of the State Government to generate its own resources on account of which it has reviewed many existing rate of Non-Tax revenue. In respect of Non-Tax Revenue, tariff rate of electricity and water, retail price of food grain in respect of non-NFSA card holders, revision of helicopter fare and other charges, land revenue, etc are to be revised. Various user charges at Government Hospitals and Government Guest Houses have also been revised.

21. The State's Own Non-Tax Revenue (SONTR) was ₹449.95 crore in 2018-19 (Actuals), ₹522.35 crore in 2019-20 (Actuals), ₹561.76 crore in 2020-21 (Actuals) and ₹862.84 crore in 2021-22 (RE). It is estimated that a total of ₹836.43 crore is likely to accrue under State's Own Non-Tax Revenue during 2022-23. The drop in estimated Non-Tax Revenue for 2022-23 is because P&E Department's shortfall of its Aggregate Revenue Requirement will now be met through subsidy and normal allocation, and as the subsidy amount has been reduced accordingly the same need not be projected in the new BE.

State's Share of Central Taxes

22. The Fifteenth Finance Commission has recommended that the share in taxes to be devolved to the State Governments be slightly reduced from 42% to 41%; the share of central taxes for the State was ₹3,502.96 crore in 2018-19 (Actuals)., ₹3,017.80 crore in 2019-20 (Actuals)., ₹3010.55 crore in 2020- 21 (Actuals). ₹3,721.95 crore in 2021-22 (RE). The expected amount for BE 2022-23 is ₹4083.24 crore. The actual release to the State Government is subject to actual realization of tax revenues by the Central Government.

Grants from Central Government

23. The Post Devolution Revenue Deficit Grant (PDRDG) has been decreased by a considerable amount during the Fifteenth Finance Commission as compared to the

Fourteenth Finance Commission period. Revenue Gap Grants are released as monthly installments to 17 States as per the recommendations of the Fifteenth Finance Commission to meet the gap in Revenue Accounts of the States post devolution. The Revenue Deficit Grants that accrued to the Govt. of Mizoram during the last five years are 2,588.00 crore in 2018-19 (Actuals), ₹2,716.00 crore in 2019-20 (Actuals),, ₹1,422.00 crore in 2020-21 (Actuals),, ₹1,790.00 crore in 2021-22 (RE) and ₹ 1615.00 in 2022-23 (BE) which is 9.78% lower than the current year's BE. The recommended Revenue Deficit Grants diminish towards the end of the Finance Commission award period with only ₹ 586.00 crore recommended for 2025-26.

24. Allocation of the State Disaster Response Fund, now changed to the Sate Disaster Risk Mitigation Fund to Mizoram was ₹18.00 crore in 2018-19, ₹18.00 crore in 2019-20, ₹47.00 crore in 2020-21, ₹47.00 crore in 2021-22 and ₹49.00 crore in 2022-23. The XV Finance Commission recommended that 20 % of the fund can be utilized for mitigation purposes and the remaining 80 % as response funds.

25. It is estimated that ₹106.00 crore will be received towards Local Body Grants with an estimated amount of ₹71.00 crore under Rural Local Body Grant and ₹35.00 crore under Urban Local Body Grant. The recommended amount for Rural Body Grant is 2.90 % more than the previous year's figure while there is an increase of 2.94% in respect of Urban Body Grant.

2. Capital Receipts

Borrowings

26. The borrowing ceiling of State Government is guided by the recommendation of the Finance Commission. The Ministry of Finance fixes the upper ceiling of net borrowing that can be availed by a State Government in line with the recommendation of the Finance Commission. The FRBM Act, 2006 was therefore amended from time to time so as to incorporate the new recommendations introduced by the Finance Commission. These are guidelines to lead the State Government along the fiscal correction path. The State Government has to be cautious in handling borrowings so that the borrowings should not be in excess of the requirement of deficit financing and the portfolio selection should be guided by the borrowing instruments and the overall cost of borrowings such that the weight-average interest rate on new borrowings could be minimized. The Fifteenth Finance Commission has allowed 4 % of GSDP for the 2021-22 and 3.5% for 2022-23.

Loans and Advances from the Central Government

27. The Twelfth Finance Commission recommended the discontinuation of the system of on-lending by the Centre to the States with the exception of loans given by

the Ministry of Finance. This exceptional loan includes Block Loan against the loan component of Externally Aided Projects. The successive Finance Commissions has recommended the same arrangement to be continued. The EAP Loans received from bilateral and multilateral agencies are in the sharing pattern 80:20 where the State has to meet 20 % of the State matching share, and the 80 %of the loan portion is shared in 90:10 pattern between the Centre and State. Thus, the borrowings under Loans & Advances from the Central Government will be the loan components of EAP etc. which was ₹11.36 crore in 2018- 19 , ₹10.15 crore in 2019-20, ₹247.62 crore in 2020-21 (Actuals), ₹330.51 crore in 2021-22 (RE) and kept at ₹19.34 crore in 2022-23 (BE). The figure escalation since 2020-21 is attributed to interest-free loan availed by the State under Scheme for Assistance to States for Capital Expenditure.

Recoveries of Loans and Advances

28. The continued disbursements of Loans and Advances by the Government to its employees in the past, loans taken by Co-operative Societies etc. which can be ascribed to an investment, had earned interests and therefore resulted in recovery of Loans and Advances. As recovery of loans follows a specific pattern, the estimated amount was ₹21.64 in 2017-18 (Actuals), ₹22.16 in 2018-19 (Actuals), ₹26.70 crore in 2019-20 (Actuals), ₹33.68 crore in 2020-21 (Actuals) and ₹33.60 crore in BE 2022-23. Because of austerity measures imposed by the State Government, no loans were disbursed to government employees from 2021.

Public Account Borrowings

29. To meet the resource gap on the Consolidated Fund and for making the requirement of resources to finance the Annual Plan, Net receipts under Provident Fund and Insurance & Pension Fund in the Public Account are always utilized. It is termed as Borrowings from Public Account (Net). Borrowing has to be maintained at optimum level so that the net borrowings under Public Account are not too much and serve as only gap-filler in the deficit financing. The net borrowing from the Public Account was ₹179.14 crore in 2017-18 (Actuals), ₹361.18 crore in 2018-19 (Actuals), ₹193.57 crore in 2019-20 (Actuals), ₹215.89 crore in 2020-21 (Actuals), ₹61.00 crore in 2021-22 (RE) and ₹ 61.00 crore in 2022-23 (BE).

Revenue Expenditure

30. The increased percentage of Revenue Expenditure mainly depends on two factors – increased percentage of salary and its connected items, rise in obligatory expenses and increased percentage of contingent expenditure. Owing to the implementation of Seventh Pay Revision and inflation, the expenditure on account of salary and its connected items has increased instantly and tremendously. Further obligatory expenditure on covid-related unforeseen expenditure, power purchase, rice

purchase and salaries of employees under a few CSS Schemes which are paid from the State's revenue add to the Revenue Expenditure of the State. As such, the estimate for 2022-23 is ₹10006.51 crore whereas the total revenue expenditure for 2018-19 (Actuals) was ₹7,505.59 crore, ₹9,453.96 crore in 2019-20 (Actuals), ₹8514.79 crore in 2020-21 (Actuals) and ₹10487.15 in 2021-22 (RE). An estimated amount of ₹10006.51 crore is kept under BE 2022-23.

Capital Expenditure

31. The State Government is striving to raise its Capital expenditure in order to enhance investment on infrastructure and other developmental activities by generating its own Revenue Surplus. At the same time, the ceiling of State borrowings is limited to the extent of its outstanding liabilities which has tightened the fiscal maneuverability of the State Government. Therefore, the expenditure on Capital Account is being anticipated on the basis of two factors – first, the total amount of devolution as recommended by the Finance Commission, second, the Revenue Surplus that the State Government is expected to generate on its own. The amount of devolution that needs to be set aside for capital formation or expenditures which are of capital in nature are generally determined by the left- over from the committed revenue expenditures.

32. Capital Expenditure is an expense made towards creation or improvement of long-term assets such as infrastructure, lands and buildings, roads and bridges, investment in reserve funds etc. The Total Capital Expenditure of the State was ₹1,868.47 crore in 2018-19 (Actuals), ₹1,372.67 crore in 2019-20 (Actuals), ₹2746.76 crore in 2020-21 (Actuals), ₹5904.41 crore in 2021-22 (RE). An amount of ₹4001.64 crore is estimated to be used under Capital Expenditure during 2022-23.

C. ASSESSMENT OF SUSTAINABILITY RELATING TO

(a) The balance between revenue receipts and revenue expenditure

33. The difference between Revenue Receipts and Revenue Expenditure is termed as Revenue Deficit or Revenue Surplus depending upon the nature of the difference. The Revenue Surplus in 2018-19 was ₹1,533.90 crore (6.90% of GSDP), ₹204.30 crore in 2019-20 which was 0.77% of GSDP. As per Actuals Figure for 2020-21, the trend witnessed a decline with Revenue Deficit at 2.66% of GSDP. The decline is a result of pandemic induced lockdowns and constrained economic activities throughout the country. And yet in 2021-22, the deficit persists at 0.56% while a Revenue Surplus of 3.60% is expected in 2022-23.

(b) The use of capital receipts including borrowings for generating productive assets

33. The State Government has been utilizing borrowings for meeting its expenditure requirements on capital account for generating productive assets i.e. for capital formation. This is essential especially for revenue-deficient States like ours. This, in essence, is not harmful as long as it leads to capital formation but what has become harmful is the unhealthy practice of meeting revenue expendituresfrom capital receipts which is currently practiced because of financial difficulties brought about by the Covid waves.

(c) Estimated yearly pension liabilities worked out on actuarial basis for the next ten years.

34. Even though the central Government enhanced contribution of the Government share for the New Pension Scheme, the State Government retains the same rate of the matching contribution; thereby the annual growth estimated remains unchanged. Even though New Defined Contributory Pension Scheme has been launched, there are many employees who are left out under the scheme since the scheme covers only the employees recruited on or after 1.9.2010, and there cannot be immediate reduction in Pension payment expenditure. Pension payment in 2020-21 (Actuals) was ₹1482.55 and ₹1354.97 in 2021-22 (RE). The projections of pension payments including the matching shares of New Pension Scheme subscribers are as follows –

2022-23	-	**₹1725.69 crore**
2023-24	-	**₹1829.23 crore**
2024-25	-	**₹1938.99 crore**

35. Data on receipts and expenditure in the State's finance covering the period **2020-21 to 2022-23** is shown in ***Table 2*** below.

Table 2: Receipts and Expenditure in State's Finance

(₹ in crore)

Sl. No.	Item of Receipt / Expenditure		2020-21 (Actuals)	2021-22 (Budget Estimates)	2021-22 (Revised Estimates)	2022-23 (Budget Estimates)	Targets for next Two Years 2023-24 (Proj)	2024-25 (Proj)
1	**Revenue Receipts**		**7740.67**	**9795.80**	**10298.74**	**11426.21**	**12340.31**	**13327.53**
	(a)	*Tax-Revenue*	647.56	719.56	786.59	801.30	865.40	934.64
	(b)	*Non-Tax Revenue*	561.76	852.26	862.84	836.43	903.34	975.61
	(c)	*State's share of Central Taxes*	3010.55	3327.82	3721.95	4083.24	4409.90	4762.69
	(d)	*Grants from Central Government*	3520.80	4896.16	4927.36	5705.24	6161.66	6654.59
2	**Capital Receipts -**		**2860.89**	**1414.08**	**5482.43**	**2642.94**	**2848.50**	**3079.57**
	(a)	*Borrowings on account of Internal Debt of the State Government*	*2363.70*	*1295.00*	*5057.88*	*2429.00*	2623.32	2833.19
		(of which W&MA)	*(1220.14)*	*(100)*	*(3862.88)*	*(1000)*		
	(b)	*Loans and advances from the Centre*	*247.62*	*30.52*	*330.51*	*119.34*	128.89	139.20
	(c)	*Recovery of loans and advances*	*33.68*	*27.56*	*33.04*	*33.60*	36.29	39.19
	(d)	*Borrowings from Public Account (Net)*	*215.89*	*61.00*	*61.00*	*61.00*	60.00	68.00
3	**Total Expenditure**		**11261.55**	**11148.89**	**16391.56**	**14008.15**	**15238.79**	**16471.27**
	(a)	*Revenue Account*	*8514.79*	*9216.38*	*10487.15*	*10006.51*	10837.05	11761.45
		(i) Interest Payments	400.98	383.94	445.09	462.14	500.50	543.19
		(ii) Salaries	3334.34	3745.17	3785.48	3615.66	3915.76	4249.77
		(iii) Pensions	1482.55	1124.45	1354.97	1725.69	1829.23	1938.99
		(iv) Others	3296.92	3962.82	4901.61	4203.02	4591.56	5029.50
	(b)	*Capital Account*	*2746.76*	*1932.51*	*5904.41*	*4001.64*	*4401.74*	*4709.82*
		(i) Public Debt-Repayment of borrowings	1617.89	514.46	4302.76	1337.90	1471.69	1574.71
		(of which W&MA)	*(1220.14)*	*(100.00)*	*(3862.87)*	*(1000.00)*		
		(ii) Loans and advances	2.90	0.60	2.77	0.60	0.60	0.60
		(iii) Capital Outlay	1125.97	1417.45	1598.88	2663.14	2929.45	3134.52
		(iv) Appropriation to Contingency Fund	-	-	-	-	-	
4	**GSDP***		**29076.42**	**37974.55**	**33793.15**	**39458.50**	**46267.86**	**50894.65**
5	**Outstanding liabilities of the State Government**		**9881.09**	**10491.20**	**11623.22**	**12553.08**	**13557.32**	**14099.61**