सत्यमेव जयते

GOVERNMENT OF MIZORAM

MEDIUM TERM FISCAL POLICY STATEMENT

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

GOVERNMENT OF MIZORAM
2010-2011

(As laid before the Mizoram Legislative Assembly on 19th March, 2010)

FORM – I
(See Rule 3)

MEDIUM TERM FISCAL POLICY STATEMENT

A. FISCAL INDICATORS – ROLLING TARGETS

Sl. No.	Item	2008-'09 (Actuals)	2009-'10 (Budget Estimates)	2009-'10 (Revised Estimates)	2010-'11 (Budget Estimates)	Targets for next Two Years	
						2011-'12 (Proj)	2012-'13 (Proj)
1	Revenue Deficit (-) / Surplus (+) as per centage of GSDP	8.91	4.16	6.02	7.15	9.35	8.17
2	Fiscal Deficit as per centage of GSDP *	2.15	8.46	12.05	0.88	2.65	2.53
3	Total outstanding Liabilities as per centage of GSDP	85.58	78.95	78.44	70.78	66.12	61.64
4	Total outstanding Liabilities as a per centage of Total Revenue Receipt (TRR)	122.87	111.94	104.13	104.01	110.67	99.53
5	Interest Payments as a per centage of Total Revenue Receipts (TRR)	8.50	7.79	8.05	7.56	5.36	5.33

Notes:

1. *GSDP is the Gross State Domestic Product at factor cost at current market prices*
2. *For the purpose of estimating Fiscal Deficit as a percentage of GSDP, the time series data on GSDP projected by the Twelfth Finance Commission is taken into account upto 2009-10. Thereafter the State's series of GSDP had taken into account.*

1. The Twelfth Finance Commission (FC-XII) period comes to an end in the current year. The period could be said as a period of intense fiscal reforms and consolidation. The process had been institutionalized with the enactment of the Fiscal Responsibility Legislation by the State Governments linking with 'Debt Consolidation and Relief Facility (DCRF)'. Under the core content of the Scheme, the State Governments are required to eliminate revenue deficit and generate surplus over the medium term. Besides, the State Governments are required to reduce the fiscal deficit and reach the level of 3 per cent of GSDP by 2008-09. Since the DCRF was linked to the States complying with the recommendations relating to enactment of the Fiscal Responsibility Legislation, the States in India had enacted their own acts, and guide their fiscal management with the FRBM targets as their guideposts.

2. In Mizoram, the Mizoram Fiscal Responsibility and Budget Management Act was enacted in 2006 incorporating the core issues of fiscal management targets in Act. The FRBM Rules was put in place in 2007. Thereafter, the fiscal management had been guided by the Act, thus putting a tight fiscal belt. Being a resource deficit State, the Government's fiscal maneuverability has been limited and achieving the targets depends to a great extent on the levels of transfer of resources from the Centre on the one hand and putting a check on the Government Expenditure, especially the Revenue Expenditure. Thus, the medium term fiscal policy of the Government was drawn up on the above two assumptions, and aimed at achieving the targets on the stipulated time frame of 2008-09.

3. In 2005-06, being the first year of the FC-XII period and before the enactment of the FRBM Act by the State Government, the fiscal position of the Government showed an alarmingly high fiscal deficit, and a very low revenue surplus. The fiscal deficit which was **Rs. 396.84 crore** was **12.38 per cent** of GSDP and the revenue surplus was **Rs. 65.64 crore**. The fiscal deficit in 2004-05 (base year) was **Rs. 235.28 crore** which was as high as **9.64 per cent** of GSDP. In that backdrop, reducing the fiscal deficit to 3 per cent of GSDP appeared an uphill task. However, the Government drew up a Fiscal Correction Path to achieve the target and duly incorporated in the Fiscal Policy Strategy Statement in the budget 2007-08.

4. In 2006-07, the year of enactment of the FRBM Act, the fiscal position showed signs of improvement with an impressive level of revenue surplus at **Rs. 251.66 crore** and fiscal deficit to **Rs. 191.03 crore** which is only **5.37 per cent** of GSDP. In that backdrop, the Government had redrawn the Fiscal Correction Path and incorporated in the Fiscal Policy Strategy Statement in the budget 2008-09. When the final accounts of 2007-08 was brought out in the Finance Accounts, the fiscal position witnessed a very serious setback with the revenue surplus reduced to **Rs. 131.35 crore** and fiscal deficit was a very high **Rs. 391.49 crore**, which is as high as **9.91 per cent** of GSDP. There were of course, genuine reasons for the apparently poor fiscal performance such as, i) short booking of a sizeable amount of central grants, ii) expenditure on food subsidy due to mautam famine etc.

5. The economic condition in 2009-10 has to a great extent been affected by the economic recession which had resulted in lowering of the State's share in Central Taxes in 2008-09 and 2009-10. Besides, being the terminal year of the FC-XII award

period, the levels of central devolution could hardly cope with the surging expenditure of the Government. The budget 2009-10 was, therefore, prepared in the wake of the fiscal factors such as i) poor fiscal performance of 2007-08 as brought out in the Finance Accounts, ii) downward estimation of State's share in Central Taxes, iii) Requirement of providing expenditure on account of Sixth Pay Revision, and iv) Provision of huge expenditure on account one-time outgo for building up corpus of the Contingency Fund of the State. Thus, there was no chance of getting prospects of a bright future in the fiscal scene in 2009-10. However, with the reconciliation of the accounts of 2008-09 and booking back the receipts on account of central grants for 2007-08, the fiscal position for 2008-09 as brought in the Finance Accounts showed improved fiscal performances. The revenue surplus was an unprecedented high **Rs. 339.33 crore** and the fiscal deficit was a mere **Rs. 94.25 crore** which is only **2.15 per cent** of GSDP.

6. The Revised Estimates of 2009-10 does not present a favourable picture of the fiscal position. The revenue surplus is estimated at **Rs. 256.89 crore** and fiscal deficit is placed as high as **Rs. 586.17 crore**. At the time of presentation of the Budget Estimates, the fiscal shock on account of Sixth Pay Revision was provided. However, the pay revision could not be carried out during the year and there would be a sizeable savings out of the salary provisions, which will be reflected in the final accounts. Thus, even with the apparently modest fiscal performance, the final account is expected to give us a better picture.

7. We are now entering the award period of the Thirteenth Finance Commission (FC-XIII). Since State Governments form components of the Indian federalism, the State's fiscal reforms programme needs to be aligned to the structure of reforms designed by the successive Finance Commissions. It will cover the 5-year period of 2010-11 to 2014-15. We are now to draw up a fiscal policy that will guide the fiscal performance of the Government over the medium term. The salient features of the fiscal reforms as introduced by FC-XIII may be highlighted as under:

(a) Reduce aggregate debt stock of the Central and State Governments to 68 per cent of GSDP by end of the award period (2014-15). The Central Government's debt will come down to 45 per cent of GSDP and combined debt of the State Government at 25 per cent by end of the award period.

(b) A long term and permanent target for the States should be to maintain zero revenue deficit. This is termed as 'golden rule' by the Commission.

(c) States should reduce fiscal deficit relative to GSDP with differing years to achieve the target of 3 per cent. In the case of Mizoram, the target for reducing fiscal deficit to 3 per cent of GSDP is 2014-15.

(d) State Governments should amend their FRBM Act to achieve the targets set out above.

8. In keeping with the above, the Commission has also recommended that the annual borrowings of the States shall be set by the Government of India using the following formula:

Bt=f*1*(1+g*t) (1+g*t-1) PEt-2,

Where

Bt	: Net borrowing limit for year t
f*	: Prescribed fiscal deficit for year t as a ratio to GSDP
g*t, g*t-1	: Projected nominal GSDP growth rates for years t and t-1, respectively
PEt-2	: Provisional Estimate of GSDP for year t-2

9. The Commission further adds that for a long term sustainable and successful fiscal consolidation, the key lies in the growth dynamism of the economy. There is a two-way relationship between growth and fiscal consolidation; or what is called the *'strategy of expansionary fiscal consolidation'* where fiscal consolidation leads to higher growth due to higher levels of public and private investments, which in turn, further facilitates maintenance of fiscal stability.

10. Corresponding to the fiscal roadmap for the States during the award period of the Commission, it has recommended the following debt relief to the State Governments:

(a) *Interest rate on all NSSF loans to the States contracted till 2006-07 amd outstanding at the end of 2009-10 shall be reset at 9 per cent of interest. In future, NSSF Scheme shall be reformed into a market-aligned scheme.*

(b) *Loans from Government of India to the State Governments and administered by the Ministries/Departments other than Ministry of Finance, outstanding at the end of 2009-10 shall be written off. Any future lending from the Centre to the States under any CSS* shall be discontinued.

11. In the light of the broad fiscal framework designed by FC-XIII, the Government of Mizoram will also take 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 FC-XIII on fiscal reforms, the Government's focus on fiscal management will continue to be guided by the following principles:

(a) *Continue the process of fiscal reforms and consolidation; generate revenue surplus and reduce fiscal deficit.*

(b) *Improve Own Tax Revenues and improve Own Tax-GSDP ratio*

(c) *Improve the quality of expenditure*

(d) *increase allocation of fund in socio-economic sectors*

(e) *Increase capital investment in infrastructure* sector

12. First of all, we may ascertain the fiscal risks that the Government will have to face over the medium term:

a) *The surging revenue expenditure in general will pose a threat to the Government's ability to maintain a revenue surplus* and *building up of revenue surplus for financing the capital investment will be at stake. To* *match the incremental revenue expenditure, the Government has to find resources.*

b) *The expenditure due to Sixth Pay Revision for the employees with cascading effects on the pension payments will have to be absorbed in the expenditure. This will pose serious fiscal risks over the medium and long term framework.*

c) *Limitations in the growth of the economy due to cyclical factors nationally and globally.*

d) *Limitations to increase in the tax base, upward revision of rates etc.*

13. Over the medium term, it will be the continued endeavour of the Government to continuously improve the Tax-GSDP ratio. In 2007-08, the tax-GSDP stood at **2.27** and in 2008-09, the tax-GSDP ratio improved to **2.48** which is a perceptible improvement in the State's own tax revenues. Emphasis will be laid on increasing the tax collection efficiency and tax compliance without much change in the tax rates and structure. With this in view, the collection of State's Own Tax Revenues in 2009-10 is estimated at **Rs. 116.29 crore** with Own tax-GSDP ratio at **2.73.** Own tax revenues for 2010-11 is estimated at **Rs. 118.26 crore** with Own tax-GSDP ratio going down to 2.47. Towards improving own tax-GSDP ratio, the Government proposes to take up measures such as-

(a) Restructuring of Tax Departments by carrying out the restructuring package drawn up so that the tax administration is improved to bring about improvement in tax collection efficiency. The process of VAT auditing will also be institutionalized by introducing VAT Audit Manual and by intensive capacity building of the tax officials.

(b) Streamlining the tax collection system and computerization of records and collection system.

(c) Extensive capacity building of the officials involved and by introducing the Management Information System in the tax collection system of various taxes.

14. The above measures taken together will bring about the desired goal of increasing the tax-GSDP ratio and substantial improvement in State's own tax collection over the medium term.

15. The Government has expenditure commitments in the form of development expenditure on certain specified schemes like the NLUP, the Sixth Revision of employees etc. With the above expenditure commitments in view, the Government is left with limited fiscal maneuverability. But within the limited scope, the Government will look at the outcome oriented expenditure so that the benefits of public spending reach the targeted population. With the coming of the award period of the Thirteenth Finance Commission from 2010-11 and expected higher inflow of resources and with slowly improving fiscal management, the Government will be able to increase the expenditure on critical investments with the increased devolution of resources.

8. Other medium term measures on expenditure management will include computerization of treasuries, institutionalizing Performance Budgeting, Medium Term Expenditure Framework (MTEF) in selected Departments and Project Appraisal, Monitoring and Evaluation system. All these measures will be continued over the medium term commencing. 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.

9. 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 so that the outstanding debt stock relative to GSDP and Revenue Receipts are slowly brought down. Focus has also been laid on the sustainability of fiscal deficit and the debt stock of the Government in the long run. The FRBM Act, 2006 also provides that fiscal deficit will be contained to a level of **3 per cent** of GSDP in 2008-09 which was extended to 2010-11 by the amendment in 2009. FC-XIII further extends the tome frame to 2014-15. 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.

10. The Government will also consciously move to reduction of interest payment burden by moving towards reduction of weight-average interest rates as well as reducing high cost loans over the medium term. The Structural Adjustment Loan from the Asian Development Bank, which will be implemented in a medium run will be of great help in reducing the stock of high cost debt of **9 per cent** and above. This will, in the long run have the positive effect of reducing the expenditure on account of interest payments. The Government will also slowly shift its borrowings in favour of low-cost RIDF loan of NABARD for creating infrastructure in the rural and agriculture sectors.

11. 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 in the long run.

12. Considering all the pros and cons, strength and weakness of the fiscal consolidation process of the State and the assumptions in the fiscal policy framework over the medium term, the budget 2010-11 has been prepared. As per the provisions in the FRBMA Rules, the assumptions underlying the projection of fiscal indicators are explained below.

B. ASSUMPTIONS UNDERLYING THE PROJECTIONS OF FISCAL INDICATORS

1. Revenue Receipts

(a) Tax revenue

13. Tax revenue of the State improves over the years. The gross tax collection in 2004-05 was **Rs. 39.56 crore** only which is **1.61 per cent** of GSDP. The introduction of Value Added Tax (VAT) in 01.04.2005 has brought about substantial improvements in tax collection and the growth of tax relative to GSDP continuously increases. Gross collection of State's Own Tax in 2005-06, 2006-07, 2007-08 are **Rs. 55.06 crore**, **Rs. 67.62 crore** and **Rs. 77.52 crore**. It further stood at **Rs. 94.62 crore** in 2008-09. The corresponding tax-GSDP ratio for 2005-06, 2006-07 and 2007-08 respectively stood at **2.02**, **2.21**, **2.27 and 2.48**. It is expected that the tax collection will continue to be buoyant with the estimated collection of **Rs. 116.69 crore** in 2009-10 (RE), with tax-GSDP ratio to reach **2.73**. However, the Budget Estimates 2010-11 put State's own tax revenues at **Rs. 118.26 crore** with own tax-GSDP ratio **2.47**. Assuming 10 per cent annual growth, the projections for 2011-12 and 2012-13 respectively stood at **Rs. 130.09 crore** and **Rs. 143.10 crore**.

(b) Non-tax revenue

14. While it has been the concern of the Government to slowly move to efficiency in cost-recovery and higher collection of Non-tax revenues, there is limited scope in generating revenues on a big scale. The total collection in 2007-08 was **Rs. 130.30 crore** which is **3.82** per cent of GSDP. In 2008-09 State's Own Non-Tax Revenues is **Rs. 158.67 crore** which was **4.17** per cent of GSDP. Non-Tax Revenues for 2009-10 (RE) is **Rs. 143.02 crore** and is estimated at **Rs. 166.37 crore** in 2010-11**.** Non-Tax Revenues for the forecast period of 2011-12 and 2012-13 are respectively estimated at **Rs. 183.01 crore** and **Rs. 201.31 crore**.

(c) State's share of Central Taxes

15. Due to the effect of the global economic slowdown, the State's share of Central Taxes went down in 2008-09 much below the estimates at the beginning of the year. The estimated State's share in Central Taxes was **Rs. 427.81 crore** in 2008-09 and Rs**. 383.39 crore** only actually devolved. In 2009-10 also, due to the cyclical effect in the economy persisting and the continued commitment of the Government of India in offsetting the recessionary effects resulting in economic stimulus packages, the State's share in Central taxes has been estimated at **Rs. 393.40 crore**. With the commencement of the award period of the Thirteenth Finance Commission from 2010-11, the State's share in 2010-11 has been estimated at **Rs. 563.06 crore**. Share of Taxes for 2011-12 and 2012-13 are estimated at **Rs. 679.00 crore** and **Rs. 759.00 crore** respectively as recommended by FC-XIII.

(d) Grants from Central Government

16. Non-Plan Grants are estimated on the basis of the recommendations of FC-XIII. The estimated Non-Plan Grants in 2010-11 is Rs. **Rs. 806.74 crore** with modest increase at **Rs. 845.25 crore** in 2011-12 and **Rs. 1113.89 crore** in 2012-13.

17. In respect of Plan Grants for the forecast period, the annual increase of **15 per cent** is applied in the case of Normal Central Assistance and 10 per cent increase in respect of One-time Additional Central Assistance and other Plan Grants are kept at the levels of 2010-11. Thus, with total Plan Grants for 2010-11 at **Rs. 1599.44 crore**, the Plan Grants for 2011-12 and 2012-13 are estimated at **Rs. 1867.30 crore** and **Rs. 1997.44 crore** respectively.

2. Capital receipts

(a) Borrowings

18. With the enactment of the FRBM Act in 2006-07, the fiscal belt of the State Government has been on a tight grip of the Act and the conditionalities contained therein coupled with the fixation of borrowing ceilings on year to year basis by the Central Government, the State Government has to follow a very conscious policy on its borrowings. At the first instance, borrowings should not be in excess of the requirement of deficit financing. Secondly, 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. With that in view, the estimated net borrowings in 2010-11 is **Rs. (-) 22.61 crore** and forecasted net borrowings for 2011-12 and 2012-13 respectively are **Rs. (-) 13.01 crore** and **Rs. 74.18 crore**.

(b) Loans and advances from Central Government

19. With the commencement of the FC-XII period in 2005-06, the system of on-lending by the Centre to the States had been discontinued. However, Loans from the Central Government is continued in the case of Block Loans against the loan components of Externally Aided Projects. The loan components of the Macro-Management (CSS) had been continued till 2007-08 and discontinued from 2008-09. FC-XIII also continued the same arrangement. Thus the estimated borrowings from the Central Government will be the loan components of EAPs which is estimated at **Rs. 27.60 crore** in 2010-11 which will be the projected amount for the forecast years of 2011-12 and 2012-13.

(c) Recovery of loans and advances

20. The investments of the Government in loans and advances in the past resulted in recovery of loans and advances. Since recovery of loans could not follow a specific pattern, the estimated amount of **Rs. 30.01 crore** in 2010-11 will be the projected amount for the forecast years of 2011-12 and 2012-13.

(d) Public Account borrowings

21. Net receipts under Provident Fund and Insurance & Pension Fund in the Public Account are utilized for meeting the resource gap on the Consolidated Fund and for making the requirement of resources to finance the Annual Plan. Optimum level of borrowing is also required so that the net borrowings under Public Account are not excessive and serve only as gap filling in the deficit financing. With that in view, the net borrowing from the Public Account for 2010-11 is estimated at **Rs. 60.00 crore** and this will be the projected amount for the forecast years of 2011-12and 2012-13.

3. Total expenditure

(a) Revenue Account

22. The estimated expenditure on revenue account shows a big jump in 2009-10 on account of estimation of Sixth Pay Revision of employees of the Government of Mizoram. Besides that the different items of expenditure need to slowly increase with the increasing price levels in and hence, the revenue expenditure is anticipated. The total revenue expenditure for 2010-11 is estimated at **Rs. 2912.23crore**. With an estimated **8.5 per cent** annual increase in salary of employees and **0.5 per cent** increase in other items, the projected revenue expenditure for 2011-12 and 2012-13 respectively are **Rs. 3203.45 crore** and **Rs. 3723.79 crore**.

(b) Capital Account:

23. The Government will continuously improve the level of capital expenditure as it is the investment for infrastructure and other developmental activities of the Government. With the tightening of the State's borrowings the extent of availability of resources for future capital investments will depend to a great extent on the surplus that could be generated on Revenue Account. That again is dependent upon the nature and extent of devolution of resources on Non-Plan Account. With the higher devolution of resources as recommended by FC-XIII, capital expenditure is expected to improve. Capital expenditure for 2010-11 is estimated at **Rs. 388.48 crore** and is projected for 2011-12 and 2012-13 at **Rs. 647.90 crore** and **Rs. 647.90 crore** respectively.

C. ASSESSMENT OF SUSTAINABILITY RELATING TO

(a) The balance between revenue receipts and revenue expenditure

24. The Statement that was laid along with the budget in 2009-10 in October, 2009 clearly outlined that the growth in revenue receipts in the last few years had outpaced the growth in revenue expenditure resulting in generation of substantial revenue surplus. However, the surging revenue expenditure on account of Sixth Pay Revision of the employees and the downward estimation of State's Share in Central Taxes in 2009-10 had brought about deterioration of the revenue surplus and the revenue surplus estimated in 2009-10 (RE) is **Rs. 256.89 crore**. However, the Government expects that the fiscal shock on account of Sixth Pay Revision is expected to be absorbed in the higher levels of devolution of resources on the recommendations of the Thirteenth Finance Commission. With the above factors into consideration, the State Government is expected to continue generation of sizeable amounts of revenue surplus in the coming years which will in turn help augment the resources for the much need capital expenditure. In the opening year of the FC-XIII period in 2010-11, the revenue surplus is estimated at **Rs. 341.63 crore**. This trend is expected to continue over the medium term so that the Government builds up revenue surplus for financing capital investments.

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

25. In the last many years before 2003-04, the State Government was in revenue deficit which compelled the State Government to utilize the capital receipts for meeting its current revenue expenditure. This is a very unhealthy practice yet

unavoidable if the revenue deficit persists. However, with the turn of 2003-04, the State Government generated revenue surplus and since then the State finance never went back to revenue deficit till today. This indicates that the surplus so generated could make resources available for capital investment for creation of capital assets.

26. The attainment of revenue surplus from 2003-04 slowly improves the position and the Government had never utilised borrowed funds for meeting its current revenue expenditure. This has also enabled the Government to increase the capital expenditure in the budget.

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

27. The Government of Mizoram has not yet switched over to the New Defined Contributory Pension Scheme and thus, the pension system remains unfunded and the Government is required to fully bear the pension expenditure on the Consolidated Fund. The ADB assisted MPRMP will help in undertaking exhaustive estimation of pension liabilities including developing a complete database. After development of pension database, estimation of expenditure on pension payment could be carried out on actuarial basis before which estimation has to be carried out on the basis of trend growth rate.

28. Due to expected revision of pension in line with the sixth pay revision, a big jump in pension payment has been estimated in 2009-10. However, sixth pay revision could not be implemented in 2009-10 and level of expenditure on pension is estimated at the same level in 2010-11. Thereafter, pension payment is expected to follow the trend growth rate (TGR) and projections are made for the next ten years on the basis of TGR. Pension payment is estimated at 2010-11 **Rs. 148.41 crore** and with TGR of **15.61 per cent**, projections for pension payment for the next ten years are shown below:

2011-12	-	Rs. 171.58 crore
2012-13	-	Rs. 198.36 crore
2013-14	-	Rs. 229.32 crore
2014-15	-	Rs. 265.12 crore
2015-16	-	Rs. 306.51 crore
2016-17	-	Rs. 354.36 crore
2017-18	-	Rs. 409.68 crore
2018-19	-	Rs. 473.63 crore
2019-20	-	Rs. 547.56 crore
2020-21	-	Rs. 633.83 crore

29. Data on receipts and expenditure in the State’s finance over the medium term framework covering the period 2008-09 to 2012-13 is shown in the table appended herewith.

TABLE

(Rs. in crore)

Sl. No.	Item of Receipt / Expenditure	2008-'09 (Actuals)	2009-'10 (Budget Estimates)	2009-'10 (Revised Estimates)	2010-'11 (Budget Estimates)	Targets for next Two Years 2011-'12 (Proj)	2012-'13 (Proj)
1	**Revenue Receipts**	**2653.13**	**3009.21**	**3214.03**	**3253.87**	**3704.69**	**4214.74**
	(a) Tax-Revenue	*94.62*	*116.29*	*116.69*	*118.26*	*130.09*	*143.10*
	(b) Non-Tax Revenue	*158.67*	*181.14*	*143.02*	*166.37*	*183.01*	*201.31*
	(c) State's share of Central Taxes	*383.39*	*393.40*	*393.40*	*563.06*	*679.00*	*759.00*
	(d) Grants from Central Government	*2016.45*	*2318.38*	*2560.92*	*2406.18*	*2712.59*	*3111.33*
	(i) Non-Plan Grants	734.62	1004.88	744.97	806.74	845.29	1113.89
	(ii) Plan Grants	1281.83	1313.50	1815.95	1599.44	1867.30	1997.44
2	**Capital Receipts -**	**318.51**	**337.94**	**493.20**	**319.60**	**319.60**	**319.60**
	(a) Borrowings on account of Internal Debt of the State Government (of which W&MA)	*99.58 (-)*	*223.74 (-)*	*354.03 (136.74)*	*201.99 (-)*	*201.99 (-)*	*201.99 (-)*
	(b) Loans and advances from the Centre	*6.19*	*25.21*	*25.21*	*27.60*	*27.60*	*27.60*
	(c) Recovery of loans and advances	*24.86*	*30.01*	*30.01*	*30.01*	*30.01*	*30.01*
	(d) Borrowings from Public Account (Net)	*187.88*	*58.98*	*83.95*	*60.00*	*60.00*	*60.00*
3	**Total Expenditure**	**2699.99**	**3687.39**	**4004.27**	**3577.91**	**4086.40**	**4494.66**
	(a) Revenue Account	*2145.25*	*2831.69*	*2755.02*	*2912.23*	*3203.45*	*3723.79*
	(i) Interest Payments	225.61	239.90	258.73	246.01	260.01	275.01
	(ii) Salaries	739.06	1034.77	1034.78	1364.83	1233.53	1338.38
	(iii) Pensions*	126.05	163.11	163.11	205.40	171.58	198.36
	(iv) Others	1054.53	1393.91	1298.40	1095.99	1538.33	1912.04
	(b) Capital Account	*554.74*	*855.70*	*1249.25*	*665.68*	*882.95*	*770.87*
	(i) Public Debt-Repayment of borrowings (of which W&MA)	96.29 (-)	236.65 (-)	376.18 (136.74)	252.20 (-)	209.88 (-)	97.80 (-)
	(ii) Loans and advances	17.41	25.17	25.17	25.00	25.17	25.17
	(iii) Capital Outlay	441.04	393.88	647.90	388.48	647.90	647.90
	(iv) Appropriation to Contingency Fund	-	200.00	200.00	-	-	-
4	**GSDP**	**3809.16**	**4266.73**	**4266.73**	**4781.23**	**5361.69**	**6012.60**
5	**Outstanding liabilities of the State Government**	**3259.82**	**3368.38**	**3346.83**	**3384.22**	**3545.22**	**3706.22**

* A higher expenditure of Pension in 2009-10 and 2010-11 is due to inclusion of pension payment for VRS of School teachers under Plan Account under Structural Adjustment Loan.