



सत्यमेव जयते

**GOVERNMENT OF MIZORAM**

**STATEMENTS UNDER  
THE MIZORAM FISCAL RESPONSIBILITY  
AND BUDGET MANAGEMENT ACT, 2006  
2025 - 2026**

*Containing -*

- 1) FISCAL POLICY STRATEGY STATEMENT*
- 2) MEDIUM TERM FISCAL POLICY STATEMENT*
- 3) MACRO ECONOMIC FRAMEWORK STATEMENT*

[As laid before the Mizoram Legislative Assembly on the 4<sup>th</sup> March, 2025]

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**FORM-II (a)**  
**(See Rule 4)**  
**FISCAL POLICY STRATEGY STATEMENT**

**A. FISCAL POLICY OVERVIEW & FISCAL POLICY FOR FY 2025-26**

1. Fiscal policy is the use of tax policies and expenditure decisions of the government to influence the economy of a state. It is the use of the government budget to guide an economy. Fiscal policy works in conjunction with monetary policy to stabilize the economy and achieve macroeconomic targets such as higher employment, price stability, reducing income inequality, and economic growth. The Fiscal Policy Strategy Statement, as mandated by the Fiscal Responsibility and Budget Management Act of 2006, outlines the Government's policies for the ensuing financial year concerning taxation, expenditure, lending and investments, administered pricing, borrowings, and guarantees. It details the strategic priorities of the Government in the fiscal domain, explains how current policies align with sound fiscal management principles, and provides the rationale for any significant deviations in key fiscal measures.
2. Fiscal management plays a crucial role in maintaining financial stability, promoting economic growth, and ensuring equitable distribution of resources within a state. The fiscal management refers to the process of efficiently managing public finances within the allocated budget. It encompasses various aspects of financial governance, including budgeting, accounting, auditing, cash management, public debt management, revenue generation etc.
3. Some of the management principles adopted by the state include containing the fiscal and revenue deficits within prescribed limits, maintaining the debt stock at a sustainable level, using borrowed funds for productive purposes, and capping guarantees within an indicative ceiling. The Government remains committed to ensuring fiscal prudence and stability through progressive strengthening of revenue surplus, reduction in fiscal deficit, prudent debt management consistent with fiscal sustainability, and greater transparency in fiscal operations.
4. The Outcome indicators of the State's Own Fiscal Correction Path is given in Form-II (b). Selected fiscal indicators, component of State Government's liabilities and weighted average rates on State Government liabilities, consolidated sinking fund and outstanding risk

– weighted guarantees as per Forms D-1, D-2, D-3, D-4 and D-5 are appended.

5. Fiscal Responsibility Legislations lay the groundwork for effective fiscal management. To promote fiscal discipline, the State enacted the Mizoram Fiscal Responsibility and Budget Management (FRBM) Act 2006 following the recommendations of the Twelfth Finance Commission. This was complemented by the Mizoram Fiscal Responsibility and Budget Management Rules, 2007, which came into effect on July 1, 2007. Since then, the State Level FRBM legislations have served as a foundation for executing prudent revenue and expenditure policies, guiding the State Government towards minimizing annual revenue deficits through a path of fiscal correction.
6. The Fiscal Policy Strategy Statement is laid before the House of the State Legislature along with the annual budget, as required under sub-sections 1(b) and (4) of section 5 of the Mizoram Fiscal Reform and Budget Management Act 2006. The fiscal policy for the ensuing year will continue to be guided by the recommendation of the 15<sup>th</sup> Finance Commission and the objectives of the FRBM Act, 2006 (Principal Act) i.e., to:
  - i. take appropriate measure to eliminate the revenue deficit and contain the fiscal deficit at sustainable levels;
  - ii. pursue policies to raise non-tax revenue with due regard to cost recovery and equity
  - iii. lay down norms for prioritization of capital expenditure, and pursue expenditure policies that would provide impetus for economic growth, poverty reduction and improvement in human welfare.
7. As per Mizoram FRBM (Amendment) Act 2020, fiscal deficit as a percentage of GSDP shall be reduced annually at the rate of 5.2% in 2021-22 and 4.1 % in 2022-23. Gross Fiscal Deficit as Percentage of corresponding GSDP is 3.61% in 2022-23 (Actuals), 2.12% in 2023-24 (Actuals), 7.64% in 2024-25 (RE) and is projected at 4.58% in 2025-26 (BE). To ensure prudence in fiscal management and fiscal stability, Mizoram FRBM Act, 2006 has been amended from time to time. The Mizoram FRBM (Amendment) Act, 2020 has set a target to reduce fiscal deficit to 3% of GSDP by 2024-25. Adoption of a new and more accurate method of calculation of GSDP has affected the Percentage of fiscal deficit which is expected to be maintained within prescribed limits in the coming years.

8. As on date, the Fiscal Deficit is the only operational target for fiscal consolidation. The Gross Fiscal Deficit during 2023-24 (Actuals) was ₹677.70 crore and ₹2596.75 crore in 2024-25 (RE) which are 2.12% and 7.64% of the corresponding GSDP respectively. Gross Fiscal Deficit estimated for 2025-26 is ₹1651.68 crore which is 4.58% of GSDP. Fiscal deficit represents the total borrowing requirements of the government from all sources. From an economic perspective, fiscal deficit is the most significant indicator, as it reveals the gap between government receipts and government expenditure. It accurately reflects the true extent of the government's borrowings within a fiscal year. The gradual narrowing of the fiscal deficit observed indicates a decreasing gap between government receipts and expenditure.

9. The components of the Fiscal Policy can broadly be categorized as:

- I. Government Receipts.
- II. Government Expenditure.
- III. Public Debt.

#### **I. Government Receipts**

10. The State Government's receipts are divided into revenue receipts and capital receipts. The revenue receipts comprise State's own Tax and non-tax revenues, share of central tax transfers and grants-in-aid from Government of India. In contrast, capital receipts primarily consist of debt receipts from internal resources, recoveries of loans and advances, public debt borrowings from Government of India, Reserve Bank of India and various Central Financial Institutions. Revenue Receipts is estimated at ₹12947.61 and Capital Receipts at ₹2301.15 crore for the ensuing financial year with a revenue surplus of ₹562.91 as against the revenue deficit of ₹39.19 crore in 2024-25 (RE).

##### **i. State's Own Tax Revenue**

11. The main sources of State's Own Tax Revenues are from taxes on vehicles, taxes on income and ITC Settlement and SGST paid within the state, taxes on property and capital transaction and taxes on commodities and services. The SOTR for 2025-26 is projected to be ₹1478.26. Following the trend of previous years, a significant portion of the SOTR is attributed to Goods and Services Tax, constituting 77.79%. The SOTR is anticipated to rise by ₹165.84, reflecting a 12.63% increase from last year's figures (BE).

## **ii. State's Own Non-Tax Revenue**

12. The State's Own Non-Tax Revenue (SONTR) primarily comes from interest accrued on its cash balance invested in the Reserve Bank of India, state lotteries, user charges for water supply, electricity bills, rents from government guesthouses, ILP fees, and various sources of income including fines, penalties, forfeitures, auctions, asset sales, and other incidental revenue. Revenue realized from interest receipts contribute 4.49% in 2024-25 (RE) and is estimated to contribute 3.86% in 2025-26 (BE). Revenue from interest receipts is mainly from investment of cash balances. In 2023-24 (Actuals), revenue realized from State's Own Non-Tax Revenue was ₹1084.93 crore. SONTR accrued as per 2024-25 (RE) is ₹1126.88 crore and estimated SONTR for 2024-25 is ₹1138.07 crore. There is an increase of 1.39% as compared to 2024-25 (BE).

## **iii. Central Resource Transfers**

13. Apart from Open Market Borrowings which are raised by the RBI on behalf of the State Government as approved by the Ministry of Finance, Share of Taxes and Post Devolution Revenue Deficit Grants as recommended by the 15<sup>th</sup> Finance Commission are the two major components of Central Transfers that come under untied fund. The other components like Central Share in Centrally Sponsored Schemes, Central Sector Schemes and grants such as SDRF, ULB, RLB, health care grants etc are tied grants over which the State has no flexibility in spending.

14. Share of Union Tax and Duties constitutes a major source of revenue for Mizoram. Mizoram's share of Union Tax has shown a steady increasing trend in the past. There is an increase of 19.01% at ₹5647.47 crore for 2023-24 (Actuals) as compared to 2022-23 (Actuals) at ₹4745.25 crore. A further increase by 13.93% from 2023-24 (Actuals) is observed for RE 2024-25 at ₹6434.44 crore. An increase of 14% is anticipated for BE 2025-26 at ₹7112.23 crore as against RE 2024-25. This is expected to expand the fiscal space to an extent.

15. The Post Devolution Revenue Deficit (PDRD) Grant is a grant given by the central government to state governments. The grant is given to help states bridge the gap between their revenue and expenditure, the eligibility of States for such and the quantum of Grants was decided by the 15<sup>th</sup> Finance Commission. The Commission has recommended a declining trend for Mizoram in respect of Post Devolution Revenue

Deficit Grants with ₹1615.00 crore in FY 2022-23; ₹1474.00 crore in FY 2023-24; ₹1079.00 crore in FY 2024-25; and ₹586.00 crore in FY 2025-26. The PDRDG is awarded to states that continue to experience a revenue deficit following devolution and is recommended for six states. Although it is contended that this gap-filling mechanism presents significant disincentives for tax initiatives and prudent fiscal management, a sudden cessation of revenue deficit grants is considered impracticable. Consequently, the Finance Commission has recommended a systematic decrease in post devolution revenue deficit grants.

## **II. Government Expenditure.**

16. Government Expenditure can be classified into two components:

### **i. Revenue Expenditure**

17. Revenue expenditure includes both development and non-development expenditures. Spending on sectors such as education, health, agriculture, and industry is categorized under development expenditure. Conversely, non-development expenditure includes interest payments, pension payments, and administrative charges etc. While there was a 23.08% increase in CSS revenue expenditure from 2023-24 (Actuals) to 2024-25(BE), there was only a minimal increase of 6.23% in respect of State Revenue Expenditure during the same period. Pension and interest payment accounted for 21.74% of the total revenue expenditure in 2024-25(BE) and 24.57% in 2025-26 (BE). Total Revenue Expenditure for 2025-26 BE is estimated at ₹12384.70 crore. Revenue Expenditure as a percentage of revenue receipts is expected to decline to 95.65% in 2025-26(BE) as compared to the revenue deficit of ₹39.19 crore observed in 2024-25(RE). Declining revenue expenditure as a percentage of revenue receipts shows the government is spending a smaller proportion of its total income on day-to-day operations (revenue expenditure) compared to the income it is receiving (revenue receipts), indicating a trend towards fiscal consolidation and potentially improved financial health.

### **ii. Capital Expenditure**

18. Capital expenditure (capex) is the funds allocated and utilised by the government to create assets or reduce liabilities that contribute to the State's economic growth. Capital expenditure refers to spending on Capital Accounts across General, Social, and Economic Sectors. This

includes expenditures related to capital outlay, investments in loans and advances, and repayments of these loans and advances. The state's capital expenditure covers long-term investments in critical areas such as infrastructure, machinery, healthcare, and education. Additionally, repayment of loan reduces the state's financial liabilities, and is thus categorized as capital expenditure payment. There is an increase of 14.43% under capital outlay for 2025-26 (BE) at ₹2235.81 crore from 2024-25 (BE). Total capital expenditure estimated for 2025-26 (BE) is ₹2658.55 crore which is 8.28% increase from 2024-25 (BE).

### III. Public Debt

19. The state's outstanding debt comprises internal debt, such as market loans from financial institutions, loans and advances from the Centre, small savings, provident funds, etc. The state's outstanding public debt in 2024-25 (RE) is ₹13030.82 crore, which is 38.32% of the corresponding GSDP. The estimated figure for 2025-26 (BE) is ₹13999.00 crore, which is 38.79 % of the GSDP.
20. The Fifteenth Finance Commission has generally taken three fiscal parameters to drive the fiscal consolidation path of the States in India namely revenue deficit, fiscal deficit and outstanding liabilities as a measure of GSDP.
21. The indicative Deficit and Debt Path for State Governments as set by the Fifteenth Finance Commission is as follows:

	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26
Revenue Deficit	-0.1	-0.5	-0.8	-1.2	-1.7	-2.5
Fiscal Deficit	4.5	4.0	3.5	3.0	3.0	3.0
Total Liabilities	33.1	32.3	33.3	33.1	32.8	32.5

### B. TAX POLICY

22. The Goods and Services Tax (GST) is a unified domestic indirect tax law for the entire country. It is a comprehensive, multi-stage, destination-based tax levied on every value addition. GST has subsumed the majority of indirect taxes, including VAT, excise duty, and service tax. GST comprises three components: Central Goods and Services Tax (CGST), Integrated Goods and Services Tax (IGST), and State Goods and



Services Tax (SGST). The GST regime is progressively stabilizing; thus, the tax revenue generated has shown a steady increase and is expected to continue on this upward trend. The majority of the state's own tax revenue is accounted for by the Goods and Services Tax, with a share of 77.79%. Tax revenue from GST increased from ₹969.10 crore in 2023-24 (actuals) to ₹1045 crore in 2024-25 (BE). A further increase to ₹1150 crore is expected in 2025-26 (BE).

23. The II State Finance Commission (2021-22 to 2025-26) recommended that the District Councils should review rates of taxes at regular intervals of every 3 years as a measure of fiscal prudence.

24. A few of the Government's approach to improve its tax policy are as follows:

- (i) Widening of tax base in MVAT by introduction of Road Maintenance Cess and Social Infrastructure and Services Cess from two petroleum products i.e Motor Spirit and High Speed Diesel at ₹2 per litre each respectively, effective from 3<sup>rd</sup> September 2024. The revenue collected from Cess is to be utilized solely for social infrastructure & services as well as for road maintenance.
- (ii) Deployment of Mobile checking squad to curb tax evasion and to ensure compliance to all relevant tax laws in force.
- (iii) Major digital initiatives have also been implemented in various areas of tax collection, including e-registration, e-filing of returns, and e-payment of taxes, to simplify procedures and reduce compliance costs.
- (iv) Revenue Department's online payment process has been introduced in Aizawl Municipal Areas and is still in its nascent stage which will further be extended to all districts. E-ram portal to create an integrated modern land management system was launched in Aizawl District and will be rolled out in all the districts within a year. This Integrated system will provide land related citizen centric services to citizen, provide modern land management to land revenue settlement administrators, integrated land records with GIS maps and property registration data. All application processes such as periodic pattas, land leases, house sites, and mutations etc. have been moved online.

The shift to digital processing can bring transparency and comprehensive digital land record of all land-holdings and further strengthen the tax collection.

- (v) Stamp duty, levied on the purchase of land or house plots, bank mortgages, gifts, etc., was increased from 1% to 3%, with a concessional rate of 2.5% applicable to widows.

### **C. EXPENDITURE POLICY**

25. One of the main pillars of fiscal reforms by States is expenditure rationalization aimed at reducing unproductive expenditure and directing resources to the priority areas. The Government declared 2024-25 as the year of consolidation and has taken several measures to reduce expenditure. Entitlement of Government officers were slashed to reduce expenditure. This includes- revision of entitlement of television in office room only for Chief Secretary and above; revision of entitlement on subscription of newspapers; revision of entitlement on landline connection, revision of entitlement of Household peons.
26. The State has taken the path of prioritized resource mobilization for economic recovery and development. The Mizoram Resource Mobilization Committee which was reconstituted on 14<sup>th</sup> December 2023 has submitted proposals for enhancement of tax and non-tax revenue, economy measures, convergence, manpower assessment and administrative reforms and yet to submit more proposals in the coming year.
27. Direct Benefit Transfer (DBT) the system of delivering welfare benefits directly to the targeted beneficiaries has generated monetary savings for State Governments by reducing corruption, duplication and plugs leakages. Leveraging DBT and other governance reforms is a positive step towards ensuring expenditure efficiency. The state was assigned a DBT score of 62 (2022) based on performance on parameters like aadhaar saturation, data reporting, savings-expenditure ratio and DBT per capita.
28. Despite the significant increase in the volume of resources transferred through the devolution of tax shares, the State's financial problems are still aggravated by the ongoing provision of mass subsidies for food grains and power, salaries for employees under certain CSS Schemes funded by the State's revenue, other committed expenditures, and debt

repayments. The government reduced the PDS subsidy on foodgrains by increasing the price of subsidized foodgrains from ₹15 to ₹30 per kg for non-NFSA households effective from 1<sup>st</sup> October 2024. In 2022, the RBI flagged concerns regarding the growing subsidies announced by several states, as these could diminish the funds available for developmental and capital expenditure. Therefore, it is crucial for the State Government to intentionally develop its expenditure policy and formulate a practical solution to address this fiscal dilemma.

### **Borrowings and other liabilities, lending and investments**

29. The 15th Finance Commission has recommended normal limit for net borrowing for 2021-22 as 4% of GSDP, 3.5% of GSDP in 2022-23, 3% of GSDP in 2023-24 to 2025-26. For FY 2024-25, the net borrowing ceiling was set at ₹1037.00 crore by Department of Expenditure, Ministry of Finance, with an additional 0.5% of GSDP allocated for power sector reforms, which however could not be availed due to non-implementation of the required reforms.
30. Net Borrowing Ceiling covers all sources of borrowings, including Open Market Borrowings, Negotiated loans from financial institutions, Central Government loans, other liabilities arising out of public account transfers under small savings, Provident Funds, Reserve Funds, Deposits etc. However the 50 year interest free loan under Special Assistance to States for Capital Investments shall be over and above the normal borrowing ceiling allowed to states.
31. The financing pattern of the State is experiencing a compositional shift, with market borrowings becoming the dominant source in addition to the share of taxes and revenue deficit grants. The State Government has been using borrowings to meet its expenditure requirements on the capital account to generate productive assets, i.e., for capital formation. The Government must exercise utmost care in the utilization of borrowed funds to enhance operational efficiency and promote economic sustainability, aiming to minimize debt accumulation.
32. The overall liabilities in 2025-26 (BE) is ₹13999.00 crore which is an increase of 7.43% from 2024-25 (RE). The fiscal deficit of the state is ₹1107.67 crore in 2022-23 (Actuals), ₹677.70 crore in 2023-24 (Actuals), ₹1365.70 in 2024-25 (BE), ₹2596.75 crore in 2024-25 (RE) and estimated at ₹1651.68 crore for 2025-26 (BE).

## **Consolidated Sinking Fund and Guarantee Redemption Fund**

33. To reduce the Public Account Liabilities, funds parked under K - Deposit and Advances – 8443 – Civil Deposits (Deposits not bearing Interest), which remained untouched for more than three years and which are not required for further utilization were declared as ‘Lapsed Deposit’ during the current financial year. This lapsed deposit amounts to ₹60.19 crore and this process will go on for declaring more lapsed deposits.
34. The Twelfth Finance Commission (XII FC) has recommended the establishment of a Consolidated Sinking Fund (CSF) for the amortization of outstanding liabilities by State Governments. The CSF is managed by the Reserve Bank of India, which mandates a minimum contribution of 0.5% of the outstanding liabilities of the state as of the end of the previous financial year. The state has officially notified the Revised Scheme for the Constitution and Administration of the Consolidated Sinking Fund of the Government of Mizoram on the 16th of May, 2024. The Government is committed to making deliberate efforts to accumulate the CSF corpus to 5% of the outstanding liabilities over a period of five years. It is permissible for the Government to invest in the Fund from General Revenue at any point or from other sources such as disinvestment proceeds, at its discretion; however, contributions to the Fund shall not be funded through borrowings from the Reserve Bank. The earnings accrued to the Fund are to be invested in Government of India (GoI) dated securities, Special Securities of the GoI, Treasury Bills, and securities of other State Governments.
35. The total outstanding balance in Consolidated Sinking Fund as at the end of the current year 2024-25 (tentative) is ₹500.18 crore.
36. On May 16, 2024, the Government notified the “Revised Scheme for the Constitution and Administration of the Guarantees Redemption Fund of the Government of Mizoram”. This Fund is designated to cover payment obligations from the guarantees provided by the Government related to bonds and other borrowings by State Level Public Sector Undertakings or Other Bodies when invoked by beneficiaries. The Government intends to steadily increase the GRF corpus to 5% of the total outstanding guarantees over a five-year period following the Fund’s establishment. The outstanding balance in Guarantee Redemption Fund at the end of the year 2024-25 is ₹79.82 crore.

37. Guarantees are contingent liabilities that arise on occurrence of an event covered by the guarantee. Since guarantees result in increase in contingent liability, the Government of Mizoram has been following a conscious policy of restricting the size of the contingent liabilities. A ceiling limit of 3% of GSDP was set for fresh guarantees in a year. The Mizoram Ceiling on Government Guarantees Rules 2013 prescribes guarantee commission fee at a minimum of 0.75% of the guaranteed loan.

#### **D. STRATEGIC PRIORITIES FOR THE ENSUING YEAR**

38. Efforts towards Strengthening compliance to the various Land tax, property tax and other taxes administered by the Revenue Department by facilitating easy and smooth tax payments through online payment system for all Districts.

39. Identification and recovery of idle government funds outside the Treasury.

40. The Government remains steadfast in its commitment to fostering sustainable economic development, ensuring that the benefits are disseminated to the general populace engaged across all sectors of the economy. The Hand Holding, or “Bana Kaih,” policy will continue to lead the charge by guiding progress partners in the pursuit of sustainability in livelihood generation through comprehensive service delivery, intermediation, physical and financial support, as well as technical services, training, and capacity building.

41. Concerted efforts will be given by the State for mobilization of greater tax revenues without being complacent on the non-tax revenues. As the GST regime finds its foothold, the tax base needs to be broadened into areas which were hitherto left untaxed such as GST on the flourishing picnic spots, amusement parks, stone quarry etc.

42. The Government will continue to focus on generating employment opportunities as well as skill development among the youth aligning with current industry demands and bridging the gap between education and real-world job requirements while also encouraging entrepreneurship and profitable self-employment.

43. Administrative reforms through the consolidation of departments were pursued in the current financial year to maximize administrative

efficiency and enhance expenditure productivity. Administrative reforms will continue to be prioritized in the ensuing year, with an aim to further improve operational effectiveness, streamline processes, and ensure optimal allocation of resources based on assessed needs. This ongoing commitment to reform is essential for maintaining responsiveness to public service demands and achieving strategic objectives.

44. The government will intensify its efforts toward fiscal consolidation to attain a deficit target of 3% of GDP in the medium term. Moving forward, the Government is steadfast in its commitment to uphold a prudent fiscal policy and maintain sound public finances.

FORM II (b)  
State: Mizoram

**OUTCOME INDICATORS OF THE STATE'S OWN FISCAL CORRECTION PATH**

(₹ in crore)

	<i>Items</i>	<b>2022-23 (Actuals)</b>	<b>2023-24 (Actuals)</b>	<b>2024-25 (BE)</b>	<b>2024-25 (RE)</b>	<b>2025-26 (BE)</b>	<b>2026-27 (Proj.)</b>
<b>A</b>	<b>STATE REVENUE ACCOUNT :</b>						
1	Own Tax Revenue	1101.82	1195.59	1312.42	1335.90	1478.26	1522.61
2	Own Non-Tax Revenue	1027.77	1084.93	1122.39	1126.89	1138.07	1234.63
<b>3</b>	<b>Own Tax + Non Tax Revenue (1+2)</b>	<b>2129.59</b>	<b>2280.52</b>	<b>2434.81</b>	<b>2462.79</b>	<b>2616.33</b>	<b>2678.29</b>
4	Share in Central Taxes & Duties	4745.25	5647.47	6098.93	6434.44	7112.23	7357.75
5	Grants-in-Aid from Central Government	3407.22	3486.06	3852.75	4397.15	3219.05	3998.51
<b>6</b>	<b>Total Central Transfer (4+5)</b>	<b>8152.47</b>	<b>9133.53</b>	<b>9951.68</b>	<b>10831.59</b>	<b>10331.28</b>	<b>11356.26</b>
<b>7</b>	<b>Total Revenue Receipts (3+6)</b>	<b>10282.06</b>	<b>11414.05</b>	<b>12386.49</b>	<b>13294.38</b>	<b>12947.61</b>	<b>14034.55</b>
8	CSS Expenditure	1388.28	1832.02	2254.86	2678.94	2121.14	2008.78
9	State Expenditure	8703.89	9004.94	9566.68	10654.63	10263.56	11383.09
	<i>of which</i>						
	a) Salary Expenditure	4283.83	4408.08	4328.20	4449.55	4373.79	5411.95
	b) Pension	1833.86	1994.61	1965.72	2247.82	2250.82	2465.84
	c) Interest Payment	493.88	581.90	604.74	632.38	793.01	848.52
10	Subsidies - General	0.06	0.71	-	0.42	-	
11	Subsidies - Power	109.22	115.99	211.23	211.23	199.77	
<b>12</b>	<b>Total Revenue Expenditure (8+9)</b>	<b>10092.17</b>	<b>10836.96</b>	<b>11821.54</b>	<b>13333.57</b>	<b>12384.70</b>	<b>13391.87</b>
13	Sal+Interest+Pensions [9(a)+9(b)+9(c)]	6611.57	6984.59	6898.66	7329.75	7417.62	8726.31
14	as % of Revenue Receipts (13/7)	64.30	61.19	55.70	55.13	57.29	62.18
<b>15</b>	<b>Revenue Surplus/Deficit (7-12)</b>	<b>189.89</b>	<b>577.09</b>	<b>564.95</b>	<b>-39.19</b>	<b>562.91</b>	<b>642.68</b>
<b>B</b>	<b>CONSOLIDATED DEBT :</b>						
1	Outstanding debt and liability	10993.09	12082.26	14034.76	13030.82	13999.00	14341.09
2	Total Outstanding guarantee	68.52	49.49	68.52	49.49	49.49	49.49
	<i>[of which guarantees on account of budgeted borrowing and SPV borrowing]</i>						
<b>C</b>	<b>CAPITAL ACCOUNT :</b>						
1	Capital Outlay	1321.86	1253.77	1953.75	2572.67	2235.81	2188.20
2	Disbursement of Loans and Advances	2.19	24.98	10.50	18.49	3.75	11.00
3	Recovery of Loans and Advances	26.49	23.96	33.60	33.60	24.97	35.00
4	Other Capital Receipts						
5	Transfer to Contingency Fund						
<b>D</b>	<b>GROSS FISCAL DEFICIT :</b>	<b>-1107.67</b>	<b>-677.70</b>	<b>-1365.70</b>	<b>-2596.75</b>	<b>-1651.68</b>	<b>-1521.52</b>
	<i>[(A<sub>7</sub>+C<sub>3</sub>+C<sub>4</sub>)-(A<sub>12</sub>+C<sub>1</sub>+C<sub>2</sub>+C<sub>5</sub>)]</i>						
<b>E</b>	<b>GSDP (₹. crs.) at current prices</b>	<b>30690.33</b>	<b>31917.72</b>	<b>48037.52</b>	<b>34003.27</b>	<b>36088.82</b>	<b>38374.60</b>
	Actual/Assumed Growth Rate (%)	9.71	4.00	50.50	6.53	6.13	6.33
<b>F</b>	<b>INDICATORS AS % OF GSDP</b>						
1	Own Tax Revenue (A <sub>1</sub> /E)	<b>3.59</b>	<b>3.75</b>	<b>2.73</b>	<b>3.93</b>	<b>4.10</b>	<b>3.76</b>
2	Own Non-Tax Revenue (A <sub>2</sub> /E)	<b>3.35</b>	<b>3.40</b>	<b>2.34</b>	<b>3.31</b>	<b>3.15</b>	<b>3.22</b>
3	Total Central Transfer (A <sub>6</sub> /E)	<b>26.56</b>	<b>28.62</b>	<b>20.72</b>	<b>31.85</b>	<b>28.63</b>	<b>29.59</b>
4	Total Revenue Expenditure (A <sub>12</sub> /E)	<b>32.88</b>	<b>33.95</b>	<b>24.61</b>	<b>39.21</b>	<b>34.32</b>	<b>34.90</b>
5	Revenue Surplus/Deficit (A <sub>15</sub> /E)	<b>0.62</b>	<b>1.81</b>	<b>1.18</b>	<b>-0.12</b>	<b>1.56</b>	<b>1.67</b>
6	Gross Fiscal Deficit (D/E)	<b>-3.61</b>	<b>-2.12</b>	<b>-2.84</b>	<b>-7.64</b>	<b>-4.58</b>	<b>-3.96</b>
7	Outstanding Debt and Liabilities (B <sub>1</sub> /E)	<b>35.82</b>	<b>37.85</b>	<b>29.22</b>	<b>38.32</b>	<b>38.79</b>	<b>37.37</b>

FORM D-1  
(See Rule 9)  
**SELECT FISCAL INDICATORS**

(Percentage)

	<b>Items</b>	<b>2023-24 (Actuals)</b>	<b>2024-25 (BE)</b>	<b>2024-25 (RE)</b>	<b>2025-26 (BE)</b>
1	Gross Fiscal Deficit as Percentage of GSDP	-2.12	-2.84	-7.64	-4.58
2	Revenue Deficit (-)/Surplus (+) as Percentage of GSDP	1.81	1.18	-0.12	1.56
3	Revenue Deficit (-)/Surplus (+) as Percentage of TRR	5.06	4.56	-0.29	4.35
4	Total Liabilities - GSDP Ratio (%)	37.85	29.22	38.32	38.79
5	Total Liabilities - Total Revenue Receipts (%)	105.85	113.31	98.02	108.12
6	Total Liabilities - State's Own Revenue Receipts (%)	529.80	576.42	529.11	535.06
7	State's Own Revenue Receipts - Revenue Expenditure (%)	21.04	20.60	18.47	21.13
8	Capital Outlay as Percentage of Gross Fiscal Deficit	-185.00	-143.06	-99.07	-135.37
9	Interest Payment as Percentage of Revenue Receipts	5.10	4.88	4.76	6.12
10	Salary Expenditure as Percentage of Total Revenue Receipts	38.62	34.94	33.47	33.78
11	Pension Expenditures as Percentage of Total Revenue Receipts	17.48	15.87	16.91	17.38
12	Non-Developmental Expenditure as Percentage of Aggregate Disbursement	25.25	39.03	31.07	42.62
13	Gross Transfer from the Centre as Percentage of Aggregate Disbursement	53.71	69.71	65.98	68.68
14	Non-Tax Revenue as Percentage of Total Revenue Receipts	9.51	9.06	8.48	8.79



FORM D-2  
(See Rule 9)

**A. COMPONENTS OF STATE GOVERNMENT LIABILITIES**

(₹ in crore)

Category	Raised during the Fiscal Year		Repayment/ Redemption during the Fiscal Year		Outstanding Amount (End-March)		Raised	Repayment	Out. Amount (End-March)
	2023-24 (Actuals)	2024-25 (RE)	2023-24 (Actuals)	2024-25 (RE)	2023-24 (Actuals)	2024-25 (RE)			
1	2	3	4	5	6	7			
<b>Market Borrowings</b>	<b>902.31</b>	<b>1,170.00</b>	<b>260.00</b>	<b>260.00</b>	<b>5,871.41</b>	<b>6,781.41</b>	<b>1,150.00</b>	<b>200.00</b>	<b>7,731.41</b>
(a) Market Loans	902.31	1,170.00	260.00	260.00	5,869.13	6,779.13	1,150.00	200.00	7,729.13
(b) Power Bonds	-	-	-	-	2.28	2.28	-	-	2.28
<b>Loans from Centre</b>	<b>753.97</b>	<b>640.00</b>	<b>27.69</b>	<b>64.20</b>	<b>1,774.36</b>	<b>2,350.16</b>	<b>761.15</b>	<b>40.00</b>	<b>3,071.31</b>
(a) Block Loans	10.69	10.00	27.69	27.00	154.63	137.63	11.15	25.00	123.78
(b) SASCI	743.28	630.00	-	-	1,540.77	2,170.77	750.00	-	2,920.77
(c) Other Loans	-	-	-	37.20	78.96	41.76	-	15.00	26.76
<b>Special Securities issued to the NSSF</b>	<b>-</b>	<b>-</b>	<b>17.01</b>	<b>17.00</b>	<b>102.82</b>	<b>85.82</b>	<b>-</b>	<b>13.57</b>	<b>72.25</b>
<b>Borrowings from Financial Institutions/ Banks</b>	<b>297.17</b>	<b>255.00</b>	<b>135.32</b>	<b>149.80</b>	<b>954.87</b>	<b>1,061.29</b>	<b>315.00</b>	<b>165.40</b>	<b>1,210.89</b>
(a) LIC	-	-	8.62	5.50	(163)	(168)	-	5.04	-173.06
(b) GIC	-	-	-	-	0.07	0.07	-	-	0.07
(c) NABARD	294.88	250.00	119.39	136.90	861.47	974.57	250.00	155.83	1,068.74
(d) NCDC	2.29	5.00	1.97	1.90	6.93	10.03	5.00	1.72	13.31
(e) Other Institutions	-	-	5.34	5.50	166.95	162.67	60.00	2.81	219.86
i) REC	-	-	4.61	4.70	162.23	157.53	-	2.01	155.52
ii) UIDF	-	-	-	-	-	-	30.00	-	30.00
iii) PFC	-	-	0.73	0.80	5.94	5.14	-	0.80	4.34
iii) SIDBI	-	-	-	-	-	-	30.00	-	30.00
(f) Others	-	-	-	-	81.97	81.97	-	-	81.97
<b>WMA/OD from RBI</b>	<b>4,448.58</b>	<b>0.03</b>	<b>4,448.58</b>	<b>0.03</b>	<b>-</b>	<b>-</b>	<b>0.03</b>	<b>0.03</b>	<b>-</b>
<b>TOTAL PUBLIC DEBT</b>	<b>6,402.03</b>	<b>2,065.03</b>	<b>4,888.60</b>	<b>491.03</b>	<b>8,703.46</b>	<b>10,278.68</b>	<b>2,226.18</b>	<b>419.00</b>	<b>12,085.86</b>
<b>Provident Funds, etc.</b>	<b>510.32</b>	<b>647.00</b>	<b>990.75</b>	<b>968.00</b>	<b>1,963.50</b>	<b>1,642.50</b>	<b>512.00</b>	<b>999.00</b>	<b>1,155.50</b>
(a) General Provident Fund	497.85	630.00	972.35	950.00	1,886.56	1,566.56	500.00	980.00	1,086.56
(b) Insurance & Pen. Fund	12.47	17.00	18.40	18.00	76.94	75.94	12.00	19.00	68.94
<b>Other Liabilities</b>	<b>1,491.03</b>	<b>1,520.64</b>	<b>1,414.27</b>	<b>1,826.30</b>	<b>1,415.30</b>	<b>1,109.64</b>	<b>1,472.50</b>	<b>1,824.50</b>	<b>757.64</b>
<b>TOTAL PUBLIC ACCOUNT</b>	<b>2,001.35</b>	<b>2,167.64</b>	<b>2,405.02</b>	<b>2,794.30</b>	<b>3,378.80</b>	<b>2,752.14</b>	<b>1,984.50</b>	<b>2,823.50</b>	<b>1,913.14</b>
<b>TOTAL</b>	<b>8,403.38</b>	<b>4,232.67</b>	<b>7,293.62</b>	<b>3,285.33</b>	<b>12,082.26</b>	<b>13,030.82</b>	<b>4,210.68</b>	<b>3,242.50</b>	<b>13,999.00</b>

**B. WEIGHTED AVERAGE INTEREST RATES ON STATE GOVERNMENT LIABILITIES**

(Percentage)

Category	Raised during the Fiscal Year		Outstanding Amount (End-March)	
	2023-24 (Actuals)	2024-25 (RE)	2023-24 (Actuals)	2024-25 (RE)
Market Borrowings				
(a) Market Loans	7.54	7.23	7.39	7.39
(b) Compensatory and other Bonds	-	-	-	-
Loans from Centre	9.8	9.8	9.8	9.8
Special Securities issued to the NSSF	-	-	9.5	9.5
Borrowings from Financial Institutions/ Banks	-	-	-	-
(a) LIC	-	-	-	-
(b) NABARD	5.25	5.25	4.22	4.50
(c) REC	-	-	-	-
(d) PFC	-	-	-	-
(e) NCDC	11.35	11.35	11.35	11.35
WMA/ SDF/ OD from RBI	-	-	-	-
Provident Funds, etc.	8	7.10	8	8
Other Liabilities	-	-	-	-
<b>TOTAL</b>	<b>8.25</b>	<b>8.39</b>	<b>10.16</b>	<b>10.23</b>

FORM D-3  
(See Rule 9)

**CONSOLIDATED SINKING FUND**

(₹ in crore)

Outstanding Balance in CSF at the beginning of the previous year 1st April, 2023	Additions during the previous year	Withdrawals from CSF during the previous year	Outstanding balance in CSF at the end of the previous year/ beginning of the current year 31st March, 2024	Col (4)/ Outstanding stock of SLR Borrowings (%)	Additions during the current year 2024-25	Withdrawals from CSF during the current year	Outstanding balance in CSF at the end of current year/beginni ng of ensuing year Tentative 31st March, 2025	Col. (S) Outstanding stock of SLR Borrowings (%)
1	2	3	4	5	6	7	8	9
372.00	32.40	-	452.00	-	48.18	-	500.18	-

FORM D-4  
(See Rule 9)

**GUARANTEES GIVEN BY THE GOVERNMENT**

Category	Maximum Amount Guaranteed (₹ In crore)	Outstanding at the beginning of the year 2023-24 (₹ in crore)	Additions during the year 2023-24 (₹ in crore)	Reductions during the year 2023-24 (₹ in crore)	Invoked during the year 2023-24 (₹ in Crore)	Not Discharged	Outstanding at the end of the year 2023-24 (₹ in Crore)	Guarantee Commission or Fee (₹ in Crore)	
					Discharged			Receivable	
1	2	3	4	5	6	7	8	9	10
Cooperative	33.92	18.16	2.12	34.01	9.30	-	15.25		
Govt. Companies	59.67	22.68	-	-	10.22	-	12.46		
Other Statutory Corporation	37.42	9.62	-	1.35	-	-	8.34		
Other Institutions	52.00	18.06	-	4.75	-	-	13.44		
<b>TOTAL</b>	<b>183.01</b>	<b>68.52</b>	<b>2.12</b>	<b>40.11</b>	<b>19.52</b>	<b>-</b>	<b>49.49</b>	<b>-</b>	<b>-</b>

FORM D-5  
(See Rule 9)

**OUTSTANDING RISKS- WEIGHTED GUARANTEES**

Default Probability	Risk Weights (Percent)	Amount outstanding as in the Previous year and the Current Year	Risk Weighted outstanding guarantee in the previous year and the Current Year
Direct Liabilities	100		
High Risk	65		
Medium Risk	55		
Low Risk	25		
Very Low Risk	5		

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

1. The Medium Term Fiscal Policy Statement sets out three-year rolling targets for specific fiscal indicators in relation to GSDP at current prices and set forth the fiscal objectives and strategic priorities of the State Government with clear enunciation of underlying assumptions. The Medium Term Fiscal Policy Statement includes an assessment of sustainability relating to- (a) the balance between revenue receipts and revenue expenditures; (b) the use of capital receipts including borrowings for generating productive assets (c) the estimated yearly pension liabilities worked out on actuarial basis.
2. The Medium Term Fiscal Policy Statement is placed before the State Legislature in compliance with sub-section 1(a) and (2) of section 5 of the Mizoram Fiscal Reform and Budget Management Act, 2006.

**A. FISCAL INDICATORS – ROLLING TARGETS**

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

Sl. No.	Item	2023-24 (Actuals)	2024-25 (Budget Estimate)	2024-25 (Revised Estimate)	2025-26 (Budget Estimate)	Target for next Two Years	
						2026-27 (Proj.)	2027-28 (Proj.)
1	Revenue Deficit(-)/ Surplus(+) as a % of GSDP	1.81	1.18	-0.12	1.56	1.67	0.84
2	Fiscal Deficit as a % of GSDP	-2.12	-2.84	-7.64	-4.58	-3.96	-5.10
3	Total Outstanding Liabilities as a % of GSDP	37.85	29.22	38.32	38.79	37.37	37.25
4	Total Outstanding Liabilities as a % Total Revenue Receipt (TRR)	105.85	113.31	98.02	108.12	102.18	100.84
5	Interest Payments as a % of Total Revenue Receipt (TRR)	5.10	4.88	4.76	6.12	6.05	6.04

*Note: GSDP is the Gross State Domestic Product (current price) estimated by Economics & Statistics Department, Government of Mizoram of 2011 series, 2021-22 (final), 2022-23 (provisional), advanced and projected estimates for the year 2023-24, 2024-25, 2025-26 and 2026-27.*

3. The GSDP of the State is projected to increase from ₹34003.27 crore during 2024-25(Projected) to ₹36088.82 crore during 2025-26(Projected). Fiscal Deficit indicates the total borrowing requirements of the Government from all sources and shows the gap between receipts and expenditure of the State Government. The Mizoram FRBM (Amendment) Act 2020 reduced Fiscal Deficit to 3% by 2024-25. Fiscal Deficit as a percentage of GSDP during 2023-24(Actuals) was (-) 2.12% and (-)2.84 % in 2024-25 (BE). Apart from the sharp rise in Fiscal Deficit at 6.43% during 2020-21(Actuals) owing to the fiscal constraints set upon by the global covid-19 pandemic, the Fiscal Deficit has steadily been maintained below 3.5% in the following years. However, this is expected to rise to 4.57% in 2025-26(BE) due to a decrease in the projected GSDP, as a new method of calculation is used for a more accurate and realistic figure. With better and more realistic figures it is anticipated that the State will be able to maintain the fiscal deficit within prescribed limits in the coming years.

## **B. BASICS UNDERLYING THE FISCAL INDICATORS**

### **I. Receipts**

#### **(a) Revenue Receipts**

4. Revenue receipts comprise of tax revenue and non-tax revenue of the State, devolution of taxes from the Centre as well as contributions and grants from the Central Government. The total revenue receipt for 2023-24 (Actuals) was ₹11414.07 crore, ₹13294.38 crore for 2024-25 (RE) and estimated sum for 2025-26 is ₹12947.61 crore.
5. Tax Revenue consists of the State's own tax revenue and share of central taxes. The State's own tax revenues for the year 2024-25 (RE) are estimated at ₹1335.90 crore which is an increase of 1.78% from 2024-25 (BE). It is expected to further increase to ₹1478.26 crore in 2025-26(BE). For the coming years, i.e, 2026-27 and 2027-28 it is assumed to grow at 3.00% and 4.29% respectively. Effort will be given on expansion of tax base, increase in stamp duty, online payment of taxes, computerization of tax administration, better monitoring of tax collection etc., to achieve the targets.
6. The State's Non- Tax Revenue in 2023-24 (Actuals) was ₹1084.93 crore, which increased to ₹1126.89 crore in 2024-25(RE) and is estimated to increase by 0.99% in 2025-26 (BE) at ₹1138.07 crore. Further increase of 8.48% and 10% is projected for 2026-27 and 2027-28 respectively.

The estimates are made in anticipation of launching of online payment system for all fees and user charges, revision of various utility charges among others.

7. Grants-in-Aid and contributions from the Centre comprise of Finance Commission Grants, CSS, Election reimbursement etc. Finance Commission Grants consists of post devolution revenue deficit grants, grants for urban and rural local bodies, and grants for State Disaster Response Fund and State Disaster Mitigation Fund. The Fifteenth Finance Commission has recommended a declining trend for Mizoram in respect of post devolution revenue deficit grants with ₹1790.00 crore in FY 2021-22; ₹1615.00 crore in FY 2022-23; ₹1474 crore in FY 2023-24; ₹1079 crore in FY 2024-25; and ₹586 crore in FY 2025-26. An amount of ₹40 crore is estimated under Urban Local Body Grant against ₹39 crore received in the current Financial Year and the GIA for Rural Local Body is expected to show a slight decline from ₹76 crore in 2024-25(BE) to ₹74 crore for the ensuing year. State Disaster response Fund (SDRF) and State Disaster Mitigation Fund (SDMF) are the two components of the State Disaster Risk Management Fund (SDRMF) and a sum of ₹57 crore is anticipated for 2025-26 as against ₹54 crore in 2024-25(BE).

#### **(b) Capital Receipts**

8. Capital receipts are funds received by a Government that either create liabilities or reduce assets. The total capital receipt was ₹6425.99 crore in 2023-24(Actuals). This is estimated at ₹2098.63 crore in 2024-25 (RE) and ₹2215.51 crore during 2025-26 (BE). Public Debt constitute a major part of capital receipt, it was ₹6402.04 crore during 2023-24(Actuals), ₹2065.03 crore during 2024-25 (RE) and is estimated at ₹2226.18 crore during 2025-26 (BE). Borrowings are projected at ₹2139.53 crore, and ₹2495.00 crore for 2026-27 and 2027-28 respectively.

## **II. Expenditure**

#### **(a) Revenue Expenditure**

9. **Revenue Expenditure** is the part of government spending that does not result in the production of assets. Revenue expenditure refers specifically to expenses that are significant for generating revenue within the same accounting period in which they are spent. The Revenue Expenditure was ₹10836.96 crore in 2023-24 (Actual). The expenditure is estimated at ₹13333.57 crore for 2024-25 (RE) and ₹12384.70 crore during 2025-26 (BE). The Revenue Expenditure is

projected at ₹13391.87 crore and ₹14731.06 crore during the next two years 2026-27 and 2027-28 respectively.

**(b) Capital Expenditure**

10. Capital expenditure (capex) is the funds allocated and utilised by the government to create assets or reduce liabilities that contribute to the State's economic growth. The total capital expenditure was ₹6167.35 crore in 2023-24 (Actuals). The expenditure is estimated to increase to ₹3082.19 crore in 2024-25 (RE) and ₹2658.56 crore during 2025-26 (BE). The same is projected at ₹2699.20 crore and ₹3094.64 crore during 2026-27, 2027-28 respectively.

**III. Outstanding liabilities**

11. The Outstanding liabilities was at 37.85% of GSDP during 2023-24 (Actual). The liabilities are estimated at 38.32% for 2024-25 (RE) and 38.79 % for 2025-26 (BE). The same is projected at 37.37% and 37.25% of GSDP for the following two years i.e 2026-27 and 2027-28 respectively.

**C. ASSESSMENT OF SUSTAINABILITY**

**(a) the balance between revenue receipts and revenue expenditures**

12. The excess of Revenue Expenditure over Revenue Receipts is termed Revenue Deficit while Revenue Surplus is the excess of Revenue Receipts over Revenue Expenditure. Apart from the Revenue Deficit of ₹774.12 crore during 2020-21(Actuals) the State Government has successfully managed to maintain a Revenue Surplus in the following years. However, as per the figures for 2024-25(RE) Revenue Deficit is estimated at ₹39.19 crore at 0.11% of GSDP. The Government is expected to earn a Revenue Surplus for 2025-26(BE) estimated at ₹562.91 crore at 1.55% of GSDP.

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

13. The State Government has been utilizing borrowings for meeting its expenditure on capital account for capital formation (generating productive assets) i.e increasing the State's capital stock such as infrastructure, electricity, machineries etc



**(c) the estimated yearly pension liabilities worked out on actuarial basis**

14. The projections of pension payments including the matching shares of New Pension subscribers are shown at 3.(iii) of Table 2 Data on receipts and Expenditure in State's Finance.

**Table 2: Receipts and Expenditure in State's Finance**

Sl. No.	Item of Receipt/ Expenditure	2023-24 (Actuals)	2024-25 (Budget Estimates)	2024-25 (Revised Estimates)	2025-26 (Budget Estimates)	Targets for next Two Years	
						2026-27	2027-28
						(Proj)	(Proj)
<b>1</b>	<b>Revenue Receipts</b>	<b>11414.05</b>	<b>12386.49</b>	<b>13294.38</b>	<b>12947.61</b>	<b>14034.55</b>	<b>15074.52</b>
	(a) Tax-Revenue	1195.59	1312.42	1335.90	1478.26	1443.66	1588.02
	(b) Non-Tax Revenue	1084.93	1122.39	1126.89	1138.07	1234.63	1358.13
	(c) State's share of Central Taxes	5647.47	6098.93	6434.44	7112.23	7357.75	7884.75
	(d) Grants from Central Government	3486.06	3852.75	4397.15	3219.05	3998.51	4243.62
<b>2</b>	<b>Capital Receipts -</b>	<b>5945.56</b>	<b>1967.63</b>	<b>1777.63</b>	<b>1764.15</b>	<b>2109.53</b>	<b>2461.50</b>
	(a) Borrowings on account of Internal Debt of the State Government	5648.06	1482.03	1425.03	1465.03	1589.53	1895.00
	of which W&MA	4448.58	0.03	0.03	0.03		
	(b) Loans and advances from the Centre	753.97	510.00	640.00	761.15	550.00	600.00
	(c) Recovery of loans and advances	23.96	33.60	33.60	24.97	35.00	36.50
	(d) Borrowings from Public Account (Net)	-480.43	-58.00	-321.00	-487.00	-65.00	-70.00
<b>3</b>	<b>Total Expenditure</b>	<b>17004.31</b>	<b>14276.62</b>	<b>16415.76</b>	<b>15043.26</b>	<b>16091.07</b>	<b>17825.70</b>
	(a) Revenue Account	10836.96	11821.54	13333.57	12384.70	13391.87	14731.06
	(i) Interest Payments	581.90	604.74	632.38	793.01	848.52	910.31
	(ii) Salaries	4542.09	4597.00	4771.06	4641.02	5411.95	5500.00
	(iii) Pensions	1994.61	1965.72	2247.82	2250.82	2465.84	2959.01
	(iv) Others	3718.36	4654.08	5682.31	4699.85	4665.56	5361.74
	(b) Capital Account	6167.35	2455.08	3082.19	2658.56	2699.20	3094.64
	(i) Public Debt- Repayment of borrowings	4888.60	490.83	491.03	419.00	500.00	632.36
	of which W&MA	4448.58	0.03	0.03	0.03		
	(ii) Loans and advances	24.98	10.50	18.49	3.75	11.00	11.50
	(iii) Capital Outlay	1253.77	1953.75	2572.67	2235.81	2188.20	2450.78
	(iv) Appropriation to Contingency Fund	-	-	-	-	-	-
<b>4</b>	<b>GSDP*</b>	<b>31917.72</b>	<b>48037.52</b>	<b>34003.27</b>	<b>36088.82</b>	<b>38374.60</b>	<b>40805.16</b>
<b>5</b>	<b>Outstanding liabilities of the State Government</b>	<b>12082.26</b>	<b>14034.76</b>	<b>13030.82</b>	<b>13999.00</b>	<b>14341.09</b>	<b>15201.56</b>

## MACRO ECONOMIC FRAMEWORK STATEMENT

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### I. OVERVIEW OF THE STATE ECONOMY

1. The Macro Economic Framework Statement provides an overview of the economy, detailing its sectoral composition, evaluating growth prospects, and presenting key macroeconomic indicators along with the growth trajectory of GSDP and relevant trends therein.
2. As per the first advance estimates published by the National Statistics Office, India's nominal GDP is projected to grow by 9.7% in FY 2024-25. The Union Budget 2025-26 projects the nominal GDP growth rate at 10.1%. The Union Government has revised its Fiscal Deficit target to 4.8 per cent of GDP and is well on track to attain a fiscal deficit to GDP ratio of 4.4 per cent in FY 2025-26 (BE).
3. The GSDP of the States contribute to the larger national GDP and while national trends do impact individual State GSDP, the individual economic policies, local economic conditions, sectoral growth or the lack thereof also influences a state's GSDP growth rate and may lead to variations between states even during a national economic upswing.
4. Gross State Domestic Product (GSDP), is the total value of goods and services produced during a financial year within the geographical boundaries of a State. Also called the state income, GSDP is calculated or estimated in monetary terms, and is instrumental in the evaluation of Per Capita Income. It serves as an indicator for measuring economic growth of the State and to study the structural changes taking place in the economy.
5. GSDP (at current price) has shown an increase from ₹26695.26 crore in 2021-22 (Actuals) to ₹30690.33 crore in 2022-23(PE) to ₹31917.72 crore 2023-24 (AE) and ₹34003.27 crore in 2024-25(Projected) to ₹36088.82 crore in 2025-26(Projected). The primary contributors to growth in GSDP include Agriculture, Forestry, and Fishing in the primary sector; Electricity, Gas, Water Supply, and other utility services, as well as construction activities in the secondary sector; and Public Administration, trade, and hospitality services, including hotels and restaurants, in the tertiary sector.

**Mizoram GSDP (2011 series): provisional, advanced and projected estimates for the year 2022-23 to 2025-26**

<b>Gross State Domestic Product (GSDP) at Current Price (₹ in lakhs)</b>			
<b>2022-23 (Prov)</b>	<b>2023-24 (Adv)</b>	<b>2024-25 (Proj)</b>	<b>2025-26 (Proj)</b>
30,69,033	31,91,772	34,00,327	36,08,882

**Mizoram GSDP (2011 series): provisional, advanced and projected estimates for the year 2022-23 to 2025-26**

<b>Gross State Domestic Product (GSDP) at Constant Price (₹ in lakhs)</b>			
<b>2022-23 (Prov)</b>	<b>2023-24 (Proj)</b>	<b>2024-25 (Proj)</b>	<b>2025-26 (Proj)</b>
20,17,318	22,51,829	2521101	2830944

**Prices**

- The consumer price index (CPI) reflects the increased cost of living, or inflation. The CPI is calculated by measuring the costs of essential goods and services, including vehicles, medical care, professional services, shelter, clothing, transportation and electronics. Inflation is then determined by the average increased cost of the total basket of goods over a period of time. A high rate of inflation may erode the value of the currency more quickly than the average consumers income can compensate. CPI for urban and rural areas reflects the true picture of the price behaviour of various goods and services consumed by the entire urban and rural population in the country. CPI for urban and rural areas was released from 2011 by Central Statistical Organisation (CSO) with 2010=100 as base year.
- The all India combined index value of CPI for urban and rural has increased from 195.4 in December 2024 (final) to 193.5 in January 2025 (prov). The CPI of Mizoram has shown a decrease from 192.7 in December 2024 to 191.8 in January 2025 (prov).

2024 Comparative All India & Mizoram CPI- Combined Index (Base 2012=100)												
State	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
All India	185.5	185.8	185.8	186.7	187.7	190.2	193.0	193.0	194.2	196.8	196.5	195.4
Mizoram	184.9	185.2	185.0	185.9	187.0	187.8	188.8	189.6	190.6	192.5	192.6	192.7

Source: Ministry of Statistics & Programme Implementation, Govt of India

8. In January 2024, Mizoram's inflation rate stood at 3.41%, and it experienced a steady decline each month, hitting a low of 2.71% by August 2024. Following this period, inflation began to rise again, finishing at 4.11% in December 2024, compared to the All India inflation rate of 5.22% during the same timeframe.

2024 Comparative All India & Mizoram CPI- Combined Inflation Rates (Base 2012=100)												
State	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec (P)
All India	5.10	5.09	4.85	4.83	4.80	5.08	3.60	3.65	5.49	6.21	5.48	5.22
Mizoram	3.41	3.23	3.01	2.88	2.86	2.74	3.06	2.71	3.14	4.11	4.05	4.11

Source: Ministry of Statistics & Programme Implementation, Govt of India

9. The Year-on-year inflation rate based on All India Consumer Price Index (CPI) for the month of December 2024 over December 2023 is 5.22%(P). Corresponding inflation rates for rural and urban are 5.76% and 4.58%, respectively. Meanwhile, the Year-on-year inflation rate for Mizoram for the month of December 2024 over December 2023 is 4.11%, and the corresponding inflation rates for rural and urban are 2.37%(P) and 5.35%(P) respectively.

### **Sectoral performance of the economy:**

10. Gross State Value Added (GSVA) is a metric that measures the economic output of a State i.e the total value of goods and services produced. The projected sectoral share to the Gross State Value Added (GSVA) is illustrated in the table below. The contribution of the Tertiary Sector to GSVA is projected at 43.55% indicating that this sector is the driving force of the State's economy. The Secondary Sector is projected to contribute 35.80% to the total GSVA recording a projected marginal growth in this sector while the Primary Sector is projected to contribute 21.51% to the total Gross State Value Added.

### Sectoral Share to GSVA (2025-26) Projected Figure

S.no	Sector	Percentage Share to GSVA
1	Agriculture(Crop Husbandry)	5.20
2	Agriculture (Animal Husbandry)	1.62
3	Forestry & Logging	13.62
4	Fishing & Aquaculture	0.20
5	Mining & Quarrying	0.87
6	Manufacturing	0.37
7	Electricity, Gas, Water Supply & Other utility Services	27.45
8	Construction	7.11
9	Trade, Repairs, Hotels & Restaurants	13.58
10	Transport, Storage, Communication & Services related to Broadcasting	2.79
11	Financial Services	1.80
12	Real Estate, Ownership of Dwellings & Professional Services	2.13
13	Public Administration	10.15
14	Other Services	12.93

Source: Directorate of Economics & Statistics, Mizoram

11. The per capita income of Mizoram for the year 2025-26 is projected at ₹325412 as against the previous year's estimate of ₹282780.

Year	Per capita Income of Mizoram
2021-22	₹190965
2022-23 (Prov)	₹215144
2023-24 (Proj)	₹246287
2024-25 (Proj)	₹282780
2025-26 (Proj)	₹325412

Source: Directorate of Economics & Statistics, Mizoram

## II. PROSPECTS OF THE ECONOMY

12. The economy of Mizoram is primarily driven by the fiscal health of the Centre, as the state heavily relies on the share of central taxes and other central transfers for its main source of revenue. The state's own tax and non-tax revenue account for only 19.66% of the total revenue receipts,

while the total fund transfers received from the Centre comprise 31.10% of the total receipts in 2024-25(BE). For the BE 2025-26, the estimated amount of the state's own revenue is 20.20% of the total receipts, whereas central transfers are anticipated to be 24.86% of the total revenue receipts. Therefore, the state must undertake significant reforms in its tax policy to broaden its tax base and explore the potential for increased revenue from non-tax sources.

13. The State has managed to maintain a Revenue Surplus of ₹56495.12 lakh in 2025-26(BE) and is expected to be at ₹56290.73 in 2025-26(BE). Concerted efforts towards maintaining and enhancing the Revenue Surplus to facilitate potential savings, investment or debt reduction is the utmost priority.
14. Capital investment boosts growth by acquiring assets, enhancing economic productivity, driving innovation, fostering expansion, and supporting long-term business success. The State Government has set aside ₹750 crore in 2025-26(BE) under Special Assistance to States for Capital Investment (SASCI) for creation of assets.
15. A total of ₹350 crore has been allocated for the upcoming fiscal year under the Mizoram Handholding or Bana Kaih Policy. This initiative will cover projects relating to upliftment of farmers through the procurement of local agricultural and horticultural products, food processing, the marketing of agricultural and related products, fostering entrepreneurship and skill development, generating employment, boosting small-scale and agro-based industries, along with other development activities.
16. Externally Aided Projects (EAPs) receive funding from foreign donor agencies like JICA, World Bank, IFAD, and ADB. For the fiscal year 2025- 26, the anticipated grants under EAP is ₹100 crore. These projects open avenues for funding for significant development initiatives, focusing on essential infrastructure, technical expertise, and strengthening local institutions etc. EAPs boost capital spending on roads and other infrastructure projects, making it a vital aspect of fiscal policy reform. In addition, other low cost loans such as NABARD and UIDF will be continued to be availed for rural and urban infrastructure development.
17. The economy's annual growth rate at constant prices was 9.30% during 2021-22 (Actual), and it is projected to increase to 9.74% in 2022-23 (Provisional), 9.89% in 2023-24 (Advance), 10.05 in 2024-25 (Proj) and

is projected to reach 10.21% in 2025-26 (Proj) reflecting a positive economic trend.

18. A Macro Economic Framework Statement highlighting the macroeconomic view of the State and fiscal indicators may be seen at annexure to this Statement.



FORM-III  
(See Rule -7)

**MACROECONOMIC FRAMEWORK STATEMENT**

Annexure

Sl. No.	Economic / Fiscal Indicators	Absolute value (₹ in crore)		Percentage Changes	
		April - March		April - March	
		2023-24 (Actuals)	2024-25 (RE)	2023-24 (Actuals)	2024-25 (RE)
<b>A</b>	<b>Real Sector</b>				
1	GDSP at factor cost				
	(a) at current prices	31917.72	34003.27	19.18%	11.12%
	(b) at 2011-12 prices	22518.29	25211.01	6.74%	4.05%
2	Agriculture Production	6527.17	6987.67	1.74%	5.59%
3	Industrial Production	10430.71	11632.52	-4.19%	-24.61%
4	Tertiary Sector Production	14959.84	15383.08	2.77%	-10.45%
<b>B</b>	<b>Government Finances</b>				
<b>1</b>	<b>Revenue Receipts (2+3)</b>	<b>11414.05</b>	<b>13294.38</b>	<b>9.92%</b>	<b>3.98%</b>
2	Tax Revenue (2.1+2.2)	6843.06	7770.34	14.55%	13.71%
2.1	Own Tax Revenue	1195.59	1335.90	7.84%	11.46%
2.2	State's Share in Central Taxes	5647.47	6434.44	15.98%	14.17%
3	Non-Tax Revenue (3.1+3.2)	4570.99	5524.04	2.98%	-9.71%
3.1	State's Own Non-Tax revenue	1084.93	1126.89	5.27%	19.96%
3.2	Central Transfers	3486.06	4397.15	2.26%	-17.31%
<b>4</b>	<b>Capital Receipts</b>	<b>6425.99</b>	<b>2098.63</b>	<b>37.04%</b>	<b>-56.31%</b>
4.1	Recovery of loans	23.96	33.60	-10.56%	-0.03%
4.2	Other Receipts	-	-		
4.3	Public Debt	6402.03	2065.03	37.22%	-57.22%
<b>5</b>	<b>Total Receipts (1+4)</b>	<b>17840.04</b>	<b>15393.01</b>	<b>19.69%</b>	<b>-4.24%</b>
<b>6</b>	<b>CSS Expenditure</b>	<b>2030.02</b>	<b>3003.49</b>	<b>24.85%</b>	<b>-11.25%</b>
6.1	Revenue Account	1832.02	2678.94	24.22%	-7.09%
6.2	Capital Account	198.00	324.55	30.70%	-45.59%
<b>7</b>	<b>State Expenditure</b>	<b>14974.28</b>	<b>13412.27</b>	<b>16.56%</b>	<b>4.69%</b>
7.1	Revenue Account	9004.94	10654.63	3.34%	9.52%
	of which:-				
	(a) Interest payments	581.90	632.38	15.13%	-4.95%
	(b) Subsidies	116.70	211.65	6.36%	25.06%
	(c) Salaries	4408.08	4449.55	2.82%	-5.22%
	(d) Pension Payments	1994.61	2247.82	8.06%	12.99%
7.2	Capital Account	5969.34	2757.64	36.51%	-13.98%
<b>8</b>	<b>Total Expenditure (6+7)</b>	<b>17004.30</b>	<b>16415.76</b>	<b>17.55%</b>	<b>1.77%</b>
8.1	Revenue Expenditure (6.1+7.1)	10836.96	13333.57	6.87%	6.18%
8.2	Capital Expenditure (6.2+7.2)	6167.34	3082.19	36.32%	-17.31%
	of which:-				
	(a) Loans & Advances	24.98	18.49	91.23%	-35.10%
	(b) Capital Outlay	1253.77	2572.67	-5.43%	17.28%
<b>9</b>	<b>Revenue Deficit (-)/Surplus (+) (1-8.1)</b>	<b>577.09</b>	<b>-39.19</b>	<b>67.10%</b>	<b>755.07%</b>
<b>10</b>	<b>Fiscal Deficit <math>\{(1+4.1+4.2)-(8.1+8.2a+8.2b)\}</math></b>	<b>-677.70</b>	<b>-2596.75</b>	<b>-63.45%</b>	<b>28.27%</b>
<b>11</b>	<b>Primary Deficit (10-7.1a)</b>	<b>-95.80</b>	<b>-1964.37</b>	<b>-540.70%</b>	<b>38.96%</b>
<b>12</b>	<b>Memo:</b>				
	Average amount of SDF from RBI*	18.65	44.47		
	Average amount of WMA from RBI <sup>§</sup>	30.63	21.18		
	Average amount of OD from RBI <sup>#</sup>	18.42	NIL		
	Number of days of OD	32	NIL		
	Number of occasions of OD	8	NIL		

\* Indicates daily average of Special Drawing Facility availed during the year

§ Indicates daily average of Ways & Means Advance availed during the year

# Indicates daily average of Overdraft availed during the year