



सत्यमेव जयते

GOVERNMENT OF TRIPURA

WHITE PAPER ON STATE FINANCIAL CONDITION

Background:

The new Government has assumed the office on 9th March 2018. The Government was elected with huge expectations and aspirations. We are extremely grateful to the people of the State for reposing their faith on us to fulfil their dreams, for faster and inclusive development.

The Government has reviewed the status of the financial condition of the State on 16th March 2018. The financial condition of the State is very critical. The State has been running on negative balances for the last three years. Therefore, the Government has decided to place the facts before the people of Tripura for their information and for transparency.

1. Factual status of State financial condition:

- 1.1 The State has witnessed increased expenditure in successive years. The actual expenditure was more than receipts during 2014-15 to 2016-17.

Table-1: Total Receipts & Expenditure during last 5 years:
(Rs. in Crore)

Item	2012-13	2013-14	2014-15	2015-16	2016-17
Total Receipts	7887.69	8757.29	10078.01	10887.71	11181.93
Total Expenditure	7027.49	7825.37	10590.93	11525.62	12691.61

- 1.2. The Actual receipts and expenditure was lesser than the Revised Estimates for the last 5 years. It shows that the Government did not make realistic estimates of receipts and expenditure while preparing Revised Estimates.

Table-2: Revised Estimates and Actual Expenditure for last 5 years
(Rs. in Crore)

Item	2012-13		2013-14		2014-15		2015-16		2016-17	
	RE	Actual	RE	Actual	RE	Actual	RE	Actual	RE	Actual
Total Receipts	8477	8119	9592	8757	11903	10078	12193	10888	14341	11182
Total Expenditure	8282	7027	9642	7825	12399	10591	12993	11526	14941	12689

- 1.3. Although, there is an increasing trend in collection of own tax revenue during last four years, but the increase is not in proportion to the increase in the expenditure.

Table-3: Receipts of Own Tax Revenue

(Rs. in Crore)

Items	2013-14 (Actual)	2014-15 (Actual)	2015-16 (Actual)	2016-17 (Actual)	2017-18 upto 15.03.2018
Agricultural Income	0.83	0.21	0.11	0.10	0.05
Professional Tax	35.03	38.91	39.67	41.96	36.50
Land Revenue	8.07	10.76	5.97	13.32	3.96
Stamps and Registration Fees	39.23	37.56	42.49	41.83	37.16
Taxes on Immovable Property other than Agriculture	0.03	0.06	0.04	0.01	0.00
States Excise	115.18	138.96	143.56	163.19	143.03
Tax on Sales, Trade etc. including SGST, IGST apportionment & Compensation	837.09	909.81	1058.48	1112.89	1005.94
Taxes on Vehicles	36.79	36.09	37.62	43.60	46.59
Taxes and Duties on Electricity	0.02	0.03	0.02	0.02	0.01
Other Taxes and Duties on Commodities and Services	1.64	1.87	4.29	5.09	2.09
Total	1073.91	1174.26	1332.25	1422.01	1275.33

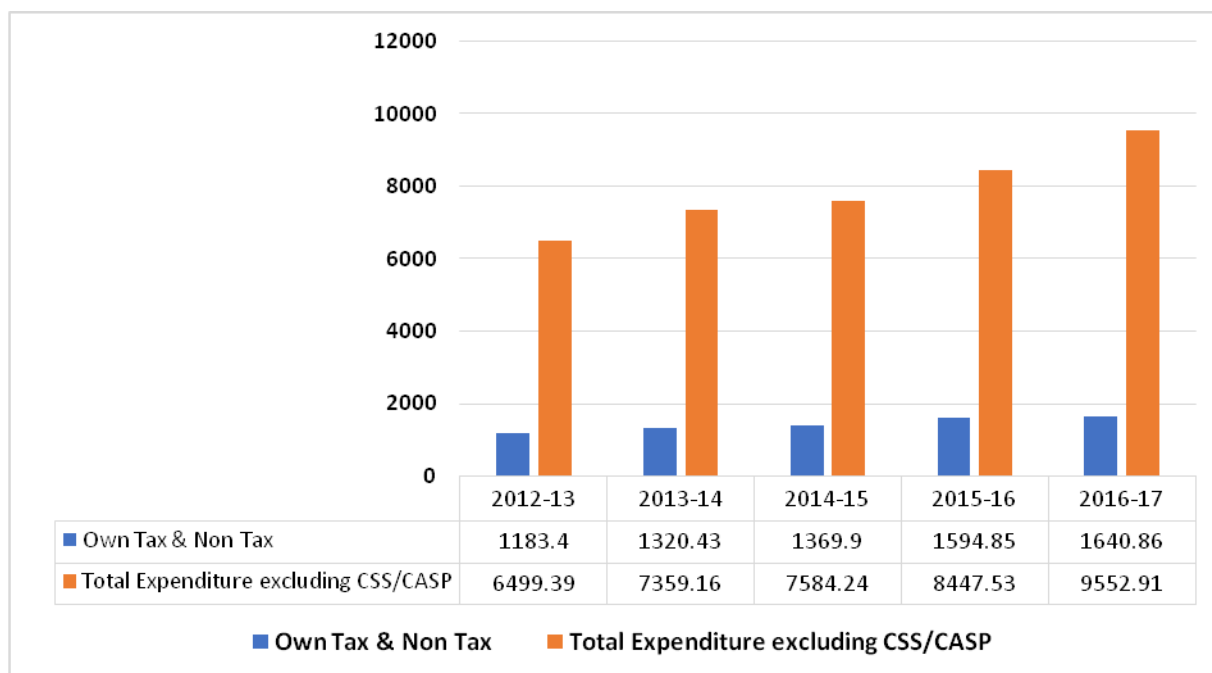
- 1.4. Receipts of Own Non-Tax revenue does not show increasing trend during the last 4 (four) years. It is mainly due to less receipts under interest, dividend.

Table-4: Receipts of Own Non-Tax Revenue**(Rs. in Crore)**

Items	2013-14 (Actual)	2014-15 (Actual)	2015-16 (Actual)	2016-17 (Actual)
Interest Receipts	86.47	46.02	55.24	37.07
Dividend	0.00	0.51	13.41	0.05
Police	33.95	34.34	40.5	48.07
Stationeries & Printing	1.29	1.83	1.16	1.10
Public Works	8.54	8.92	8.15	8.08
Education, Sport, Arts and Culture	1.32	1.45	2.30	2.29
Medical & Public Health	2.84	3.00	6.01	2.42
Water Supply & Sanitation	7.32	1.92	1.76	2.45
Housing	1.80	1.84	1.82	1.85
Crop Husbandry	2.48	2.79	3.61	2.59
Industries	59.91	65.01	96.41	80.36
Civil Supplies	0.17	0.09	0.11	0.13
Other Non-Tax Revenue	40.43	27.92	32.12	32.39
Total	246.52	195.64	262.60	218.85

- 1.5. The increase in expenditure under State Plan and Non-Plan is far more than increase in own Tax & Own Non-Tax Revenue.

Bar Graph No-1: Graph showing revenue in terms of Own Tax & Non Tax Revenue Vs Increase in Total Expenditure excluding CSS/CASP.



- 1.6. The State has witnessed a quantum jump of Non-Plan expenditure during the last five years. Non Plan expenditure is mainly on account of salary & pension expenditure, which is about 75% in 2016-17.

Table-5: Non-Plan Expenditure for the last 5 years

(Rs. in Crore)

Particulars	2012-13 (Actual)	2013-14 (Actual)	2014-15 (Actual)	2015-16 (Actual)	2016-17 (Actual)
Non-Plan Expenditure	4338.91	4762.99	5787.63	6462.09	7128.82
Total expenditure	7027.00	7825.00	10591.00	11526.00	12689.00
Percentage of Non Plan expenditure over total expenditure	61.74%	60.86%	54.64%	56.06%	56.18%

- 1.7. It is seen that expenditure on salary and pension varies from 78% to 81% of the Non-Plan Revenue Expenditure of the State.

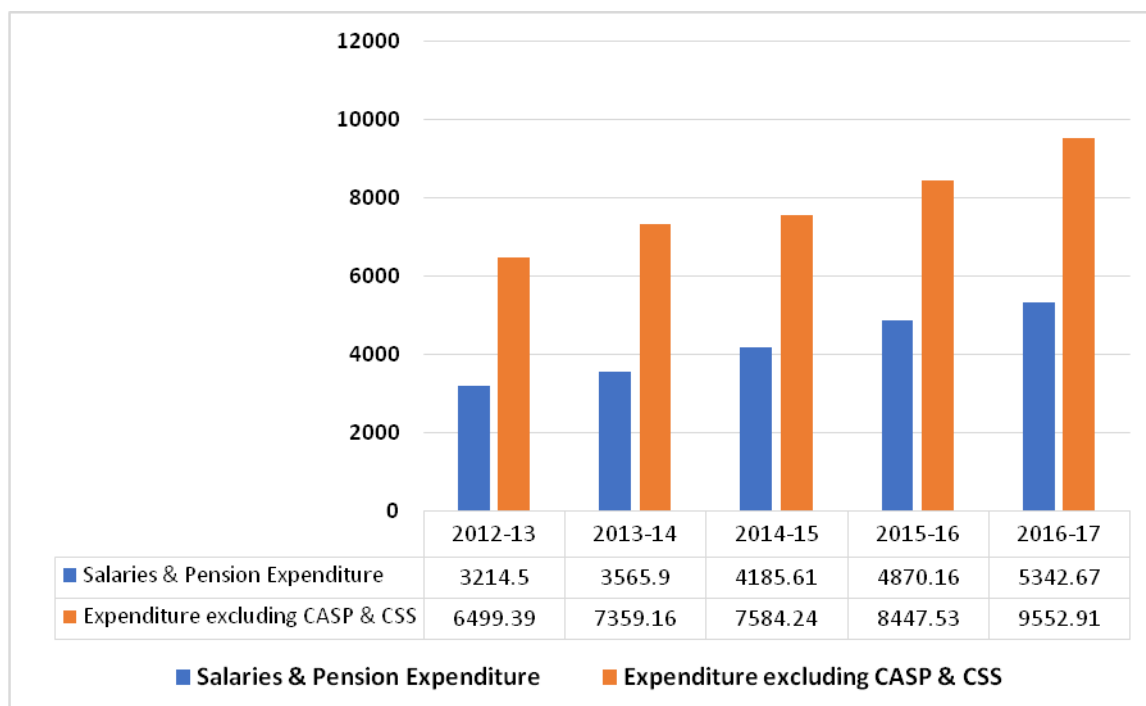
Table-6: Expenditure on Salary & Pension

(Rs. in Crore)

Particulars	2012-13 (Actual)	2013-14 (Actual)	2014-15 (Actual)	2015-16 (Actual)	2016-17 (Actual)	2017-18 (RE)
Salaries Expenditure	2467.90	2888.64	3348.43	3844.85	4133.99	5600.00
% of Salary Expenditure Over NPRE	61.80%	63.50%	61.14%	64.06%	62.67%	61.39%
Pension Expenditure	694.19	677.25	837.18	1025.31	1208.67	1643.00
% of Pension Expenditure Over NPRE	17.38%	14.89%	15.29%	17.08%	18.32%	18.01%
Total expenditure of Salaries & Pension	3162.09	3565.89	4185.61	4870.16	5342.66	7243.00
% of Salaries & Pension Over NPRE	79.18%	78.39%	76.43%	81.14%	80.99%	79.40%
Non-Plan Revenue Expenditure (NPRE)	3993.61	4549.02	5476.45	6001.95	6596.57	9121.81

Salary & pension expenditure in comparison with the total expenditure (excluding CASP & CSS) is given in the below graph:

Bar Graph No-2: Graph showing Salary & pension expenditure in comparison with the total expenditure (excluding CASP & CSS) is given in the below graph.



1.8. As per Budget Estimates 2017-18, the total receipts and total Expenditure was shown as Rs. 15956.56 Crore with budget deficit of Rs. 198.00 Crore.

Table-7: Budget Estimates 2017-18

(Rs. in Crore)

Receipts			R.E.2017-18	Expenditure			R.E.2017-18
Sl. No.	Item	Budget Provision		Sl. No.	Item	Budget Provision	
1	State Revenue	1742.00	1670.00	1	Salary & Wages	5191.66	5600.00
2	Receipts from Central Government	5772.58	5443.18	2	Pension	1500.00	1643.00
3	Other State's Resources	1604.00	2077.63	3	Repayment of Loans	738.68	317.07
				4	Interest	1054.98	1016.93
				5	Other Non-Plan	1392.55	1351.00
				6	State Plan	2218.01	1451.00
Sub-total of State's Resources		9718.58	9190.81	Sub-total of expenditure under State Plan & Non Plan		12095.88	11379.00

4	Central Plan Assistance	5474.50	2524.00	7	Central Plan Assistance	3561.64	2524.00
5	CSS other than CASP	565.48	394.00	8	CSS other than CASP	299.04	394.00
6	Opening Balance	600.00	600.00				
7	Budget deficit	198.00	1588.19				
8	Total	15956.56	14297.00	9	Total	15956.56	14297.00

- 1.9. Although, the total receipts was shown Rs. 15956.56 Crore but actual receipts are Rs. 10991.24 Crore up to 15.03.2018. The Revised Estimates will be prepared based on realistic estimates as per trend so far.

Table-8: Receipts against BE 2017-18

(Rs. in Crore)

Item	BE 2017-18	Receipts up to 15.03.2018	% of receipts over BE
Own Tax Revenue	1450.00	1275.23	87.95%
Own Non-Tax Revenue	290.00	192.15	66.26%
Recovery of Loans & Advances	2.00	1.60	80.00%
Share of Central Taxes	4500.00	3709.09	82.42%
Non Plan Gap Grant	1059.00	1059.00	100.00%
Public Debt	1294.00	1189.36	91.91%
Net GPF	310.00	250.00	80.65%
Drawal from CSF		237.63	
Total	8905.00	7914.16	88.87%

Table-9: Receipts against BE 2017-18 under CSS & CASP

(Rs. in Crore)

Item	BE 2017-18	Receipts up to 15.03.2018	% of receipts over BE
FC Award	109.58	84.48	77.09%
SDRF	31.00	30.60	98.71%
Reimbursable Schemes	73.00	23.35	31.99%
CASP & CSS	6039.98	2938.65	48.65%
Total	6253.56	3077.08	49.21%

1.10. The State Government has 1,61,331 Government employees and 56,441 pensioners as on 31.12.2016 as per Budget Document. The Government employees comprises 4.39% of total population of the State.

Table-10: Employees & Pensioners under State Government

Year	No. of Regular employees in Government Departments	No. of employees PSUs, Autonomous Bodies	Fixed Pay, DRW, Contingent etc.	Total employees	Government Pensioners
2016-17	1,16,112	8,310	36,909	1,61,331	56,441

1.11. The Fiscal deficit of the State for the last 5 years is increasing:

Table-11: Fiscal Deficit for last the 5 Years

(Rs. in Crore)

Particulars	2012-13 (Actual)	2013-14 (Actual)	2014-15 (Actual)	2015-16 (Actual)	2016-17 (Actual)
Fiscal Deficit (-)/Surplus (+) (Rs. In Crore)	336.56	45.68	-1049.02	-1650.46	-2529.61
GSDP at factor cost at current price (2011-12 base year) (Rs. In Crore)	21663.20	25592.83	27422.39	34368.32	37022.58
Fiscal Deficit / Surplus as percentage of GSDP	1.48	0.17	-3.39	-4.80	-6.83

1.12. The previous Government has taken up various projects without ensuring fund flow. The pending liability to complete the incomplete projects is given in the below table:

Table-12: Pending liabilities during 2018-19.

(Rs. in Crore)

Items	Amount
Incomplete projects under SPA	354.20
Incomplete projects under State Development Scheme	510.52
Road maintenance of PWD(R&B)	173.95
Major works taken up by PWD (R&B)	46.09
Major works taken up by PWD (R&B) for other Departments	560.14
TOTAL	1644.90

1.13. Additional implication for implementation of 7th CPC:

With allowances and DA, additional financial implication for implementation of 7th CPC would be Rs. 1459.51 Cr per year.

Looking forward:

Despite serious financial crisis inherited by the new Government, we are determined to fulfil the promises made to the people of Tripura by taking several measures. The State Government is planning to come out with a roadmap that include measures to rationalize expenditure, generate more revenue and access more funds from the Government of India. This three pronged strategy will mobilize additional funds and help the State Government to manage the financial crisis created by the previous Government. We hope that with the support and cooperation of people of the State your Government will face the challenges with resolve, determination and work for better future.