

# Tripura Budget Analysis 2023-24

The Finance Minister of Tripura, Mr. Pranajit Singha Roy, presented the Budget for the state for the financial year 2023-24 on July 7, 2023.

## Budget Highlights

- **Expenditure (excluding debt repayment)** in 2023-24 is estimated to be Rs 26,736 crore, an increase of 11% over the revised estimates of 2022-23. In addition, debt of Rs 918 crore will be repaid by the state.
- **Receipts (excluding borrowings)** for 2023-24 are estimated to be Rs 22,330 crore, an increase of 5% as compared to the revised estimate of 2022-23 (Rs 21,306 crore).
- **Revenue surplus** in 2023-24 is estimated to be Rs 12 crore, 98% lower than the revised estimates for 2022-23 (Rs 468 crore). In 2022-23, the state had estimated a revenue deficit (Rs 560 crore) at the budget stage.
- **Fiscal deficit** for 2023-24 is targeted at Rs 4,407 crore. In 2022-23, fiscal deficit is estimated to be Rs 2,886 crore as per the revised estimates, 40% lower than the budget estimate (Rs 4,821 crore). In 2021-22, the state observed a fiscal surplus of Rs 67 crore.

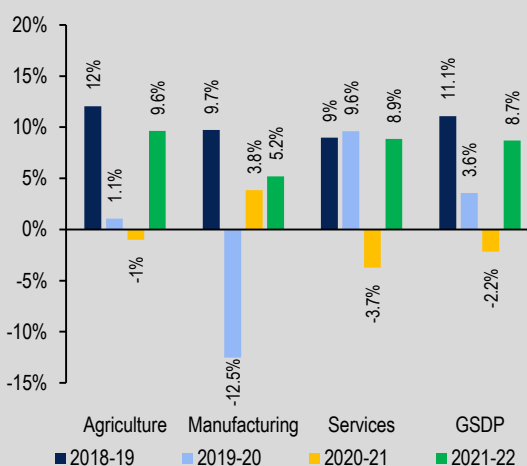
## Policy Highlights

- **Enhancing employment opportunities:** The Mukhyamantri Dakhyata Unnayan Prakalpa scheme will be implemented to promote employment opportunities for youth by providing skill development and training.
- **Mukhyamantri Satellite Town Development Scheme:** Satellite towns will be developed at Agartala, Udaipur, and Dharmanagar. The scheme will have an investment of about Rs 500 crore over five years.
- **Universal Health Insurance:** The CM-Jana Arogya Yojana, 2023 will be launched to provide universal health insurance to 4.75 lakh families that are not covered under the PM-Jan Arogya Yojana.
- **Pension:** State Government’s contribution to the National Pension Scheme will be increased from 10% to 14% of basic pay.
- **Directorate of Good Governance:** A Directorate of Good Governance will be established, which will collaborate with national institutions and international agencies to facilitate ‘Ease of Living’ in the state.

## Tripura’s Economy

- **GSDP:** In 2021-22, Tripura’s GSDP (at constant prices) is estimated to grow at 8.7%, over a low base of the previous year. In 2020-21, GSDP had contracted by 2.2%. In comparison, national GDP is estimated to grow at 9.1% in 2021-22, after a contraction of 6.6% in 2020-21.
- **Sectors:** In 2021-22, agriculture grew at 10% and services at 9%, over a low base of the previous year (Figure 1). In 2021-22, agriculture, manufacturing, and services sectors are estimated to contribute 45%, 11%, and 44% of the economy, respectively (at current prices).
- **Per capita GSDP:** The per capita GSDP of Tripura in 2021-22 (at current prices) is estimated at Rs 1,58,382, an annualised increase of 8% over 2018-19. The national per capita GDP in 2021-22 is estimated to be Rs 1,09,060.

**Figure 1: Growth in GSDP and sectors in Tripura at constant prices (2011-12)**



Note: These numbers are as per constant prices (2011-12), which implies that the growth rate is adjusted for inflation. Sources: MOSPI; PRS.

## Budget Estimates for 2023-24

- **Total expenditure (excluding debt repayment)** in 2023-24 is targeted at Rs 26,736 crore. This is an increase of 11% over the revised estimate of 2022-23. This expenditure is proposed to be met through **receipts (excluding borrowings)** of Rs 22,330 crore, net borrowings of Rs 2,395 crore, and net receipts from public account of Rs 750 crore. Total receipts for 2023-24 (other than borrowings) are expected to register an increase of 5% over the revised estimate of 2022-23.
- **Revenue surplus** in 2023-24 is estimated to be Rs 12 crore, 97% less than the revised estimates for 2022-23 (Rs 468 crore). The state had estimated revenue deficit of Rs 560 crore in the budget estimates for 2022-23. However, as per the revised estimates, it is expected to observe a revenue surplus of Rs 468 crore. This is mainly because revenue expenditure is estimated to be 4% lower than the budget estimate, driven by lower than budgeted spending on salaries and pensions (by 11% and 12%, respectively).
- **Fiscal deficit** for 2023-24 is targeted at Rs 4,407 crore, 53% higher than the revised estimates for 2022-23. In 2022-23, fiscal deficit is estimated to be 40% lower than the budget estimate. This is mainly due to lower expenditure than budget estimates (by 6.5%), whereas receipts are expected to be 1.2% higher than budget. In 2021-22, as per the actuals, the state observed a fiscal surplus of Rs 67 crore, against the budget estimate of fiscal deficit of Rs 3,680 crore. In 2021-22, while actual receipts were 4% lower than the budget estimates, actual expenditure was 20% lower than budgeted.

**Table 1: Budget 2023-24 - Key figures (in Rs crore)**

Items	2021-22 Actuals	2022-23 BE	2022-23 RE	% change from BE 22-23 to RE 22-23	2023-24 BE	% change from RE 22-23 to BE 23-24
Total Expenditure	18,205	26,893	25,169	-6.4%	27,654	9.9%
(-) Repayment of debt	656	1,023	977	-4.5%	918	-6.0%
<b>Net Expenditure (E)</b>	<b>17,548</b>	<b>25,870</b>	<b>24,192</b>	<b>-6.5%</b>	<b>26,736</b>	<b>10.5%</b>
Total Receipts	18,662	24,823	23,769	-4.2%	25,643	7.9%
(-) Borrowings	1,047	3,775	2,463	-34.8%	3,314	34.6%
<b>Net Receipts (R)</b>	<b>17,615</b>	<b>21,048</b>	<b>21,306</b>	<b>1.2%</b>	<b>22,330</b>	<b>4.8%</b>
<b>Fiscal Deficit (E-R)</b>	<b>-67</b>	<b>4,821</b>	<b>2,886</b>	<b>-40.1%</b>	<b>4,407</b>	<b>52.7%</b>
<b>Revenue Balance</b>	<b>1,489</b>	<b>-560</b>	<b>468</b>	<b>-183.6%</b>	<b>12</b>	<b>-97.5%</b>
<b>Primary Deficit</b>	<b>-1,465</b>	<b>3,322</b>	<b>1,432</b>	<b>-56.9%</b>	<b>2,905</b>	<b>102.8%</b>

Note: BE is Budget Estimates; RE is Revised Estimates. The fiscal deficit numbers in the table may not match those in the budget as GST compensation loans and Special Assistance for Capital Investment have not been considered part of borrowings in government figures. Sources: Budget at a Glance, Tripura Budget 2023-24; PRS.

## Expenditure in 2023-24

- **Revenue expenditure** for 2023-24 is proposed to be Rs 22,296 crore, an increase of 7% over the revised estimate of 2022-23. This includes the expenditure on salaries, pensions, interest, grants, and subsidies.
- **Capital outlay** for 2023-24 is proposed to be Rs 4,438 crore, an increase of 35% over the revised estimate of 2022-23. Capital outlay indicates the expenditure towards creation of assets. In 2022-23, capital outlay is expected to be 23% lower than the budgeted. Capital outlay on public works, which accounts for 44% of the total capital outlay (as per budget estimates), is expected to be 52% lower than the budgeted amount.
- **Loans and advances** given by the state for 2022-23 were estimated to be Rs 6 crore at the budget stage. However, as per revised estimates, Rs 111 crore is expected to be given as loans by the state.

**Table 2: Expenditure budget 2023-24 (in Rs crore)**

Items	2021-22 Actuals	2022-23 BE	2022-23 RE	% change from BE 22-23 to RE 22-23	2023-24 BE	% change from RE 22-23 to BE 23-24
Revenue Expenditure	16,125	21,607	20,787	-4%	22,296	7%
Capital Outlay	1,369	4,256	3,295	-23%	4,438	35%
Loans given by the state	54	6	111	1,635%	2	-98%
<b>Net Expenditure</b>	<b>17,548</b>	<b>25,870</b>	<b>24,192</b>	<b>-6%</b>	<b>26,736</b>	<b>11%</b>

Sources: Annual Financial Statement, Tripura Budget 2023-24; PRS.

**Committed expenditure:** Committed expenditure of a state typically includes expenditure on payment of salaries, pensions, and interest. A larger proportion of budget allocated for committed expenditure items limits the state's flexibility to decide on other expenditure priorities such as capital outlay. In 2023-24, Tripura is estimated to spend Rs 12,650 crore on committed expenditure, which is 57% of its estimated revenue receipts. This comprises spending on salaries (35% of revenue receipts), pension (15%), and interest payments (7%). Committed expenditure is expected to increase by 13% over the revised estimate of 2022-23. However, in 2022-23, expenditure towards pension and salaries are expected to be 12% and 11% lower than the budget estimate, respectively.

**Table 3: Committed Expenditure in 2023-24 (in Rs crore)**

Items	2021-22 Actuals	2022-23 BE	2022-23 RE	% change from BE 22-23 to RE 22-23	2023-24 BE	% change from RE 22-23 to BE 23-24
Salaries	5,733	7,695	6,818	-11%	7,852	15%
Pensions	2,516	3,382	2,969	-12%	3,296	11%
Interest Payment	1,398	1,499	1,454	-3%	1,502	3%
<b>Total Committed Expenditure</b>	<b>9,648</b>	<b>12,576</b>	<b>11,241</b>	<b>-11%</b>	<b>12,650</b>	<b>13%</b>

Sources: Budget at a Glance and Annual Financial Statement, Tripura Budget 2023-24; PRS.

**Sector-wise expenditure:** The sectors listed below account for 66% of the total expenditure on sectors by the state in 2023-24. A comparison of Tripura's expenditure on key sectors with that by other states is shown in Annexure I.

**Table 4: Sector-wise expenditure under Tripura Budget 2023-24 (in Rs crore)**

Sectors	2021-22 Actuals	2022-23 BE	2022-23 RE	2023-24 BE	% change from RE 22-23 to BE 23-24
Education, Sports, Arts, and Culture	2,364	3,480	2,912	3,281	13%
Police	1,459	1,959	1,834	2,094	14%
Social Welfare and Nutrition	1,006	2,110	1,773	1,818	3%
Housing	1,149	1,300	2,219	1,734	-22%
Health and Family Welfare	1,171	1,482	1,481	1,671	13%
Rural Development	934	1,313	1,352	1,612	19%
Agriculture and Allied Activities	889	1,449	1,337	1,526	14%
Transport	690	820	878	1,462	66%
Urban Development	422	977	681	1,222	79%
Welfare of SC, ST, OBC, and Minorities	502	928	863	1,135	32%
<b>% of total expenditure on all sectors</b>	<b>61%</b>	<b>61%</b>	<b>64%</b>	<b>66%</b>	<b>3%</b>

Sources: Annual Financial Statement, Tripura Budget 2023-24; PRS.

## Receipts in 2023-24

- **Total revenue receipts** for 2023-24 are estimated to be Rs 22,308 crore, an increase of 5% over the revised estimate of 2022-23. Of this, Rs 3,810 crore (17%) will be raised by the state through its **own resources**, and Rs 18,498 crore (83%) will come **from the centre**. Resources from the centre will be in the form of state's share in central taxes (32% of revenue receipts) and grants (51% of revenue receipts).
- **Devolution:** In 2023-24, state's share in central taxes is estimated at Rs 7,232 crore, an increase of 8% over the revised estimate of 2022-23. In 2022-23, as per the revised estimates, state's share in central taxes is estimated to be 16% higher than the budget estimates.
- **Grants from the centre** in 2023-24 is estimated at Rs 11,266 crore, at a level similar to the revised estimates for 2022-23. As per revised estimates for 2022-23, grants are estimated to be 7% lower than budget estimates. This decline is expected to be largely on account of reduced special assistance funds transferred to Tripura. In 2022-23, as per revised estimates, the amount received as special assistance (Rs 177 crore) is estimated to be 87% less than the budgeted amount (Rs 1,369 crore).

**Table 5: Break-up of the state government's receipts (in Rs crore)**

Sources	2021-22 Actuals	2022-23 BE	2022-23 RE	% change from BE 22-23 to RE 22-23	2023-24 BE	% change from RE 22-23 to BE 23-24
State's Own Tax	2,616	2,848	3,000	5%	3,360	12%
State's Own Non-Tax	274	386	390	1%	450	15%
Share in Central Taxes	6,078	5,782	6,724	16%	7,232	8%
Grants-in-aid from Centre	8,646	12,032	11,141	-7%	11,266	1%
<b>Revenue Receipts</b>	<b>17,614</b>	<b>21,047</b>	<b>21,254</b>	<b>1%</b>	<b>22,308</b>	<b>5%</b>
Non-debt Capital Receipts	1	1	52	5,100%	22	-58%
<b>Net Receipts</b>	<b>17,615</b>	<b>21,048</b>	<b>21,306</b>	<b>1%</b>	<b>22,330</b>	<b>5%</b>

Note: BE is Budget Estimates; RE is Revised Estimates.

Sources: Annual Financial Statement, Tripura Budget 2023-24; PRS.

- **State's own tax revenue:** Tripura's total own tax revenue is estimated to be Rs 3,360 crore in 2023-24, an increase of 12% over the revised estimate of 2022-23. In 2023-24, state excise revenue is expected to increase by 19% over the revised estimates of the previous year.
- In 2023-24, State GST is estimated to be the largest source of own tax revenue (48% share), followed by sales tax/VAT (15%), and state excise (12%).

**Table 6: Major sources of state's own-tax revenue (in Rs crore)**

Taxes	2021-22 Actuals	2022-23 BE	2022-23 RE	% change from BE 22- 23 to RE 22- 23	2023-24 BE	% change from RE 22- 23 to BE 23- 24
State GST	1,283	1,426	1,459	2%	1,634	12%
Sales Tax/ VAT	463	488	464	-5%	519	12%
State Excise	320	322	348	8%	412	19%
Taxes on Vehicles	103	108	118	9%	132	12%
Stamps Duty and Registration Fees	90	95	103	8%	115	12%
Taxes and Duties on Electricity	34	39	36	-9%	40	12%
Land Revenue	9	11	13	14%	14	12%
GST Compensation Grants	101	159	-	-	-	-
GST Compensation Loans	401	220	-	-	-	-

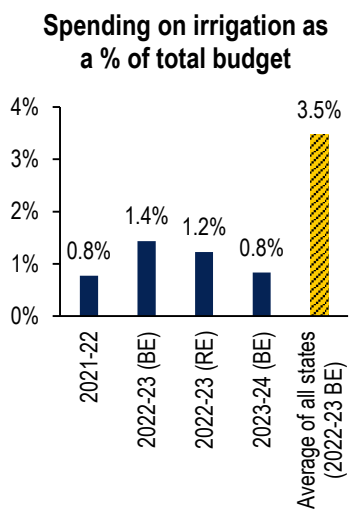
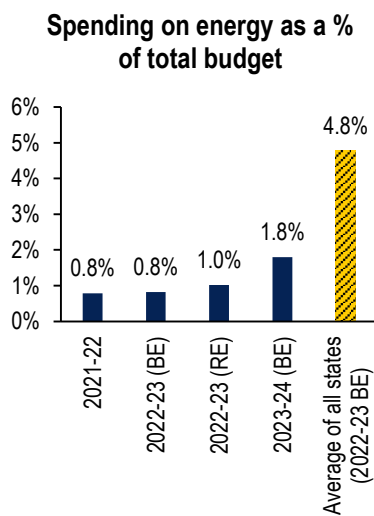
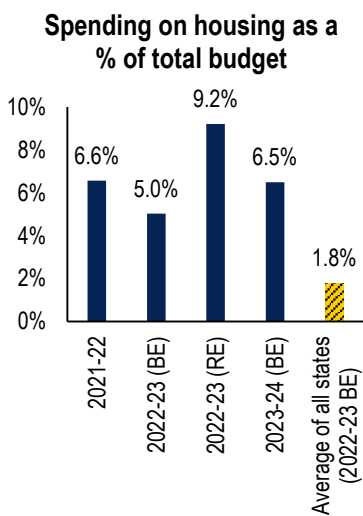
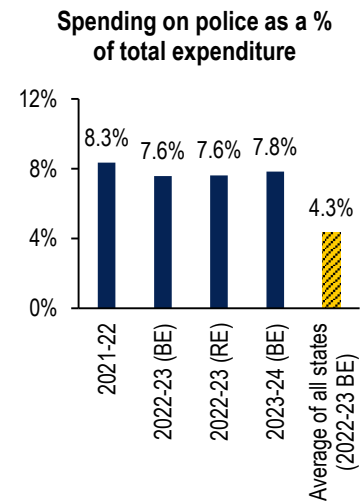
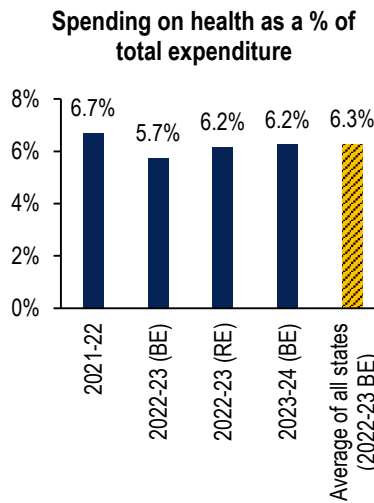
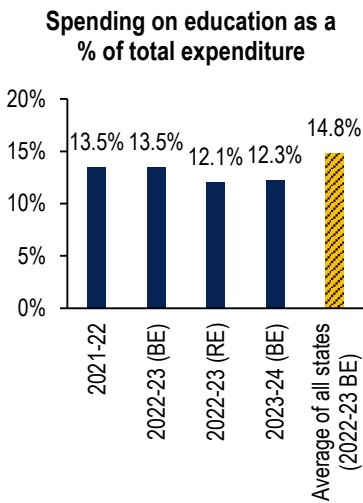
Sources: Annual Financial Statement, Revenue Budget, and Budget at a Glance statements, Tripura Budget 2023-24; PRS.

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## Annexure 1: Comparison of states' expenditure on key sectors

The graphs below compare Tripura's expenditure in 2023-24 on six key sectors as a proportion of its total expenditure on all sectors. The average for a sector indicates the average expenditure in that sector by 31 states (including Tripura) as per their budget estimates of 2022-23.<sup>1</sup>

- **Education:** Tripura has allocated 12.3% of its expenditure on education in 2023-24. This is lower than the average allocation for education by states in 2022-23 (14.8%).
- **Health:** Tripura has allocated 6.2% of its total expenditure towards health, which is approximately the same as the average allocation for health by states (6.3%).
- **Police:** Tripura has allocated 7.8% of its total expenditure towards police, which is significantly higher than the average expenditure on police by states (4.3%).
- **Housing:** Tripura has allocated 6.5% of its total expenditure on housing. This is significantly higher than the average allocation for housing by states (1.8%).
- **Energy:** Tripura has allocated 1.8% of its total expenditure towards energy. This is significantly lower than the average allocation towards energy by states (4.8%).
- **Irrigation:** Tripura has allocated 0.8% of its total expenditure towards irrigation, which is significantly lower than the average allocation by states (3.5%).



Note: 2021-22, 2022-23 (BE), 2022-23 (RE), and 2023-24 (BE) figures are for Tripura. Sources: Annual Financial Statement, Tripura Budget 2023-24; various state budgets; PRS.

<sup>1</sup> The 31 states include the Union Territories of Delhi, Jammu and Kashmir, and Puducherry .

## Annexure 2: Comparison of 2021-22 Budget Estimates and Actuals

The following tables compare the actuals of 2021-22 with budget estimates for that year.

**Table 7: Overview of Receipts and Expenditure (in Rs crore)**

Particular	2021-22 BE	2021-22 Actuals	% change from BE to Actuals
<b>Net Receipts (1+2)</b>	<b>18,357</b>	<b>17,615</b>	<b>-4%</b>
1. Revenue Receipts (a+b+c+d)	18,356	17,614	-4%
a. Own Tax Revenue	2,412	2,616	8%
b. Own Non-Tax Revenue	349	274	-21%
c. Share in central taxes	4,663	6,078	30%
d. Grants-in-aid from the Centre	10,932	8,646	-21%
Of which GST compensation grants	388	101	-74%
2. Non-Debt Capital Receipts	1	1	-13%
3. Borrowings	3,094	1,047	-66%
Of which GST compensation loan	0	401	-
<b>Net Expenditure (4+5+6)</b>	<b>22,038</b>	<b>17,548</b>	<b>-20%</b>
4. Revenue Expenditure	20,073	16,125	-20%
5. Capital Outlay	1,958	1,369	-30%
6. Loans and Advances	6	54	752%
7. Debt Repayment	687	656	-4%
<b>Revenue Deficit</b>	<b>1,717</b>	<b>1,489</b>	<b>-13%</b>
<b>Fiscal Deficit</b>	<b>3,680</b>	<b>-67</b>	<b>-102%</b>

Note: BE: Budget Estimates. For calculating deficits, GST compensation loan not treated as grants.  
Sources: Tripura Budget Documents of various years; PRS.

**Table 8: Key Components of State's Own Tax Revenue (in Rs crore)**

Sector	2021-22 BE	2021-22 Actuals	% change from BE to Actuals
Taxes and Duties on Electricity	116	34	-71%
Land Revenue	17	9	-46%
Taxes on Vehicles	110	103	-6%
State Excise	287	320	11%
State GST	1,123	1,283	14%
Sales Tax/ VAT	394	463	18%
Stamps Duty and Registration Fees	71	90	27%

Sources: Tripura Budget Documents of various years; PRS.

**Table 9: Allocation towards Key Sectors (in Rs crore)**

Sector	2021-22 BE	2021-22 Actuals	% change from BE to Actuals
Urban Development	1,342	422	-69%
Social Welfare and Nutrition	1,782	1,006	-44%
Irrigation and Flood Control	211	135	-36%
Agriculture and Allied Activities	1,335	889	-33%
Water Supply and Sanitation	632	463	-27%
Welfare of SC, ST, OBC, and Minorities	670	502	-25%
Education, Sports, Arts, and Culture	3,086	2,364	-23%
Rural Development	1,156	934	-19%
Health and Family Welfare	1,423	1,171	-18%
Transport	841	690	-18%
of which Roads and Bridges	817	665	-19%
Police	1,749	1,459	-17%
Energy	135	138	2%
Housing	173	1,149	565%

Sources: Tripura Budget Documents of various years; PRS.