

# Tripura Budget Analysis 2024-25

The Finance Minister of Tripura, Mr. Pranajit Singha Roy, presented the Budget for the state for the financial year 2024-25 on March 1, 2024.

## Budget Highlights

- **Expenditure (excluding debt repayment)** in 2024-25 is estimated to be Rs 27,238 crore, an increase of 6% over the revised estimates of 2023-24. In addition, debt of Rs 567 crore will be repaid by the state.
- **Receipts (excluding borrowings)** for 2024-25 are estimated to be Rs 22,983 crore, an increase of 3% as compared to the revised estimates of 2023-24.
- **Revenue surplus** in 2024-25 is estimated to be Rs 1,787 crore, a 73% increase over the revised estimate for 2023-24 (Rs 1,033 crore). In 2023-24, at the budget stage, the state had estimated a surplus of Rs 12 crore.
- **Fiscal deficit** for 2024-25 is targeted at Rs 4,255 crore. In 2023-24, as per the revised estimates, fiscal deficit is expected to be Rs 3,381 crore, 23% lower than the budget estimate for 2023-24.

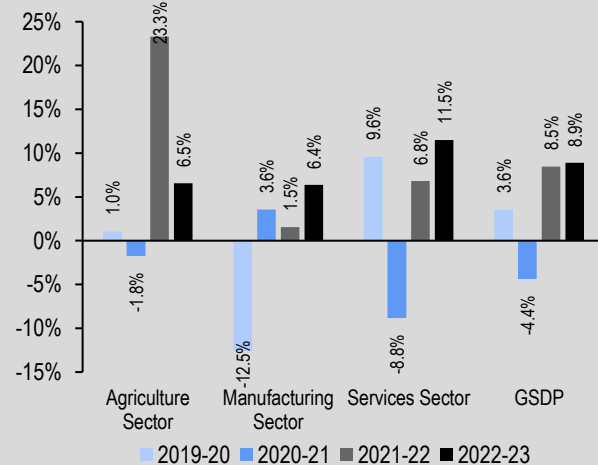
## Policy Highlights

- **Public distribution:** Scheme to modernise beneficiary authentication in fair price shops will be launched.
- **Land bank:** A land bank will be set up to develop and lease unused government land.
- **Electrification:** Habitations inhabited by particularly vulnerable tribal groups will be electrified in 2024-25.

## Tripura's Economy

- **GSDP:** In 2022-23, Tripura's GSDP (at constant prices) grew at 8.9%. In comparison, national GDP is estimated to grow at 7% in 2022-23.
- **Sectors:** In 2022-23, the agriculture, manufacturing, and services sector grew by 6.5%, 6.4%, and 11.5% respectively (at constant prices). Agriculture, manufacturing, and services sector contributed 44%, 11%, and 45% respectively to the state's economy in 2022-23 (at current prices).
- **Per capita GSDP:** The per capita GSDP of Tripura in 2022-23 (at current prices) is estimated to be Rs 1,75,958, an increase of 15% over 2021-22. In 2022-23, India's per capita GDP (at current prices) is estimated to be Rs 1,94,879, an increase of 13% over the previous year.

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



Note: Agriculture also includes mining and quarrying; manufacturing also includes construction, and electricity, gas, water, and other utility services. 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 2024-25

- **Total expenditure (excluding debt repayment)** in 2024-25 is targeted at Rs 27,238 crore. This is an increase of 6% over the revised estimate for 2023-24. This expenditure is proposed to be met through **receipts (excluding borrowings)** of Rs 22,983 crore and net borrowings of Rs 2,695 crore.
- **Revenue surplus** in 2024-25 is estimated to be Rs 1,787 crore, which is an increase of 73% over the revised estimate for 2023-24 (Rs 1,033 crore). **Fiscal deficit** for 2024-25 is targeted at Rs 4,255 crore, which is an increase of 26% over the revised estimates for 2023-24.
- In 2023-24, as per the revised estimates, the revenue surplus is expected to exceed the budgeted surplus (Rs 12 crore) by Rs 1,021 crore. Fiscal deficit is expected to be 23% lower than the budget estimate. The decline is primarily due to a reduction in revenue expenditure, driven by lower spending on salaries and pensions than initially budgeted.

**Table 1: Budget 2024-25 - Key figures (in Rs crore)**

Items	2022-23 Actuals	2023-24 Budgeted	2023-24 Revised	% change from BE 23-24 to RE 23-24	2024-25 Budgeted	% change from RE 23-24 to BE 24-25
Total Expenditure	20,865	27,654	26,659	-3.6%	27,805	4.3%
(-) Repayment of debt	992	918	903	-1.7%	567	-37.2%
<b>Net Expenditure (E)</b>	<b>19,873</b>	<b>26,736</b>	<b>25,756</b>	<b>-3.7%</b>	<b>27,238</b>	<b>5.8%</b>
Total Receipts	19,238	25,643	25,609	-0.1%	26,244	2.5%
(-) Borrowings	877	3,314	3,234	-2.4%	3,261	0.8%
<i>of which</i>						
<i>special loan for capex from centre<sup>#</sup></i>	350	628	712	13.3%	850	19.4%
<b>Net Receipts (R)</b>	<b>18,361</b>	<b>22,330</b>	<b>22,375</b>	<b>0.2%</b>	<b>22,983</b>	<b>2.7%</b>
Fiscal Deficit (E-R)	1,513	4,407	3,381	-23.3%	4,255	25.8%
<b>as % of GSDP</b>	<b>2.1%</b>	-	<b>4.0%</b>	-	-	-
Revenue Surplus	570	12	1,033	8651.0%	1,787	72.9%
<b>as % of GSDP</b>	<b>0.8%</b>	-	<b>1.2%</b>	-	-	-
Primary Deficit	139	2,905	1,972	-32.1%	2,769	40.4%
<b>as % of GSDP</b>	<b>0.2%</b>	-	<b>2.3%</b>	-	-	-
GSDP*	72,636	-	84,127	-	-	-

Note: BE is Budget Estimates; RE is Revised Estimates. The fiscal deficit numbers in the table may not match those in the budget as Special Assistance for Capital Investment has been treated as part of the government's borrowings while calculating deficits.

<sup>#</sup>The central government has been providing 50-year interest free loan to states for capital expenditure, which is over and above the permitted borrowing ceiling for a given financial year.

\*Estimates for GSDP at the budget stage not available for both 2023-24 and 2024-25.

Sources: Annual Financial Statement, Tripura Budget 2024-25; PRS.

## Expenditure in 2024-25

- **Revenue expenditure** in 2024-25 is proposed to be Rs 21,171 crore, a decrease of 1% from the revised estimate for 2023-24. This includes the expenditure on salaries, pensions, interest, grants, and subsidies. For housing sector, there is a significant cut in budget allocation as compared to the previous year. In 2024-25, revenue expenditure on housing is estimated to be Rs 217 crore, a decrease of 88% from the revised estimate for 2023-24 (Rs 1,739 crore). This is due to a reduction in allocation towards the Pradhan Mantri Awas Yojana - Rural.
- **Capital outlay** for 2024-25 is proposed to be Rs 6,065 crore, an increase of 40% over the revised estimate for 2023-24. Capital outlay indicates the expenditure towards creation of assets. In 2024-25, capital outlay on energy, and agriculture and allied activities has seen a significant increase over the previous year (by Rs 373 crore and Rs 231 crore respectively). The increase in capital outlay towards agriculture and allied activities is primarily on account of allocation of Rs 295 crore for river catchment development projects. Increase in allocation towards the energy sector is owing to expenditure for upgradation of the power transmission and distribution network.
- **Loans and Advances:** In 2023-24, as per revised estimates, loans given by the state are estimated to exceed the budget estimate by Rs 100 crore. In 2022-23, the actuals exceeded the budgeted figures by Rs 103 crore. In both these years, this is mainly due to loans to public sector undertakings in the power sector.

**Table 2: Expenditure budget 2024-25 (in Rs crore)**

Items	2022-23 Actuals	2023-24 Budgeted	2023-24 Revised	% change from BE 23-24 to RE 23-24	2024-25 Budgeted	% change from RE 23-24 to BE 24-25
Revenue Expenditure	17,739	22,296	21,320	-4%	21,171	-1%
Capital Outlay	2,025	4,438	4,334	-2%	6,065	40%
Loans given by the state	110	2	102	4545%	2	-98%
<b>Net Expenditure</b>	<b>19,873</b>	<b>26,736</b>	<b>25,756</b>	<b>-4%</b>	<b>27,238</b>	<b>6%</b>

Sources: Annual Financial Statement, Tripura Budget 2024-25; 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 2024-25, Tripura is estimated to spend Rs 12,466 crore on committed expenditure, which is 54% of its estimated revenue receipts. This is similar to the national average of estimated committed expenditure by states (53% of revenue receipts in 2023-24). In 2023-24, as per revised estimates, expenditure on salaries, pension, and interest payment is estimated to decrease by 8%, 6%, and 6% respectively.

**Table 3: Committed Expenditure in 2024-25 (in Rs crore)**

Committed Expenditure	2022-23 Actuals	2023-24 Budgeted	2023-24 Revised	% change from BE 23-24 to RE 23-24	2024-25 Budgeted	% change from RE 23-24 to BE 24-25
Salaries	6,025	7,852	7,254	-8%	7,768	7%
Pension	2,682	3,296	3,107	-6%	3,212	3%
Interest payment	1,374	1,502	1,409	-6%	1,486	5%
<b>Total Committed Expenditure</b>	<b>10,080</b>	<b>12,650</b>	<b>11,769</b>	<b>-7%</b>	<b>12,466</b>	<b>6%</b>

Sources: Annual Financial Statement, Tripura Budget 2024-25; PRS.

**Sector-wise expenditure:** The sectors listed below account for 67% of the total expenditure on sectors by the state in 2024-25. A comparison of Tripura's expenditure on key sectors with that by other states is shown in Annexure 1.

**Table 4: Sector-wise expenditure under Tripura Budget 2024-25 (in Rs crore)**

Sector	2022-23 Actuals	2023-24 Budgeted	2023-24 Revised	2024-25 Budgeted	% change from RE 23-24 to BE 24-25
Education, Sports, Arts, and Culture	2,436	3,281	3,344	3,611	8%
Police	1,599	2,094	2,023	2,152	6%
Social Welfare and Nutrition	1,450	1,818	1,788	1,892	6%
Rural Development	1,031	1,612	1,536	1,843	20%
Agriculture and Allied Activities	990	1,526	1,355	1,759	30%
Health and Family Welfare	1,130	1,671	1,491	1,694	14%
Roads and Bridges	778	1,414	1,353	1,610	19%
Welfare of SC, ST, OBC, and Minorities	570	1,135	1,039	1,153	11%
Urban Development	560	1,222	1,091	1,120	3%
Energy	200	481	461	732	59%
Water Supply and Sanitation	346	564	523	665	27%
<b>% of total expenditure on all sectors</b>	<b>56%</b>	<b>63%</b>	<b>62%</b>	<b>67%</b>	<b>7%</b>

Sources: Annual Financial Statement, Tripura Budget 2024-25; PRS.

## Receipts in 2024-25

- **Total revenue receipts** for 2024-25 are estimated to be Rs 22,958 crore, an increase of 3% over the revised estimate for 2023-24. Of this, Rs 4,223 crore (18%) will be raised by the state through its **own resources**, and Rs 18,735 crore (82%) will come **from the centre**. Resources from the centre will be in the form of state's share in central taxes (38% of revenue receipts) and grants (44% of revenue receipts).
- **Devolution:** In 2024-25, state's share in central taxes is estimated at Rs 8,636 crore, an increase of 10% over the revised estimate for 2023-24. In 2023-24, as per the revised estimates, Tripura's share in the central taxes is estimated to be Rs 7,820 crore, 8% higher than the budgeted estimate.
- **Grants from the centre** in 2024-25 are estimated at Rs 10,098 crore, a decrease of 5% from the revised estimates for 2023-24. This decline (Rs 530 crore) is estimated to be largely on account of reduction in revenue deficit grants and grants for the Pradhan Mantri Awas Yojana - Rural.
- **State's own tax revenue:** Tripura's total own tax revenue is estimated to be Rs 3,748 crore in 2024-25, an increase of 8% over the revised estimate for 2023-24.

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

Items	2022-23 Actuals	2023-24 Budgeted	2023-24 Revised	% change from BE 2023-24 to RE 2023-24	2024-25 Budgeted	% change from RE 2023-24 to BE 2024-25
State's Own Tax	3,000	3,360	3,456	3%	3,748	8%
State's Own Non-Tax	402	450	450	0%	475	6%
Share in Central Taxes	6,724	7,232	7,820	8%	8,636	10%
Grants-in-aid from Centre	8,183	11,266	10,628	-6%	10,098	-5%
<b>Revenue Receipts</b>	<b>18,309</b>	<b>22,308</b>	<b>22,354</b>	<b>0%</b>	<b>22,958</b>	<b>3%</b>
Non-debt Capital Receipts	52	22	21	-5%	25	19%
<b>Net Receipts</b>	<b>18,361</b>	<b>22,330</b>	<b>22,375</b>	<b>0.2%</b>	<b>22,983</b>	<b>3%</b>

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

Sources: Annual Financial Statement, Tripura Budget 2024-25; PRS.

- In 2024-25, **State GST** is estimated to be the largest source of own tax revenue (48% share). State GST revenue is estimated to increase by 6% over the revised estimates of 2023-24.
- Sales tax/VAT and State Excise respectively are estimated to contribute 17% and 13% to own tax revenue. Revenue from both these sources is expected to register a growth of 11% in 2024-25.
- In 2023-24, as per revised estimates, revenue from major own taxes is estimated to be higher than the budgeted figures. For instance, State GST revenue is estimated to be 5% higher, whereas Sales tax/VAT is estimated to be 9% higher.

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

Head	2022-23 Actuals	2023-24 Budgeted	2023-24 Revised	% change from BE 23-24 to RE 23-24	2024-25 Budgeted	% change from RE 23-24 to BE 24-25
State GST	1,459	1,634	1,713	5%	1,816	6%
Sales Tax/ VAT	464	519	568	9%	630	11%
State Excise	368	412	430	4%	477	11%
Taxes on Vehicles	118	132	132	0%	147	11%
Stamps Duty and Registration Fees	103	115	125	9%	139	11%
Taxes and Duties on Electricity	36	40	46	14%	49	8%
Land Revenue	13	14	21	46%	25	21%

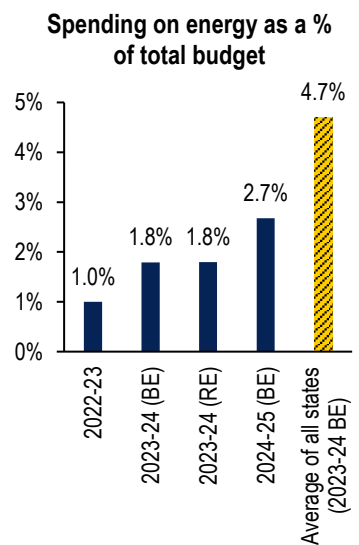
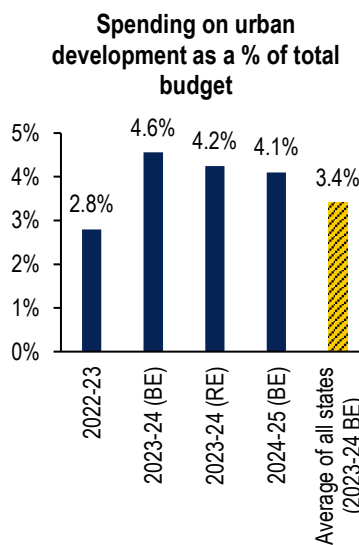
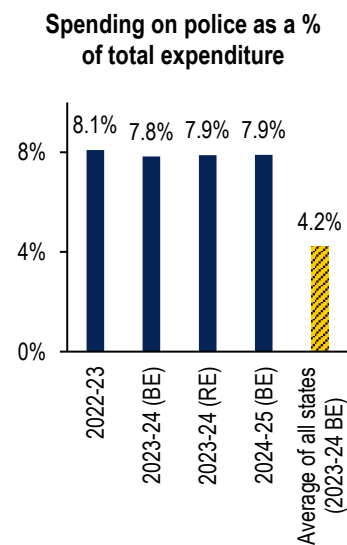
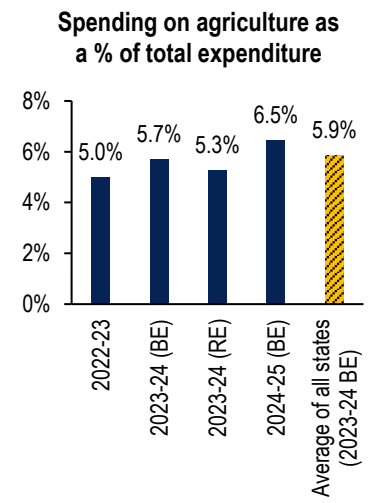
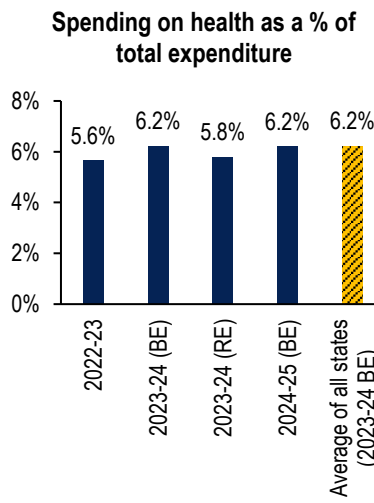
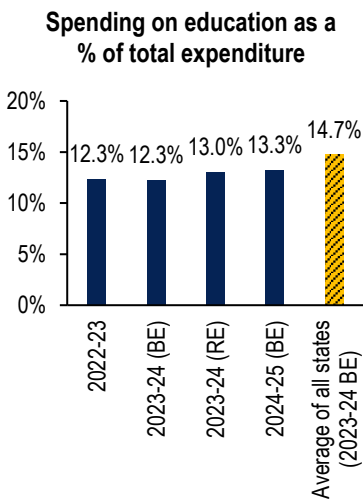
Sources: Annual Financial Statement, Revenue Budget, Tripura Budget 2024-25; PRS.

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

The graphs below compare Tripura's expenditure in 2024-25 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 2023-24.<sup>1</sup>

- **Education:** Tripura has allocated 13.3% of its expenditure on education in 2024-25. This is lower than the average allocation for education by states in 2023-24 (14.7%).
- **Health:** Tripura has allocated 6.2% of its total expenditure towards health. This is similar to the average allocation for health by states.
- **Agriculture:** Tripura has allocated 6.5% of its total expenditure towards agriculture, which is higher than the average expenditure on agriculture by states (5.9%).
- **Police:** Tripura has allocated 7.9% of its expenditure on police. This is significantly higher than the average allocation for police by states (4.2%).
- **Urban development:** Tripura has allocated 4.1% of its expenditure towards urban development. This is higher than the average allocation towards urban development by states (3.4%).
- **Energy:** Tripura has allocated 2.7% of its total expenditure towards energy, which is lower than the average allocation by states (4.7%).



Note: 2022-23, 2023-24 (BE), 2023-24 (RE), and 2024-25 (BE) figures are for Tripura. Sources: Annual Financial Statement, Tripura Budget 2024-25; 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 2022-23 Budget Estimates and Actuals

The following tables compare the actuals of 2022-23 with budget estimates for that year.

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

Particular	2022-23 BE	2022-23 Actuals	% change from BE to Actuals
<b>Net Receipts (1+2)</b>	<b>21,048</b>	<b>18,361</b>	-13%
1. Revenue Receipts (a+b+c+d)	21,047	18,309	-13%
a. Own Tax Revenue	2,848	3,000	5%
b. Own Non-Tax Revenue	386	402	4%
c. Share in central taxes	5,782	6,724	16%
d. Grants-in-aid from the Centre	12,032	8,183	-32%
2. Non-Debt Capital Receipts	1	52	5058%
3. Borrowings	3,775	877	-77%
Of which GST compensation loan	220	0	-100%
Of which Special Assistance loans from centre	760	350	-54%
<b>Net Expenditure (4+5+6)</b>	<b>25,870</b>	<b>19,873</b>	-23%
4. Revenue Expenditure	21,607	17,739	-18%
5. Capital Outlay	4,256	2,025	-52%
6. Loans and Advances	6	110	1621%
7. Debt Repayment	1,023	992	-3%
<b>Revenue Balance*</b>	<b>-560</b>	<b>570</b>	-202%
<b>Fiscal Deficit</b>	<b>4,821</b>	<b>1,513</b>	-69%

Note: \*For revenue balance, positive (+) numbers indicate a surplus and negative (-) numbers indicate a deficit. The fiscal deficit numbers in the table may not match those in the budget as GST compensation loan (only for 2022-23 BE) and Special Assistance for Capital Investment (for 2022-23 BE and Actuals both) have been treated as part of the government's borrowings while calculating deficits.  
Source: Tripura Budget Documents of various years; PRS.

**Table 8: Key Components of State's Own Tax Revenue**

Tax Source/Head	2022-23 BE	2022-23 Actuals	% change from BE to Actuals
Taxes and Duties on Electricity	39	36	-9%
Sales Tax/ VAT	488	464	-5%
State GST	1,426	1,459	2%
Stamps Duty and Registration Fees	95	103	8%
Taxes on Vehicles	108	118	9%
State Excise	322	368	14%
Land Revenue	11	13	14%

Source: Tripura Budget Documents of various years; PRS.

**Table 9: Allocation towards Key Sectors**

Sector	2022-23 BE	2022-23 Actuals	% change from BE to Actuals
Irrigation and Flood Control	370	132	-64%
Urban Development	977	560	-43%
Welfare of SC, ST, OBC, and Minorities	928	570	-39%
Agriculture and Allied Activities	1,449	990	-32%
Social Welfare and Nutrition	2,110	1,450	-31%
Education, Sports, Arts, and Culture	3,480	2,436	-30%
Health and Family Welfare	1,482	1,130	-24%
Rural Development	1,313	1,031	-21%
Police	1,959	1,599	-18%
Water Supply and Sanitation	373	346	-7%
Energy	213	200	-6%
Transport	820	811	-1%
of which Roads and Bridges	789	778	-1%
Housing	1,300	1,795	38%

Source: Tripura Budget Documents of various years; PRS.