

CHAPTER-II

FINANCES OF THE STATE

2.1 Major changes in Key fiscal aggregates in 2022-23

This section gives a bird's eye view of the major changes in key fiscal aggregates of the State during the financial year, compared to the previous year. Each of these indicators would be analysed in the succeeding paragraphs.

Table 2.1: Changes in key fiscal aggregates in 2022-23 compared to 2021-22

Revenue Receipts	<ul style="list-style-type: none">➤ Revenue receipts of the State increased by 3.95 <i>per cent</i>,➤ Own Tax receipts of the State increased by 14.65 <i>per cent</i>,➤ Own Non-tax receipts increased by 46.78 <i>per cent</i>,➤ State's Share of Union Taxes and Duties increased by 10.64 <i>per cent</i>,➤ Grants-in-Aid from Government of India decreased by 5.36 <i>per cent</i>.
Revenue Expenditure	<ul style="list-style-type: none">➤ Revenue expenditure increased by 10.01 <i>per cent</i>,➤ Revenue expenditure on General Services increased by 5.85 <i>per cent</i>,➤ Revenue expenditure on Social Services increased by 15.55 <i>per cent</i>,➤ Revenue expenditure on Economic Services increased by 6.70 <i>per cent</i>,➤ Expenditure on Grants-in-Aid and contributions increased by 5.83 <i>per cent</i>.
Capital Expenditure	<ul style="list-style-type: none">➤ Capital expenditure increased by 47.92 <i>per cent</i>.➤ Capital expenditure on General Services increased by 123.13 <i>per cent</i>,➤ Capital expenditure on Social Services increased by 40.42 <i>per cent</i>,➤ Capital expenditure on Economic Services increased by 27.65 <i>per cent</i>.
Loans and Advances	<ul style="list-style-type: none">➤ Disbursement of Loans and Advances increased by 102.76 <i>per cent</i>.➤ Recoveries of Loans and Advances increased by 5829.89 <i>per cent</i>.
Public Debt	<ul style="list-style-type: none">➤ Public Debt Receipts decreased by 16.20 <i>per cent</i>.➤ Repayment of Public Debt increased by 51.09 <i>per cent</i>.
Public Account	<ul style="list-style-type: none">➤ Public Account Receipts decreased by 24.12 <i>per cent</i>.➤ Disbursement of Public Account decreased by 23.30 <i>per cent</i>.
Cash balance	<ul style="list-style-type: none">➤ Cash balance decreased by 36.08 <i>per cent</i>.

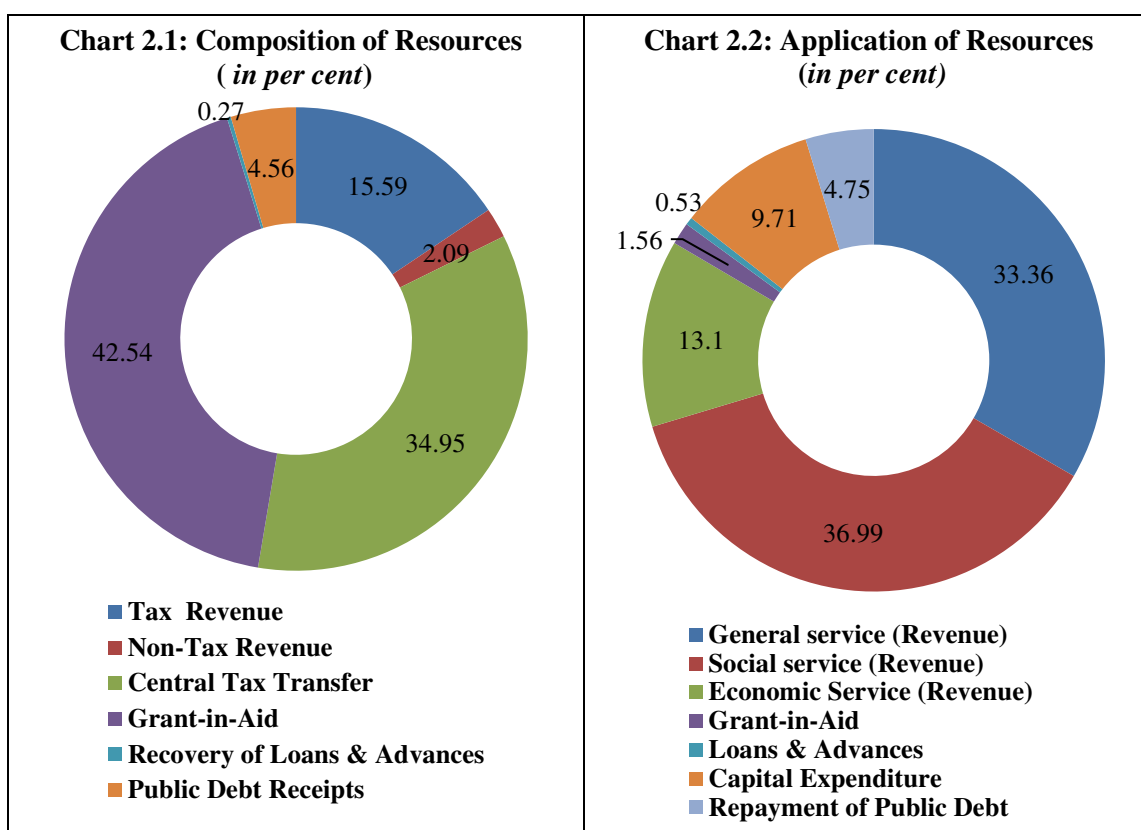
2.2 Sources and Application of Funds

This section compares the components of the sources and application of funds of the State during the financial year compared to the previous year.

Table 2.2: Details of Sources and Application of funds during 2021-22 and 2022-23

		(₹ in crore)		
	Particulars	2021-22	2022-23	Increase(+)/ Decrease(-)
Sources	Opening Cash Balance with RBI	2,414.51	3,424.61	1,010.10
	Revenue Receipts	17,613.95	18,309.01	695.06
	Recoveries of Loans and Advances	0.87	51.59	50.72
	Public Debt Receipts (Net)	390.75	(-) 114.24	(-) 504.99
	Public Account Receipts (Net)	552.80	391.20	(-) 161.60
	Total	20,972.88	22,062.17	1,089.29
Application	Revenue Expenditure	16,125.24	17,738.71	1,613.47
	Capital Expenditure	1,368.95	2,024.97	656.02
	Disbursement of Loans and Advances	54.08	109.65	55.57
	Closing Cash Balance with RBI	3,424.61	2,188.84	(-) 1,235.77
	Total	20,972.88	22,062.17	1,089.29

Appendix 1.1(Part-C) provides details of receipts and disbursements and the overall fiscal position of the State during current year as well as previous year. Composition and application of resources in the Consolidated Fund of the State during 2022-23 are shown in **Chart 2.1** and **Chart 2.2** respectively.



2.3 Resources of the State

The resources of the State are:

Revenue receipts consist of tax revenue, non-tax revenue, State's share of Union taxes and duties and Grants-in-aid from the Government of India (GoI).

Capital receipts (debt and non-debt capital receipts) comprise miscellaneous capital receipts such as proceeds from disinvestments, recoveries of loans and advances, debt receipts from internal sources (market loans, borrowings from financial institutions/commercial banks) and loans and advances from GoI.

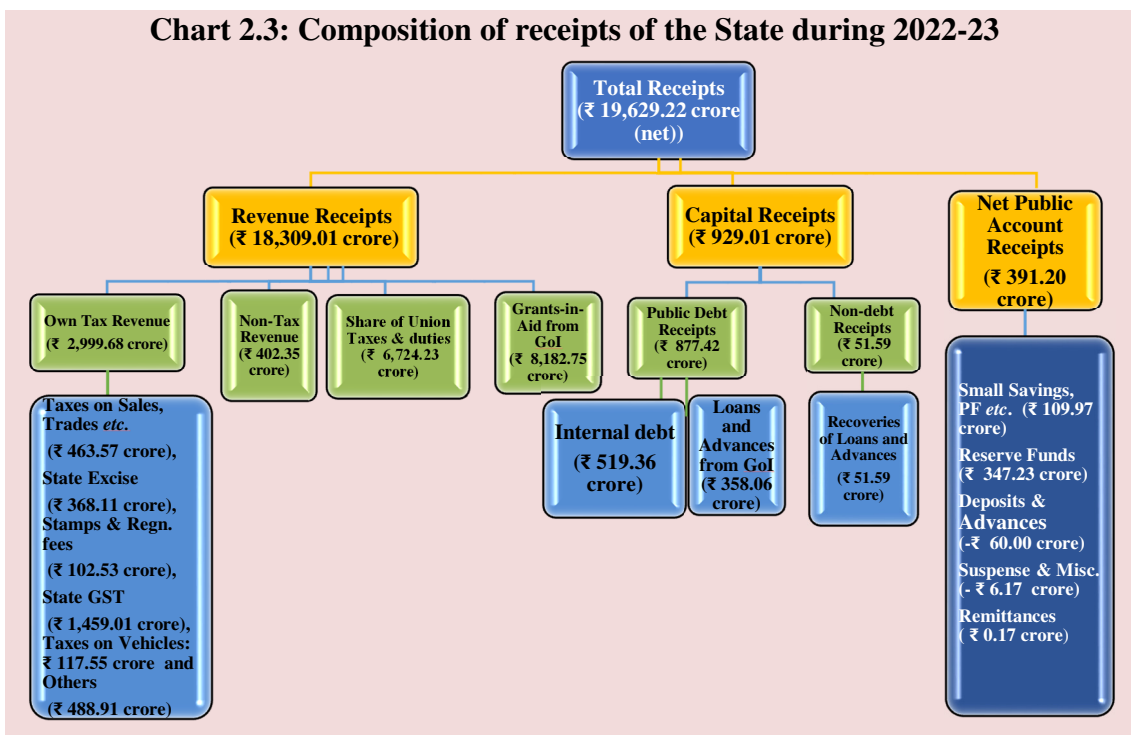
Both revenue and capital receipts form part of the Consolidated Fund of the State.

Net Public Account receipts: There are receipts and disbursements in respect of certain transactions such as small savings, provident fund, reserve funds, deposits, suspense, remittances, *etc.* which do not form part of the Consolidated Fund.

These are kept in the Public Account set up under Article 266 (2) of the Constitution and are not subject to vote by the State Legislature. Here, the Government acts as a banker. The balance after disbursements is the fund available with the Government for use.

2.3.1 Receipts of the State

This paragraph provides the composition of the overall receipts. Besides, the Capital and Revenue Receipts, funds available in the Public Account (net of disbursement made from it) are also utilised by the Government to finance its deficit.



Out of total resource of ₹ 19,629.22 crore of the State Government during the year 2022-23, Revenue Receipts of ₹ 18,309.01 crore (93.27 per cent) and Capital Receipts

was ₹ 929.01 crore (4.73 per cent) including the non-debt receipt of ₹ 51.59 crore during the year.

Further, ₹ 1,987.38 crore was released by the GoI directly to the State Implementing Agencies during 2022-23 which was routed through outside the State Budget/Treasury for implementation of various Centrally Sponsored Schemes (CSS) (₹ 1,622.56 crore) and Central Sector Schemes (₹ 364.82 crore) respectively during the year. Maximum amount under CSS was transferred towards the schemes MGNREGA (₹ 683.59 crore) and Jal Jeevan Mission (₹ 849.91 crore) while in Central Sector schemes the maximum amount was transferred as Food subsidy under NFSA (₹ 148.67 crore) and PM Kisan Samman Nidhi (₹ 146.21 crore) respectively.

Hence, the total resource of the State was ₹ 21,616.60 crore including direct transfer from GoI during the year 2022-23.

2.3.2 State's Revenue Receipts

This paragraph gives the trends in total revenue receipts and its components. It is followed by trends in the receipts bifurcated into receipts from the central government and State's own receipts. Wherever necessary, sub-paragraphs are included.

The XV Finance Commission projected Own Revenue Receipts of ₹ 2,969.00 crore (Own Tax Revenue: ₹ 2,445.00 crore and Own Non-Tax Revenue: ₹ 524.00 core) for the State during 2022-23. Finance Commission also recommended various types of grants like, Revenue deficit grants, Local Bodies grants and SDRF/MDRF grants *etc.* for the year for which the analysis have been done in the respective sub-paragraphs in this Section.

2.3.2.1 Trends and growth of Revenue Receipts

The trends and growth of revenue receipts as well as revenue buoyancy with respect to GSDP over the five-year period (2018-23) are shown in **Table 2.3**. Further, trends in revenue receipt and composition of revenue receipts for last five-year period are given in **Appendix 1.1 (Part D)**.

Table 2.3: Trend in Revenue Receipts

Parameters	2018-19	2019-20	2020-21	2021-22	2022-23
Revenue Receipts (RR)	12,030.89	11,001.59	13,292.40	17,613.95	18,309.01
Rate of growth of RR (<i>per cent</i>)	19.50	(-8.56)	20.82	32.51	3.95
Own Tax Revenue	1,765.91	2,101.79	2,332.44	2,616.31	2,999.68
Non-Tax Revenue	372.20	271.65	285.49	274.11	402.35
Total Own Revenue	2,138.11	2,373.44	2,617.93	2,890.42	3,402.03
Rate of growth of Own Revenue (Own Tax and Non-tax Revenue) (<i>per cent</i>)	11.62	11.01	10.30	10.41	17.70
Gross State Domestic Product (2011-12 Series) ⁷	49,823	54,151	53,504	62,550	72,636(A)

⁷ **Source:** GSDP figures: GSDP for 2022-23(Advanced) was as furnished by the Statistical Department, Government of Tripura. * Buoyancy ratio was not calculated as the growth of GSDP was negative.

Parameters	2018-19	2019-20	2020-21	2021-22	2022-23
Rate of growth of GSDP (per cent)	13.97	8.69	(-)1.19	16.91	16.12
RR/GSDP (per cent)	24.15	20.32	24.84	28.16	25.21
Buoyancy Ratios					
Revenue Buoyancy w.r.t GSDP	1.40	(-) 0.98	*	1.92	0.24
State's Own Revenue Buoyancy w.r.t GSDP	0.83	1.27	*	0.62	1.10

Source: Finance Accounts

Table 2.3 shows that there was an increasing trend in Revenue Receipts of the State during four out of last five years period except 2019-20. During 2022-23, the Revenue Receipts increased by ₹ 695.06 crore (3.95 per cent) as compared to the previous year mainly due to increase in Own Revenue by 17.70 per cent during the year.

State's share of Union Taxes and Duties increased by 10.64 per cent while the Grants from GoI decreased by 5.36 per cent during 2022-23 as compared to 2021-22.

The overall Central transfers (Grants-in-Aid and States Share and duties) from GoI increased by ₹ 183.45 crore (1.25 per cent) during the year.

The trend of Revenue Receipts as a percentage of GSDP ranged between 20.32 per cent and 28.16 per cent during last five years period from 2018-19 to 2022-23 as can be seen in **Table 2.3**. The ratio of Revenue Receipts of the State during 2022-23 was 25.21 per cent of GSDP (Advanced Estimates) which was 28.16 per cent of GSDP during 2021-22.

Revenue Buoyancy with reference to GSDP was 0.24 per cent in 2022-23 against 1.92 per cent during 2021-22. There was sharp increase in Own Revenue Buoyancy from 0.62 per cent to 1.10 per cent due to sharp increase in Own tax and Non-tax Revenue during 2022-23 as compared to 2021-22. The major increase in Own Tax Revenue was mainly on SGST (13.75 per cent), State Excise (15.18 per cent), Taxes on Stamps and Registration Fees (14.37 per cent), etc. during the year. There was also increase in Non-Tax Revenue by 46.78 per cent due to more receipts from Industries, Police, Miscellaneous General Services and Dividends, etc., during 2022-23 as compared to 2021-22. The trends in components of Own Tax and Non-Tax are discussed in **Paragraph 2.3.2.2(i)** and **(ii)** respectively.

2.3.2.2 State's Own Resources

State's share in Central taxes is determined on the basis of recommendations of the Finance Commission. Grants-in-aid from Central government is determined by the quantum of collection of Central tax receipts and anticipated Central assistance for schemes. State's performance in mobilisation of additional resources should be assessed in terms of its own resources comprising revenue from its own tax and non-tax sources. This sub-paragraph has multiple sub-sub-paragraphs for clarity.

(i) Own Tax Revenue

Own tax revenues of the State consist of State GST, State Excise, Taxes on Vehicles, Stamp Duty and Registration Fees, Land Revenue, Taxes on Goods and Passengers, etc.

The Own Tax Revenue (OTR) receipts increased by ₹ 383.37 crore (14.65 per cent) during the year 2022-23 as compared to the previous year mainly due to increase in collection of SGST by ₹176.32 crore (13.75 per cent), State Excise by ₹ 48.51 crore (15.18 per cent), Taxes on Vehicle by ₹ 14.33 crore (13.88 per cent) and Stamps and Registration Fees by ₹ 12.88 crore (14.37 per cent) respectively. The collection of Sales Tax during the year was mainly as Value Added Tax (VAT) while the collection from Sale of Judicial Stamps (₹ 70.55 crore) was the main source of the collection under Stamps and Registration Fees during 2022-23. The collection of Taxes on Vehicle was mainly Receipts under the State Motor Vehicle Taxation Act, (₹ 73.19 crore), Licence fees, Registration Fees, etc., (₹ 29.38 crore) and fines collected by Traffic Units (₹ 12.60 crore) in 2022-23. The trend and composition of the State's Own Tax Revenue during the last five years period is shown in **Table 2.4**.

Table 2.4: Components of State's own tax revenue
(₹ in crore)

Revenue Head	2018-19	2019-20	2020-21	2021-22	2022-23	
					Budget Estimates	Actuals
Sales Tax/VAT	361.95	435.88	403.19	463.12	487.57	463.57
SGST	977.44	1,026.63	1,056.01	1,282.69	1,425.57	1,459.01
State Excise	214.35	231.70	287.36	319.60	322.30	368.11
Taxes on Vehicles	83.50	97.14	97.41	103.22	107.80	117.55
Stamp Duty and Registration Fees	51.32	61.67	69.53	89.65	94.60	102.53
Land Revenue	5.29	12.98	9.85	8.94	11.00	12.59
Other taxes	72.06	235.79	409.09	349.09	504.45	476.32 ⁸
Total Own Tax	1,765.91	2,101.79	2,332.44	2,616.31	2,847.69	2,999.68

Source: Finance Accounts

(a) State Goods and Services Tax (SGST)

As per reconciliation statement and the Finance Account 2022-23, the net collection of State Goods and Services Tax (SGST) was ₹ 1,459.01 crore after refund of ₹ 3.54 crore during 2022-23. The main component of the SGST was Input Tax Credit cross utilisation (₹ 818.52 crore), Tax (₹ 424.83 crore) and Apportionment of IGST-Transfer-in-of Interest component to SGST (₹ 163.70 crore) during the year. In addition, the State Government received ₹ 1,899.83 crore as Central Goods and Services Tax (CGST) as share during the financial year 2022-23. As per information furnished by the State Government (August 2023), there was an arrear of ₹ 13.08 crore under GST which remained pending for collection as on 31 March 2023. However, there was no difference in the State GST figures between the figures of RBI and the figures booked in the Finance Accounts.

⁸ Includes taxes on Agricultural Income (₹ 0.20 crore); Other taxes on Income and Expenditure (₹ 37.99 crore); Taxes and Duties on Electricity (₹ 35.60 crore), Taxes on goods and passengers (₹ 0.04 crore) and Other Taxes and Duties on Commodities and Services (₹ 402.49 crore).

(b) Analysis of arrears of revenue and arrears of assessment

The arrears of revenue indicate delayed realisation of revenue due to the Government. Similarly, arrears of assessment indicate potential revenue which is blocked due to delayed assessment. Both deprive the State Government of potential revenue receipts and may lead towards revenue deficit.

(c) Arrears of revenue

As per information furnished by the Government (August 2023), it is seen that there was ₹ 161.24 crore of revenue pending for collection in various principal heads as on 31 March 2023 of which ₹ 94.73 crore was arrears relating to taxes and Duties on Electricity and ₹ 53.43 crore were outstanding relating to Sales Tax (VAT). Out of total arrear revenue of ₹ 161.24 crore, ₹ 45.63 crore remains pending for more than five years as indicated in **Table 2.5**.

Table 2.5: Arrear of revenue*(₹ in crore)*

Sl. No.	Head of revenue	Amount outstanding as on 31 March 2022	Amount outstanding as on 31 March 2023	Amount outstanding for more than five years as on 31 March 2023
1.	Sales Tax (VAT)	45.33	53.43	33.41
2.	Goods and Service Tax	16.79	13.08	12.22
3.	Taxes and Duties on Electricity	-	94.73	NA
	Total	62.12	161.24	45.63

Source: Departmental information

(d) Arrears in assessment

As per information furnished by the Department (August 2023), there were 1,135 cases pending for assessment at the beginning of the year 2022-23. During 2022-23, 310 cases were detected. Out of total 1,445 cases, assessment of 319 cases for ₹ 3.42 crore were finalised and demand including penalty were raised by the Department as on 31 March 2023. Details of the cases are depicted in **Table 2.6**.

Table 2.6: Arrear of assessment

Sl. No.	Head of Account	Number of cases pending at the beginning of the year 2022-23	Number of cases detected during 2022-23	Total Nos.	Number of cases assessment/ finalised and amount of additional demand raised		Number of cases pending for finalisation as on 31 March 2023
					Number	Amount (₹ in crore)	
1.	Sales Tax (VAT)	1,027	51	1,078	52	0.68	1,026
2.	Goods and Service Tax	108	259	367	267	2.74	100
	Total	1,135	310	1,445	319	3.42	1,126

Source: Information furnished by the Department

(e) Details of evasion of tax detected by the Department, refund cases, etc.

The cases of evasion of tax detected, cases finalised and the demands for additional tax raised are important indicators of revenue collection efforts of the State Government. Details of the cases of refunds, as furnished by the Taxes and Excise Department are shown in **Table 2.7**.

Table 2.7: Details of refund cases

(₹ in crore)

Particulars	Pending as on 31-3-2022		Claims received during 2022-23		Refund made during 2022-23		Pending as on 31 March 2023	
	Number	Amount	Number	Amount	Number	Amount	Number	Amount
Sales Tax (VAT)	1	0.05	14	8.34	4	0.65	11	7.74
GST	1	0.04	36	4.07	29	1.57	8	2.54
State Excise	0	0	20	0.22	17	0.21	3	0.01
Total	2	0.09	70	12.63	50	2.43	22	10.29

Source: Information furnished by the Department

From **Table 2.7**, it can be seen that 70 cases for refund of ₹ 12.63 crore in various principal heads of account were received during 2022-23 out of which 50 cases involving ₹ 2.43 crore was refunded during the year. Out of 22 refund cases for ₹ 10.29 crore pending as on 31 March 2023, four cases for ₹ 0.61 crore relating to GST was rejected by the Department during the year 2022-23, as a result there were 18 cases for ₹ 9.68 crore were pending for refund as on 31 March 2023.

(ii) Non-Tax Revenue

Non-Tax revenue consists of interest receipts, dividends and profits, mining receipts, departmental receipts, etc. Trends in components of State's Own Non-Tax Revenue during 2018-19 to 2022-23 are shown in **Table 2.8**.

Table 2.8: Components of State's non-tax revenue during 2018-19 to 2022-23

(₹ in crore)

Revenue Head	2018-19	2019-20	2020-21	2021-22	2022-23	
					Budget Estimates	Actuals
1. Interest receipts	146.11	19.25	18.11	24.43	45.00	22.93
2. Dividends and Profits	2.15	7.95	6.62	1.63	8.00	11.66
3. Other Non-Tax Receipts (a to f)	223.94	244.45	260.76	248.05	333.06	367.76
a) Minor Irrigation	0.84	0.32	0.20	0.20	0.55	0.25
b) Road Transport	0	0	0.06	0.01	0.01	0.33
c) Police	71.77	65.13	75.79	82.77	84.70	122.42
d) Forestry & Wildlife	11.96	13.82	19.45	21.35	24.06	15.82
e) Industries	92.81	100.27	89.56	86.62	132.00	161.94
f) Others	46.56	64.91	75.70	57.10	291.74	67.00 ⁹
Total	372.20	271.65	285.49	274.11	386.06	402.35

Source: Finance Accounts

⁹ Include Other Administrative Services (₹ 6.58 crore); Miscellaneous General Services (₹ 29.71 crore); Public works (₹ 6.11 crore), Animal Husbandry (₹ 1.42 crore); Crop Husbandry (₹ 2.94 crore) etc., Water supply and sanitation (₹ 1.46 crore) and others (₹ 18.78 crore).

During the year 2022-23, the non-tax collection of the State was ₹ 402.35 crore (2.20 *per cent* of total Revenue Receipt) against the budget estimates of ₹ 386.06 crore during the year. The actual receipts of NTR increased by ₹ 128.24 crore (46.78 *per cent*) in 2022-23 from ₹ 274.11 crore in 2021-22. This increase was mainly due to increase in receipts under Industries by ₹ 75.32 crore (86.95 *per cent*) as royalty on the Natural Gas, Police by ₹ 39.65 crore (47.90 *per cent*), Miscellaneous General Services by ₹ 6.01 crore (25.36 *per cent*), Dividends received from two Power Companies (ONGC and North East Transmission Company Ltd) and by ₹ 10.03 crore (615.34 *per cent*) respectively compared to 2021-22. There were partial decrease in NTR as interest receipts by ₹ 1.50 crore, Forestry and Wildlife by ₹ 5.53 crore and Other Administrative services during 2022-23 over the previous year.

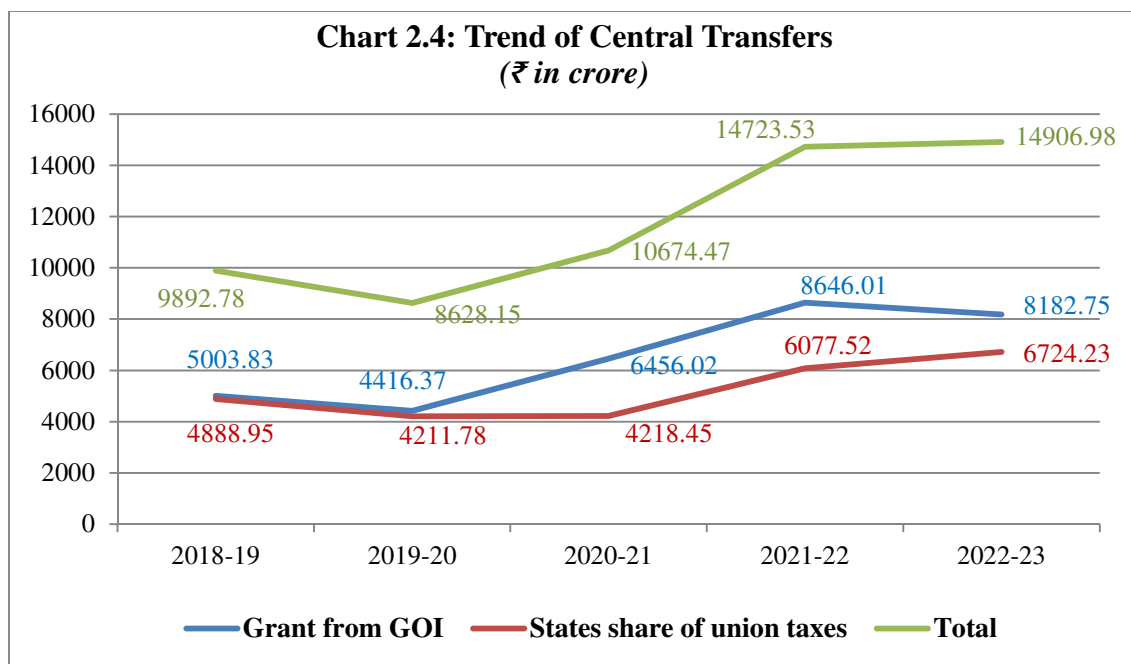
2.3.2.3 Transfers from the Centre

Central transfers (Share of Union Taxes and Grants-in-aid) is the discretionary component and is also considered to be an integral part of the Revenue receipts of the State. The State Government is largely dependent on the Central transfers, which is released by the Central Government as per the recommendation of the Finance Commission (FC). These grants are received by the State through Treasury route and reflected in the Finance Accounts.

The Fifteenth Central Finance Commission (XV FC) was constituted on 27 November 2017 by the President of India. The Commission has been mandated to submit two Reports, first Report for the year 2020-21 and a final Report for the period 2021-22 to 2025-26.

The XV FC recommended 41 *per cent* of the net proceeds of Union Taxes to States against the 42 *per cent* as recommended by the XIV FC. One *per cent* would be retained with the Central Government for financing the requirements of newly formed Union Territories of Jammu & Kashmir and Ladakh. The GoI has accepted the recommendation of the XV FC. The Commission recommended 0.708 *per cent* of the divisible pool of resources as share of net proceeds for the year 2021-22 to 2025-26 for the State based on the methodology prescribed by it.

The trend and composition of Central Transfers during last five years are shown in **Chart 2.4**.



Source: Finance Accounts

(i) Central tax transfer

During 2022-23, the State Government received ₹ 6,724.23 crore as State's Share of Union Taxes against the Budget Estimate of ₹ 5,781.88 crore for the year and the actual receipts increased by ₹ 646.71 crore (10.64 per cent) during the year as compared to previous year. This increase was mainly due to more release of share under Taxes on Income other than Corporation Tax by ₹ 361.78 crore (19.67 per cent), CGST by ₹ 106.84 crore (5.96 per cent) and Corporation Tax by ₹ 500.00 crore (28.49 per cent) during the year as compared to the previous year. No IGST was received by the State during 2022-23. The trend of Central Tax Transfers is shown in **Table 2.9**.

Table 2.9: Trend of Central Tax Transfers

(₹ in crore)

Head	2018-19	2019-20	2020-21	2021-22	2022-23	
					Budget Estimates	Actuals
Central Goods and Services Tax (CGST)	1,206.74	1,195.17	1,258.50	1,792.99	1,898.49	1,899.83
Integrated Goods and Services Tax (IGST)	96.30	0.00	0.00	0.00	0	0.00
Corporation Tax	1,700.27	1,436.04	1,269.27	1,754.97	1,805.32	2,254.97
Taxes on Income other than Corporation Tax	1,252.18	1,125.24	1,300.84	1,838.83	1,743.56	2,200.61
Customs	346.56	266.97	227.34	416.36	250.68	264.33
Union Excise Duties	230.32	185.63	142.28	207.40	78.03	82.96
Service Tax	44.58	-	17.36	60.43	5.80	10.46
Other Taxes ¹⁰	12.00	2.73	2.86	6.54	NA	11.07

¹⁰ Include Taxes on Wealth, Other Taxes on Income and Expenditure, Other Taxes and Duties on Commodities and Services, etc.

Central Tax transfers	4,888.95	4,211.78	4,218.45	6,077.52	5,781.88	6,724.23
Percentage of increase over previous year	13.12	(-) 13.85	0.16	44.07	23.99	10.64
Percentage of Central tax transfers to Revenue Receipts	40.64	38.28	31.74	34.50	27.47	36.73

Source: Finance Accounts and Budget at a Glance.

(ii) Grants-in-aid from Government of India

During 2022-23, the State had received ₹ 8,182.75 crore (net) as Grants-in-aid from GoI which decreased by ₹ 463.26 crore (5.36 per cent) from ₹ 8,646.01 crore in 2021-22, mainly due to short release of funds from GoI under Finance Commission grants of ₹ 256.18 crore and Special Assistance of ₹ 134.54 crore during the year. However, the grants under Centrally Sponsored Schemes increased by ₹ 163.43 crore (4.93 per cent) during the year as compared to the previous year. The overall grants received from GoI was less by ₹ 3,848.77 crore (31.99 per cent) than the Budget Estimates of the State for the year (Table 2.10).

Table 2.10: Details of Grants-in-aid from Government of India

Head	2018-19	2019-20	2020-21	2021-22	2022-23	
					Budget Estimates	Actuals
Grants for State Plan Schemes	0.00	(-) 5.10	0.00	0.00	0.00	0.00
Grants for Centrally Sponsored Schemes	1,861.03	2,254.37	2,331.45	3,311.96	5,380.11	3,475.40
Grants for Special Plan Schemes	0.00	(-) 5.20	(-)3.12	0.00	0.00	(-)2.89
Finance Commission Grants	1,131.10	1,063.22	3,563.95	4,911.08	4,798.00	4,654.90
Other transfers/Grants to States/Union Territories with Legislature	2,011.70	1,109.08	563.74	422.97	1,853.41	55.34
Total	5,003.83	4,416.37	6,456.02	8,646.01	12,031.52	8,182.75
Percentage of increase over the previous year	30.64	(-) 11.74	46.18	33.92	10.06	(-) 5.36
Percentage of GIA to Revenue Receipts	41.59	40.14	48.57	49.09	57.16	44.69

Source: Finance Accounts. Minus receipts due to refund amount under the schemes

(a) Grants for Centrally Sponsored Schemes

As per sanctioned order issued from GoI during 2022-23, a gross amount of ₹ 3,478.88 crore was released for implementation of various Centrally Sponsored Schemes during the year. During 2022-23, the State Government refunded unspent fund of ₹ 3.48 crore (Ayush: ₹ 0.04 crore; PMS-SC: ₹ 3.44 crore) which was released during 2017-18 and 2020-21 respectively towards various Centrally Sponsored Schemes.

Out of the grants of ₹ 3,475.40 crore received for Centrally Sponsored Schemes during 2022-23, the major grants were as follow:

- **Pradhan Mantri Awaas Yojana (PMAY) - Rural:** ₹ 1,264.20 crore; Urban: ₹ 52.80 crore) (Decreased by ₹ 104.28 crore in Rural and increased by ₹ 21.99 crore in respect of Urban sector from previous year release);
- **National Rural Employment Guarantee Scheme (MGNREGS)** (₹ 264.48 crore) increased by ₹ 100.25 crore as compared to previous year;
- **Pradhan Mantri Gram Sadak Yojana (PMGSY)** (₹ 267.59 crore) increased by ₹ 193.72 crore from previous year;
- **Saksham Anganwadi and Poshan 2.0 (ICDS)** (₹ 150.52 crore) decreased by ₹ 36.20 crore from previous year;
- **National Rural Livelihood Mission (NRLM)** (₹122.25 crore) increased by ₹ 31.70 crore during 2022-23.
- **Samagra Shiksha Abhiyan** (₹ 286.73 crore) increased by ₹ 59.80 crore from previous year;
- **Mission for Development of 100 Smart Cities** (₹ 208.25 crore) and **AMRUT-Urban Rejuvenation Mission-500 Cities** (₹ 18.42 crore) decreased by ₹ 63.26 crore in respect of AMRUT;
- **Strengthening of National Health Programme and National Urban Health Mission:** ₹ 185.00 crore;
- **Externally Aided Projects under Centrally Sponsored Scheme** (₹ 74.43 crore) increase by ₹ 16.36 crore from previous year.

Single Nodal Agency (SNA)

The Government of India, Ministry of Finance, Department of Expenditure, New Delhi vide OM No.1(13)/PFMS/FCD/2020 dated 8-12-2021 provides that every State Government is required to designate a Single Nodal Agency (SNA) for implementation of each Centrally Sponsored Scheme(CSS). The SNA will open Single Nodal Account for each CSS at the State level in Scheduled Commercial Bank authorised to conduct business by the State Government. As per new procedure, the State Government is to transfer the Central share received in its accounts to the concerned SNA's account along with corresponding State share.

During 2022-23, the State Government received ₹ 3,475.40 crore being Central share of the Centrally Sponsored Schemes. As per information furnished by the State Government (September 2023) the Government had transferred ₹ 4,785.20 crore (Central share: ₹ 3,889.75 crore; State share: ₹ 895.45 crore) to the SNAs Bank Account as on 31 March 2023. During 2022-23, the SNAs incurred ₹ 4,102.92 crore from their Account and as per bank statement there was an unspent amount of ₹ 1,812.84 crore as on 31 March 2023 under 34 Departments which had already been booked as expenditure in the Consolidated Fund of the State. However, as per PFMS Report, there was an unspent balance of ₹ 2,031.24 crore as on 31 March 2023. This difference of ₹ 218.40 crore requires reconciliation. Interest of ₹ 1.61 crore earned on

the unspent balances in the Bank Account of DDOs was credited in the Government Account during 2022-23.

Table 2.10 shows that the other transfers/grants from GoI decreased in 2022-23 as compared to the previous years. During 2022-23, the GoI released ₹ 55.34 crore as other grants to State of which ₹ 40.81 crore was released as Special Assistance under various schemes. Grants of ₹ 33.68 crore was released for Reang Refugees Sheltering in Camps of Tripura under Rehabilitation Scheme during 2022-23.

As per record, it was seen that the State Government had refunded an unspent fund of ₹ 49.63 crore¹¹, which was released earlier years from the GoI under various Schemes (Centrally Sponsored Schemes/Special Plan Schemes) during 2022-23.

Scrutiny of the records revealed that the Ministry of DoNER sanctioned (2017) ₹ 14.34 crore for the project “Water arrangement in Rural areas of Khowai, West and Sepahijala Districts in Tripura including construction of Pump House, etc” with a target date of completion of work by September 2019. Out of ₹ 14.34 crore, ₹ 12.91 crore was restricted being the NEC fund as 90 *per cent* of sanctioned cost of the project and 10 *per cent* would be borne by the State as its share. As per records, there was unspent amount of ₹ 2.89 crore under NEC fund which was refunded according to the orders of the concerned Ministry (28 December 2022) during 2022-23. Further, the State Government refunded unspent amount of ₹ 43.26 crore which released during 2021-22 for the project “Up-gradation of 132 KV Surjamaninagar Sub-station of TSECL into 400 KV in Tripura under North East Special Infrastructure Development Scheme (NESIDS)” during 2022-23. Refunding the scheme amount indicates that the State Government is unable to utilise the grant received within the planned period and hence the stakeholders has been deprived off the benefit from the concerned projects.

Fifteenth Finance Commission (XV FC) Grants

Grants-in-aid from GoI as per recommendation of the XV FC

The XV FC has recommended Grants-in-aid of Revenues to States for Revenue deficit, special grants, nutrition grants, grants for local bodies and disaster management under Article 275 of the Constitution of India. The GoI has accepted the recommendations except Special grants and nutrition grants and requested the Commission for reconsideration.

Accordingly, the GoI had released grants for Local Bodies, Disaster related grants (SDRF/SDMF), Revenue deficit grants *etc.*, during 2022-23. Against the recommended fund of ₹ 4,798.00 (Local Bodies: ₹ 219.00 crore, Revenue deficit grants: ₹ 4,423.00 crore, grants under SDRF/SDMF: ₹ 71.00 crore and grants for Health Sectors: ₹ 85.00 crore) for the year 2022-23, the GoI released ₹ 4,654.90 crore (Local Bodies: ₹ 168.00 crore, Revenue deficit grants: ₹ 4,423.00 crore and grants under SDRF/SDMF: ₹ 63.90 crore) during the year 2022-23.

¹¹ Refund of unspent fund of ₹ 49.63 crore (₹ 2.89 crore under NEC fund/Special Plan Schemes, ₹ 43.26 crore under the project under North East Special Infrastructure Development Scheme (NESIDS)/ Other Transfer and ₹ 3.48 crore of various CSS (Ayush: ₹ 0.04 crore; PMS-SC: ₹ 3.44 crore).

A comparative status of recommendations made by the XV FC for 2021-22 and 2022-23 and released by GoI there against are shown in **Table 2.11**.

Table 2.11: Recommended funds, actual release and transfers of Grant-in-aid from GoI

(₹ in crore)

Transfers	Recommendation of the XV FC for 2021-22	Recommendation of the XV FC for 2022-23	Actual release by GoI		Release by State Government	
			2021-22	2022-23	2021-22	2022-23
Local Bodies	211.00	219.00	213.00	168.00	260.86	168.00
(i) Grants to PRIs	141.00	147.00	141.00	147.00	188.75	147.00
(ii) Grants to ULBs	70.00	72.00	72.00	21.00	72.11	21.00
SDRF/SDMF	68.00	71.00	68.00	63.90	64.22	63.11¹²
Grants for Health Sector	85.00	85.00	84.08	0.00	84.08	0.00
Revenue Deficit Grant	4,546.00	4,423.00	4,546.00	4,423.00	-	-
Total:	4,910.00	4,798.00	4,911.08	4,654.90	409.16	232.62

Source: XV-FC Report and Finance Accounts

- Against the recommendations of XV FC for the year 2022-23, there was short release of ₹ 51.00 crore in respect of the grants for Urban Local Bodies and ₹ 7.10 crore in SDRF.
- Out of the total release of ₹ 63.90 crore against the SDRF/SDMF, ₹ 7.10 crore was released by GoI in respect of the State Disaster Mitigation Fund (SDMF) for the year 2022-23.
- During 2022-23, the State Government had not received any fund towards the National Disaster Response Fund (NDRF).
- The State Government transferred the SDRF fund to the concerned Head under the Public Account along with its share of ₹ 6.31 crore for the year 2022-23.
- The State Government has created the State Disaster Mitigation Fund (SDMF) under Major Head 8121-130 in the Public Account.
- As per GoI's instructions, ₹ 15.20 crore (20 per cent of SDRF grants received during 2020-21) and ₹ 15.11 crore (Central share: ₹ 13.60 crore and State share: ₹ 1.51 crore) received during 2021-22 were transferred to the SDMF during 2022-23. However, the State Government did not transfer the Central share of ₹ 7.10 crore received as SDMF during 2022-23 to the fund.

2.3.3 Capital receipts

Capital receipts comprise miscellaneous capital receipts such as proceeds from disinvestments, recoveries of loans and advances, debt receipts from internal sources (market loans, borrowings from financial institutions/commercial banks) and loans and advances from the GoI.

¹² Includes Central Share: ₹ 56.80 crore and State share ₹ 6.31 crore for SDRF for the year 2022-23.

The trend of Capital Receipts and growth of the components of the Capital Receipts for the last five years period from 2018-19 to 2022-23 are shown in **Table 2.12**.

Table 2.12: Trends in growth and composition of capital receipts (Net)

(₹ in crore)					
Sources of State's Receipts	2018-19	2019-20	2020-21	2021-22	2022-23
Capital Receipts	1,210.12	2,369.43	2,108.36	391.62	(-)62.65
Miscellaneous Capital Receipts	0.00	0.00	0.00	0.00	0.00
Recovery of Loans and Advances	0.60	0.73	1.25	0.87	51.59
Public Debt Receipts	1,209.52	2,368.70	2,107.11	390.75	(-)114.24
Internal Debt	1,228.32	2,400.91	1,611.96	(-)102.61	(-)439.34
Growth rate	15.54	95.46	(-)32.86	(-)106.37	(-)328.16
Loans and advances from GoI (Net)	(-)18.80	(-)32.21	495.15	493.36	325.10
Growth rate	(-)38.46	(-)71.33	1,637.26	(-)0.36	(-)34.10
Rate of growth of debt Capital Receipts	17.13	95.84	(-)11.04	(-)81.46	*
Rate of growth of non-debt capital receipts	(-)64.50	21.67	71.23	(-)30.40	5,829.88
Rate of growth of GSDP	13.97	8.69	(-)1.19	16.91	16.12
Rate of growth of Capital Receipts (per cent)	17.00	95.80	(-)11.02	(-)81.43	*

Source: Finance Accounts and for GSDP-Directorate of Economics and Statistics, Government of Tripura*ROG of Capital receipts is not calculated as the net receipt was negative.

During 2022-23, Capital Receipts (Debt + Non-Debt) was ₹ 929.01 crore and repayment of Debt was ₹ 991.66 crore. As a result, there was net Capital Receipts of (-) ₹ 62.65 crore during the year.

- Out of total Public Debt receipt of ₹ 877.42 crore, the internal debt was ₹ 519.36 crore against which ₹ 958.70 crore was repaid during 2022-23, resulting in negative balance of ₹ 439.34 crore during the year. The trend of net receipt of internal borrowing was, however, improved during two out of the five years period 2018-23.
- Receipts as loan from GoI was ₹ 358.06 crore including ₹ 349.79 crore as Special Assistance for Capital expenditure and repaid ₹ 32.96 crore during the year, as a result the net receipts from GoI was ₹ 325.10 crore in 2022-23. However, the net loan from GoI decreased by ₹ 168.26 crore in 2022-23 due to repayment of loan of ₹ 30.46 crore under Loans for State Plan Schemes and ₹ one crore under Centrally Sponsored Plan Schemes.
- The Recovery of Loans and Advances increased substantially during 2022-23 due to recovery of ₹ 50.00 crore from Tripura State Electricity Corporation Limited.

2.3.4 State's performance in mobilisation of resources

State's share of Union taxes and duties and Grants-in-aid from GoI are determined on the basis of recommendations of the Finance Commission (FC) and State's performance in mobilisation of own resources comprising own tax and non-tax revenue. It is an important part of the State for attaining self-sufficiency or for dependency on Central Government.

During 2022-23, the total Revenue Receipts of the State was ₹ 18,309.01 crore of which ₹ 3,402.03 crore (18.58 per cent) was from state's own sources. State Government received over 81.42 per cent of Revenue from GoI as Grants-in-aid and State's Share of Union Taxes and Duties during the year 2022-23.

The actual collection of the Own Tax Revenue during 2022-23 constituted 88.17 per cent of own resources while Non-Tax Revenue was 11.83 per cent during the year. The Own Tax Revenue was 105.34 per cent of the Budget Estimates and 101.03 per cent of the XV FC projections for the year 2022-23. The actual position of Own Tax and Non-tax Revenue receipts vis-à-vis the projections of XV FC vis-a-vis Budget Estimates of the State during for the year 2022-23 are shown in **Table 2.13**.

Table 2.13: Tax and non-tax receipts vis-à-vis projections for 2022-23

(₹ in crore)

Particulars	XV-FC projections	Budget Estimates	Actuals	Percentage variation of actual over	
				Budget Estimates	FC projections
Own Tax revenue	2,969.00	2,847.69	2,999.68	105.34	101.03
Non-tax revenue	524.00	386.06	402.35	104.22	76.78
Total	3,493.00	3,233.75	3,402.03	105.20	97.40

Source: XV FC, Budget at a Glance and Finance Accounts.

2.4 Application of resources

The State Government is vested with the responsibility of incurring expenditure within the framework of fiscal responsibility legislations, while at the same time ensuring that the ongoing fiscal correction and consolidation process of the State is not at the cost of expenditure directed towards development of capital infrastructure and social sector. Analysis of allocation of expenditure in the State is given in succeeding paragraphs.

2.4.1 Growth and composition of expenditure

Revenue Expenditure: Charges on maintenance, repair, upkeep and working expenses, which are required to maintain the assets in a running order as also all other expenses incurred for the day to day running of the organisation, including establishment and administrative expenses shall be classified as revenue expenditure.

Capital Expenditure: All charges for the first construction of a project as well as charges for intermediate maintenance of the work yet not opened for service and also charges for such further additions and improvements as may be sanctioned under the rules made by competent authority shall be classified as Capital expenditure.

Loans and Advances: Loans and Advances by the State Government to the Public Sector Undertakings (PSUs) and other parties.

The trend of overall expenditure and its composition during last five years period from 2018-19 to 2022-23 are shown in **Table 2.14**.

Table 2.14: Total expenditure and its composition

(₹ in crore)					
Parameters	2018-19	2019-20	2020-21	2021-22	2022-23
Total Expenditure (TE)	13,371.19	14,263.88	15,202.79	17,548.27	19,873.33
Revenue Expenditure (RE)	11,889.20	13,376.91	14,367.82	16,125.24	17,738.71
Capital Expenditure (CE)	1,480.87	883.22	832.08	1,368.95	2,024.97
Loans and Advances	1.12	3.75	2.89	54.08	109.65
TE/GSDP	26.83	26.34	28.41	28.05	27.36
RE/GSDP	23.86	24.70	26.85	25.78	24.42
CE/GSDP	2.97	1.63	1.56	2.19	2.79
Loans and Advances/GSDP	0.00	0.01	0.01	0.09	0.15

Source: GSDP figures as Advanced Estimates for 2022-23 furnished by the Directorate of Economic and Statistics, Govt. of Tripura.

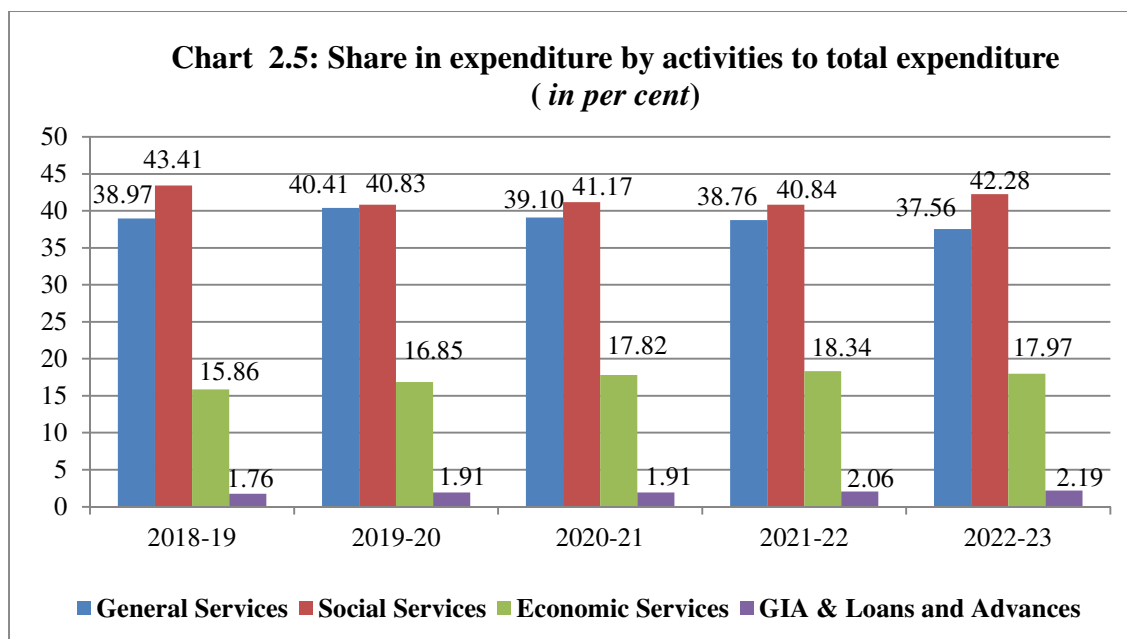
Tables 2.14 shows that during the last five years period, the total expenditure increased by ₹ 6,502.14 crore (48.63 per cent) from ₹13,371.19 crore in 2018-19 to ₹19,873.33 crore in 2022-23. The percentage of total expenditure to GSDP ranged between 26.34 per cent and 28.41 per cent during the period. While the percentage of Revenue expenditure to GSDP varied from 23.86 per cent to 26.85 per cent, the percentage of Capital expenditure to GSDP was ranged between 1.56 per cent and 2.97 per cent during the period of last five years. However, the percentage of Revenue expenditure to GSDP decreased to 24.42 per cent in 2022-23 from 25.78 per cent in 2021-22 and the Capital expenditure to GSDP increased to 2.79 per cent to 2.19 per cent during the same period.

The composition of total expenditure by activities during the period of last five years is shown in **Table 2.15**.

Table 2.15: Relative share of various sectors of expenditure

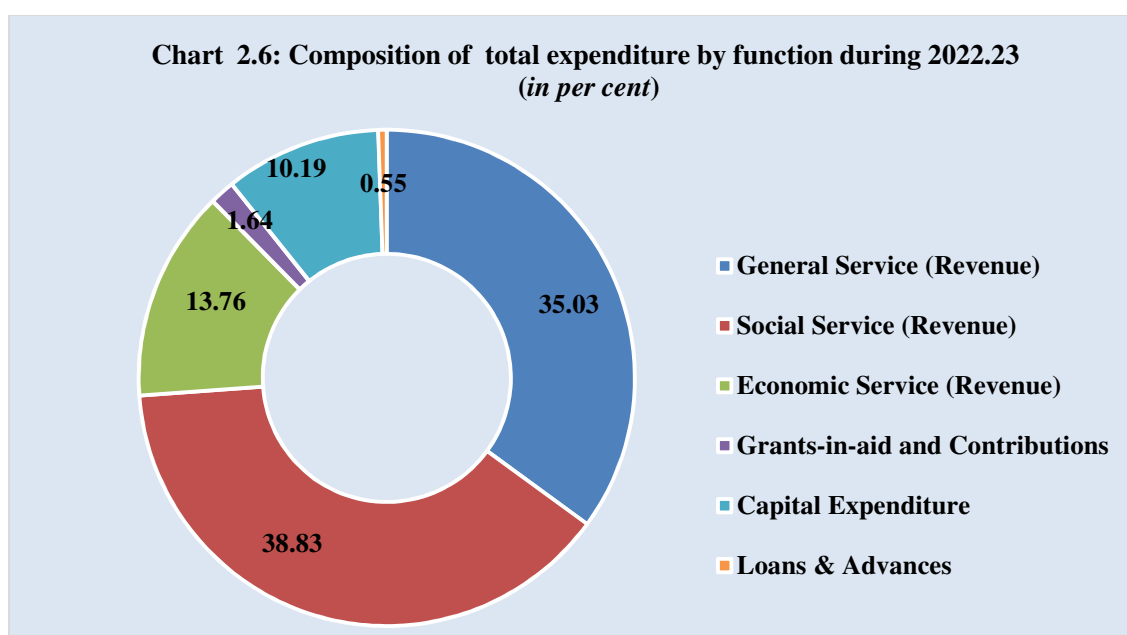
(₹ in crore)					
Parameters	2018-19	2019-20	2020-21	2021-22	2022-23
General Services	5,211.19	5,764.58	5,944.80	6,801.84	7,464.53
Social Services	5,804.99	5,824.14	6,258.92	7,165.85	8,401.48
Economic Services	2,119.95	2,403.41	2,709.63	3,218.52	3,571.71
Others (Grants to Local Bodies and Loans and Advances)	235.06	271.75	289.44	362.07	435.61

Source: Finance Accounts



Source: Finance Accounts

Table 2.15 and **Chart 2.5** shows the relative share of expenditure by activities to total expenditure during last five years period 2018-23 of the State. It is seen from **Chart 2.5** that the percentage to total expenditure in General Services was ranged between 37.56 per cent and 40.41 per cent while the percentage in Social Services ranged between 40.83 per cent and 43.41 per cent during the period. The share of Economic Services during the period ranged between 15.86 per cent and 18.34 per cent and it decreased from 18.34 per cent in 2021-22 to 17.97 per cent in 2022-23 of the total expenditure. However, the percentage of expenditure in respect of Social Services and Loans & GIA increased slightly during 2022-23 as compared to 2021-22, as can be seen in **Chart 2.5**. Composition of total expenditure by function during 2022-23 is shown in **Chart 2.6**.



Source: Finance Accounts

2.4.2 Revenue Expenditure

Revenue expenditure is incurred to maintain the current level of services and payment for past obligations. As such, it does not result in any addition to the State's infrastructure and service network.

The trend of Revenue Expenditure (RE) and its basic parameters like growth of Revenue Expenditure, ratio of total expenditure, GSDP and Revenue Receipts during the last five year period from 2018-19 to 2022-23 are shown in **Table 2.16**.

Table 2.16: Revenue Expenditure – Basic Parameters

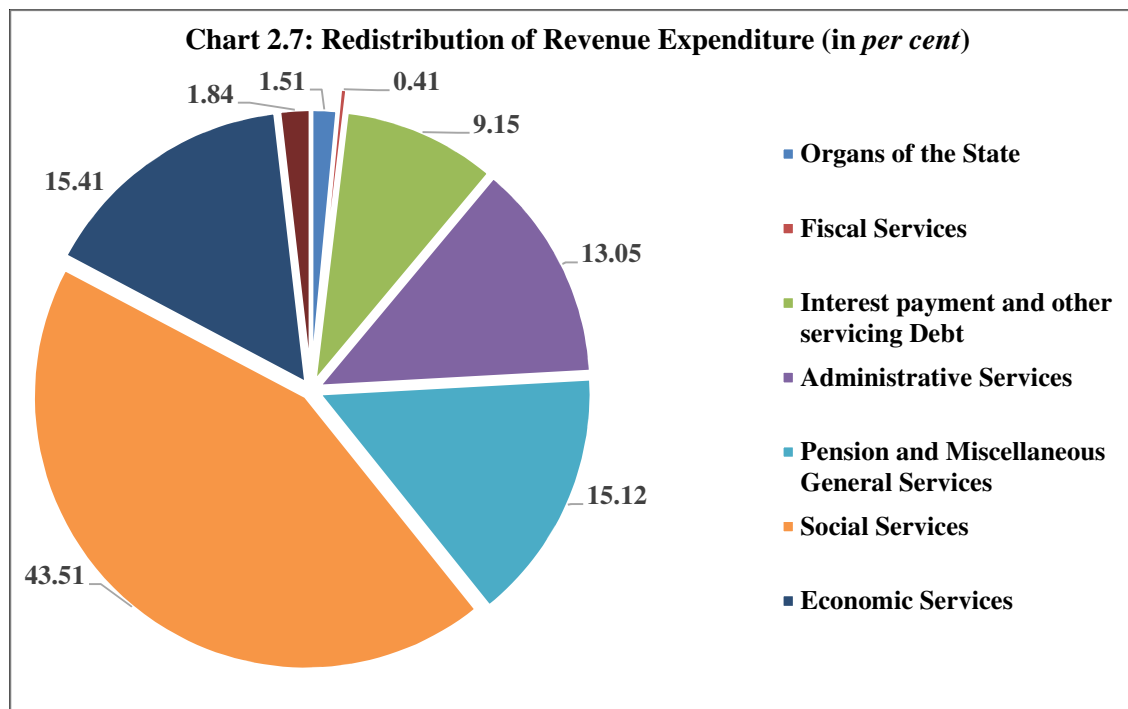
Parameters	2018-19	2019-20	2020-21	2021-22	2022-23
Total Expenditure (TE)	13,371.19	14,263.88	15,202.79	17,548.27	19,873.33
Revenue Expenditure (RE)	11,889.20	13,376.91	14,367.82	16,125.24	17,738.71
Rate of growth of RE (per cent)	14.79	12.51	7.41	12.23	10.01
Revenue Expenditure as percentage of TE	88.92	93.78	94.51	91.89	89.26
RE/GSDP (per cent)	23.86	24.70	26.85	25.78	24.42
Revenue Receipts	12,030.89	11,001.59	13,292.40	17,613.95	18,309.01
Rate of growth of RR (in per cent)	19.50	(-) 8.56	20.82	32.51	3.95
RE as percentage of RR	98.82	121.59	108.09	91.55	96.89
Rate of growth of GSDP (in per cent)	13.97	8.69	(-)1.19	16.91	16.12
<i>Buoyancy of Revenue Expenditure with</i>					
GSDP (ratio)	1.06	1.44	*	0.70	0.62
Revenue Receipts (ratio)	0.76	(-)1.46	0.36	0.38	2.53

Source: Finance Accounts. * Buoyancy was not calculated as the ROG of GSDP was negative.

Table 2.16 shows that the Revenue expenditure increased from ₹ 11,889.20 crore in 2018-19 to ₹ 17,738.71 crore in 2022-23 with a growth rate ranging between 7.41 per cent and 14.79 per cent during the last five years period. It was 10.01 per cent in 2022-23 which was, however, lower than the rate of growth (12.23 per cent) of the previous year. On the other hand, the percentage of RE to TE ranged between 88.92 per cent and 94.51 per cent during the same period. It was 89.26 per cent in 2022-23 which was lower than the previous year. The ratio of RE to GSDP ranged between 23.86 per cent and 26.85 per cent during the five years period 2018-23. It was 24.42 per cent in 2022-23 against the percentage of 25.78 per cent in the previous year. The buoyancy ratio of RE with GSDP, however, improved in 2022-23 while the buoyancy with reference to the Revenue Receipts was 2.53 per cent during the year.

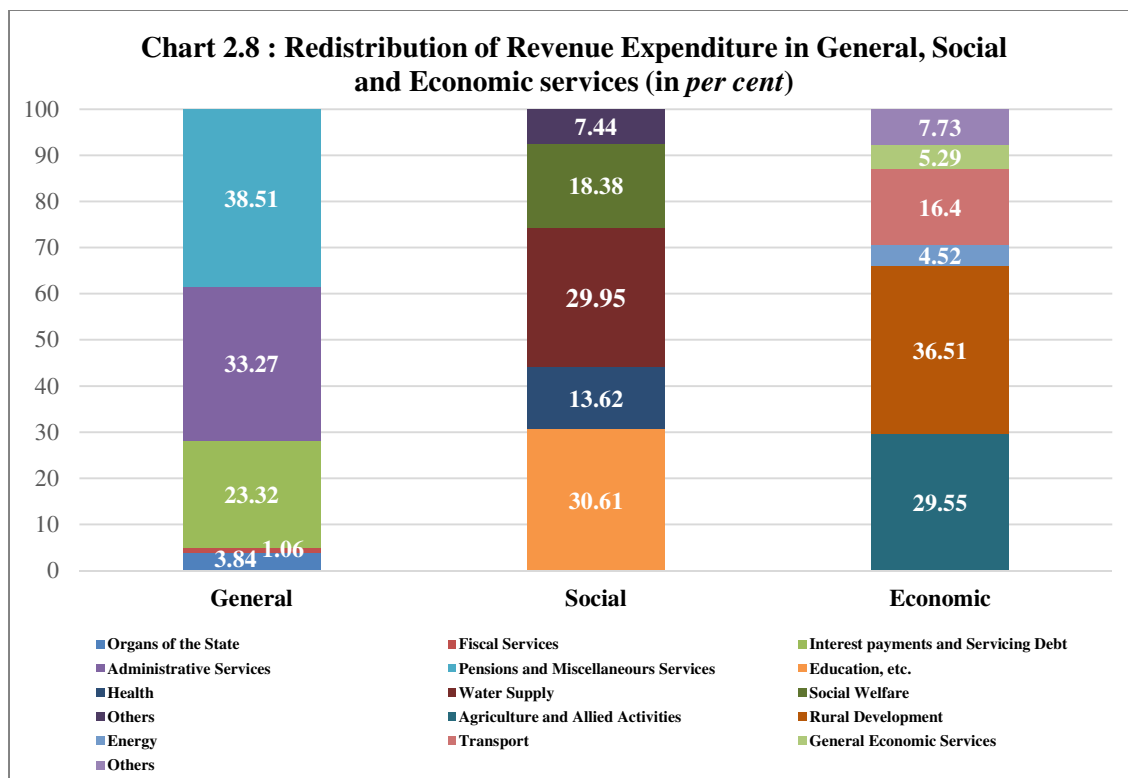
During 2022-23, out of total Revenue expenditure of ₹ 17,738.71 crore, the expenditure in General services, Social Services and the Economic Services were ₹ 6,961.32 crore (39.24 per cent), ₹ 7,717.79 crore (43.51 per cent) and ₹ 2,733.64 crore (15.41 per cent) respectively. Expenditure on Grants-in-aid and contribution was ₹ 325.96 crore (1.84 per cent) during the year.

During 2022-23, the Revenue Expenditure has been distributed in different sectors as shown in **Chart 2.7**.



Source: Finance Accounts 2022-23

The re-distribution of the Revenue expenditure in General, Social and Economic services in different sectors during 2022-23 are shown in **Chart 2.8**.



Source: Finance Accounts 2022-23

2.4.2.1 Major changes in Revenue Expenditure

Significant variations under various Heads of Account with regard to the revenue expenditure of the State during the current year *vis-a-vis* the previous year are depicted in **Table 2.17**.

Table 2.17: Variation in Revenue Expenditure during 2022-23 compared to 2021-22

Major Heads of Account	(₹ in crore)		
	2021-22	2022-23	Increase(+)/ Decrease (-)
2070-Other Administrative Services	127.37	151.25	23.88
2055-Police	1,452.05	1,589.33	137.28
2071-Pensions and Other Retirement Benefits	2,516.49	2,678.06	161.57
2049-Interest Payments	1,398.16	1,373.52	(-) 24.64
2216-Housing	1,149.06	1,793.12	644.06
2217-Urban Development	345.39	300.35	(-) 45.04
2235-Social Security and Welfare	870.56	1,263.36	392.80
2405-Fisheries	77.69	62.51	(-) 15.18
2401-Crop Husbandry	353.98	389.84	35.86
2515-Other Rural Development Programmes	675.10	775.23	100.13
2501-Special Programmes for Rural Development	221.97	207.32	(-) 14.65
2575-Other Special Areas Programmes	46.31	0.00	(-) 46.31
2801-Energy	78.97	123.55	44.58
2851-Village Industries	86.39	63.73	(-) 22.66
3054-Roads and Bridges	292.99	427.02	134.03
3456-Civil Supplies	102.70	84.18	(-) 18.52

Source: Finance Accounts

Table 2.17 shows that;

- Expenditure increased by ₹ 644.06 crore (56.05 per cent) Major Head 2216-Housing over previous year mainly due to increase in expenditure towards implementation of Pradhan Mantri Awaas Yojana in Rural Areas, Special component Plan for the Scheduled Castes and Tribal Areas Sub-plan during 2022-23.
- Expenditure increased by ₹ 392.80 crore (45.12 per cent) under Major Head 2235-Social Security and Welfare mainly due to increase in expenditure under Other Rehabilitation Schemes (by ₹ 11.17 crore), Social Welfare Programme (by ₹ 138.88 crore) and National Social Assistance Programmes (by ₹ 133.95 crore) off set by the decrease of expenditure in Other Relief Measures (by ₹ 23.31 crore) and Women Welfare (by ₹ 9.09 crore) during 2022-23 over the previous year.
- There was an increase of ₹ 161.57 crore (6.42 per cent) under 2071-Pensions and Other Retirement benefits mainly due to increase in expenditure on Commuted value of pensions by ₹ 35.87 crore (10.78 per cent), Gratuities by ₹ 23.02 crore (7.71 per cent) and Family pensions by ₹ 39.26 crore (7.51 per cent) respectively during the year compared to the previous year.

- Moreover, there were increase in expenditure under Major Heads 2055, 2515, 2401 and 2801 during the year 2022-23.
- Expenditure increased of ₹ 44.58 crore (56.45 per cent) under Major Head 2801-Energy was mainly due to increase in expenditure under Research and Development by ₹ 15.53 crore (348.21 per cent) and ₹ 26.00 crore (55.32 per cent) under 800-Other expenditure off set by decrease of ₹ 9.79 crore (99.17 per cent) under Transmission and Distribution and ₹ 2.80 crore (20.71 per cent) decrease in Direction and Administration under General during 2022-23.
- Major decrease in expenditure under Major Head 2217-Urban Development by ₹ 45.04 crore (13.05 per cent) was mainly due to decrease in expenditure under State Capital Development (24.41 per cent) and Integrated Development of Small and Medium Towns (27.66 per cent) respectively.
- Interest payments and servicing debt under Major Head 2049 was decreased by ₹ 24.64 crore (1.76 per cent) mainly due to less interest payments on GoI loans of ₹ 16.44 (37.27 per cent) and payments interest on Internal borrowing of ₹ 26.03 crore (2.69 per cent) during the current year as compared to the previous year.

2.4.2.2 Committed Expenditure

Committed Expenditure (CE) of the State Government on revenue account consists of interest payments, expenditure on salaries and wages and pensions. It has first charge on the Government resources. Upward trend on committed expenditure leaves the Government with lesser flexibility for development sector. Trend analysis of committed and inflexible expenditure in revenue expenditure is shown in **Table 2.18**.

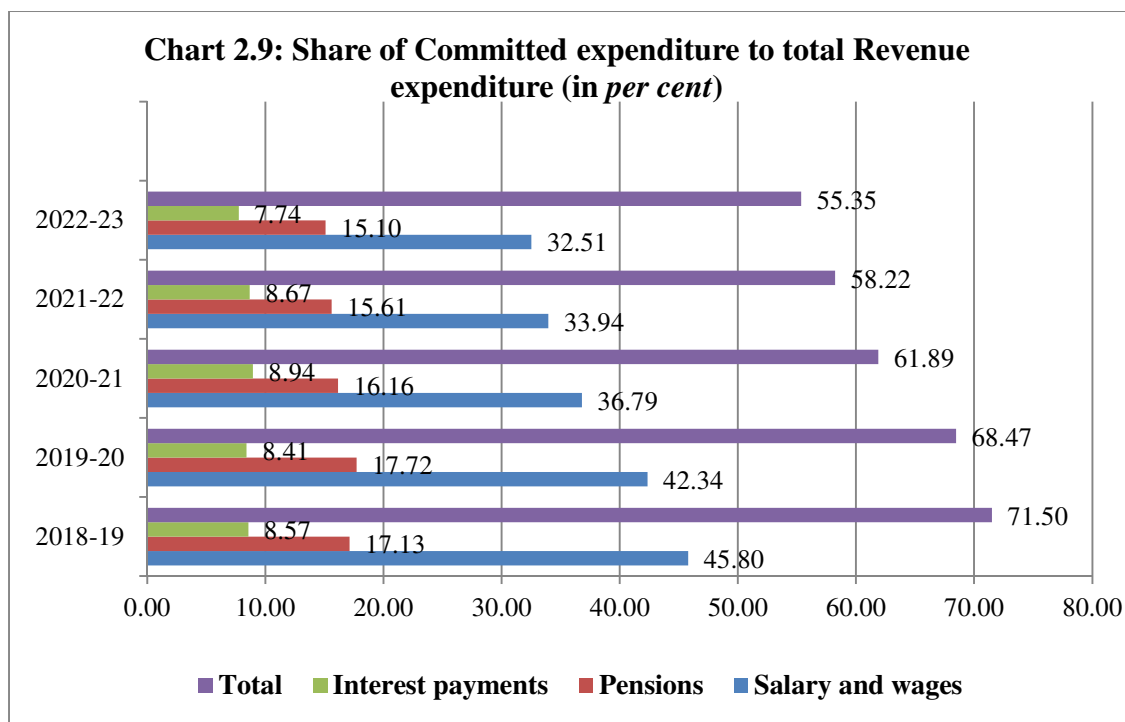
Table 2.18: Components of Committed and Inflexible Expenditure during 2018-19 to 2022-23

(₹ in crore)					
Components of Committed Expenditure	2018-19	2019-20	2020-21	2021-22	2022-23
Salaries & Wages	5,445.23	5,663.11	5,285.81	5,472.39	5,766.87
Expenditure on Pensions	2,036.49	2,370.59	2,321.61	2,516.49	2,678.06
Interest payments	1,018.95	1,124.98	1,284.81	1,398.16	1,373.52
Total	8,500.67	9,158.68	8,892.23	9,387.04	9,818.45
Component of Inflexible Expenditure					
Statutory devolution to local bodies (Grants-in-aid salaries and expenditure for creation of capital assets)	937.47	571.55	1,652.91	755.77	1,580.04
Contribution to Reserve Funds	3.90	6.37	53.54	280.15	289.79
Recoupment of Contingency Fund	Nil	Nil	Nil	Nil	Nil
Transfer of Cess to Reserve Funds/other bodies	3.51	22.83	304.51	290.87	424.65
Share of contribution of CSS against the Central Fund received	NA	NA	270.28	601.83	895.45
Payment of interest on the	NA	NA	NA	15.49	11.95

Components of Committed Expenditure	2018-19	2019-20	2020-21	2021-22	2022-23
balances of the interest bearing funds as if they could have been invested and payment of interest on Public Debt as charged expenditure-interest payments					
Total	944.88	600.75	2,281.24	1,944.11	3,201.02
As percentage of Revenue Receipts(RR)					
Committed Expenditure					
Salaries & Wages	45.26	51.48	39.77	31.07	31.50
Expenditure on Pensions	16.93	21.55	17.47	14.29	14.63
Interest payments	8.47	10.22	9.67	7.94	7.50
Total	70.66	83.25	66.90	53.29	53.63
Inflexible expenditure	7.85	5.46	17.16	11.04	17.48
As percentage of Revenue Expenditure(RE)					
Salaries & Wages	45.80	42.34	36.79	33.94	32.51
Expenditure on Pensions	17.13	17.72	16.16	15.61	15.10
Interest payments	8.57	8.41	8.94	8.67	7.74
Total	71.50	68.47	61.89	58.22	55.35
Inflexible expenditure	7.95	4.49	15.88	12.06	18.05
Non-Committed Revenue expenditure	3,388.53	4,218.23	5,475.59	6,738.20	7,920.26
Percentage of Revenue expenditure	28.50	31.53	38.11	41.78	44.65
Percentage of total expenditure	25.34	29.57	36.02	38.40	39.85
Payment of subsidies	133.19	56.62	145.83	132.27	161.80
Subsidies as percentage of Non-committed expenditure	3.93	1.34	2.66	1.96	2.04

Source: Finance Accounts. NA: Not available.

The Committed and Non-committed Revenue expenditure along with their percentage with RE during last five years period from 2018-19 to 2022-23 are shown in **Table 2.18**. It can be seen that while the Committed Expenditure (CE) in absolutely term increased by ₹ 431.41 crore (4.60 per cent) in 2022-23 over the previous year, the percentage of CE to RE decreased to 55.35 per cent from 58.22 per cent during the same period mainly due to decrease in expenditure on Interest payments during 2022-23. However, the percentage of non-committed expenditure to RE as well as total expenditure increased marginally during the year 2022-23. The share of CE to RE during five years period from 2018-19 to 2022-23 are also shown in **Chart 2.9**.



Source: Finance Accounts

Salary and wages

Expenditure on salary and wages increased by ₹ 294.48 crore (5.38 per cent) during 2022-23 as compared to previous year which constituted 31.50 per cent of Revenue receipts and 32.51 per cent of Revenue expenditure during the year. Salary expenditure increased mainly in Home (Police), Health, Health (AGMC and GBPH), Panchayati Raj, Fisheries, Education (Higher), Elementary Education, Family Welfare and Preventive Medicines Departments during 2022-23.

Pension payments

Expenditure on pension payments increased by ₹ 161.57 crore (6.42 per cent) from ₹ 2,516.49 crore in 2021-22 to ₹ 2,678.06 crore in 2022-23 which constituted 15.10 per cent of Revenue expenditure and 14.63 per cent of Revenue receipts during the year. The expenditure on pensions were increased mainly on payment of Superannuation and Retirement Allowances (by ₹ 60.12 crore), Commutation Value of pensions (by ₹ 35.87 crore), Gratuities (by ₹ 23.02 crore) and Family pensions (by ₹ 39.26 crore) respectively during 2022-23. The expenditure on pensions, however, remained within the projections (₹ 2,734.00 crore) of XV Finance Commission (FC) for the year. As per records furnished by the State Government (May 2023), there was 78,363 pensioners (Superannuation pensioners: 48,484; Family pensioners: 29,722 and MLA pensioners of 157 including 79 their Family pensioners) in the State as on 31 March 2023.

Interest payments

During 2022-23, the interest payments of ₹ 1,373.52 crore constituted 7.74 per cent of Revenue expenditure and 7.50 per cent of Revenue receipts. The interest payments during the year decreased by ₹ 24.64 crore (1.76 per cent) as compared to 2021-22

mainly due to less interest payments on the Internal borrowings (by ₹ 26.03 crore) and various loans from GoI (by ₹ 6.43 crore) off set by increase of interest payments on Small Savings, Provident Funds, etc. (by ₹ 11.37 crore) during the year as compared to the previous year. The interest payments, however, remained within the projections (₹ 1,493.00 crore) of the XV FC for the year.

2.4.2.3 Un-discharged liabilities in National Pension System

The State Government introduced the 'National Pension System' (NPS) applicable to all new entrants joining the State Government Service, on or after 1st July 2018. Under this system, employees contribute 10 per cent of basic pay and dearness allowance, which is matched by the State Government and both employee's and employer's contribution are initially transferred to the Public Account (Major Head '8342-117-Defined Contributory Pension Scheme'). The State Government has the responsibility to deposit both employee's and employer's share with the designated authority i.e., National Securities Depository Limited (NSDL)/trustee bank for further investment as per the guidelines of NPS.

There was a balance of ₹ 0.02 crore in the Defined Contributory Pension Scheme fund as on 31 March 2018 i.e. prior to implementation of NPS in the State.

As per information furnished by the State Government there were 9,033 employees (8,986 State government employees and 47 AIS Gr.(A) employees) under NPS in the State as on 31 March 2023.

The status of the funds under Defined Contributory Pension Scheme account during last five years period 2018-23 is given in **Table 2.19**.

Table 2.19: Status of pension fund during 2018-19 to 2022-23

(₹ in crore)

Year	Opening Balance	Receipts during the year	Total	Disbursement ¹³	Closing Balance
2018-19	0.02	0.81	0.83	0.82	0.01
2019-20	0.01	4.12	4.13	3.61	0.52
2020-21	0.52	12.39	12.91	12.63	0.28
2021-22	0.28	19.56	19.84	19.26	0.58
2022-23	0.58	33.81	34.39	33.34	1.05

Source: Finance Accounts.

There was un-transferred Fund of ₹ 0.58 crore in Defined Contributory Pension Scheme at the beginning of the financial year 2022-23. During 2022-23, the State Government deposited ₹ 33.81 crore (employees' contributions: ₹ 16.40 crore and Government's contribution: ₹ 17.41 crore) into the Fund created under MH 8342-117 and transferred ₹ 33.34 crore to NSDL leaving a balance of ₹ 1.05 crore in the Fund at the end of

¹³ During 2018-19, out of total disbursement of ₹ 0.82 crore, only ₹ 0.57 crore was transferred to NSDL. However, during 2019-20, ₹ 0.35 crore was directly transferred to NSDL by State Nodal Agency.

31 March 2023. Non-transferring of contribution may accumulate the interest liabilities of ₹ 0.07 crore¹⁴ of the State Government.

The State Government did not contribute the interest liability of ₹ 0.04 crore at the rate of 7.10 *per cent* on the balance of ₹ 0.58 crore at the beginning of the year 2022-23.

Inflexible expenditure

The components of inflexible expenditure which include among others Statutory devolution to local bodies and contribution to Reserve Funds showed an increasing trend during last five-year period from 2018-19 to 2022-23 except 2021-22. The devolution to local bodies was the major part (49.33 *per cent*) of the inflexible expenditure during 2022-23 due to more grants-in-aid given to them for creation of capital assets which increased by ₹ 826.53 crore (166.98 *per cent*) over the previous year. The grants-in-aid of ₹ 257.66 crore was given for salary and allowances during the year out of total devolution of ₹ 1,579.18 crore to the local bodies during 2022-23. As a percentage of revenue expenditure, the inflexible expenditure increased from 12.06 *per cent* (₹ 1,944.11 crore) in 2021-22 to 18.05 *per cent* (₹ 3,201.01 crore) in 2022-23.

2.4.2.4 Subsidies

Subsidies provided by the State Government include both implicit and explicit subsidies which were utilised to bridge the gap between income and expenditure to certain selected Department/Corporations/Government Companies.

During 2022-23, the State Government provided subsidies of ₹ 161.80 crore through various departments which were 0.88 *per cent* of RR and 0.91 *per cent* of RE of the State during the year. The quantum of subsidy, however, increased by ₹ 29.53 crore (22.33 *per cent*) during 2022-23 as compared to the previous year. The expenditure on subsidies to the total expenditure during the year was 0.81 *per cent*. Major part of subsidy was provided by the State Government through Power Department (TSECL) (₹ 73.00 crore), Food Civil Supplies and Consumers Affairs (₹ 48.75 crore), Agriculture (₹ 17.44 crore) and Animal Resource Development (₹ 9.83 crore) Departments, respectively during 2022-23.

Table 2.20: Expenditure on subsidies during 2018-23

Particulars	(₹ in crore)				
	2018-19	2019-20	2020-21	2021-22	2022-23
Subsidies (₹ in crore)	133.19	56.62	145.83	132.27	161.80
Subsidies as a percentage of Revenue Receipts	1.11	0.51	1.10	0.75	0.88
Subsidies as a percentage of Revenue Expenditure	1.12	0.42	1.01	0.82	0.91
Subsidies as a percentage of total expenditure	1.00	0.40	0.96	0.75	0.81
Subsidies as a percentage of Revenue Deficit (-)/Surplus(+)	94.00	(-)2.38	(-)13.56	8.88	28.37
Power subsidies as a percentage of total subsidy	15.01	-	27.43	35.53	45.12

Source: Finance Accounts

¹⁴ Calculated on ₹ 1.05 crore at the interest rate of 7 *per cent* as notified by the Government payable to the General Provident Fund.

Power subsidy constituted predominant part of the total subsidy ranging between 15.01 per cent and 45.12 per cent during last four out of five years period from 2018-19 to 2022-23 except 2019-20.

2.4.2.5 Financial assistance by the State Government to Local Bodies and Other Institutions

Financial assistance is provided by the State Government to Local bodies and other institutions by way of grants and loans.

The trend of the financial assistance provided by the State Government during the period of last five years from 2018-19 to 2022-23 are shown in **Table 2.21**.

Table 2.21: Financial Assistance to Local Bodies and others during 2018-19 to 2022-23

(₹ in crore)					
Financial Assistance to Institutions	2018-19	2019-20	2020-21	2021-22	2022-23
(A) Local Bodies					
Municipal Corporations and Municipalities	312.21	263.89	533.70	391.74	571.97
Panchayati Raj Institutions	116.08	145.63	554.26	248.24	216.07
Total (A)	428.29	409.52	1,087.96	639.98	788.04
(B) Others					
Other Institutions	1,973.10	2,229.00	1,777.53	3,751.24	5,459.01
Total (B)	1,973.10	2,229.00	1,777.53	3,751.24	5,459.01
Total (A+B)	2,401.39	2,638.52	2,865.49	4,391.22	6,247.05
Grants-in-Aid on salary	275.73	284.17	261.65	260.78	257.66
Grants-in-Aid for creation of Capital assets	661.74	287.38	1,391.26	494.99	1,321.53
Grants-in-Aid for non-salary	1,463.92	2,066.97	1,212.58	3,635.45	4,667.86
Grants-in-Aid given in kind	Information not furnished by the State Government				
Revenue Expenditure	11,889.20	13,376.91	14,367.82	16,125.24	17,738.71
Assistance as percentage of Revenue Expenditure	20.20	19.72	19.94	26.55	35.22

Source: Finance Accounts

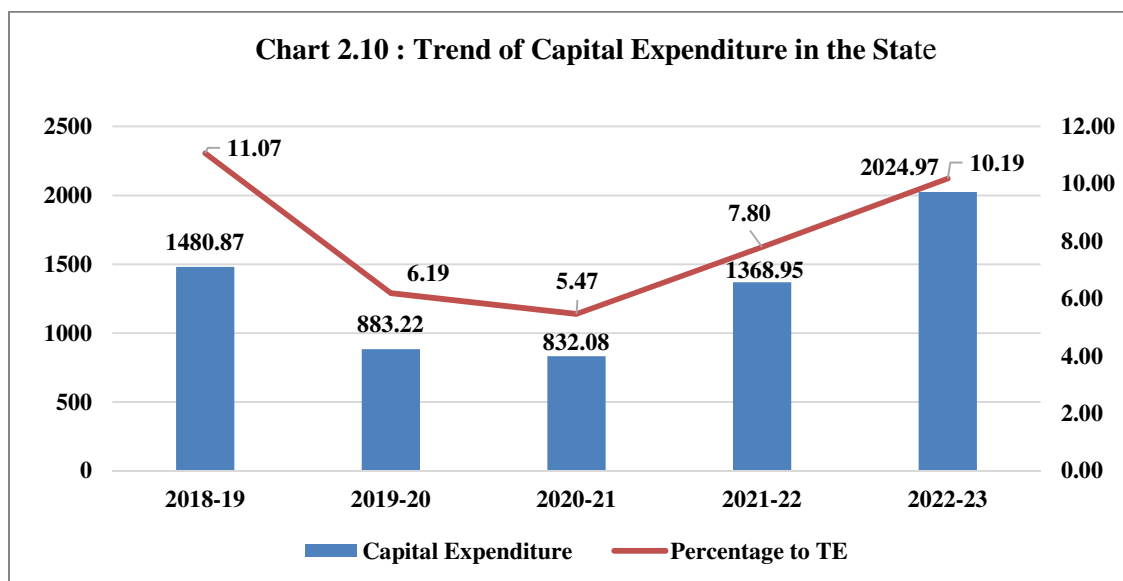
Table 2.21 shows that during 2022-23, the Government provided Financial Assistance as grants-in-aid to the Local Bodies and other Autonomous Bodies to the tune of ₹ 6,247.05 crore which substantially increased by ₹ 1,855.83 crore (42.26 per cent) from ₹ 4,391.22 crore in 2021-22 mainly due to increase in grants-in-aid given to other institutions by ₹ 1,707.77 crore (45.53 per cent) over the previous year. The quantum of grants to the Local Bodies in 2022-23 increased by ₹ 148.06 crore (23.13 per cent) due to increase of grants to Municipal Corporations and Municipalities by ₹ 180.23 crore (46.01 per cent) over the previous year.

It was noticed that out of the total financial assistance of ₹ 6,247.05 crore to others, the Government had given grants of ₹ 1,321.53 crore for creation of Capital assets of which ₹ 1.90 crore was given to Gram Panchayats and booked as Capital expenditure instead of Revenue Account during 2022-23. In addition, grants of ₹ 0.85 crore was also booked in the Capital account during the year. The booking of grants-in-aid as Capital expenditure was in violation of the Accounting Standards which resulted in

overstatement of Capital expenditure and understatement of Revenue expenditure to that extent respectively.

2.4.3 Capital Expenditure

Capital Expenditure (capex) is primarily expenditure on creation of fixed infrastructure assets such as roads, buildings, etc. Capex in both Centre and State is being met from budgetary support and extra budgetary resources/off budget. Of late, the infrastructure requirements have increased manifold and SPVs have been set up to carry out bulk of capex. It also includes investments made by the State Government in Companies and Corporations. The trend of Capital expenditure and its percentage to total expenditure during last five years is shown in **Chart 2.10**.



Source: Finance Accounts

Chart 2.10 shows that the capital expenditure fluctuated during the last five years period. There was a decreasing trend from ₹ 1,480.87 crore (11 per cent of total expenditure) in 2018-19 to ₹ 832.08 crore (5 per cent of total expenditure) in 2020-21. Thereafter there was an upward trend and it stood at ₹ 2,024.97 crore substantially increased by ₹ 656.02 crore (47.92 per cent) in 2022-23 over the previous year, which was 10.19 per cent of the total expenditure. The Budget estimate of capital expenditure was ₹ 4,256.29 crore during 2022-23 against which the actual was ₹ 2,024.97 crore (47.58 per cent of BE and 2.79 per cent of GSDP) during the year.

It was seen that out of the capital expenditure of ₹ 2,024.97 crore, the State Government had provided grants-in-aid of ₹ 1,321.53 crore for creation of capital assets and ₹ 0.85 crore was given for other purposes from the capital account instead of Revenue account during the year which violates the Government Accounting Standards. Resultant there was understatement of the revenue expenditure and overstatement of the capital expenditure to that extent during the year.

The State Government should classify the expenditure according to the Government Accounting Standards.

2.4.3.1 Major changes in capital expenditure

Major changes in capital expenditure during 2022-23 as compared to 2021-22 are depicted in **Table 2.22**.

Table 2.22: Major changes in capital expenditure during 2022-23 compared to 2021-22

(₹ in crore)			
Major Heads of Accounts	2021-22	2022-23	Decrease (-)/ Increase (+)
4059-Capital Outlay on Public Works	213.28	474.91	261.63
4202-Capital Outlay on Education, Sports, Art and Culture	45.53	73.77	28.24
4210-Capital Outlay on Medical and Public Health	83.79	78.17	(-)5.62
4215-Capital Outlay on Water Supply and Sanitation	239.76	127.59	(-)112.17
4217-Capital Outlay on Urban Development	76.56	258.94	182.38
4225-Capital Outlay on Welfare of SC, ST, OBC and Minorities	27.35	103.92	76.57
4405-Capital Outlay on Fisheries	8.65	14.48	5.83
4406-Capital Outlay on Forestry and Wild Life	0.00	110.62	110.62
4435-Capital Outlay on other Agricultural Programmes	16.51	26.98	10.47
4702-Capital Outlay on Minor Irrigation	59.47	57.23	(-) 2.24
4711-Capital Outlay on Flood Control Projects	2.62	10.14	7.52
4801-Capital Outlay on Power Projects	58.83	76.38	17.55
4851-Capital Outlay on Village and Small Industries	0.30	17.77	17.47
5054-Capital Outlay on Roads and Bridges	372.22	350.87	(-) 21.35
5055-Capital Outlay on Road Transport	2.37	11.53	9.16
5452-Capital Outlay on Tourism	22.55	4.00	(-) 18.55

Source: Finance Accounts

It can be seen from **Table 2.22** that the major changes in capital expenditure under major head 4059, 4215, 4217, 4225, 4406, 4801, 5054 and 5452 respectively. The capital expenditure increased mainly in Capital Outlay on Public Works by ₹ 261.63 crore, on Urban Development by ₹ 182.38 crore, on Forestry and Wildlife by ₹ 110.62 crore. Capital Outlay increased by ₹ 76.57 crore in respect of Welfare of SC/ST/OBC and Minorities and increased by ₹ 17.55 crore towards Capital Outlay on Power projects during 2022-23.

On the other hand, the expenditure decreased mainly in Capital Outlay on Water Supply and Sanitation by ₹ 112.17 crore, on Roads and Bridges by ₹ 21.35 crore, on Tourism by ₹ 18.55 crore and on Medical and Public Health by ₹ 5.62 crore during the year.

- The capital expenditure under Public Works increased mainly on General construction works by ₹ 264.97 crore off set by decrease in expenditure of Office buildings and other building works during 2022-23;
- Capital expenditure under Urban Development increased mainly in the works under Integrated Development of Small and Medium Towns by ₹ 191.58 crore during 2022-23 over previous year;

- Expenditure under Forestry and Wildlife increased mainly for implementation of External Aided Projects under Centrally Sponsored Scheme during 2022-23.

2.4.3.2 Quality of capital expenditure

If the State Government keeps on making investments in loss making government companies, whose net worth is completely eroded, there are no chances of return on investment. Similarly, experience has shown that inevitability of the loans given to loss making corporations and other bodies such as financial corporations, *etc.* are written off. Requisite steps have to be taken to infuse transparency in such financial operations. This section presents an analysis of investments and other capital expenditure undertaken by the Government during the current year.

2.4.3.2 (i) Quality of investments in the companies, corporations and other bodies

Capital expenditure in the companies, corporations, and other bodies, which are loss making or where net worth is completely eroded is not sustainable.

Investments made and loan given to companies, corporations (e.g. SC & ST Financial Corporations), and cooperatives, which are loss making and those where net worth is completely eroded, affect quality of capital expenditure. Return on investment in share capital invested in State Public Sector Enterprises (SPSEs) and history of repayment of loans given to various bodies are important determinants of quality of capital expenditure.

The State Government made investments in various Government Companies, Corporations and Co-operative Societies every year. The expenditure is debited on Capital Account with an aim to support strengthening of their functioning and to get some returns from them as dividend. Detail of the investments and returns as on 31 March during last five years period from 2018-18 to 2022-23 is depicted in **Table 2.23**.

Table 2.23: Investment and Return

(₹ in crore)

Investment/return/ cost of borrowings	2018-19	2019-20	2020-21	2021-22	2022-23
Investment at the end of the year	1,562.57	1,648.66	1,714.19	1,766.54	1,831.19
Return	Nil	7.94	6.62	1.63	11.66
Return (<i>per cent</i>)	Nil	0.48	0.38	0.09	0.64
Average rate of interest on Government Borrowings (<i>per cent</i>)	7.16	7.89	7.67	7.50	7.55
Difference between interest rate and return (<i>per cent</i>)	7.16	7.41	7.29	7.41	6.91
Difference between interest on Government borrowings and return on investment[#]	111.88	124.55	124.85	130.90	126.54

Source: Finance Accounts; Note: # Investment at the end of the year*difference between interest rate and return.

As on 31 March 2023, there were 15 working Government Companies, one Non-working Government Company, One statutory Corporation, one Bank, four joint stock companies/corporation and 25 Co-operative Societies. The State Government made

investment of ₹ 1,831.19 crore¹⁵ in these companies/corporations and Co-operative Societies as on 31 March 2023. As on 31 March 2022, the amount of investment was ₹ 1,766.54 crore, which increased by ₹ 64.65 crore with the fresh investment in nine Government Companies (₹ 55.76 crore) and nine Co-operative Societies (₹ 8.89 crore) during 2022-23. During 2022-23, the State Government received ₹ 11.66 crore as dividend from two Joint stock companies (₹ 11.50 crore)¹⁶ for the year 2021-22 and 2022-23 and one Government Company 'Tripura Industrial Development Corporation Limited (₹ 0.16 crore) for the year 2019-20.

Out of total investment of ₹ 55.76 crore in nine working Government Companies during 2022-23, ₹ 14.82 crore was invested in Tripura Handloom and Handicrafts Development Corporation Limited and ₹ 12.53 crore was invested in Tripura Jute Mills Limited which are loss making companies in the State. An amount of ₹ 10.00 crore was invested in Tripura Nature Trails and Resorts Limited (TNTR), a newly established working Government Company in the State. The status of the investments in SPSEs is discussed in **Paragraph 5.4**.

The State Government should review the performance of the Companies and Corporations in view of the huge cumulative investments and low returns from them, year after year.

2.4.3.2 (ii) Loans and Advances by the State Government

In addition to the investments in cooperative societies, corporations and companies, the State Government has also been providing loans and advances to various organisations and Government servants for various purposes.

The quantum of loans and advances and recovered during last five year period are shown in **Table 2.24**.

Table 2.24: Quantum of loans disbursed and recovered during five years period 2018-23

(₹ in crore)					
Quantum of loans disbursed and recovered	2018-19	2019-20	2020-21	2021-22	2022-23
Opening Balance of loans outstanding	193.00	193.51	196.53	198.17	251.38
Amount advanced during the year	1.12	3.75	2.89	54.08	109.65
Amount recovered during the year	0.60	0.73	1.25	0.87	51.59
Closing Balance of the loans outstanding	193.51	196.53	198.17	251.38	309.44
Net addition	0.51	3.02	1.64	53.21	58.06
Interest received	NA	0.06	0.08	0.15	0.05
Interest rate on Loans and Advances given by the Government	10.90	11.20	11.20	7.00	10.30
Rate of Interest paid on the outstanding borrowings of the Government	7.16	7.89	7.67	7.50	7.55
Difference between the rate of interest paid and interest received (<i>per cent</i>)	3.74	3.31	3.53	0.50	2.75

Source: Finance Accounts

¹⁵ Differs with the information furnished by the State Government and actually booked in the Accounts by ₹ 29.98 crore. This difference is under reconciliation.

¹⁶ North East Transmission Company Ltd.: (₹ 11.11 crore) and ONGC Tripura Power Company Ltd.: (₹ 0.39 crore).

During 2022-23, the Government disbursed ₹ 109.65 crore as Loans and Advances and recovered ₹ 51.59 crore from the Government Servants (₹ 0.61 crore) and from others (₹ 50.98 crore) during the year. Out of the recovery of outstanding loans of ₹ 50.98 crore from others ₹ 50.00 crore was recovered from TSECL during the year. The outstanding loans and advances at the end of 31 March 2023 stood at ₹ 309.44 crore. During 2022-23, the Government received ₹ 0.05 crore as interest on the loans given to the Government Servants mainly on House building and Computer Advances.

During 2022-23, the State Government had disbursed Loans and Advances of ₹ 109.65 crore out of which ₹ 100.00 crore was given to the Tripura State Electricity Corporation Limited as interest free loan during the year. ₹ 8.34 crore was given to the Tripura State Cooperative Bank Ltd. (PIA) with an interest rate of 10.30 *per cent* per annum for eight years with no moratorium on loan for providing margin money/share capital.

Scrutiny of the Finance Accounts revealed that out of the total outstanding loans and advances of ₹ 309.44 crore, no recovery of loans (Principal or interest) from 12 Departments had been effected during past several years while some of loans were more than 10 to 25 years old. Even, none of the loanees had confirmed their balances as on 31 March 2023. Maximum amount of loan was lying outstanding with the Power Department (TSECL) of ₹ 156.75 crore after recovery of ₹ 50.00 crore during the year followed by the Medical and Public Health Department (₹ 81.00 crore) as on 31 March 2023. The status of the loans in SPSEs is discussed in **Paragraph 5.4.2**.

Necessary steps should be taken by the Government to recover the long pending outstanding loans from the entities.

2.4.3.2 (iii) Capital locked in incomplete projects

Trends in capital blocked in incomplete capital works would indicate quality of capital expenditure. Blocking of funds on incomplete projects/ works impinges negatively on the quality of expenditure and deprives the State of the intended benefits for prolonged periods. Further, the funds borrowed for implementation of these projects during the respective years led to extra burden in terms of servicing of debt and interest liabilities.

As per information furnished by the State Government, there were 78 ongoing capital works with estimated cost of ₹ five crore and above. Expenditure of ₹ 482.72 crore was incurred on these works up to the end of March 2023, against the estimated cost of ₹ 1,131.47 crore. During 2022-23, ₹ 303.94 crore was incurred on these 77 works while one work under Water Resources was not started though the work was sanctioned on 20 May 2021. Details of those projects are given in **Table 2.25**.

Table 2.25: Ongoing works as on 31 March 2023*(₹ in crore)*

Type of works	No of incomplete projects/works	Estimated cost	Expenditure incurred	
			During 2022-23	As on 31-03-2023
Building Works	20	271.22	33.17	47.10
Road Works	34	557.68	215.84	349.52
Bridges Works	3	34.13	7.21	12.06
Drinking Water and Sanitation Works	20	268.44	47.72	74.04
Total	77	1,131.47	303.94	482.72

Source: Finance Accounts

Further, there were 257 ongoing capital works with estimated cost less than ₹ five crore on which expenditure of ₹ 206.68 crore was incurred during 2022-23.

It was seen that out of 77 capital works costing ₹ five crore and above no payment was made in 19 cases as on 31 March 2023 while in three cases (Building: 1 and Road: 2) ₹ 14.00 crore was paid as on 31 March 2023.

In respect of 11 incomplete projects, the target date of completion had already been expired. Payment of ₹ 68.07 crore was made on these 10 works against the total estimated cost of ₹ 124.00 crore as on 31 March 2023 out of which ₹ 37.27 crore was paid during 2022-23. One project under Water Resources with estimated cost of ₹ 8.16 crore sanctioned in May 2021 remained abandoned except site exploration as on 31 March 2023.

The break-up of the 11 incomplete capital works for which the target date of completion was already expired as on 31 March 2023, are shown in **Table 2.26**.

Table 2.26: Incomplete Capital works as on 31 March 2023*(₹ in crore)*

Type of works	No of incomplete projects/works	Estimated cost	Expenditure incurred	
			During 2022-23	As on 31-03-2023
Building Works	1	6.59	-	4.00
Road Works	1	21.70	0.89	12.01
Bridges Works	2	18.80	6.53	11.38
Drinking Water and Sanitation Works	7	76.91	29.85	40.68
Total	11	124.00	37.27	68.07

Source: Finance Accounts

It was noticed that out of 11 incomplete capital works mentioned in **Table 2.26**, the Road works with estimated cost of ₹ 21.70 crore was sanctioned in March 2018 with the target date of completion within 24 months from the date of sanctioned. The works started in December 2018 but remained incomplete even after incurring expenditure of ₹ 12.01 crore as on 31 March 2023. Two Bridge works with estimated cost of ₹ 18.80 crore was sanctioned in April 2018 with target date of completion by February and June 2020 respectively but remained incomplete after incurring an expenditure of ₹ 11.38 crore and pending for payment of ₹ 0.68 crore as on 31 March 2023.

The details of Age-wise incomplete projects on which an expenditure of ₹ 480.21 crore was incurred against the estimated cost of ₹ 765.63 crore as on 31 March 2023 are shown in **Table 2.27**.

Table 2.27: Age-wise profile of incomplete projects as on 31 March 2023

(₹ in crore)

Year of commencement	Number of incomplete works	Original Estimated cost	Expenditure incurred	
			During 2022-23	As on 31-3-2023
2018-19	2	26.98	2.83	22.63
2019-20	4	48.26	15.17	23.65
2020-21	5	218.38	110.34	206.70
2021-22	25	170.66	125.20	162.40
2022-23	20	301.35	50.40	64.83
Total	56	765.63	303.94	480.21

Source: Finance Accounts

The stakeholders are deprived of the benefits from the projects due to delay in completion of the works in time.

2.4.4 Expenditure priorities

Enhancing human development levels require the States to step up their expenditure on key social services like education, health, *etc.* Low fiscal priority (ratio of expenditure under a category to aggregate expenditure) is attached to a particular sector, if the allocation is below the respective State's or national average. The higher the ratio of these components to total expenditure, the better the quality of expenditure. Fiscal priority of the State Government with regard to expenditure on Social and Economic sectors *etc.*, is shown in **Table 2.28**.

Table 2.28: Expenditure priority of the State with regards to Health, Education and Capital expenditure

(in per cent)

Particulars	TE/GSDP	DE/TE	CE/TE	Education/TE	Health/TE
All India (2021-22)	16.70	66.30	13.70	14.36	5.64
NE and Himalayan States Average (2021-22)	27.50	62.49	17.45	15.93	7.24
Tripura State (2021-22)	28.05	59.48	7.80	13.06	4.82
All India (2022-23)	16.50	66.90	13.70	14.42	5.10
NE and Himalayan States Average (2022-23)	27.24	63.57	15.52	15.77	6.95
Tripura State (2022-23)	27.36	60.79	10.19	11.86	4.12

Source: Finance Accounts

It can be seen from **Table 2.28** that:

- During the year 2022-23, the percentage of development expenditure and the Capital expenditure with respect to total expenditure was higher than that of the percentage in 2021-22 of the State. But the percentage of both the components was less than that of the average percentage of NE and Himalayan States for the year 2022-23.
- The percentage of total expenditure in respect of the GSDP during 2022-23 was less than that of in 2021-22. But it was higher than the average percentage of NE and Himalayan States for the year 2022-23.

- The percentage of expenditure on both Education and Health to total expenditure during 2022-23 were also less than that of the year 2021-22 in the State and it decreased by 1.20 per cent in 2022-23 in respect of Education.

2.5 Public Account

Receipts and Disbursements in respect of certain transactions such as Small Savings, Provident Funds, Reserve Funds, Deposits, Suspense, Remittances, etc., which do not form part of the Consolidated Fund, are kept in the Public Account set up under Article 266(2) of the Constitution and are not subject to vote by the State Legislature. The Government acts as a banker in respect of these. The balance after disbursements during the year is the fund available with the Government for use for various purposes.

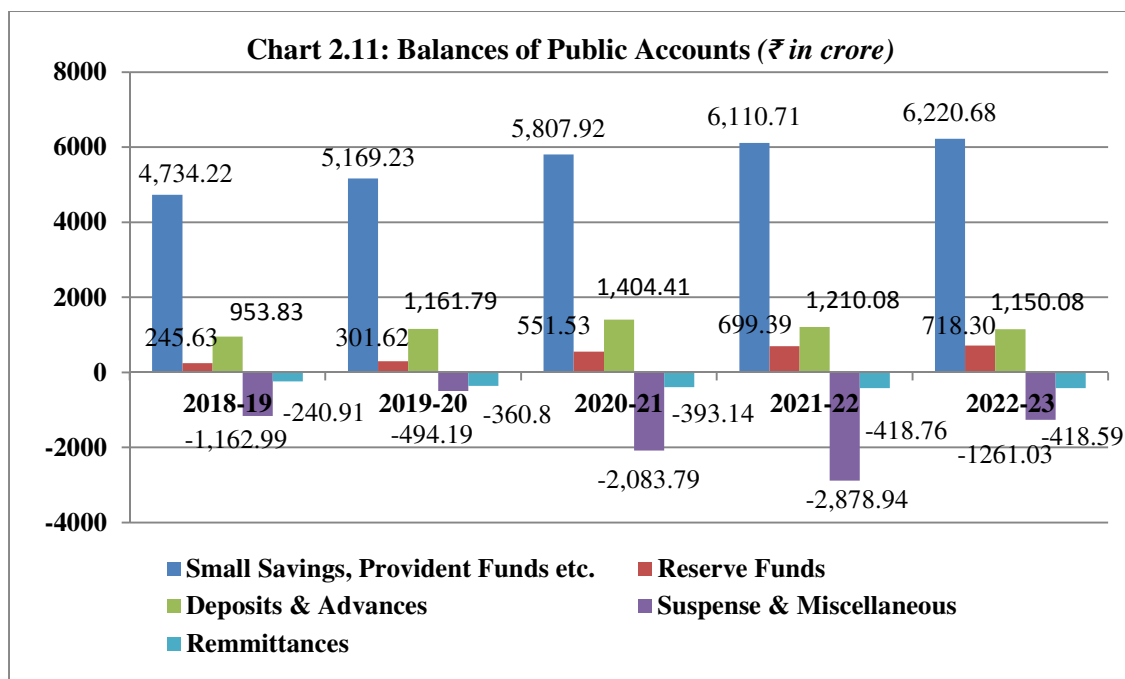
2.5.1 Net Public Account Balances

The component-wise net balances in Public Account of the State during last five years period 2018-19 to 2022-23 is shown in **Table 2.29**. The analysis of the Net balances of various components in the Public Account is given in the respective paragraphs.

Table 2.29: Component-wise net balances in Public Account as of 31 March of the year 2018-19 to 2022-23

(₹ in crore)						
Sector	Sub Sector	2018-19	2019-20	2020-21	2021-22	2022-23
I. Small Savings, Provident Funds, etc.	Small Savings, Provident Funds, etc.	4,734.22	5,169.23	5,807.92	6,110.71	6,220.68
J. Reserve Funds	(a) Reserve Funds bearing Interest	241.13	292.65	443.96	526.13	523.50
	(b) Reserve Funds not bearing Interest	4.50	8.97	107.57	173.26	194.80
K. Deposits and Advances	(a) Deposits bearing Interest	0.01	0.52	0.29	0.58	1.05
	(b) Deposits not bearing Interest	955.86	1,162.14	1,404.19	1,211.83	1,151.36
	(c) Advances	(-) 2.04	(-) 0.87	(-) 0.07	(-) 2.33	(-) 2.33
L. Suspense and Miscellaneous	(b) Suspense	(-) 478.60	(-) 111.81	(-) 113.84	(-) 93.63	(-) 99.79
	(c) Other Accounts	(-) 684.39	(-) 382.38	(-)1,969.95	(-)2,785.31	(-)1,161.24
	(d) Accounts with Governments of Foreign Countries	0.00	0.00	0.00	0.00	0.00
	(e) Miscellaneous	0.00	0.00	0.00	0.00	0.00
M. Remittances	(a) Money Orders, and other Remittances	(-) 241.40	(-) 360.57	(-) 393.67	(-) 419.09	(-) 419.09
	(b) Inter-Governmental Adjustment Account	0.49	(-) 0.23	0.53	0.33	0.50
Total		4,529.78	5,777.65	5,286.93	4,722.48	6,409.44

Note: +ve denotes credit balance and -ve denotes debit balances



Source: Finance Accounts

2.5.2 Reserve Funds (RF)

Reserve Funds are created for specific and defined purposes under the Public Account of the State Government. The contributions to these funds are made from the Consolidated Fund of the State.

As on 31 March 2023, there were two types of Reserve funds in the State viz. (i) Interest bearing and (ii) Non-interest bearing. The Interest-bearing Reserve Funds contains one Major Head (8121) while non-interest bearing Reserve Funds contains three Major Heads (8222, 8225 and 8235) during 2022-23. There was an inactive Reserve Fund in Minor head 101 under Major Head 8235-General and other Reserve Funds of Government Commercial Department/Undertakings where there was a balance of ₹ 420.51 lakh as on 31 March 2023. Details of transactions during the year in the active Reserve Funds are discussed below:

2.5.2.1 Consolidated Sinking Fund

The State Government set up the sinking fund in line with the recommendation of the XII FC for amortisation of market borrowing as well as other loans and debt obligations. The fund is managed by the Reserve Bank of India. This Fund is operated under Major Head 8222 in the Public Account.

According to guidelines of Reserve Bank of India, the State Governments are required to contribute at least 0.5 per cent of the outstanding liabilities as at the end of the previous year. The State is to make efforts to raise the minimum contribution every year. During 2022-23, the State Government contributed ₹ 250.00 crore against minimum contribution of ₹ 105.53 crore¹⁷ during the year. The excess contribution indicates covering up of past years' dues of State Government contribution. During

¹⁷ Calculated on the total liabilities of ₹ 21,105.06 crore at the end of March 2022*0.5 per cent.

2022-23, the State Government received ₹ 47.34 crore as interest on this Sinking Fund Account and reinvested the same by the RBI during the year. The total accumulated fund was ₹ 981.77 crore at the end of 31 March 2023, against the balance of ₹ 684.43 crore at the end of 31 March 2022.

2.5.2.2 General and Other Reserve Funds

(a) State Disaster Response Fund

Government of India (GoI) replaced the erstwhile Calamity Relief Fund with the State Disaster Response Fund (SDRF) with effect from 1 April 2010. In terms of the guidelines of the Fund, the Centre and States are required to contribute to the Fund in a certain proportion. The contributions are to be transferred to the Public Account to Major Head-8121- General and Other Reserve Funds. Expenditure during the year is incurred by operating Major Head-2245.

The State Governments are required to pay interest to the SDRF at the rate applicable to overdrafts under Overdraft Regulation Guidelines of the RBI. The interest is to be credited on a half yearly basis. The accretions to the SDRF together with the income earned on the investment of SDRF is to be invested in Central Government dated Securities, auctioned Treasury Bills and other interest earning deposits with Scheduled Commercial Banks.

The SDRF is to be used only for meeting the expenditure for providing immediate relief to the victims of a disaster and the provisions for disaster preparedness, restoration, reconstruction and mitigation should not be a part of SDRF. Such expenditure has to be built into the normal budgetary heads/ State Plan Funds, etc.

As per guidelines of the Scheme, the GoI and the State Governments are required to contribute to the Fund in the proportion of 90:10. As per the XV FC recommendation, the corpus of SDRF of Tripura for the year 2022-23 was fixed at ₹ 71 crore (SDRF: ₹ 63.90 crore and SDMF: ₹ 7.10 crore) for the year 2022-23. During 2022-23, the GoI released ₹56.80 crore towards SDRF and ₹ 7.10 crore for State Disaster Mitigation Fund (SDMF). The State Government transferred ₹ 63.11 crore (Central share: ₹ 56.80 crore; State share ₹ 6.31 crore) to the SDRF account during the year. The State Government did not transfer ₹ 7.10 crore received for SDMF to the fund during 2022-23. The State Government, however, had not received any amount from the GoI towards NDRF during 2022-23. During the current year, the State Government had invested ₹ 10.00 crore from the fund in 182 days Treasury Bills leaving a balance of ₹ 115.72 crore as on 31 March 2023.

The State Government did not contribute the interest liability of ₹ 6.43 crore on the balances of the SDRF as on 31 March 2022 at the applicable rate 7.49 per cent of interest during 2022-23.

During 2022-23, the State Government incurred ₹ 33.00 crore from SDRF of which ₹ 8.06 crore was incurred from the NDRF and balance of ₹ 24.94 crore was incurred directly from the Public Account under Major Head 8121-122-SDRF, violating the prescribed SDRF guidelines.

Details of expenditure charged to SDRF during 2022-23 are given in **Table 2.30**:

Table 2.30: Details of expenditure charged to SDRF during 2022-23

(₹ in crore)

Major Head of Account	Minor Head of Account	Expenditure during 2022-23
2245-05-State Disaster Response Fund	101-Transfer to State Disaster Response Funds and Deposit Account	71.81
	901- Deduct - Amount met from State Disaster Response Fund	(-) 8.06
Total -2245		63.75

Source: Finance Accounts

As per the SDRF guidelines, only expenditure booked under 2245-02-101 is admissible to be met from SDRF. It can be noticed from **Table 2.30** that ₹ 63.75 crore was charged under MH 2245-05 to MH 8121-SDRF and recouped by the State Government against the total expenditure of ₹ 33.00 crore during the year 2021-22 under the SDRF. There is, however, no expenditure booked under 2245-02-101 during the year by the State Government.

(b) State Disaster Mitigation Fund (SDMF)

As per Section 48(1) of the Disaster Management Act, 2005, the State Government is to constitute the SDMF exclusively for the purpose of mitigation projects in respect of disaster covered under State Disaster Response Fund (SDRF/NDRF) guidelines. Accordingly, the Government of Tripura has created the SDMF under Major Head 8121-130 in Public Account vide notification in November 2017.

There was a balance of ₹ 110.81 crore in the SDRF as on 31 March 2022. During 2022-23, the State Government transferred ₹ 15.20 crore from the balance of SDRF (20 per cent of SDRF grants received during 2020-21) to SDMF as per GoI's instructions. Further, the Government transferred ₹ 15.11 crore (Central share: ₹ 13.60 crore and State share: ₹ 1.51 crore) grants received during 2021-22 to the SDMF during 2022-23. The State Government had invested ₹ 15.00 crore from the Fund in 182 days Treasury Bills during 2022-23. However, the State Government did not transfer the grant of ₹ 7.10 crore received from GoI during 2022-23 to the Fund. As on 31 March 2023, there was ₹ 15.31 crore lying un-invested in the fund.

(c) State Compensatory Afforestation Fund (SCAF)

In compliance to the instructions issued by the Ministry of Environment and Forests, GoI, and guidelines of 2009, the State Government established State Compensatory Afforestation Fund under Major Head 8336-Civil Deposit for utilisation of monies collected for undertaking Compensatory Afforestation, assisted natural regeneration, conservation and protection of forests, infrastructure development, wildlife conservation, protection and other related activities and for matters connected therewith or incidental thereto.

The monies received by the State Government from the user agencies need to be credited in 'State Compensatory Afforestation Deposits' under interest bearing section

in Public Account of the State at Minor Head level below the Major Head 8336-Civil Deposits. As per Section 3(4) of the Compensatory Afforestation Fund Act, 2016, 90 *per cent* of the fund needs to be transferred to the Major Head 8121-General and Other Reserve Funds in Public Account of the State and balance 10 *per cent* to be credited into the National Fund on yearly basis provided that, the credit of 10 *per cent* Centre share of funds should be ensured on monthly basis so that the same is transferred to the National Fund. The applicable rate of interest on balances available under ‘State Compensatory Afforestation Deposits’ under ‘8336-Civil Deposits’ and ‘State Compensatory Afforestation Fund’ under ‘8121-General and Other Reserve Funds’ will be as per the rate declared by the Central Government on year to year basis.

As on 31 March 2022, there was a balance of ₹ 415.31 crore in the State Compensatory Afforestation Fund under Public Account which bears the interest of ₹ 13.91 crore¹⁸. During 2022-23, the State Government did not receive any fund from the user agencies. The State Government, however, credited ₹ 11.95 crore as interest instead of ₹ 13.91 crore to the fund during 2022-23. The State Government incurred ₹ 34.80 crore from the fund during 2022-23. As on 31 March 2023, there was a balance of ₹ 392.46 crore in the SCA Fund under MH 8121-129 which bears an interest as per the rate declared by the Central Government on year-to-year basis.

2.5.2.3 Road Development Fund

In compliance to the provisions contained in Section 4 of Tripura Road Development Cess Act, 2018, the State Government has constituted a special fund called ‘Road Development Fund’ and created a Major Head 8225-Roads and Bridges Fund under the Public Account. It is a non-interest bearing non-lapsable fund created to utilize the collection of Road Development Cess from sales of petrol, diesel and natural gas for development of Roads in the State. As per accounting procedure, the Cess so collected should be credited under the Revenue Receipts Head 0045-00-112. Thereafter the fund should be transferred to the Public Account under the head as created through Revenue expenditure under MH 3054 or Capital expenditure under MH 5054 for the expenditure on Road Development works as a deduct expenditure.

During 2022-23, the State Government has collected ₹ 402.29 crore as Road Development Cess and transferred the same through Revenue expenditure head 3054 to the fund under Public Account during the year. During 2022-23, the State Government had incurred ₹ 378.83 crore from the Road and Bridges (Road Development) Fund which was transferred through MH 3054 (₹ 239.22 crore) and 5054 (₹ 139.61 crore) respectively during the year. There was a balance of ₹ 190.60 crore in the Roads and Bridges Fund under the Public Account as on 31 March 2023 for future use in Road Development purpose in the State.

In addition, during 2022-23 the State Government had received grants of ₹ 19.42 crore from GoI as Central Road (Central Road and Infrastructure) Fund to be utilised for development and maintenance of National Highways, Rail Projects, improvement of

¹⁸ Calculated at the rate of 3.35 *per cent* fixed for the year 2022-23 by the Ministry of Forest, Environment and Climate Change, GoI.

safety in Railways, State and Rural Roads and other infrastructures, *etc.* As per accounting procedure, the grants from the GoI under Central Road and Infrastructure Fund (CRIF) are to be booked under Major Head 1601 as Revenue Receipts of the State Government. Thereafter, the money so received by the State Government should be transferred to the Public Account under head 8449-103-Subventions from Central Road and Infrastructure through functional Major Heads.

The State, however, transferred ₹ 22.36 crore through functional Major Head 5054 to the Deposit Head under Public Account during 2022-23 and incurred the same from the fund during the year.

2.5.2.4 Guarantee Redemption Fund (GRF)

The State Government constituted a Guarantee Redemption Fund (GRF) on 12 July 2007. The fund has been revised as 'Guarantee Redemption Fund Scheme' by the State Government vide Gazette Notification dated 29th January 2016, effective from the financial year 2015-16 and subsequent notification dated 16th January 2018 effective from the financial year 2017-18. As per the revised guidelines, the Government shall initially contribute a minimum of one *per cent* and thereafter at the rate of minimum 0.5 *per cent* of outstanding guarantees every year to achieve a minimum level of three *per cent* of outstanding guarantees in next five years and gradually increased to a desirable level of five *per cent*.

Guarantee Redemption Fund has been created for meeting the payment obligations arising out of the guarantees issued by the Government in respect of bonds issued and other borrowings by the State Public Sector Undertakings or other Bodies and invoked by the beneficiaries. The accumulations in the Fund are to be utilised only towards payment of the guarantees issued by the Government and not paid by the institutions on whose behalf guarantee was issued.

This fund is classified under the Head of Account 8235-General and other Reserve Funds - 117- Guarantees Redemption Fund in the Public Account. During 2022-23, the Government received ₹ 1.75 crore as guarantee fee from the power corporation on fresh guarantee given by the State Government during the year. During 2022-23, the State Government, however contributed ₹ 3.17 crore to the GRF as required for the year. During 2022-23 ₹ 0.88 crore was credited as interest accrued on this Fund-investment account.

As on 31 March 2023, the total accumulation of Fund was ₹ 20.89 crore (3.67 *per cent* of outstanding guarantees at end of the year) in this Guarantee Redemption Fund which bears the desired level at five *per cent* at the end of five years. The accumulated amount of ₹ 20.89 crore was invested by the State Government during the year.

There was an outstanding guarantee of ₹ 569.90 crore including interest of ₹ 0.08 crore as 31 March 2023. The status of guarantees is discussed at **Paragraph 2.7.2**.

2.5.2.5 Building and other Construction Workers Welfare Cess (Labour Cess)

The Government of India enacted the Building and Other Construction Workers Welfare Cess Act, 1996 (Cess Act) to levy and collect cess for providing benefits to the

workers. The Act, inter alia, mandated constitution of a Building and Other Construction Workers' Welfare Board and framing of rules by every State Government to exercise the powers conferred under the Act. Accordingly, the Government of Tripura has framed Building and Others Construction Workers (Regulation of Employment and Conditions of Service) Rules, 2001 under the Act and has constituted Tripura Building and Other Construction Workers Welfare Board (TBO CWWB) in the State on 20 January 2007 under Section 18(1) of the Building and Other Construction Workers (Regulation of Employment and condition of Service) Act, 1996 of the Government of India. The proceeds of Labour Cess are collected at the rate of one *per cent* of the total project cost of constructions incurred by the employer. The funds so collected are utilised for the purpose of various Welfare activities for the workers. The proceeds of labour cess are collected and accounts are maintained by the Board outside Government Accounts and kept in the Bank Account of the Board. The amount of labour cess collected and spent during the period of last five years are shown in **Table 2.31**.

Table 2.31: Collection of labour cess and its spending

(₹ in crore)

Year	Amount of labour cess Collected	Amount spent
2018-19	23.56	7.04
2019-20	18.09	9.90
2020-21	19.17	12.05
2021-22	38.07	9.03
2022-23	43.81	5.94
Total	142.70	43.96

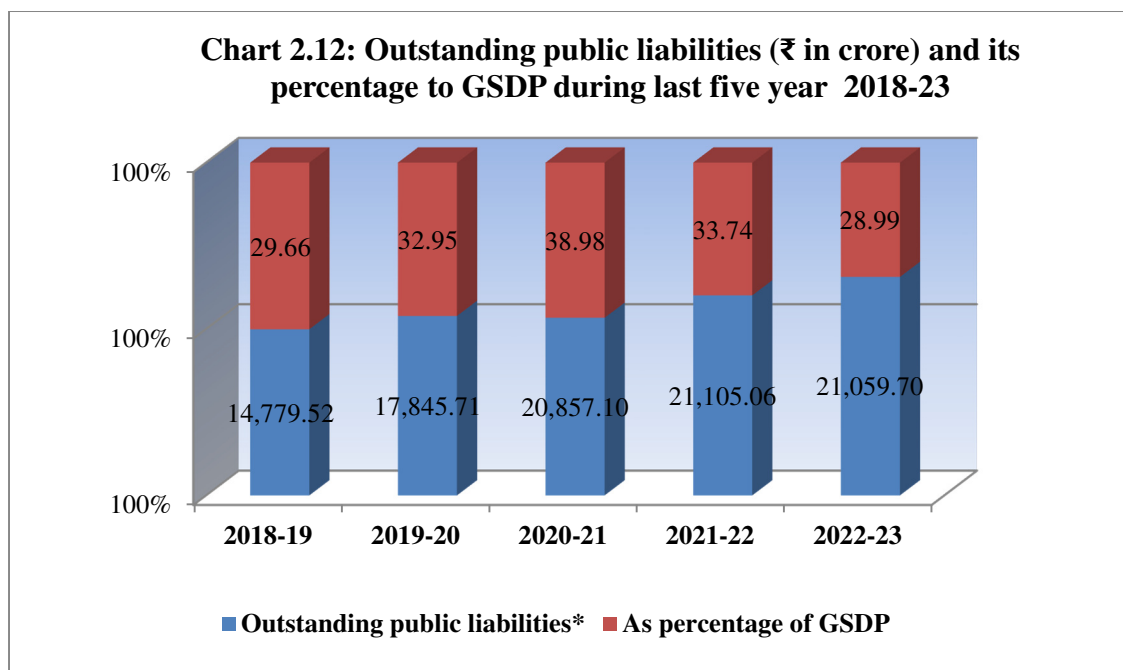
Source: Labour Directorate, Govt. of Tripura

As per information furnished (May 2023) by the State Government, during 2022-23, an amount of ₹ 43.81 crore was collected as labour cess. During the year 2022-23, the Board incurred ₹ 5.94 crore in various purposes. As per the information furnished by the Board (May 2023), there was an unspent balance of ₹ 368.61 crore with the Board of which ₹ 315.63 crore remained in Fixed Deposit Account and ₹ 52.98 crore in Savings Bank Account in various Banks as on 31 March 2023.

2.6 Public Liabilities Management

Management of Public Liability is the process of establishing and executing a strategy for managing the Government's liabilities in order to raise the required amount of funding, achieve its risk and cost objectives, and to meet any other sovereign debt management goals that the Government may have set through enactment or any other annual budget announcements.

The total outstanding liabilities of the State Government along with its percentage of GSDP for the years from 2018-19 to 2022-23 are given in **Chart 2.12**.



Source: Finance Accounts. *Excluding back to back loans received from GoI during 2020-21 (₹ 226.00 crore) and 2021-22 (₹ 401.37 crore) respectively in lieu of GST compensation

2.6.1 Liability profile: Components

Total liabilities of the State Government typically constitutes of internal debt of the State (market loans, ways and means advances from RBI, special securities issued to National Small Savings Fund and loans from financial institutions, etc.), loans and advances from the Central Government, and Public Account Liabilities. The State FRBM Act, 2005 of the State has defined the total liabilities as “The total liabilities mean the liabilities under the Consolidated Fund and the Public Account of the State and shall also include borrowings by the Public Sector undertakings and the Special Purpose Vehicles and other equivalent instruments including guarantees where principal and/or interest are to be serviced out of the State budget.

The component-wise trend of liability of the State Government for the period from 2018-19 to 2022-23 are presented in **Table 2.32**.

Table 2.32: Component wise trend of liabilities

Component of fiscal liability		2018-19	2019-20	2020-21	2021-22	2022-23
Total Outstanding Liability		14,779.52	17,845.71	20,857.10	21,105.06	21,059.70
Public Debt		8,843.80	11,212.20	13,093.17	13,082.55	12,968.30
Public Debt	Internal Debt	8,626.78	11,027.69	12,639.64	12,537.04	12,097.70
	Loans from GoI*	217.02	184.51	453.53	545.51	870.60
Public Account Liabilities		5,935.72	6,633.51	7,763.93	8,022.51	8,091.40
Small Savings, Provident Fund etc.		4,734.22	5,169.22	5,807.92	6,110.72	6,220.69
Reserve Funds bearing interest		241.13	292.65	443.96	526.13	523.50
Reserve Funds not bearing interest		4.50	8.97	107.57	173.26	194.80
Deposits bearing interest		0.01	0.52	0.29	0.57	1.05

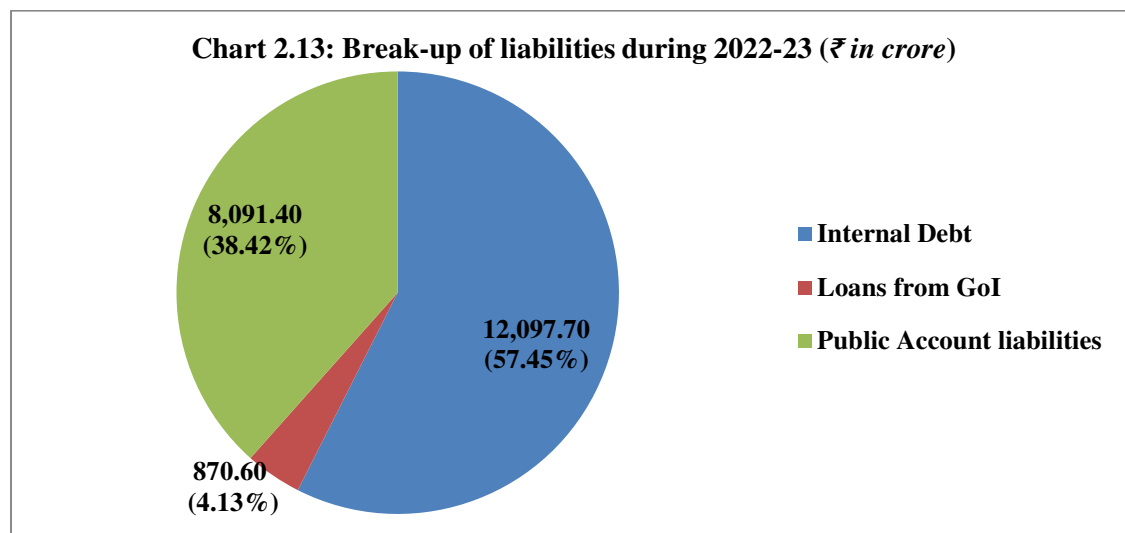
Component of fiscal liability	2018-19	2019-20	2020-21	2021-22	2022-23
Deposits not bearing interest	955.86	1,162.15	1,404.19	1,211.83	1,151.36
Rate of growth of outstanding total liabilities (<i>per cent</i>)	14.55	20.75	16.87	1.19	(-) 0.21
Gross State Domestic Product (GSDP)	49,823.32	54,151.12	53,504.12	62,550.44	72,635.62
Liability/GSDP (<i>per cent</i>)	29.66	32.95	38.98	33.74	28.99
Borrowings and Other Liabilities					
Total Receipts	3,961.23	5,725.87	6,201.06	4,081.95	3,881.98
Total Repayments	2,084.44	2,659.38	2,963.53	3,432.62	3,927.34
Net funds available	1,876.79	3,066.49	3,237.53	649.33	(-) 45.36
Repayments/Receipts (<i>percentage</i>)	52.62	46.44	47.79	84.09	101.17

Source: Finance Accounts. *Outstanding loans to GoI from 2020-21 onwards has been calculated excluding the Back to Back loan received by the State during 2020-21 (₹ 226.00 crore) and 2021-22 (₹ 401.37 crore) respectively from GoI in lieu of GST compensation which are not to be treated as liability of the State for any norms which may be prescribed by the FC, as per instructions of GoI.

During the last four out of the five-year period from 2018-19 to 2022-23, the effective total liabilities of the State Government increased (42.80 *per cent*) from ₹ 14,779.52 crore in 2018-19 to ₹ 21,105.06 crore in 2021-22. The increase was mainly on Public Debt which increased by 47.93 *per cent* while the internal debt increased by 45.33 *per cent* during the period. However, there was a decrease of ₹ 45.36 crore (0.21 *per cent*) during 2022-23 over the previous year as the repayment (₹ 3,927.34 crore) was more than the receipts (₹ 3,881.98 crore) of the total liabilities during the year.

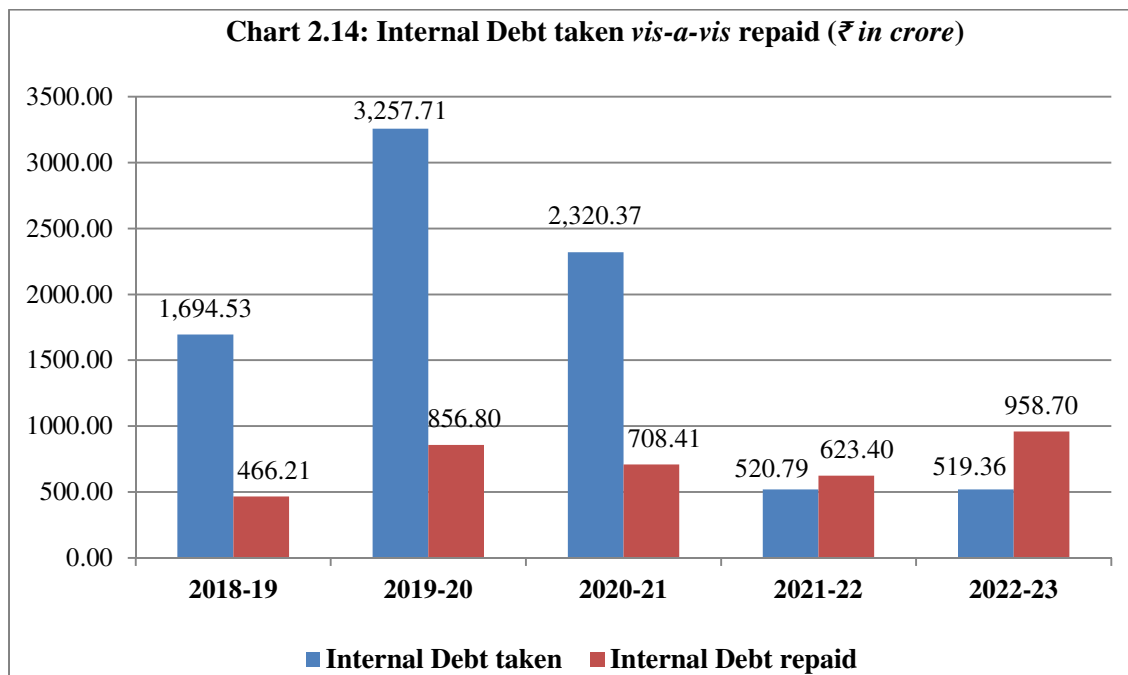
Public Account liabilities increased by 36.31 *per cent* from ₹ 5,935.72 crore in 2018-19 to ₹ 8,091.40 crore in 2022-23 mainly due to increase in liabilities of Small Savings, Provident Funds *etc.* by 31.40 *per cent* during the period.

Break up of outstanding liabilities and their percentage of total liabilities as on 31 March 2023 are shown in **Chart 2.13**:



Source: Finance Accounts

The trend of quantum of internal debt taken *vis-a-vis* repaid during last five years period from 2018-19 to 2022-23 are depicted in **Chart 2.14**:



Source: Finance Accounts

The **Chart 2.14** shows that the trend of receipts of the Internal debt was increased in three out of last five-year period from 2018-19 to 2022-23 it was peak in 2019-20 which was ₹ 3,257.71 crore (56.89 per cent) of total borrowings (₹ 5,725.87 crore) during the year. Thereafter, however, borrowing of internal debt slowed down to ₹ 519.36 crore in 2022-23. On the other side it was seen that during last two years out of the five-year period, the repayment of internal debt were higher than the internal debt taken by the State Government. As a result, the outstanding internal debt decreased to that extent at the end of the year 2022-23.

The financing pattern of fiscal deficit during 2018-23 has undergone a compositional shift as reflected in **Table 2.33**.

Table 2.33: Components of fiscal deficit and its financing pattern

(₹ in crore)

Particulars		2018-19	2019-20	2020-21	21-22	2022-23
Composition of Fiscal Deficit/surplus						
1	Revenue Deficit (-)/ Surplus(+)	141.69	(-)2,375.32	(-)1,075.42	1,488.71	570.30
2	Capital Expenditure	1,480.87	883.22	832.08	1,368.95	2,024.97
3	Net Loans and Advances	0.52	3.02	1.64	53.21	58.06
Financing Pattern of Fiscal Deficit						
1	Market Borrowings	1,386.83	2,578.00	1,631.00	0.00	(-) 645.00
2	Loans from GoI	(-)18.80	(-)32.21	495.15	493.36	325.10
3	Special Securities issued to NSSF	(-)115.26	(-)118.98	(-)118.89	(-)118.98	(-) 118.98

Particulars		2018-19	2019-20	2020-21	21-22	2022-23
4	Loans from other Financial Institutions	(-) 43.25	(-)58.11	99.94	16.37	324.64
5	Small Savings, PF, etc.	462.47	435.00	638.70	302.79	109.97
6	Deposits and Advances	56.87	207.96	242.61	(-)194.33	(-) 60.00
7	Suspense	(-) 314.73	366.78	(-)2.03	20.22	(-)6.17
8	Remittances	(-) 221.02	(-)119.89	(-) 32.34	(-) 25.62	0.17
9	Reserve Fund	(-) 26.27	80.66	323.43	449.74	347.23
10	Overall Deficit	1,166.84	3,339.21	3,277.48	943.55	276.96
11	Increase(-)/Decrease(+) in cash balance and investment of cash balance	172.86	(-) 77.65	(-)1,368.34	(-) 1,010.10	1,235.77
12	Gross Fiscal Deficit(+)/Surplus(-)	1,339.70	3,261.56	1,909.14	(-) 66.55	1,512.73

Source: Finance Accounts

The share of revenue deficit/surplus in fiscal deficit indicates the extent to which borrowed funds were used for current consumption.

Table 2.34: Receipts and Disbursements under components financing the fiscal deficit during 2022-23

Particulars		Receipt	Disbursement	Net
(₹ in crore)				
Gross Fiscal Deficit(-)/Surplus(+)				
1	Market Borrowings	0	645.00	(-)645.00
2	Loans from GoI	358.06	32.96	325.10
3	Special Securities issued to NSSF	0	118.98	(-) 118.98
4	Loans from Financial Institutions	519.35	194.71	324.64
5	Small Savings, PF, etc.	1,713.24	1,603.27	109.97
6	Deposits and Advances	497.46	557.46	(-) 60.00
7	Suspense	4.77	10.94	(-) 6.17
8	Remittances	(-) 0.01	(-) 0.18	0.17
9	Reserve Fund	793.86	446.63	347.23
10	Overall Deficit(-)/Surplus(+)	3,886.73	3,609.77	276.96
11	Increase(-)/Decrease(+) in cash balance	3,424.61	2,188.84	1,235.77

Source: Finance Accounts

2.6.2 Debt profile: Maturity and Repayment

Debt maturity and repayment profile indicates commitment on the part of the Government for debt repayment or debt servicing.

Maturity Profile of repayment of Public Debt is shown in **Table 2.35** and the repayment schedule of outstanding market loans with interest is shown in **Chart 2.15**.

Table 2.35: Maturity profile of repayment of Public Debt of the State

(₹ in crore)

Period of repayment (Years)	Principal	Interest*	Total	Percentage (w.r.t. Public debt)
0 – 1	743.37	919.97	1,663.34	8.08
1– 3 years	1,077.67	1,702.81	2,780.48	14.08
3 – 5 years	2,472.53	1,477.17	3,949.70	20.00
5 – 7 years	4,797.65	1,062.95	5,860.60	29.68
7 -10 years	1,203.14	556.30	1,759.44	8.91
10years and above	1,890.69	431.50	2,322.19	11.76
Others	1,410.62 ¹⁹	0	1,410.62	7.15
Total	13,595.67	6,150.70	19,746.37	100.00

Source: Finance Accounts. * Interest calculated at an average rate of 7.55 per cent interest on market borrowings.

Table 2.35 shows that out the State Government has to pay ₹ 4,443.82 crore (22.50 per cent) of the outstanding public debt including interest within next three years, ₹ 3,949.70 crore (20 per cent) between next 3-5 years and ₹ 5,860.60 crore (29.68 per cent) within next 5-7 years respectively. Out of the outstanding debt of ₹ 1,410.62 crore, shown as others in **Table 2.35**, ₹ 768.33 crore was interest free loans given by the GoI as Special Assistance for capital expenditure of which ₹ 349.79 crore was given during 2022-23.

The year-wise repayment schedule of outstanding public debt (including interest) as on 31 March 2023 for the next 10 years upto 2032-33 are indicated in **Table 2.36**.

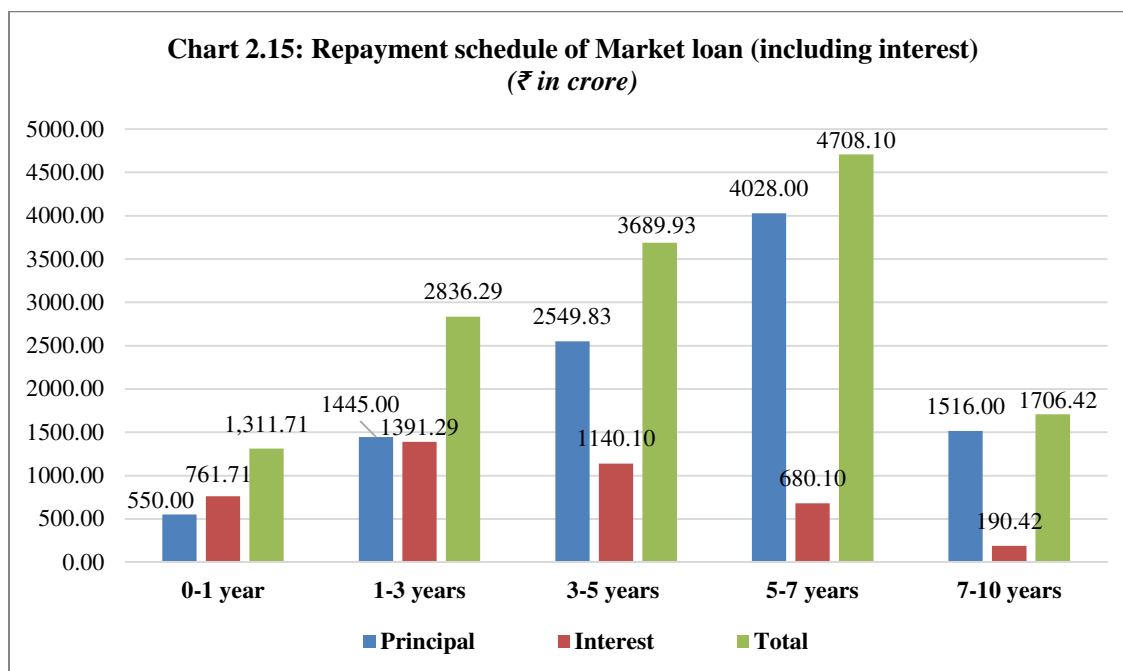
Table 2.36: Repayment schedule of outstanding Public Debt next 10 years upto 2032-33

(₹ in crore)

Year	Repayment of		
	Principal	Interest	Total
2023-24	743.37	919.97	1,663.34
2024-25	329.62	863.85	1,193.47
2025-26	748.05	838.96	1,587.01
2026-27	1,162.81	782.48	1,945.29
2027-28	1,309.73	694.69	2,004.42
2028-29	1,704.12	595.81	2,299.93
2029-30	3,093.52	467.14	3,560.66
2030-31	864.37	233.58	1,097.95
2031-32	184.37	168.32	352.69
2032-33	154.40	154.40	308.80
Total	10,294.36	5,719.20	16,013.56

¹⁹ Includes back to back loan of ₹ 226.00 crore for the year 2020-21 and ₹ 401.37 crore for the year 2021-22 given by the GoI in lieu of compensation of GST without any repayment obligations and pre-1984-85 loan of ₹ 0.18 crore.

Repayment schedule of Market loans and interest is shown in **Chart 2.15**:



Source: Finance Accounts

As on 31 March 2023, ₹ 10,088.83 crore of the market loans bearing interest was pending for repayment with interest. The State Government will have to pay ₹ 4,163.62 crore as interest on the outstanding market loan at the average rate of 7.55 per cent upto next 1 to 10 years period. Out of this, the State Government will have to pay ₹ 7,837.93 crore (Principal: ₹ 4,544.83 crore and as interest ₹ 3,293.10 crore) during next 5 years period up to 2027-28. Rest of ₹ 4,708.10 crore including interest of ₹ 680.10 crore will have to be paid next five to seven years upto 2029-30. The rest of ₹ 1,706.42 crore including interest of ₹ 190.42 crore will have to pay by 2035-36 as per maturity profile of the Finance Accounts 2022-23.

2.7 Debt Sustainability Analysis (DSA)

Debt sustainability analysis has been carried out on the basis of fiscal and debt parameters, Domar approach and compliance of macro-fiscal parameters to the respective FRBM targets. The results of the analysis are given in the following paragraphs:

(A) Debt sustainability refers to the ability of the State to service its debt obligations now and in future. Analysis of variations in debt sustainability indicators is given in **Table 2.37**:

Table 2.37: Trends in debt Sustainability indicators

Debt Sustainability Indicators	(₹ in crore)				
	2018-19	2019-20	2020-21	2021-22	2022-23
Outstanding Public Debt*	8,843.80	11,212.20	13,093.17	13,082.55	12,968.30
Rate of Growth of Outstanding Public Debt	15.84	26.78	16.78	(-) 0.08	(-) 0.87
Gross State Domestic Product	49,823.32	54,151.12	53,504.12	62,550.44	72,635.62
Rate of Growth of GSDP	13.97	8.69	(-) 1.19	16.91	16.12

Debt Sustainability Indicators	2018-19	2019-20	2020-21	2021-22	2022-23
Public Debt/GSDP	17.75	20.71	24.47	20.92	17.85
Debt Maturity profile of repayment of State debt – including default history, if any	498.05	889.07	741.24	656.34	991.66
Average interest Rate on Public Debt (<i>per cent</i>)	8.20	7.89	7.67	7.50	7.55
Interest payment on Public Debt	667.99	752.38	901.24	985.35	952.89
Revenue Deficit (-)/Surplus(+) without interest payment on Public Debt	809.68	(-) 1,622.94	(-) 174.18	2,474.06	1,523.23
Revenue Deficit due to interest payments on Public Debt	141.69	(-) 2,375.32	(-) 1,075.42	1,488.71	570.30
Percentage of Interest payment on Public Debt to Revenue Receipt	5.55	6.84	6.78	5.59	5.20
Percentage of Debt Repayment to Debt Receipt	29.17	27.29	26.02	62.68	113.02
Net Debt available to the State [#]	541.53	1,616.32	1,205.87	(-) 594.60	(-) 1,067.13
Net Debt available as <i>per cent</i> to Debt Receipts	31.71	49.61	42.34	(-) 56.79	(-) 121.62
Primary deficit(-)/surplus(+)	(-) 320.75	(-) 2136.58	(-) 624.33	1464.71	(-) 139.21
Debt Stabilisation (Quantum spread [#] + Primary Deficit)	873.49	2,319.34	(-) 1,099.81	374.28	972.17

Source: Finance Accounts. *Excludes back to back loan of ₹627.37 crore (₹ 226.00 crore in 2020-21 and ₹ 401.37 crore in 2021-22) received from the GoI in lieu of compensation of GST without any repayment obligations. # Quantum spread=Debt* rate spread (GSDP growth rate-interest rate).[#]Net debt available to the State Government is calculated as excess of Public debt receipts over Public debt repayment and interest payment on Public Debt.

- A falling debt-GSDP ratio can be leading towards stability. Debt stabilisation condition states that if quantum spread together with primary deficit is zero, debt-GSDP ratio would tend to be constant, or debt would stabilise eventually. On the other hand, if primary deficit together with quantum spread turns out to be negative, debt-GSDP ratio would be rising and in case it is positive, debt-GSDP ratio would eventually be falling.
- **Table 2.37** shows that the trend of debt-GSDP ratio was rising from 17.75 *per cent* in 2018-19 to 24.47 *per cent* in 2020-21 which could not be considered as leading towards stability. Thereafter the ratio went down to 17.85 *per cent* in 2022-23 which was marginally lower than the ratio of 2021-22 indicating debt stabilisation.
- The ratio of interest payments on public debt to Revenue receipts ranged between 5.20 *per cent* and 6.84 *per cent* during last five years period and it was 5.20 *per cent* in 2022-23 which marginally lower than that of 5.59 *per cent* in 2021-22 indicates good measures of debt sustainability.
- Higher the percentage of repayment of public debt to public debt receipts, the greater the proportion of debt utilised for debt servicing rather than productivity. During last five years period 2018-19 to 2022-23 the ratio of public debt repayment was ranged between 26.02 *per cent* and 113.02 *per cent*. The ratio was 113.02 *per cent* in 2022-23, which means entire public borrowings were utilised for repayment of earlier borrowings leaving no space to use it for productivity.

(B) An analysis on debt sustainability was carried out based on a study by E.D. Domar (Domar 1944). The Domar model states that the necessary premise for ensuring stability of public indebtedness is that the interest rates for government loans should not exceed the growth rate of GSDP. The dynamics of public debt depending on the interest rate, growth rate of GSDP and the primary budget balance are as follows:

$g-r$ (g -real economic growth rate; r - real interest rate)	$s < 0$ (primary deficit)	$s > 0$ (primary surplus)
$g-r > 0$ (strong economic growth)	Public debt as percentage of GSDP should converge to a stable level greater than zero	Public debt as percentage of GSDP should converge to a stable level less than zero
$g-r < 0$ (slow economic growth)	Public debt as percentage of GSDP should increase indefinitely, without converging to a stable level.	Undefined situation

The results of applying the above parameters in the case of Tripura are shown in **Table 2.38**.

Table 2.38: Debt sustainability in Domar Modal

Year	Real growth rate	Real interest	Domar gap ($g-r$)	Primary Deficit (-)/ Surplus (+)	Remarks
	(g)	(r)		(s)	
2018-19	11.06	3.83	7.24	(-)320.75	$g-r > 0$ and $s < 0$: Public debt as <i>percentage</i> of GSDP should converge to a stable level greater than zero.
2019-20	3.56	1.24	2.32	(-)2,136.58	
2020-21	(-)4.36	(-)1.30	(-)3.06	(-)624.33	$g-r < 0$ and $s < 0$: Public debt as <i>percentage</i> of GSDP should increase indefinitely without converging to a stable level.
2021-22	8.47	3.78	4.69	(+)1,464.71	$g-r > 0$ and $s > 0$: Public debt as <i>percentage</i> of GSDP should converge to a stable level less than zero leading to public savings
2022-23	8.89	0.33	8.57	(-)139.21	$g-r > 0$ and $s < 0$: Public debt as <i>percentage</i> of GSDP should converge to a stable level greater than zero.

Note: Real Growth rate calculated for GSDP at constant prices base year 2011-12.

During last five years period from 2018-19 to 2022-23, in only one year i.e 2021-22 which was post Covid period, the State had primary surplus and Domar gap was positive indicating that real interest rates have remained below the GSDP growth rates during the year. However, the sustainability of public debt depends on whether the state economy maintains the real growth rate in the long run. During 2020-21, the Domar gap²⁰ was negative with a primary deficit showing that the Public Debt as percentage of GSDP should increase indefinitely, without converging to a stable level. During

²⁰ Domar gap was negative due to Covid year (2020-21).

2018-19, 2019-20 and 2022-23, the Domar gap was positive but with primary deficit. Thus, as per the Domar model analysis of Debt sustainability, it may be stated that the Public Debt would converge to a stable level during these years.

(C) Details of the achievement *vis-a-vis* target set in the Fiscal Correction Road map (FCR) are shown **Table 2.39**.

Table 2.39: Target and achievements parameters set in the Fiscal correction road map

Fiscal parameters	Achievement vis-a-vis target set in the road map					
		2018-19	2019-20	2020-21	2021-22	2022-23
Revenue Deficit (-)/ Surplus(+)(₹ in crore)	T	To maintain Revenue surplus				
	A	141.69	(-)2,375.32	(-)1,075.42	1,488.71	570.30
Fiscal Deficit(-)/ Surplus (+) as percentage of GSDP	T	(-)3.25	(-)3.25	(-)5.00	(-)4.50	(-)4.00
	A	(-)2.69	(-)6.02	(-)3.57	0.11	(-)2.08
Ratio of total outstanding liability to GSDP (in per cent) *	T	34.33	34.16	36.30	34.90	35.10
	A	29.66	32.96	38.98	33.74	28.99
Guarantees in terms of percentage of Revenue Receipts of previous year	T	0.00	0.00	0.00	0.00	0.00
	A	2.28	2.05	2.51	0.83	0.99
Outstanding Guarantees in terms of percentage of GSDP	T	1 per cent of GSDP				
	A	1.05	1.36	1.14	1.01	0.78

* Percentage of outstanding liabilities to GSDP for 2020-21 onwards has been calculated excluding back to back loans received by the State in lieu of GST compensation during 2020-21 and 2021-22.

Table 2.39 shows that the State Government could not maintain the target of Revenue surplus two out of five years period 2018-23. Even the Revenue surplus decreased to ₹ 570.30 crore in 2022-23 from ₹ 1,488.71 crore in 2021-22. Though the ratio of outstanding liabilities to GSDP remained within the target in four out of five years period, the State could not maintain it in 2020-21. The ratio of outstanding guarantee to GSDP were above the target in four out of five years period except 2022-23 where it was below one *per cent* as per Fiscal Consolidation Roadmap prescribed in the TFRBM Act, 2005.

2.7.1 Utilisation of borrowed funds

Borrowed funds should ideally be used for capital creation and developmental activities. Using borrowed funds for meeting current consumption and repayment of interest on outstanding loans is not a healthy trend.

Table 2.40 depicts the trend of utilisation of borrowed funds during the last five years period 2018-19 to 2022-23.

Table 2.40: Utilisation of borrowed funds(*₹ in crore*)

Sl. No.	Particulars	2018-19	2019-20	2020-21	2021-22	2022-23
1	Total Borrowings	1,707.57	3,257.77	2,848.35	1,047.09	877.42
2	Repayment of earlier borrowings (Principal) (percentage)	498.05 (29.17)	889.07 (27.29)	741.24 (26.02)	656.34 (62.68)	991.66 (113.02)
3	Capital expenditure (Percentage)	1,209.52 (70.83)	883.22 (27.11)	832.08 (29.21)	1,368.95 (130.74)	2,024.97 (230.79)
4	Net loans and advances	52.26 (3.06)	3.02 (0.09)	1.64 (0.06)	53.21 (5.08)	58.06 (6.62)
5 (1-2-3-4)	Portion of Revenue expenditure met out of net available borrowings	(-) 52.26 (3.06)	1,482.46 (45.51)	1,273.39 (44.71)	(-)1,031.41 (-98.50)	(-) 2,197.27 (-250.42)

Source: *Finance Accounts*

Table 2.40 shows that during the period 2018-22, the State Government utilised 26.02 *per cent* to 62.68 *per cent* of its current borrowings for repayment of earlier borrowing during the years. During 2022-23, the amount of repayment of borrowings was higher than the borrowings during the years. During 2019-20 and 2020-21 about 45-46 *per cent* of borrowed fund were utilised for meeting of Revenue expenditure whereas 26-27 *per cent* of borrowed fund was utilised for capital expenditure during those years. However, the capital expenditure was increased in 2021-22 and 2022-23 respectively. As a result, the net availability of borrowed fund was negative in those years. It was also noticed that during 2022-23, the Government borrowed fund ₹ 877.42 crore and repaid earlier principal amount of ₹ 991.66 crore during the year. The capital expenditure was ₹ 2,024.97 crore and Net loan and advances ₹ 58.06 crore during the year 2022-23. After meeting the payment of outstanding principal amount of loan, the net fund available from the borrowed fund was (-) ₹ 104.24 crore during 2022-23. It indicates that the State Government utilised 100 *per cent* of the borrowed fund for meeting the repayment of earlier debt during 2022-23.

2.7.2 Status of Guarantees-Contingent Liabilities

Guarantees, in case of defaults by borrowers for whom the guarantees have been extended, are liabilities contingent on the Consolidated Fund of the State. The State Governments gives guarantees for repayment of loans raised by statutory corporations/companies, cooperative societies, boards *etc.* As per TFRBM Act, 2005, the limit of the amount of annual incremental risk weighted guarantees was fixed at one *per cent* of GSDP for the year. As per Statement 9 of the Finance Accounts, details of the guarantees given and status of outstanding guarantees for the last five years is given in **Table 2.41**.

Table 2.41: Guarantees given by the State Government

(₹ in crore)

Guarantees	2018-19	2019-20	2020-21	2021-22	2022-23
Ceiling applicable to the outstanding amount of guarantees including interest (Criteria)	1 per cent of GSDP	1 per cent of GSDP	1 per cent of GSDP	1 per cent of GSDP	1 per cent of GSDP
Maximum amount of guarantees given during the year	230.00	246.75	276.40	110.00	175.00
Outstanding amount of guarantees including interest	523.67	734.57	771.42	634.26	569.90
Percentage of outstanding guarantees to GSDP	1.05	1.36	1.44	1.01	0.78

Source: Finance Accounts

The break-up of outstanding guarantee is shown in **Table 2.42**.

Table 2.42: Details/ break-up of outstanding guarantee as on 31 March 2023

(₹ in crore)

Sector	Outstanding at the beginning of 2022-23	Addition during 2022-23	Deletions during the year 2022-23	Outstanding as on 31-03-2023
1. Tripura Infrastructure and Investment Fund Board	146.40	0.00	146.40	0.00
2. Power (6 Nos.)	357.47	175.00	45.69	486.78
3. Co-operation (6 Nos.)	130.39	0.00	47.27	83.12
Total:	634.26	175.00	239.36	569.90

Source: Finance Accounts

During 2022-23, the State Government had given guarantee of ₹ 175.00 crore to the Power Corporation (TSECL) which was 0.24 per cent of GSDP (₹ 72,635.62 crore) for the year. The State Government received ₹ 1.75 crore as Guarantee fees on the fresh guarantee given during 2022-23 as per decision of the Government (May 2008). As on 31 March 2023, outstanding guarantee was ₹ 569.90 crore out of which ₹ 486.78 crore was outstanding with the Power Corporation Limited and ₹ 83.12 crore remained outstanding with six Co-operative Societies.

The State Government was requested to furnish the details of the loan raised by the various entities against the guarantee given by the Government during 2021-22. Reply of the Government has not been received (September 2023).

2.7.3 Management of Cash Balances

As per an agreement with the Reserve Bank of India, State Governments have to maintain a minimum daily cash balance with the Bank. If the balance falls below the agreed minimum on any day, the deficiency is made good by taking ordinary Ways and Means Advances (WMA)/Special Ways and Means Advances (SWMA)/Overdrafts (OD) from time to time. The limit for ordinary WMA to the State Government is revised by the RBI from time to time.

State Government invests its surplus cash balance in short and long-term GoI Securities and Treasury Bills. The profits derived from such investments are credited as receipts under the head '0049-Interest Receipts'. The cash balances are invested in the Consolidated Sinking Fund and Guarantee Redemption Fund as well.

It is not desirable that the State Government takes recourse to market loans despite having large cash balances as this leads to further accretion to cash balances without putting it to productive use.

Under the agreement with the RBI, the State Government had to maintain a minimum cash balance of ₹ 0.29 crore with the bank. If the balance falls below the agreed minimum on any day, the deficiency is made good by taking ordinary or special ways and means advances/overdraft from time to time. The limit for ordinary ways and means advances to the State Government was ₹ 304.00 crore as on 31 March 2023. The operative limit of Special Drawing Facility (SDF) of the State Government was ₹ 840.44 crore as on 31 March 2023. During the year 2022-23, the State Government, however, had not availed any Ways and Means Advances and Special Drawing facility as the Government had maintained the minimum cash balances in any day out of 365 days during the financial year.

Table 2.43 depicts the cash balances of the State at the end of 31 March 2023 and investments:

Table 2.43: Trend of Cash Balances investment

(₹ in crore)

Particulars	Opening balance on 1 April 2023	Closing balance on 31 March 2023
A. General Cash Balance		
Deposits with Reserve Bank of India	(-) 58.92	1.06 ²¹
Remittances in transit – Local	(-) 1.13	(-) 1.13
Total	(-) 60.05	(-) 0.07
Investments held in Cash Balance investment account	2,755.52	1,131.42
Total (A)	2,695.47	1,131.35
B. Other Cash Balances and Investments		
Cash with departmental officers viz., Public Works, Forest Officers	29.55	29.55
Permanent advances for contingent expenditure with department officers	0.24	0.27
Investment in earmarked funds	699.35	1,027.67
Total (B)	729.14	1,057.49
Total (A + B)	3,424.61	2,188.84
Interest realised	18.48	17.31

Source: Finance Accounts

²¹ There was difference of ₹ 0.96 crore (Cr.) between the figures reflected in the accounts ₹ 1.06 crore (Dr.) and that intimated by the RBI ₹ 2.02 crore (Cr.) regarding 'Deposit with RBI (March 2023). After reconciliation/adjustment (June 2023), there was no difference in the balances.

The closing cash balance was ₹ 2,188.84 at the end of 31 March 2023 which was decreased by ₹ 1,235.77 crore over the previous year. Out of the total closing cash balances of ₹ 2,188.84 crore, ₹ 1,027.67 crore held in investment in the earmarked funds. Investment of ₹ 981.78 crore was made from the Consolidated Sinking Fund and ₹ 25.00 crore from the SDRF upto the end of 31 March 2023. Remaining ₹ 20.89 crore was invested from the Guarantee Redemption fund under the General Reserve Fund at the end of the year 2022-23. From **Table 2.43** it can be seen that the General cash balance (₹ 1,131.42 crore) at the end of the year was higher than the investment amount (₹ 1,027.67 crore) in the earmarked reserve funds. However, the State Government received ₹ 17.31 crore as interest on the Cash balance investment account during 2022-23.

Details of cash balance investment account during the last five year period is shown in **Table 2.44**.

Table 2.44: Cash Balance Investment Account (Major Head-8673)

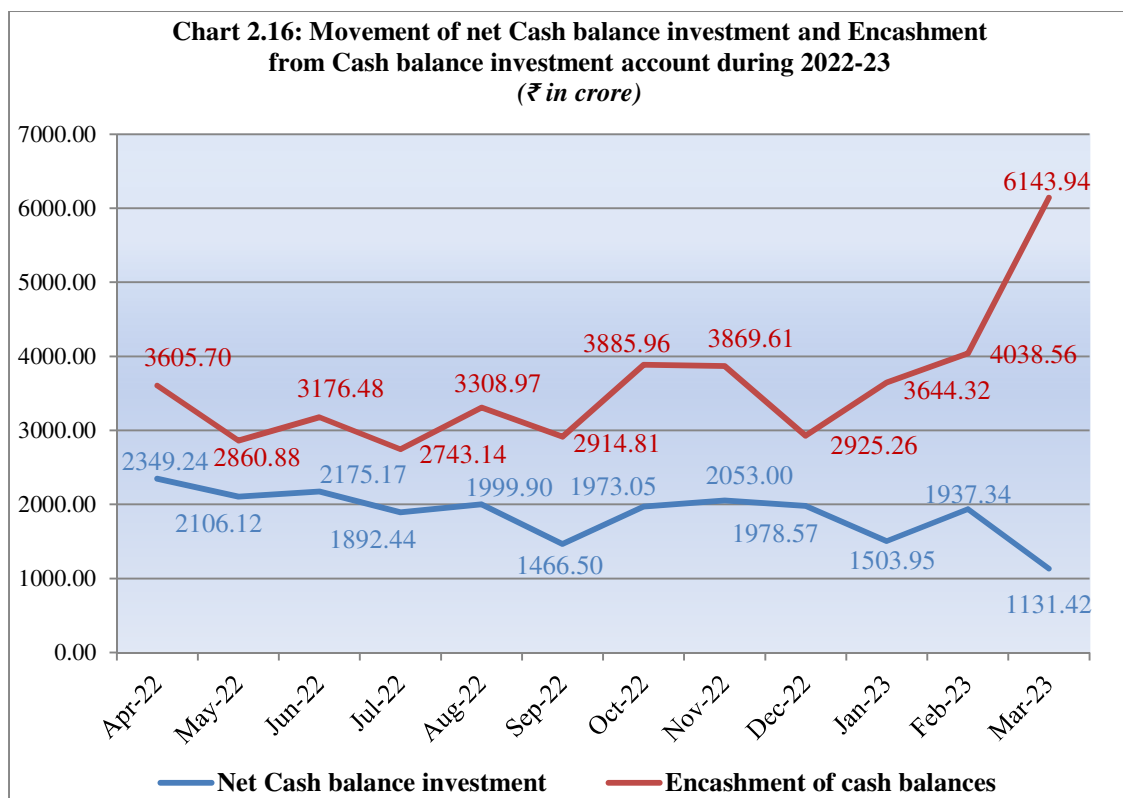
(₹ in crore)

Year	Opening Balance	Closing Balance	Increase (+) / decrease (-)	Interest earned
2018-19	639.54	652.34	12.80	37.86
2019-20	652.34	353.36	(-)298.98	17.43
2020-21	353.36	1,940.78	1,587.42	17.04
2021-22	1,940.78	2,755.52	814.74	18.48
2022-23	2,755.52	1,131.42	(-) 1,624.10	17.31

Source: Finance Accounts

It can be seen in **Table 2.44** that the amount in Cash balance investment account decreased substantially by 58.94 per cent at the end of March 2023 over the previous year, it means that the State Government utilised more funds from the balances for meet up the fiscal deficit during the year as there was fiscal deficit of ₹ 1,512.73 crore during 2022-23.

Month-wise movement of the net cash balance investment and the encashment from the investment account during 2022-23 are shown in **Chart 2.16**:



Source: PAG (A&E) office

2.8 Salient features

Deficit indicators, revenue augmentation and expenditure management are the major yardsticks for judging the fiscal performance of the Government. Comparison of key parameters of the State Finances 2022-23 with that of the previous year is summarised in **Table 2.45**.

Table 2.45: Key parameters

Positive indicators	Parameters requiring close watch
Own Tax Revenue increased by 14.65 per cent	Misclassification of accounts between Revenue and Capital in respect of grant-in-aid
Own Non-Tax Revenue increased by 46.78 per cent	Trend of Fiscal deficit
Capital expenditure increased by 47.92 per cent	Recovery of old loans
Revenue Expenditure on Social services increased by 15.55 per cent	

2.9 Conclusion

The State Government passed the TFRBM Act, 2005 to ensure prudence in the fiscal management and fiscal stability by progressive elimination of revenue deficit and maintained revenue surplus. The Government amended (5th Amendment) the TFRBM Act, in 2022. The Government enjoyed revenue surplus during three out of last five years period 2018-23. However, during 2022-23, revenue surplus was decreased to ₹ 570.30 crore from ₹ 1,488.71 crore in 2021-22.

The Government witnessed fiscal deficits of ₹ 1,512.73 crore during 2022-23 against the fiscal surplus of ₹ 66.55 crore in 2021-22.

The Government achieved the target fixed by the XV FC in respect of outstanding liabilities to GSDP during 2022-23 and it was 28.99 *per cent* against 35.10 *per cent* fixed by FC for the year.

Revenue Receipts of the State increased by ₹ 695.06 crore (3.95 *per cent*) during the year 2022-23 from ₹17,613.95 crore during 2021-22. State's Own Tax increased by ₹ 383.37 crore (14.65 *per cent*) from ₹ 2,616.31 crore in 2021-22 to ₹ 2,999.68 crore in 2022-23 and Non-Tax revenue increased by ₹ 128.24 crore (46.78 *per cent*) during the year. The State had collected ₹ 1,459.01 crore as GST during 2022-23, an increase of ₹ 176.32 crore (13.75 *per cent*) over the previous year.

Grants-in-aid from GoI was ₹ 8,182.75 crore during 2022-23 which decreased by ₹ 463.26 crore (5.36 *per cent*) from ₹ 8,646.01 crore in 2021-22. State's Share of Union taxes and Duties, however, increased by ₹ 646.71 crore (10.64 *per cent*) from ₹ 6,077.52 crore in 2021-22 to ₹ 6,724.23 crore in 2022-23.

There were arrears of revenue of ₹ 161.24 crore at the end of the year 2023 out of which ₹ 45.63 crore were arrears for more than five years.

Revenue expenditure in 2022-23 was ₹ 17,738.71 crore which was increased by ₹ 1,613.47 crore (10.01 *per cent*) as compared to previous year. The Revenue expenditure was 89.26 *per cent* of the total expenditure (₹ 19,873.33 crore) during the year.

Capital expenditure increased by ₹ 656.02 crore (47.92 *per cent*) from ₹ 1,368.95 crore in 2021-22. It was noticed that the State Government had given Grants-in-aid of ₹ 1,322.38 crore of which ₹ 1,321.53 crore was given for creation of capital Assets during 2022-23. This expenditure was booked as Capital expenditure instead of Revenue account in contravention of the provisions contained IGAS-2, resulting in overstatement of Capital expenditure and understatement of Revenue expenditure as well as overstatement of Revenue surplus to that extent during 2022-23.

The State Government incurred 55.35 *per cent* of the Revenue expenditure and 53.63 *per cent* of Revenue Receipts as committed expenditure comprising salary & wages, pension, interest payments *etc.*, during the year 2022-23. Government had also incurred ₹ 161.80 crore as subsidy (0.91 *per cent* of Revenue expenditure) during the year.

During 2022-23, the State Government invested ₹ 64.65 crore in nine Government Companies (₹ 55.76 crore) and nine co-operative societies (₹ 8.89 crore). There was total investment of ₹ 1,831.19 crore in 16 Government companies, 25 Co-operative Societies, two Statutory Corporation and four Joint stock Companies as on 31 March 2023. During current year the State had received ₹ 11.66 crore as dividend from one Government Company two joint stock companies.

There was outstanding loan of ₹ 309.44 crore out of which ₹ 152.98 crore was outstanding for past several years ranged between 10 and 25 years.

The outstanding liabilities including public Debt and public account ₹ 21,059.70 crore (excluding Back-to-Back loan of ₹ 627.37 crore) which was 28.99 *per cent* of GSDP

during 2022-23. About 5.20 *per cent* of the revenue receipts were used by the State for payment of interest on the outstanding Public Debt during the year. However, the outstanding liabilities decreased by ₹ 45.36 crore during the year as compared to 2021-22.

The State Government contributed ₹ 250.00 crore to the Consolidated Sinking Fund against the admissible amount of contribution of ₹ 105.53 crore calculated at the rate of 0.5 *per cent* of the outstanding liabilities of ₹ 21,105.05 crore at the beginning of the year 2022-23.

During 2022-23, the State Government transferred ₹ 63.11 crore to the State Disaster Response Fund along with the State share of ₹ 6.31 crore for the years. The State had also transferred ₹ 15.20 crore to the State Disaster Mitigation Fund during 2022-23 but did not transfer Central share of ₹ 7.10 crore received during the year.

The State Government did not pay ₹ 8.43 crore as interest on interest bearing Reserve Fund/Deposits during 2022-23. Non-transfers Central fund/non-payment of interest understated the revenue surplus and overstated the fiscal deficits of the State Government.

The State Government contributed ₹ 3.17 crore to the guarantee redemption fund at the rate of 0.5 *per cent* of outstanding guarantees of ₹ 634.26 crore at the beginning of the year 2022-23.

As on 31 March 2023, the State had outstanding Market loan of ₹ 10,088.83 crore out of which ₹ 4,708.10 crore would mature in next five to seven years including interest.

The cash balances of the State at the end of 31 March 2023 was ₹ 2,188.84 crore out of which, ₹ 1,131.42 crore was held in cash balance investment account during the year.

2.10 Recommendations

- i. State Government may take necessary steps to review the accounting treatment of the expenditure met out for Grants-in-aid from the Capital account instead of Revenue Account as it affects the transparency of accounting and has significant impact on the computation of the Revenue Surplus/deficits.*
- ii. State Government should take necessary steps to collect the arrear of revenue pending for collection in various principal heads/components.*
- iii. State Government should comply the statutory provisions in respect of the payment of interest etc., on the interest-bearing reserve funds/deposits.*
- iv. Necessary steps should be taken by the Government to recover the long pending outstanding loans from the entities.*