



GOVERNMENT OF ASSAM

FINANCE DEPARTMENT

**Statement laid before the Assam Legislative
Assembly as required under the Assam Fiscal
Responsibility and Budget Management Act, 2005**

2017-18

Dr. Himanta Biswa Sarma
Finance Minister, Assam

CONTENTS

Topic	Page No
Preface	2
Overview of the State Economy	3
State Finances: FRBM & Fiscal Correction Path	6
Major Policy Interventions	21
MFTP & Underlying Assumptions	24

PREFACE

The State Government enacted the Assam Fiscal Responsibility and Budget Management (AFRBM) Act in May, 2005 and amended it in September, 2005, August, 2007, August 2009 and September 2011. The Act came into force on 1st September, 2005 and aims to ensure fiscal stability, sustainability, improve efficiency and transparency in the management of public finances, enhance the availability of resources and remove the impediments for effective conduct of fiscal policy and prudent debt management for improving the social and physical infrastructure and human development in the State.

Under Section 3 of the Act, the State Government is required to lay before the State Legislative Assembly a Five Year Rolling Fiscal Plan with the objectives of the State Government along with relevant fiscal indicators and a statement on recent economic trends and future prospects for growth and development affecting the fiscal position of the State.

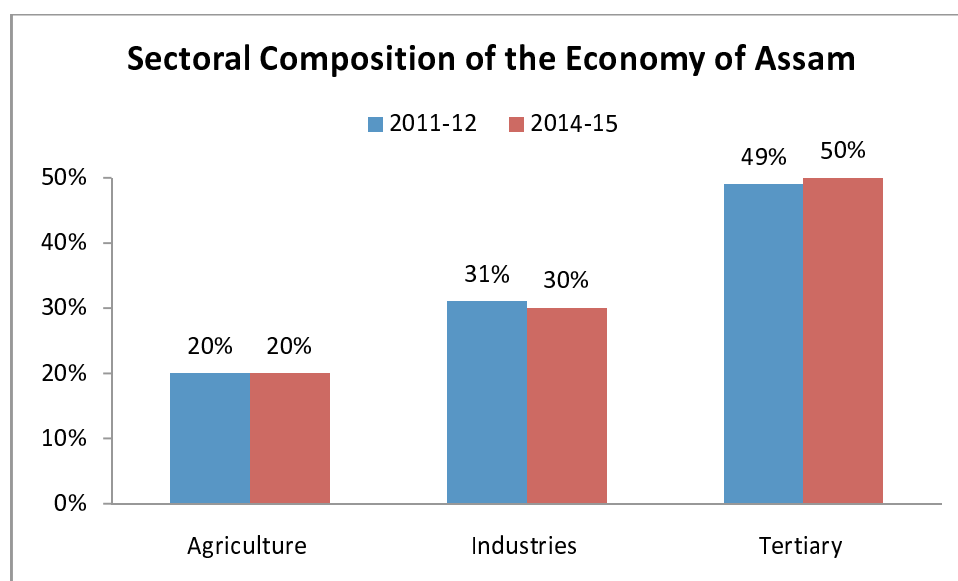
The Statement referred to above is therefore laid before the State Legislative Assembly in compliance with the above statutory requirements. The Medium Term Fiscal Policy (MTFP) 17-22 is also placed along with this document and takes into cognizance the key challenges on revenue flows and expenditure outlays.

OVERVIEW OF THE STATE ECONOMY

The size, composition and growth of the economy determine the revenue potential of the State and thus the size of the budget. The size of the budgets determines the level of public expenditure of the government. The economy is measured in terms of Gross State Domestic Product (GSDP) both at current and constant prices. The GSDP of Assam during 2014-15 as per the quick estimates, were Rs.195145 crore at current prices and Rs.156894croreat constant prices, thus registering a growth rate of 11.59% and 3.34 % respectively. The per capita income of the state in 2014-15 was Rs.53618 at current prices and Rs.42349 at constant prices.

The sectoral composition of the economy of Assam for the years 2011-12 to 2014-15 is presented in diagram below.

Chart- 1

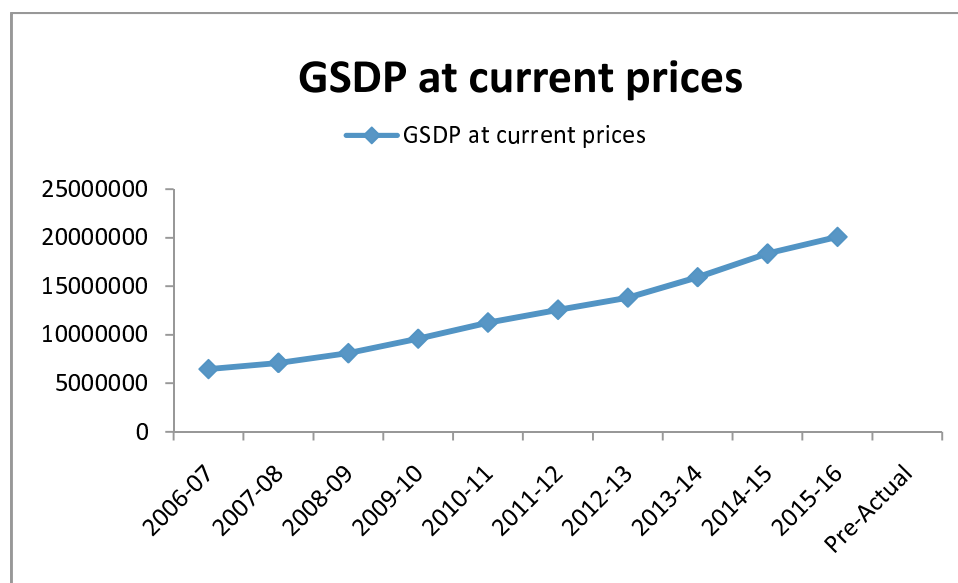


The Agriculture sector includes animal husbandry, forestry, fishing and mining while the Industrial sector consists of registered manufacturing, unregistered manufacturing, construction, electricity, gas and water supply. The Services sector represents railways, other transport, storage, communications, trade, hotels, banking, insurance, real estate, public administration and other services.

The overall trend of GSDP growth in the state during last 10 years may be seen from the table and diagram below:

Chart -2

(in Crores)

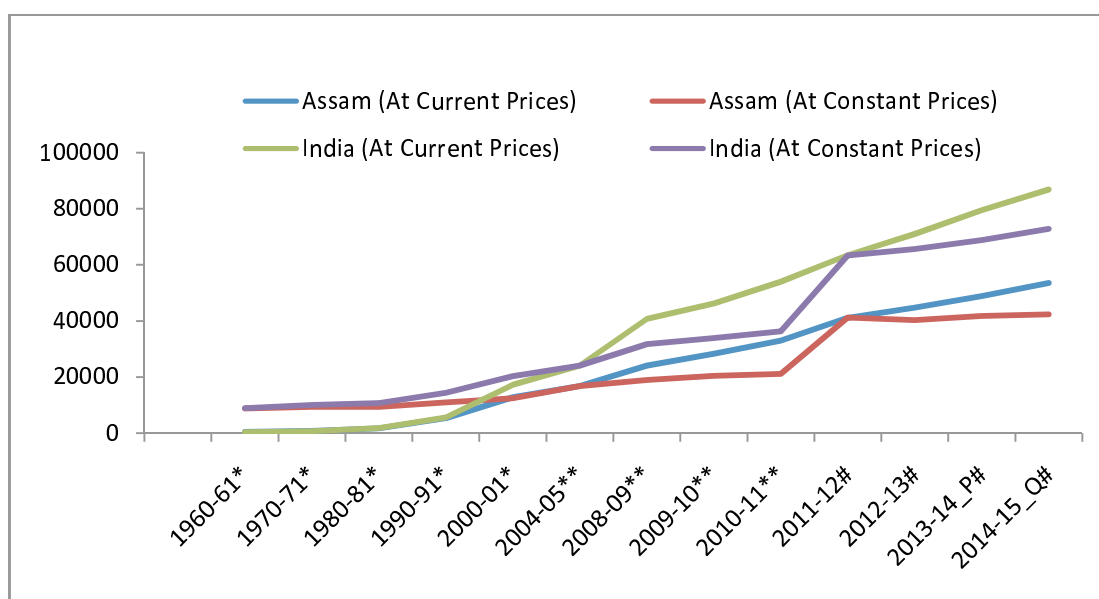


The level of development of the State is generally measured in terms of per capita income. As compared to a national average of Rs.24143 in 2004-05, the per capita income of Assam was Rs.16782 which is much below than the national average. While there has been a significant growth in the per capita income of the state of Assam, it still trails the national average substantially. In 2014-15 the per capita income

of Assam stood at Rs.53618 in comparison to the national average of Rs.86879. The following table depicts a clear picture of income of the state since 1960-61.

GROWTH OF PER CAPITA INCOME OF ASSAM & INDIA (AT CURRENT, CONSTANT PRICES)

Chart -3



* For 1960-61 to 2000-01 the base is 1999-2000.

** For the year 2004-05 to 2010-11 the base period is 2004-05.

For 2011-12 to 2014-15 the base period is 2011-12.

Source: Directorate of Economic & Statistic, Assam & Central Statistical Office (MOSPI), Govt. of India

STATE FINANCES: FRBM & FISCAL CORRECTION PATH

The fiscal base and fiscal health of a State are directly related to the development of the State. Public Investment in the infrastructure expands the productive capacity of the economy and thus, expands the revenue generating potential of the State. The fiscal base is determined by the size of the economy, which can be expanded in the long run. Thus, in the medium term, the fiscal health of the State has to be improved so that the Government can increase the development expenditure and expand the economic base of the state.

The finances of Assam State went through a critical phase in early 2000s and this continued unabated till financial year 2004-05. During these years, there was a serious mismatch between revenue receipt and expenditure leading to the unprecedented expansion of Overall Revenue Deficit, Non-Plan Revenue Deficit and Fiscal Deficit. The overall fiscal scenario was marked by acute ways and means problems, which very often resulted in unauthorized over-draft with the RBI. Due to prolonged over-draft beyond permissible limit, RBI had to impose ban on State Government payments with unfailing regularity. The functioning of State Treasuries was frequently paralyzed during that period. The critical fiscal position of the State during 2000-05 is summarized in Table below.

Table- 1
Fiscal Parameters

(Rs. in Crore)

Fiscal Parameter	2000-01	2001-02	2002-03	2003-04	2004-05
Overall Revenue Deficit (-)/Surplus (+)	-779.48	-881.38	-319.16	-684.69	-291.87
Non-Plan Revenue Deficit	-1269.06	-1310.55	-1099.30	-1449.21	-1383.19
Fiscal Deficit	-1539.96	-1448.14	-927.70	-1393.98	-2057.46
Fiscal Deficit as % of GSDP	-4.18	-3.78	-2.14	-2.95	-3.85

Source: Finance Accounts, AG, Assam

It can be seen from the above table that during the early 2000s all the vital fiscal indicators showed a negative trend. It may be recalled that Assam being a Special Category State, the composition of Central assistance for Plan is 90:10 between grant and loan. As such, 90% grant component was booked under revenue account as Revenue Receipt, whereas corresponding expenditure was met under Capital Account. Even then, the overall revenue position was significantly in red in all these years. The Balance from Current Revenues (BCR) or the Non-Plan Revenue position is a better indicator of fiscal health of a State Government. The Non-Plan Revenue Deficit gradually went up from Rs.1269 crore in 2000-01 to Rs.1383 crore in 2004-05. Similarly, during the same period fiscal deficit went up from Rs.1540 crore to Rs.2057 crore in absolute term albeit it showed somewhat declining trend in relation to GSDP. The most distressing feature of the Revenue and Fiscal Deficits that persisted over the years was the shrinkage in capital expenditure and the fact that borrowed funds were used to finance revenue expenditure rather than for the creation of capital assets.

Given the fiscal scenario as noted above, the Government of Assam was compelled to traverse a path of fiscal consolidation. Accordingly, a number of reform measures were undertaken which included (a) the Medium Term Fiscal Reform Programme, 2003, (b) the Medium Term Fiscal Plan under Assam Governance and Public Resource Management Programme sponsored by the Asian Development Bank and (c) the Assam Fiscal Responsibility and Budget Management Act, 2005.

With the enactment of the AFRBM Act, 2005, Assam received a debt relief of Rs.692.35 crore under the award of the 12th Finance Commission. The main objectives of the said FRBM Act and Fiscal Correction Path were to eliminate Revenue Deficit and to contain Fiscal Deficit to 3% of Gross State Domestic Product (GSDP) by 2008-09. Government of Assam had achieved all the fiscal targets of the FRBM Act and got a total debt waiver of Rs.421.64 crore at the rate of Rs.105.41 crore each year of 2005-06 to 2008-09 under the award of the 12th Finance Commission.

Table- 2
Fiscal Parameters

(Rs. in Crore)

Fiscal Parameter	2005-06	2006-07	2007-08	2008-09
Overall Revenue Deficit (-)/Surplus (+)	- 1509.08	- 2210.42	- 2580.76	- 3833.71
Non-Plan Revenue Deficit	- 289.17	- 156.26	- 621.18	- 1500.27
Fiscal Deficit	- 355.70	- 711.37	-790.09	- 1406.79
Fiscal Deficit as % of GSDP	- 0.60	- 1.10	- 1.11	- 1.74

Source: Finance Accounts, AG, Assam

As can be seen from the table above, the fiscal reform measures adopted by the State started yielding favorable results from 2005-06 onwards. In contrast to the earlier dismal picture shown at Table- 1, a positive turn around in fiscal scenario was witnessed in 2005-06. During that year, revenue and fiscal deficits were not only wiped out but also became comfortably positive and this trend continued till 2008-09.

Table- 3
Fiscal Parameters

(Rs. in Crore)

Fiscal Parameter	2009-10	2010-11	2011-12	2012-13
Overall Revenue Deficit (-)/Surplus (+)	+ 1347.71	-53.11	-926.84	- 1554.07
Non-Plan Revenue Deficit	+ 2390.93	+ 680.09	- 709.83	- 105.32
Fiscal Deficit	+ 4043.47	+1990.56	+ 1646.06	+ 1516.48
Fiscal Deficit as % of GSDP	+ 4.21	+ 1.77	+ 1.31	+ 1.10

Source: Finance Accounts, AG, Assam

However, both the revenue and fiscal deficits took a nose dive again in 2009-10, and the non-plan revenue deficit and fiscal deficit went up to Rs.2391 crore and Rs.4043 crore respectively. Fiscal deficit as a percentage of GSDP stood at 4.21%. This was particularly disturbing as it exceeded the limit of 3.5% prescribed in FRBM Act. More importantly, it exceeded the target of 4% fixed by Government of India for extending a stimulus package of enhanced borrowings to the States. This heavy downslide can be largely accounted to the revision of pay and pension as per recommendations of the Assam Pay Commission 2008. The position improved somewhat in the

following years, nonetheless, the fiscal deficit continued to persist albeit within the permissible limit prescribed by GOI.

Due to this, the Government of Assam lost a debt waiver of Rs.105.41 crore for the year 2009-10, as it failed to achieve the fiscal targets on account of higher expenditure on revision of pay and pension and low collection of revenues due to global economic recession.

In order to align the medium term fiscal policy of the State with the roadmap recommended by the 13th Finance Commission, Government of Assam amended the Assam FRBM Act in 2011. The Assam FRBM (Amendment) Act, 2011 has incorporated recommendations of the 13th Finance Commission. Government of Assam achieved those fiscal targets during 2010-11, 2011-12 and 2012-13.

The fiscal targets for the State Government laid out by the Assam FRBM (Amendment) Act, 2011 are as below:

- Eliminate revenue deficit by 2011-12 and maintain revenue balance or attain a surplus thereafter.
- Reduce fiscal deficit to 3% of estimated Gross State Domestic Product (GSDP) by 2010-11 and maintain the same level thereafter.
- Attain the total outstanding debt of the State Government to GSDP ratio at 28.2% in 2010-11, 28.3% in 2011-12, 28.4% in 2013-14 and 28.5% in 2014-15 and maintain the same level thereafter.
- Government guarantees to be restricted at any point of time to 50% of the State's own tax and non-tax revenue of the second preceding year, as reflected in the books of accounts as maintained by the Accountant General.

Table- 4
Fiscal Parameters

(Rs. in crore)

Fiscal Parameter	2013-14	2014-15	2015-16
Overall Revenue Deficit (-)/Surplus (+)	- 222.91	+ 896.68	- 5446.28
Non-Plan Revenue Deficit	+ 1006.84	+ 4049.98	- 5387.58
Fiscal Deficit	+3782.30	+ 5429.54	- 3005.47
Fiscal Deficit as % of GSDP	+ 2.37	+ 2.78	- 1.49

Source: Finance Accounts, AG, Assam

Thirteenth Finance Commission has revised the revenue and fiscal deficit targets for the next five fiscal years from 2010-11 to 2014-15. But the period of 13th Finance Commission came to a close during 2014-15. Accordingly, the Rolling Five Year Fiscal Plan for the period from 2017-18 to 2021-22 is recast at **Annexure I**.

On 24th February 2015, Fourteenth Finance Commission submitted its report to the Government of India. It has recommended that debt-GSDP ratio to be maintained at 3% during 2015-2020 however, the State will be eligible for flexibility subject to the fulfillment of the following:

- State will be eligible for flexibility at 0.25% provided its Debt-GSDP ratio of the preceding year is less than or equal to 0.25%.
- State will be eligible for additional borrowing of 0.25% of GSDP in a given year provided the interest payment are less than or equal to 10 percent of the revenue receipts in the preceding year.

- The two options under these flexibility provisions can be availed of by a State either separately, if any of the above criteria is fulfilled, or simultaneously if both the above stated criteria are fulfilled.
- The flexibility in availing the additional limit under either of the two options or both will be available to a State only if there is no revenue deficit in the previous year.
- In this connection, the Finance Department, Government of Assam has already prepared a Cabinet Memorandum which has been approved by the Cabinet and is under process for placing a Bill in the Budget session of Assam Legislative Assembly 2017-18.

State Finances: A Critical Account

For a critical analysis of the State finances, and for estimating its Balance from Current Revenue (BCR), it is imperative to take a close look at the State's own resources and its non-plan revenue expenditure. State's own resources consist of (i) Tax revenue, (ii) Non-Tax revenue, (iii) Share of Central taxes and (iv) Non-Plan grants from the Centre

State Tax Revenue

State's tax revenues are collected mainly from the following sources (1) Sales Tax, (2) Agricultural Income Tax, (3) Taxes on Profession etc., (4) Land Revenue including cess on Green Tea Leaf, (5) Stamps & Registration, (6) State Excise Duties, (7) Motor Vehicle Tax, (8) Passengers & Goods Tax which includes Entry Tax (9) Electricity Duty and (10) Entertainment Tax.

Impact of GST on the Finances of the State

India is poised to implement the Goods & Services Tax, the most significant tax reform in the field of indirect taxes, from 1st July, 2017, as decided by the GST Council. Assam became the first state in the country to ratify the 122nd Constitution Amendment Bill relating to GST.

The initial apprehensions that Assam had on certain fronts like inclusion of Petroleum products in GST, compensation to the State on account of loss arising due to the implementation of GST in the initial years etc. were dispelled after the deliberations with the GST Council.

All are aware that GST is a destination based consumption tax. Assam, being a consuming State by and large, it is expected that GST will bring buoyancy in tax revenues over a period of time, though in the initial years, there might be some shortfall in revenue collection. To address this concern, the GST Council has approved a fixed secular growth rate of 14% for the purpose of paying GST compensation on the revenue for the base year 2015-16 on compounded annual growth rate (CAGR) basis. This will immensely benefit Assam where except in one or two years, the growth rate in tax revenue over the last ten years has never crossed 14% mark.

With the introduction of a uniform tax regime in the country through the GST regime, there will be a stoppage of trade diversion and subsequently, bring buoyancy in tax revenues.

The following Table depicts State's Own Tax Revenue for last 4 years:

Table- 5
State Taxes

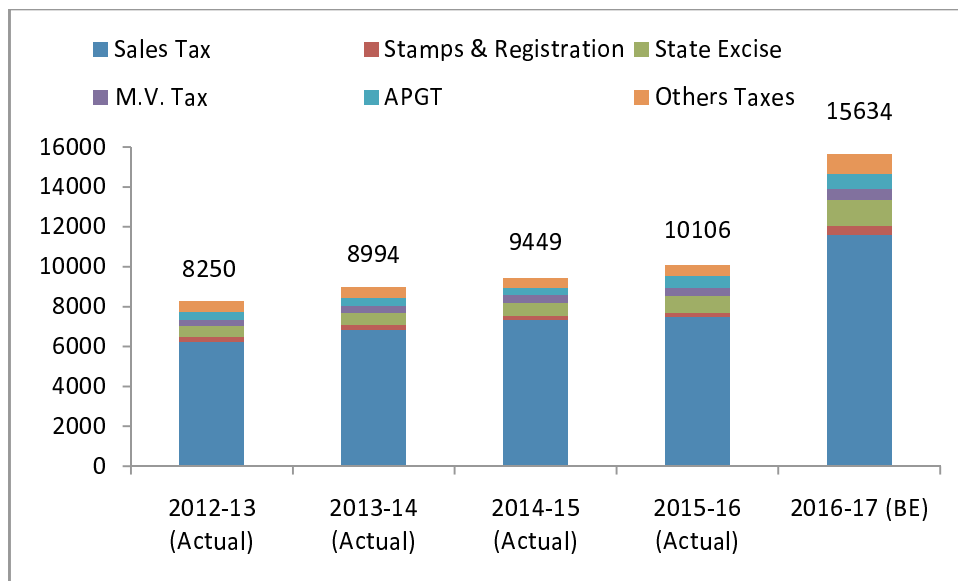
(Rs. in Crore)

Items	2012-13	2013-14	2014-15	2015-16	2016-17	Average growth (2012-16)
	Actual	Actual	Actual	Actual	BE	
Sales Tax	6223	6848	7351	7493	11582	18.5%
Stamps & Registration	252	251	188	224	478	26.8%
State Excise	568	610	664	807	1299	24.7%
M.V. Tax	328	351	364	442	577	15.7%
Assam Passenger Goods Tax	369	413	396	583	729	20.0%
Other Taxes	509	520	483	554	966	21.0%
Total	8250	8994	9449	10106	15634	18.9%

Source: Finance Accounts, AG, Assam & State Budget

Chart - 4
Growth of State Taxes

(Rs. in crore)



Source: Finance Accounts, AG, Assam & State Budget

As reported by the AG, the aggregate actual collection from State taxes amounted to Rs.8250 crore during 2012-13. Although it recorded a mere 8% annual growth over the previous year, the trend growth rate (TGR) of State's own tax revenue for last 10 years is almost 20%.

Non-Tax Revenue

The major component of non-tax revenue is royalty on petroleum crude. Other items in this category are royalty on coal and gas, receipts from interest and dividend and forest produce. It also includes departmental receipts like fees, fines and user charges etc. The trend of Non-Tax revenue collection from 2012-13 to 2016-17 (BE) may be seen from the following Table.

Table- 6
Non-Tax Revenue

(Rs. in crore)

Non-Tax Revenue	2012-13	2013-14	2014-15	2015-16	2016-17
	Actual	Actual	Actual	Actual	Budget Estimate
Total Collection	2473	2705	2412	2741	5846

Source: Finance Accounts, AG & State Budget

As reported by the AG, the aggregate collection from non-tax revenue during 2012-13 was Rs.2473 crore. It recorded a decline of Rs.394 crore from the previous year's collection of Rs.2867 crore. This down slide is mainly accountable to the royalty on crude oil which came down to Rs.1590 crore from the previous year's accrual of Rs.1971 crore. Usually the growth rate of

non-tax revenue is erratic and it fluctuates widely. This is so because about 65 -70% of non-tax revenue accrues from oil royalty which is linked to international crude price, and on the quantum of annual extraction of crude.

Share of Central Taxes

The State's share of Central taxes is received against collection of Income Tax, Corporate Tax, Wealth Tax, Union Excise Duty and Service Tax collected by the Union Government. The actual devolution during 2012-13 to 2015-16 and BE 2016-17 may be seen from the following table.

Table- 7
Share of Central Taxes

(Rs. in Crore)

2012-13	2013-14	2014-15	2015-16	2016-17
Actual	Actual	Actual	Actual	Budget Estimate
10601	11574	12283	16784	18938

Source: Finance Accounts, AG Assam & State Budget

From the above table, it is clear that in view of the recommendations of the 14th Finance Commission for enhancing tax share of States from 32% to 42%, the share of central taxes has registered a 36% growth during 2015 – 16 than the preceding year. Further, the Union Budget has provided Rs.18938 crore and Rs.22398croreduring 2016 –17 and 2017-18 respectively against the share of Central Taxes to Assam.

Non-Plan Grant from Centre

Non-Plan grant from the Centre is received by the State under the award of the Central Finance Commission as well as for other non-plan purposes like border roads, home guards, civil defence, Indo-Bangla border check post etc. The trend of receiving Non-Plan grants from centre during the last 4 years may be seen from the following Table.

Table- 8
Non-Plan Grants from GOI

(Rs. in crore)

2012-13	2013-14	2014-15	2015-16	2016-17
Actual	Actual	Actual	Actual	Budget Estimate
1422	680	1490	3330	3527

Source: Finance Accounts, AG, Assam

Non-Plan grants received during 2015-16 was Rs.3330 crore, out of which Rs.2943crore was under the award of Central Finance Commission and the balance of Rs.386 crore for other purposes.

Non-Plan Revenue Expenditure

By and large, the main components of non-plan revenue expenditure of the State Government relate to salary and pension of employees, interest payment on public debt, maintenance of law and order, out-go on account of Central and State Finance Commissions award and other non-plan expenditure pertaining to General, Social and Economic Services.

The main portion of non-plan revenue expenditure of the State Government is incurred on payment of salary of the employees. During 2014-15, the total amount spent under salary accounted for Rs.17579.83 crore of which about Rs.877.83 crore was spent under plan and the remaining Rs.16702.00 crore under non-plan. Nevertheless, more than 59% of the total non-plan expenditure was spent for payment of salary alone. On top of this pension payment amounting to Rs.5237.02 crore which accounted for nearly 18% of the total expenditure. Thus, pay and pension together constituted about 74% of total non-plan expenditure and about 11% of GSDP. The relentless increase in expenditure on pay and pension is mainly due to the periodic revision of pay and pension and twice a year increase in dearness allowances and dearness relief.

Interest payment had been growing at an average annual growth rate of 12% during the period 2000-05. Thereafter, during the next five years 2005-10 the average annual growth came down to 4%. This had been possible due to the attainment of fiscal surplus all these years by slew of fiscal consolidation measures adopted by the State. A notable feature is that the increase in yearend debt stock is only marginal and the Debt-GSDP ratio is gradually coming down from 30% in 2005-06 to 16% in 2014-15. The ratio of interest payment to total revenue receipt is also gradually coming down from 13% in 2005-06 to 6% in 2014-15. The acceptable level of Debt-GSDP ratio and the ratio of interest payment to total revenue receipt is pegged at 28% and 15% respectively by the 12th FC. Hence it is well within the accepted norm.

Impact of Ensuing Pay Commission

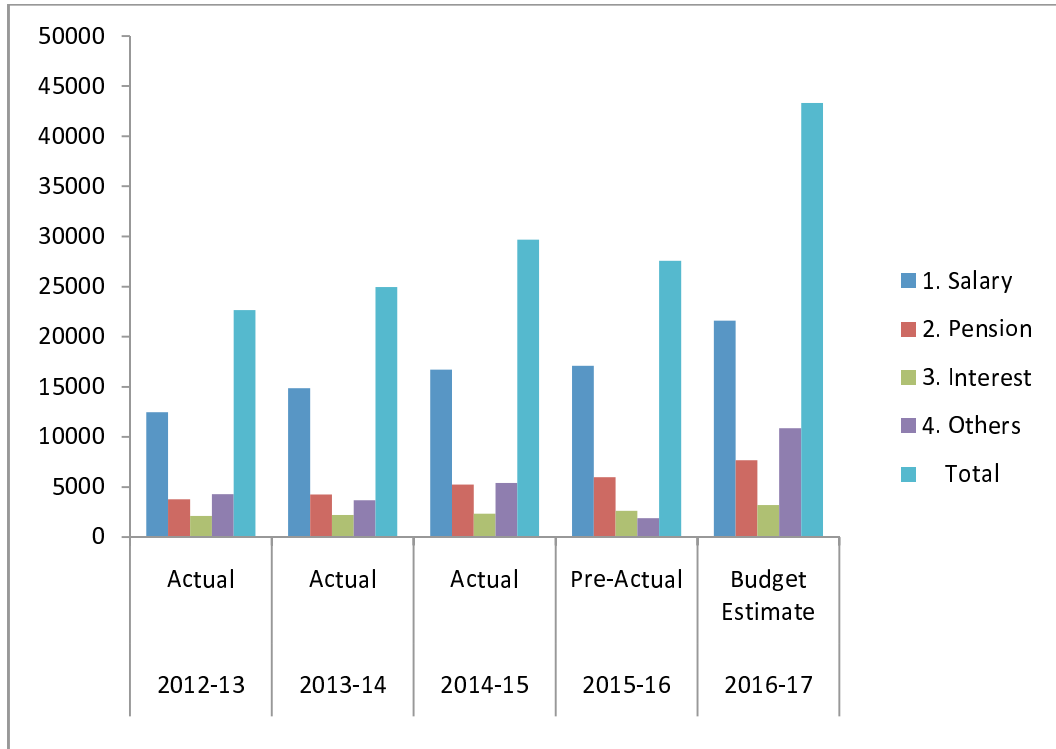
An analysis of revenue expenditure remains incomplete if the impact of the Pay Commission and the increased financial burden on the exchequer is not taken into cognizance. The Government of India has approved the recommendations of the Committee of Secretaries constituted to study the 7th Central Pay Commission recommendations. This decision of GOI will have cascading effect on the States. However, the Committee of Secretaries are yet to submit their report on the allowances to be granted to the Central Government employees and hence the impact of that on the state exchequer is yet to be know. However, the past experience shows that in the event of pay revision, basic emoluments are normally hiked by at least 40 percent. Using that assumption, we can estimate that the annual additional impact for salary may be about Rs.2900 crore and that of pension will be about Rs.880 crore totalling about Rs.3780 crore per year. The trend of Non-Plan Revenue expenditures of the state during last four years along with the BE 2016-17 have been indicated in the following Table.

Table- 9
Non-Plan Revenue Expenditure

Items	2012-13	2013-14	2014-15	2015-16	2016-17	2016-17 (% of Total Non-Plan Revenue Expenditure)
	Actual	Actual	Actual	Actual	Budget Estimate	
1. Salary	12452	14841	16702	17102	21594	49.9%
2. Pension	3778	4264	5237	5985	7658	17.7%
3. Interest	2114	2198	2333	2618	3209	7.4%
4. Others	4295	3658	5414	1869	10847	25.0%
Total	22641	24962	29687	27575	43310	100%

Source: Finance Accounts, AG, Assam & State Budget

Chart- 5
Growth of Non-Plan Revenue Expenditure
 (Rs. in crore)



MAJOR POLICY INTERVENTIONS

1. It is worthwhile to mention that the Government of Assam has initiated a programme– *ReSTART Assam (ReStructuring of Systems & Technology for Augmentation of Resources for Transformed Assam)* from the financial year 2016-17, with an aim to generate more revenue and make the state economically strong and self-reliant in taking up developmental activities. The Government has launched *ReSTART Assam* in a mission mode and has initiated various steps to explore and augment its own resource base for taking up critical infrastructure projects in the state.
2. **Plan & Non-Plan merger:** Government of Assam, keeping in view the reform initiatives taken by Government of India to merge the Plan and Non- Plan expenditure, has also prepared the 2017-18 budget showing Revenue and Capital expenditure classification only. This new initiative to remove the artificial demarcation of Plan & Non-Plan taken by the Government of Assam will bring greater flexibility to the state in the designing and implementation of various schemes and the link between spending and outcomes will improve & become more holistic and focused.
3. **Chief Ministers Samagra Gramya Unnayan Yojana (CMSGUY):** The Finance Minister in his 2016-17 Budget Speech had initiated a major policy decision for upgrading the living standards of people living in rural Assam and had proposed to take up a Mega Mission called Chief Minister’s Samagra Gramya Unnayan Yojana. This Mega Mission to be implemented for five years commencing from 2016-17 and culminating in

2021-22 has a total outlay of Rs.30,000 crores. The main objective of this Mega Mission is to double the farm income of the state. As per the current growth rate, the state will take about eighty years to double the farm income in Assam and normal interventions by the government in this regard would not be adequate to address the problem. In view of the above, Government of Assam has proposed to induct massive investments in rural areas for complete rural empowerment in a period of five years in a focused and concerted manner. The Governing Council of the Mega Mission Society under the Chairmanship of Hon'ble Chief Minister has recently decided to implement three important entry-point activities.

- (a) Supply of new tractors for farm mechanization
- (b) Foot-ball field development in convergence with MGNREGA
- (c) Establishment of Rural Knowledge Centres

Further, with a view of streamlining the delivery system the State Government has also taken the following policy initiatives:

- i. Government of Assam has included the citizens in every aspect of governance and has been involving them in the process of budget making by inviting suggestions.
- ii. The Government has also decided to initiate growth-led schemes and programmes instead of individual-benefit oriented schemes.
- iii. All procurements of the departments above an amount of Rs.10 lakh are being now mandatorily made through an e-procurement platform.

- iv. Recently, the State Cabinet approved the new Assam Treasury Rules 2017 scrapping the old colonial relic, Assam Treasury Rules, 1937.
- v. Out of the 25 new Treasuries proposed to be set up in next 5 years, one Treasury has been made functional and the proposal related to 17 number of treasuries are under consideration by RBI and AG office.
- vi. Further, the Government has moved forward in its efforts to integrate the public expenditure system of the State with *e-Kuber* platform of RBI, and on a pilot basis two treasuries in the State have migrated to this platform. This helps in the electronic clearance of bill and bank scroll.
- vii. A comprehensive and updated Delegated Financial Powers Rules has been issued by the Government in August 2016 after a gap of 17 years since the last update.

MEDIUM TERM FISCAL PLAN (MTFP) & UNDERLYING ASSUMPTIONS

The 14th Finance Commission had recommended that the State Government should improve their budgetary forecasts by adopting a more scientific approach for this process and that the fiscal responsibility legislations and estimates in the MTFPs should be backed by well-calibrated reasoning to justify the forecasts.

Based on the recommendations of the 14th Finance Commission, we have drawn up the scenario for the period from 2015-16 to 2021-22. The Actual figures of 2015-16 have been applied as the base year figure for projection of MTFP in tune with the stipulations of AFRBM Act, 2011.

Sl.	Item	Growth Rate assumption
1	GSDP (Base year 2016-17 BE)	15%
2	Tax Revenue	25%
3	Non-Tax Revenue	15%
4	Share of Central Taxes	2017-18 is projected as per recommendation of 14 th Finance Commission and 10% growth assumed for the subsequent years
5	Grants under 14 th F.C.	As per recommendation of 14 th FC
6	Other Non-Plan Grants	10%
7	Salary	20%
8	Interest	15%
9	Pension	15%
10	Capital Outlay	10%
11	Lending	5%
12	Transfer from Central Government	Likelihood of obtaining release from GoI & 10% growth applied 2017-18 for subsequent years.

Medium Term Fiscal Plan

(Rs. in Crore)

Items	2015-16 (Actual)	2016-17 (BE)	2017-18 Projection	2018-19 Projection	2019-20 Projection	2020-21 Projection	2021-22 Projection
I. Total Revenue Receipts	42458.14	66179.88	70719.61	80674.44	92582.59	106186.17	122187.08
Own Revenues (a+b)	12848.07	21480.82	23898.14	29126.28	35549.49	43449.75	53177.02
a). Own Tax Revenue (I to X)	10106.50	15634.31	16434.19	20542.73	25678.42	32098.02	40122.52
I. Sales Tax/GST	7493.72	11582.67	12936.58	16170.72	20213.40	25266.75	31583.44
II. State Excise	807.96	1299.55	1393.72	1742.15	2177.69	2722.11	3402.64
III. Stamp Duty & Registration	224.83	478.80	351.23	439.04	548.80	686.00	857.50
IV. Motor Vehicle Tax	442.73	577.81	691.77	864.71	1080.89	1351.11	1688.89
V. Taxes on Goods & Passengers	583.12	729.18	212.56	265.70	332.13	415.16	518.95
VI. Tax on Professions, Trades etc.	182.93	303.20	285.83	357.29	446.61	558.26	697.83
VII. Other Taxes on Commodities & Services	61.09	107.05	77.94	97.43	121.78	152.23	190.28
VIII. Land Revenue	229.46	395.59	358.54	448.18	560.22	700.27	875.34
IX. Taxes on agricultural income.	32.01	80.71	50.02	62.53	78.16	97.70	122.12
X. Taxes & Duties on Electricity	48.64	79.75	76.00	95.00	118.75	148.44	185.55
b) Non-Tax Revenue	2741.57	5846.52	7463.95	8583.54	9871.07	11351.73	13054.50
I. Interest receipts	298.80	424.93	398.32	458.07	526.78	605.79	696.66
II. Royalty on Crude Oil & Natural Gas	1704.60	3638.63	5590.71	6429.32	7393.71	8502.77	9778.19
III. Forestry & Wild life	117.30	995.74	561.30	645.50	742.32	853.67	981.72
IV. Others	620.85	787.22	913.62	1050.66	1208.26	1389.50	1597.93
Transfer from the Centre (a+b)	29610.07	44699.05	46821.48	51548.16	57033.11	62736.42	69010.06
a) Share of Central Taxes	16784.88	18938.27	25651.41	28216.55	31038.21	34142.03	37556.23
b) Grants (I to v)	12825.19	25760.78	21170.07	23331.61	25994.90	28594.39	31453.83
i) CASP/Transfer from Centre	8644.00	19161.78	19465.90	21412.49	23553.74	25909.11	28500.02
ii) CS/CSS/NEC/NLCPR	850.27	3071.66					
iii) Non-Plan Grants under Finance Comm/Grants under Finance Commission	2944.41	3044.21	1704.17	1919.12	2441.16	2685.28	2953.80
iv) Other Non-Plan Grants	386.51	483.14					
2. Recovery of loans and advances	510.19	569.47	2747.23	3021.95	3324.15	3656.56	4022.22
3. Revenue Expenditure (a to d)	37011.43	62459.04	68319.45	78328.23	89939.46	103428.65	119121.11
a) Interest	2618.44	3209.32	3746.75	4308.76	4955.08	5698.34	6553.09
b) Salary	18484.46	22541.16	25010.71	30012.85	36015.42	43218.51	51862.21
c) Pension	5985.23	7680.19	9768.49	11233.76	12918.83	14856.65	17085.15
d) Others	9923.29	29028.37	29793.50	32772.85	36050.14	39655.15	43620.66
4. Capital Outlay	2690.91	10394.40	12389.42	13628.36	14991.20	16490.32	18139.35
5. Lending	260.09	570.78	460.40	483.42	507.59	532.97	559.62
6. Revenue Deficit [Surplus (-)/ Deficit(+)]	-5446.72	-3720.84	-2400.16	-2346.21	-2643.13	-2757.52	-3065.97
7. Fiscal Deficit [Surplus (-) / Deficit (+)]	-3005.90	6674.87	7702.43	8743.62	9531.51	10609.20	11610.78
8. Year End Debt Stock	35690.22	42160.22	49895.30	54884.83	60373.31	66410.64	73051.71
9. Year End Outstanding Guarantees	143.13	143.13	150.29	157.80	165.69	173.98	182.67
10. Debt Stock including Guarantees (8+9)	35833.35	42303.35	50045.59	55042.63	60539.00	66584.62	73234.38
11. Debt/GSDP	17.75%	18.77%	19.31%	18.47%	17.67%	16.90%	16.17%
12. (Debt+Guarantee)/GSDP	17.82%	18.83%	19.37%	18.53%	17.72%	16.95%	16.21%
13. Revenue Balance/Revenue Receipts (%)	-12.83	-5.62	-3.39	-2.91	-2.85	-2.60	-2.51
14. Revenue Balance/GSDP (%)	-0.03	-0.02	-0.01	-0.01	-0.01	-0.01	-0.01
15. Fiscal Balance/GSDP (%)	-1.49	2.97	2.98	2.94	2.79	2.70	2.57
16. GSDP (Rs. in crore) at current prices	201064.00	224641.00	258337.15	297087.72	341650.88	392898.51	451833.29
17. GSDP Nominal Growth Rate			15.00%	15.00%	15.00%	15.00%	15.00%