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Bengal Budget pins hopes on State GST for revenue mop-up

OUR BUREAU

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West Bengal is expecting a substantial boost in its revenue in FY-19 from GST.

The State Budget presented by Finance Minister Amit Mitra on Monday said the State is expecting a near 36 per cent jump in State GST collections to over ₹27,100 crore in FY19. The SGST collections were pegged at over ₹19,900 crore in FY18.

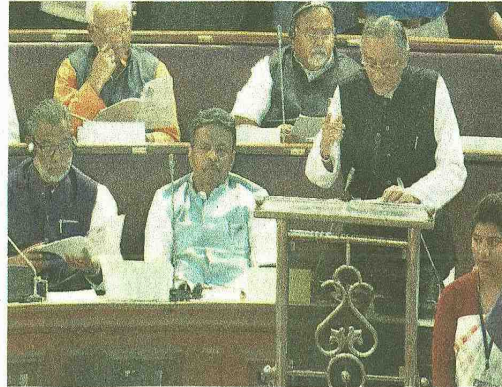
Central tax share

The other major contributor to the State's revenues came from the share of Central taxes and duties.

The share of CGST and IGST put together is expected to see a mega jump to ₹20,115 crore in FY19. In the previous fiscal, the State's share of Central taxes and duties stood at ₹701 crore.

Grants-in aid (from the Centre) are expected to see an over 18 per cent jump to ₹30,670 crore for FY19.

A back-of-the-envelope calculation suggests that GST collections alone account for over 30 per cent of the total revenue



West Bengal Finance Minister Amit Mitra presenting the Budget 2019-20 in the Assembly in Kolkata on Monday DEBASISH BHADURI

receipts of the State government.

Capital receipts

On the other hand, capital receipts that include loan recoveries, market loans, loans and advances from the Centre and others are expected to rise by 10 per cent to ₹53,327 crore in FY-19.

Market loans (borrowings from the market exclusive of the RBI's Ways and Means Advances) in FY19 are likely to

stand at ₹47,854 crore, a 30 per cent rise over the last fiscal.

Total receipts for the state government are expected to rise by over 14 per cent to ₹2,06,000 crore for the current fiscal.

FY-20 numbers

However, the estimates do not look so rosy for FY20. According to the Budget documents, the total receipts are expected to see a 5 per cent rise to ₹2,16,000 with revenue re-

ceipts expected to rise by 8 per cent. In fact, SGST collections are set to rise by a mere 3 per cent to ₹30,000 (approximately) while the State's share in Central taxes and duties (under GST) is expected to go up 8 per cent to ₹20,000 crore (approximately).

On the other hand, market borrowings are estimated to see a 12 per cent jump to ₹53,774 crore in FY20.

Expenditure details

The documents also reveal that nearly ₹30,000 crore of State revenue has gone towards payment of interest and servicing of debt in FY19. A similar amount of ₹32,000 crore is expected to be spent in the coming fiscal, too.

Budgeted outlays for FY20 primarily focus towards 'agriculture and allied activities and rural development' and 'irrigation and flood control' - mostly focussed on the rural constituencies, the core target group for the state government.

In fact, there is an over 20 per cent increase in the allotment

towards 'agriculture and allied activities and rural development' to ₹28,000 crore (approximately) and a 43 per cent jump in the outlay for 'irrigation and flood control'.

Education, culture and information and industry and minerals are the other two segments that have seen an increase in allocation.

Sops to tea gardens

The Finance Minister has proposed that there will be full exemption to the tea gardens from payment of education cess and rural employment cess for two years.

This apart, all the other sectors such as 'transport', health and family welfare, welfare of SC, ST and OBCs have seen reduced allocation (compared to FY19) for the coming fiscal.

"For FY20, I propose a Budget of ₹237,964 crore on behalf of the State government," Amit Mitra said.

He added that the State's revenue deficit to GSDP stood at 0.96 per cent in FY18, while the fiscal deficit was at 2.83 per cent.