

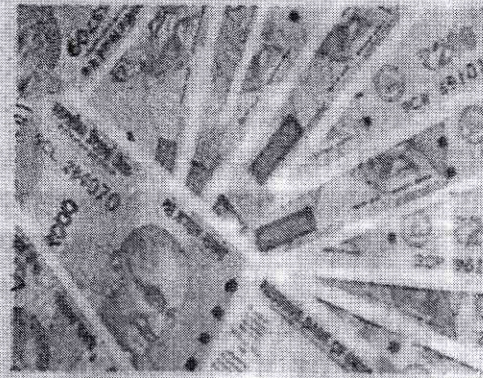
Revenue of top Indian states to grow 6-8 pc in 2023-24 fiscal: Crisil

AGENCIES

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The top Indian states, accounting for 90 per cent of aggregate gross state domestic product, are expected to see revenue growth of 6-8 per cent to a cumulative Rs 34 lakh crore in the 2023-24 financial year, according to rating agency Crisil.

In 2022-23, these 18 states - Maharashtra, Gujarat, Karnataka, Tamil Nadu, Uttar Pradesh, Telangana, Rajasthan, West Bengal, Madhya Pradesh, Andhra Pradesh, Kerala, Odisha, Punjab, Bihar, Chhattisgarh, Haryana, Jharkhand and Goa - analysed by the rating agency grew 7.3 per cent. Growth this year is expected to be supported by Goods and Services Tax (GST) collections, devolutions from the Centre and taxes and



duties on liquor sales -- together comprising 55-60 per cent of aggregate state revenues.

"Though growth in aggregate state GST collection will moderate from 20 per cent on-year last fiscal to 12-14 per cent this fiscal, it will still remain the biggest driver of revenue growth. This will be supported by the resilience of the Indian economy amid global turbulence, moderating inflationary environment, and increasing tax compliance," said Anuj Sethi, Senior Direc-

tor, of CRISIL Ratings.

Collections from excise duty and sales tax from liquor sales is expected to grow healthy at 10-12 per cent, led by increasing consumption as most states have kept their tax structure unchanged. On the other hand, states' revenue from sales tax on motor fuel may increase only by a modest 6-8 per cent year-on-year driven primarily by steady demand for petroleum products, with only a handful of states having announced revisions in their tax structures for motor fuel in their 2023 budgets.

The rating agency said the price of crude oil is expected to remain between USD 80-85 per barrel this fiscal, thus keeping the tax collections of states similar to the levels seen last financial year.