

## **State of state finances**

### **Turnaround in own tax mobilisation yet the fiscal stress: Kerala in a comparative perspective**

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#### **Introduction**

The policy reforms in developing countries under globalisation were characterised by a major change in the role of state in development. The shift in policies essentially involved state taking a backseat while the market being in the forefront for addressing imperatives of development. Yet, states do play important role in many of the development related issues confronted by the people. The available empirical evidence indicates that the tax base of developing countries in general has been at a much lower level as compared to developed countries. This indeed sets serious limits to the role that state could play in addressing development problems. As the reforms were instrumental in further reducing the tax revenue, the issues got further compounded. The lower tax base of developing countries and the underlying factors therein have attracted much academic attention. In this context, it is heartening to note that although the higher-income countries today raise much higher taxes than poorer countries, the tax share in GDP of today's developing countries looks very similar to what it did a century ago in the now-developed economies of the world (Besley and Persson 2014)

India has not been an exception and the need for further increasing the tax base remain an issue of much concern and we need to know more. It appears that the structure of the economy, among others, does matter, we are referring to the predominance of informal sector. Although higher economic growth is important in widening the tax net and increasing the tax base, it need not necessarily get translated into a higher tax revenue. Piketty and Qian (2009) have shown that increasing exemptions in India seem to have led to a situation wherein income-tax revenues stagnated at around 0.5 percent of GDP since 1986. Rao (2000) observed that from the 1970s to mid-1980, the tax GDP ratio increased in sync with the buoyant economic conditions and accelerated rate of growth of the economy. To be more specific, the tax GDP ratio, increased from about 11 per cent in 1970-71 to 14.6 per cent in 1980-81 and reached the peak of about 17 per cent in 1987-88 to decline thereafter to 13.9 per cent in 1993-94 and gradually recovered to 14.6 per cent in 1997-98. Isaac et al (2019) also made similar observation. It was shown that the combined revenue of the Centre and states increased from 7.6% of GDP in 1950-51 to 18.0% (2.5 times increase!) in 1986-87 and thereafter stagnated around the same level for the next two decades with the level being only 20.7% in 2015-16.

Kerala appears to have been in the same boat. Kerala's per capita GSDP is almost 1.6 times that of the national per capita GDP. As argued by Kannan and Hari (2002) state's modified per capita GSDP, which includes the substantial remittance that the state receives, would be still higher. Yet, our tax GSDP ratio is only on par with the national average. This is a matter of much concern; although the people are rich the government is poor. The fiscal position of the state becomes all the more precarious when it "competes" with the Scandinavian countries as regards social protection with African level taxation.

This article, while dealing with the state of Kerala state finances during 2022-23 as compared to 2021-22 in comparison with other major states, highlights a significant turnaround in its tax mobilisation during the last fiscal. The article also presents strong evidence of commendable fiscal consolidation as evidenced by the highest decline in the revenue deficit and fiscal deficit compared to other states. Yet the stressful fiscal situation continues primarily on account of the faulty fiscal policy of the Centre towards states in general and Kerala in particular.

## Revenue receipts of states

Revenue mobilization from own tax and non-tax revenue is an important agenda of state governments including Kerala. In order to meet the high committed expenditures, it is seen that the state has to resort to own revenue mobilisation along with the central share of taxes and grants in aid. The role of own revenue mobilization assumes added importance in the present context of fiscal restrictions imposed on states by the Union government in the name of the borrowing limit. The inclusion of off-budget borrowing in previous years into the borrowing limit has aggravated the issue.

The revenue receipts in Kerala increased from Rs 1.16 Lakh in 2021-22 to Rs 1.32 Lakh in 2022-23; an increase of Rs 16,000 crore (Table 4). This indicates an annual growth rate 13.7% in 2022-23 which is marginally lower than the all India average (14.2%). Telangana registered the highest rate of growth of revenue receipts (25.0) followed by Maharashtra with a growth rate of 21.7 per cent (Table 1). The revenue receipts consist of tax revenue and non tax revenue which registered an average growth rates of 14.2 per cent by all states. The tax revenue showed a growth rate of 18.5 per cent in Kerala which is 3 per cent higher than that of all states average. Gujarat (23.0%), Maharashtra (22.6%) and Haryana (21.5) were ahead of Kerala in the case of tax revenue growth.

The state's own tax revenue in Kerala showed a remarkable growth rate of 22.1 per cent in 2022-23 over 2021-22, from Rs 63,000 Crore to Rs 77,000 crore (an increase of Rs 14,000 crore) (Table 4). This growth rate of own tax revenue is one of the highest among states. Only two states - Maharashtra (25.6%) and Gujarat (28.4%), with sound manufacturing base, recorded better performance than Kerala. (Table 1).

The compositional change also was highly significant in Kerala; the share of own Tax Revenue in revenue receipts increased from 54.2% to 58.2% during the period. An increase of 4 percentage points in one year is a clear indication of turnaround. This has to be compared with an average state level increase of only 2.2 percentage point from 52.5% to 54.7 %.. Bihar registered the highest percentage increase (11.2) in their share in own tax revenue from 2022-23 over 2021-22. Gujarat, Rajasthan and Odisha are also come up in similar position as Kerala.

The share of own tax revenue in tax revenue is the third highest in Kerala (85.5%) next only to Haryana and Karnataka . However, what is striking is that, Kerala recorded the highest increase from 83% to 85.5% (2.5%). At the same time, Kerala also recorded a decline in the State's share of Union taxes. It declined from 17% to 14.5% (2.5% decline) while Tamil Nadu registered a 3 % decline(Table 2). The increase in own tax revenue in Kerala was majorly contributed by GST. It's share in Tax revenue increased from 38% to 38.4 % , lower in Karnataka and Haryana. Odisha (48%) , Madhya Pradesh (50.6%), West Bengal (46%) and Rajasthan (39.6) are getting the higher share of central taxes.

At the same time, the share of Grants in aid from the Centre in Revenue Receipts recorded the highest decline in Kerala from 25.8% to 20.6% - a decline of 5.2 percentage points (Table 2). Even in Rajasthan which recorded lowest growth in Grants in aid, the share declined only by 4.5% . In the case of Kerala share of central taxes declined from 11.13% to 9.38% (1.27% point decline), in other states also the share declined except in Orissa (increased 3.67 %) and Andhra Pradesh (0.70%).

Coming to the various components of own tax revenue in Kerala, GST recorded a 1.2% increase in its share which was higher than that of Maharashtra and Gujarat (Table 2). Haryana and Bihar recorded more than 4% increase in their share of GST in revenue receipts. The efforts initiated by Government of Kerala is reflected in the rate of growth of GST collection (19.4%) (Table 1). GST being a destination based tax with strong indications of economic revival, there appears to be room for further improving our GST performance.

Especially notable has been Kerala's performance in state excise duties wherein growth rate was 41.5%. This growth rate is the highest among the states considered. The growth of stamp duty and registration showed a rate of around 28 per cent. It is evident from Table 1 that all the components of state's own tax revenue increased considerably during 2022-23 over 2021-22 which indicates a strong sign of turnaround after the COVID 19 pandemic. This has to be viewed against the background of a minimal growth in the share of central taxes to Kerala (0.7%) (Table 1)

In the case of state's own non tax revenue also Kerala registered a substantially higher growth rate (44.83%); an increase from Rs 10,000 to Rs15,000 Crore (Table 4). Telangana, Uttarakhand and Tamil Nadu are the states ahead of Kerala in the case of own non tax revenue mobilisation.

### **Revenue expenditure**

Expenditure rationalisation is one of the measures to achieve fiscal turnaround. Highest revenue expenditure growth is observed in Andhra Pradesh (26.1 per cent), Punjab (17 per cent), Maharashtra (16.1 per cent) and in Odisha (16.1) (Table 3). Kerala is the only state that reported a decline in Revenue expenditure. The growth rate of revenue expenditure in Kerala showed a decline of -2.63 per cent during the period while for all India it increased by 11.5%. Salary and pension expenditure registered a decline in growth rate (-13.51% and -3.02%). The growth of interest payment in Revenue expenditure shows a growth rate of 9.63 per cent in 2022-23. For Kerala, there has been a massive decline (-60%) in subsidy expenditure while it increased by 19.6% for all the states put together. Decline in subsidy expenditure has to be viewed in the highest spending on subsidy during the pandemic period by providing required social security benefits for protecting the lives and livelihood of the people.

### **Capital expenditure**

Capital expenditure showed a positive growth in thirteen states. The highest growth recorded in Odisha (45.1 per cent) and the highest decline in capital expenditure observed in Andhra Pradesh (-54.9 per cent), Telangana (-38.1 per cent), Punjab (-18.1 per cent) and in Rajasthan (-6.1 per cent) (Table 3). In Kerala, the growth of capital expenditure showed a marginal decline during the period under study. While considering the growth of capital expenditure in Kerala, the expenditure incurred through KIFBI also have to take into consideration. Capital expenditure also declined by 2% one of the lowest among the Indian states; but actual capital expenditure Kerala would be higher if we consider the capital expenditure by KIIFB also.

### **Borrowing, debt and deficit**

It is observed that there is sharp decline in borrowing in seven states in the year 2022-23. The highest decline in borrowing was recorded in Odisha (-168.1 per cent) a sharp decline occurred in Kerala also (-47 per cent). This could be seen in the context of severe restrictions on borrowing on Kerala in the name of off budget borrowing. It goes without saying that restrictions on borrowing severely affected the capital expenditure growth.

Revenue deficit showed a negative growth in 2022-23 vis-à-vis 2021-22 in eleven states. In Kerala, the revenue deficit declined by -74% while for all states, the decline was 49%.

Telangana (-164%) and Maharashtra (-91%) recorded higher decline in revenue deficit than Kerala (Table 3) States like Karnataka, has no revenue deficit. Hence they have balance in current revenue for meeting capital expenditure. Whatever borrowing made by them is being used for capital investment. The highest increase in revenue deficit was recorded in Bihar , Andhra Pradesh and Gujarat.

The fiscal deficit for Kerala declined by 47% while for the country as a whole, there was a fiscal surplus that increased by 5%. Orissa (168%) and Gujarat (41%) also recorded faster decline in fiscal deficit. However, states like Andhra Pradesh and Bihar registered sharp increase in fiscal deficit. Kerala has been confronted with a rather paradoxical situation wherein the fiscal deficit target that the Central government failed to follow has been imposed on the states including Kerala. While the fiscal deficit of the Central government has been 6.4 per cent in 2021-23 and envisaged to bring it down to 5.9 per cent in 2023-34, the Central government did not permit the states to borrow more than 3 per cent of GSDP in the pretext of FRBM. This indicates that the Central government imposes and preaches to the states what it failed to practice. Although there is reason to believe that FRBM is a mindless piece of legislation from the perspective a developing country, and its strict implementation during the post pandemic period when the debt GDP ratio at the global level remained at the highest level since the great depression, we would like to reserve the detailed discussion on it to later issue of this journal. To say the least, such tendencies not only erode the fiscal space of the state but also negate the basics of cooperative federalism that we uphold.

As far as primary deficit is concerned, Kerala showed a negative growth rate (-96.4 per cent). States like Andhra Pradesh, Bihar, Gujarat, Uttarakand and Uttar Pradesh also registered higher growth in primary deficit.

## **Conclusion**

To conclude, Kerala recorded one of the highest growth rates in state's own tax revenue along with strong evidence of fiscal consolidation by being in the company of some of the other states. This however, coincided with the highest decline in the grants in aid from the centre and negligible growth in the share of Central taxes coupled with the unprecedented restrictions on borrowing to adhere to the FRBM Act, which the Centre also failed in adhering to, severely impacting upon capital expenditure on the one hand and the fiscal freedom on the other. Kerala has been compelled to reduce its fiscal deficit/borrowing on

account of the arbitrary fiscal conditionalities of central government on borrowings of the state by the inclusion of off budget borrowing of the state in the previous years to the 3 per cent borrowing limit. Because of these restrictions, the state has not been able to borrow even 3 per cent of GSDP which is entitled to the state as per the FRBM Act. Thus the state has been confronted with a severely constrained fiscal space given an apparent shift in fiscal federal relations presumably from cooperative federalism to coercive federalism. Given this less friendly central state financial relations Kerala is left with hardly any other option but to explore further the untapped tax potential of the state. In this context the strategy of the tax department to increase own revenue substantially through high standard audit training deserves much appreciation. At the same time, there is an urgent need to bring together other states to ensure a paradigm shift in India's centre state financial relations such that the democratically elected state governments, that shoulder 62% of the national expenditure with access to only 37% of the revenue, are not reduced further to subjects of a subordinated federalism.

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### Fiscal performance of Kerala compared to major states in India

Table 1

Annual Growth rate in different components of Revenue Receipts- 2022-23 over 2021-22 (%)

Description	Revenue Receipts (a+b)	Tax Revenue	State's own tax revenue	Goods and Services Tax	Stamp and registration fees	Land Revenue	Sales Tax	State Excise Duties	State's share of Union Taxes	Other Taxes and duties	Non-Own Tax Revenue	Grants in aid
All India	14.2	15.6	19.0	19.2	20.9	17.4	13.4	16.4	7.7	35.3	13.9	8.1
Kerala	13.7	18.5	22.1	19.4	28.0	52.9	19.7	41.5	0.7	33.5	44.8	-9.1
Andhra Pradesh	5.1	9.2	9.2	13.4	5.1	119.7	-13.5	0.6	9.6	129.2	20.2	-8.0
Bihar	-21.0	-19.5	1.9	-8.9	23.5	26.9	43.8	-193.0	-39.2	25.6	16.2	-32.7
Karnataka	17.1	15.7	18.2	20.5	26.4	100.5	-1.0	13.4	2.7	41.6	20.4	23.0
Odisha	-1.8	13.5	14.2	13.5	-17.4	11.2	20.2	16.8	12.7	17.3	-21.3	-9.1
Punjab	12.1	13.0	13.4	16.6	27.8	11.3	-17.9	37.0	12.1	8.1	30.9	5.3
Rajasthan	6.0	12.2	16.8	22.9	26.1	-23.4	10.3	12.9	5.9	13.6	9.8	-17.9
Uttarakand	14.0	15.1	20.6	22.9	33.6	62.9	11.0	8.2	7.2	46.1	58.4	4.8
Hararyana	18.8	21.5	23.6	39.4	13.3	5.4	0.4	21.9	10.6	30.9	21.4	-5.7
Tamil Nadu	17.5	17.9	22.3	18.9	22.5	20.8	21.5	26.5	3.4	46.8	45.1	7.8
Chattisgarh	18.0	17.7	22.3	19.1	14.6	-8.6	20.8	32.8	13.3	29.1	10.9	29.6
Gujarat	20.0	23.0	28.4	21.3	36.2	61.0	27.3	21.2	6.2	42.5	32.6	-3.7
Madhya Pradesh	9.7	8.4	9.8	6.2	8.8	30.5	9.5	25.4	7.0	0.4	29.9	6.2
Maharashtra	21.7	22.6	25.6	24.6	27.2	-20.7	18.8	24.9	10.5	48.6	-13.9	32.4
Uttar Pradesh	16.5	11.7	15.0	11.7	23.9	47.8	18.2	13.6	6.3	26.9	19.0	53.2
West Bengal	9.7	13.5	17.7	21.7	-6.7	15.7	19.0	20.1	9.0	20.5	36.8	-4.5
Telangana	25.0	15.1	16.3	21.5	15.0	3.8	9.8	5.7	6.4	52.6	120.8	52.9



**Table 2**

Change in Share of Different Components in Total Revenue Receipts for selected states during 2022-23 over 2021-22 (%)

Description	Year	Revenue Receipts (a+b)	Tax Revenue	State's own tax revenue	Goods and Services Tax	Stamps and registration fees	Land Revenue	Sales Tax	State Excise Duties	State's share of Union Taxes	Other Taxes and duties	Non-Tax Revenue	Grant aid Contributions
All India	22-23	100.0	76.3	54.7	23.4	6.3	0.5	12.1	7.2	21.6	5.2	7.8	15.9
	21-22	100.0	75.4	52.5	22.4	5.9	0.5	12.2	7.1	22.9	4.4	7.8	16.8
Kerala	22-23	100.0	68.1	58.2	26.1	4.7	0.5	20.3	2.2	9.9	4.4	11.3	20.6
	21-22	100.0	65.3	54.2	24.9	4.2	0.4	19.3	1.7	11.1	3.7	8.9	25.8
Andhra Pradesh	22-23	100.0	73.4	56.2	24.5	5.1	0.1	11.4	9.3	17.3	5.8	3.8	22.8
	21-22	100.0	70.7	54.1	22.8	5.1	0.0	13.8	9.8	16.6	2.6	3.3	26.0
Bihar	22-23	100.0	82.1	49.7	32.9	5.2	0.3	8.0	0.0	32.4	3.3	3.3	14.6
	21-22	100.0	80.6	38.5	28.5	3.3	0.2	4.4	0.0	42.1	2.1	2.2	17.2
Karnataka	22-23	100.0	77.8	66.9	31.3	7.8	0.2	8.4	13.2	10.9	6.0	6.0	16.2
	21-22	100.0	78.7	66.3	30.5	7.2	0.1	9.9	13.6	12.4	5.0	5.9	15.4
Odisha	22-23	100.0	59.6	31.0	12.4	1.3	0.5	8.0	4.3	28.6	4.5	28.4	12.0
	21-22	100.0	51.6	26.6	10.7	1.6	0.4	6.5	3.6	24.9	3.8	35.4	13.0
Punjab	22-23	100.0	67.9	48.3	20.7	4.8	0.1	6.4	9.6	19.6	6.6	7.1	25.0
	21-22	100.0	67.3	47.8	19.9	4.2	0.1	8.8	7.9	19.6	6.9	6.1	26.6
Rajasthan	22-23	100.0	74.8	45.2	17.5	4.2	0.3	11.8	6.9	29.6	4.6	9.8	15.3
	21-22	100.0	70.7	41.1	15.1	3.6	0.3	11.3	6.5	29.7	4.3	9.5	19.8
Uttarakhand	22-23	100.0	56.5	34.8	15.0	4.0	0.1	5.2	7.2	21.6	3.3	8.9	34.6
	21-22	100.0	55.9	32.9	13.9	3.5	0.1	5.3	7.6	23.0	2.6	6.4	37.7
Haryana	22-23	100.0	83.5	71.7	32.5	9.8	0.0	12.8	11.0	11.8	5.5	8.4	8.1
	21-22	100.0	81.6	68.9	27.7	10.3	0.0	15.2	10.7	12.7	5.0	8.2	10.2
Tamil Nadu	22-23	100.0	78.1	62.1	22.2	7.3	0.1	24.4	4.3	16.0	3.7	6.3	15.6
	21-22	100.0	77.9	59.7	22.0	7.0	0.1	23.6	4.0	18.2	3.0	5.1	17.0
Chattisgarh	22-23	100.0	69.6	35.2	12.0	2.4	0.9	6.9	7.2	34.4	5.8	16.4	14.0
	21-22	100.0	69.8	34.0	11.9	2.4	1.2	6.7	6.4	35.9	5.3	17.4	12.7
Gujarat	22-23	100.0	79.2	62.7	26.4	7.1	2.2	18.5	0.1	16.5	8.4	9.3	11.6
	21-22	100.0	77.2	58.6	26.1	6.3	1.7	17.4	0.1	18.6	7.1	8.4	14.4
Madhya Pradesh	22-23	100.0	72.1	35.7	11.5	4.3	0.5	8.7	6.4	36.5	4.4	9.7	18.1
	21-22	100.0	73.0	35.6	11.9	4.4	0.4	8.7	5.6	37.4	4.8	8.2	18.7
Maharashtra	22-23	100.0	83.4	68.5	29.9	11.2	0.6	13.5	5.3	14.8	8.0	4.0	12.7
	21-22	100.0	82.7	66.4	29.2	10.7	0.9	13.8	5.2	16.3	6.6	5.6	11.6
Uttar Pradesh	22-23	100.0	82.7	53.4	27.0	6.0	0.1	7.7	9.9	29.2	2.8	3.1	14.2
	21-22	100.0	86.2	54.1	28.1	5.6	0.1	7.6	10.2	32.0	2.5	3.0	10.8
West Bengal	22-23	100.0	79.4	42.8	19.5	3.5	1.6	6.1	8.3	36.6	3.8	1.1	19.5
	21-22	100.0	76.7	39.9	17.6	4.1	1.5	5.6	7.6	36.8	3.5	0.9	22.4
Telangana	22-23	100.0	79.5	70.7	26.3	8.9	0.0	18.6	11.6	8.8	5.3	12.3	8.3
	21-22	100.0	86.3	76.0	27.1	9.7	0.0	21.2	13.7	10.3	4.3	6.9	6.8

**Table 3**

Annual Growth in Expenditure and Deficit Components 2022-23 over 2021-22 (%)

Description	Revenue Expenditure	Expenditure on Revenue	Expenditure on Interest	Expenditure on Salaries/wages	Expenditure on Pension	Expenditure on subsidy	Capital Expenditure	Borrowing and other liabilities	Revenue Surplus (+)/Deficit (-) (1-4)	Fiscal Surplus (+)/Deficit (-)	Primary Deficit (8-4b)
All India	11.5	10.1	7.1	13.8	12.2	19.6	12.4	5.0	-49.1	5.0	-11.2
Kerala	-2.6	7.8	9.6	-13.5	-3.0	-60.3	-2.4	-47.0	-74.3	-47.0	-96.4
Andhra Pradesh	26.1	32.7	12.6	19.7	11.1	56.6	-54.9	104.2	403.3	104.2	628.7
Bihar	14.7	16.3	9.3	4.9	14.1	33.7	29.0	231.7	2802.2	231.7	455.6
Karnataka	3.2	-11.6	14.8	0.0	16.2	0.0	13.1	-36.8	-513.5	-36.8	-66.9
Odisha	16.1	24.3	-18.7	9.5	13.0	-16.6	45.1	-168.1	-48.2	-168.1	0.0
Punjab	17.0	11.5	0.1	15.4	23.7	42.0	-18.1	19.4	40.9	19.4	57.0
Rajasthan	9.0	8.8	9.1	4.6	18.2	12.0	-6.3	15.3	30.4	15.3	21.0
Uttarakand	12.1	14.1	8.6	9.4	12.7	99.3	8.8	-25.6	32.4	-25.6	246.2
Harayana	8.8	8.9	18.2	1.2	16.8	-1.9	7.7	-8.2	-22.4	-8.2	-34.9
Tamil Nadu	8.9	-5.3	11.7	18.5	23.4	36.3	6.6	-5.1	-33.9	-5.1	-21.1
Chattisgarh	14.1	19.8	2.9	9.5	2.6	26.4	25.9	-15.9	85.8	-15.9	-107.9
Gujarat	10.5	12.3	-1.1	15.3	8.8	14.3	26.9	-40.9	216.9	-40.9	286.9
Madhya Pradesh	12.2	15.2	7.7	13.8	10.5	0.0	9.0	16.9	-67.6	16.9	24.7
Maharashtra	16.1	14.8	1.2	15.6	11.9	48.2	32.3	2.8	-91.0	2.8	4.8
Uttar Pradesh	13.9	18.8	0.5	9.6	16.2	5.5	33.3	38.0	54.7	38.0	209.7
West Bengal	5.8	9.0	9.8	2.9	-7.7	2.9	27.2	-1.9	-16.5	-1.9	-28.4
Telangana	11.1	10.7	12.1	16.1	12.7	-5.8	-38.1	-32.7	-164.0	-32.7	-61.5

Source: Computed from C&amp;AG, 2021-22 and 2022-23

Note: RD, FD and PD refers to revenue, fiscal and primary deficits, respectively.

**Table 4**

Fiscal Position of Kerala in 2022-23 over 2021-22 (Rs. in Crore)

Sl.No	Description	2022-23	2021-22	Growth rate (%)
1	Revenue Receipts (a+b)	132536.77	116546.5	13.72
a)	Tax Revenue	90230.04	76160.58	18.47
	State's own tax revenue	77164.84	63191.75	22.11
	Goods and Services Tax	34641.72	29002.48	19.44
	Stamps and registration fees	6216.71	4857.33	27.99
	Land Revenue	720.1	470.81	52.95
	Sales Tax	26912.74	22487.42	19.68
	State Excise Duties	2875.95	2032.23	41.52
	State' share of Union Taxes	13065.2	12968.83	0.74
	Other Taxes and duties	5797.62	4341.48	33.54
b)	Non-Own Tax Revenue	15021.27	10371.8	44.83
	Grants in aid from Centre	27285.46	30014.12	-9.09
2	Capital Receipts	23132.08	43518.61	-46.85
	Borrowing and other liabilities	22672.5	42785.97	-47.01
3	Total Receipts (1+2)	155668.85	160065.11	-2.75
4	Revenue Expenditure	139359.95	143128.64	-2.63
4(a)	Expenditure on Revenue account	50463.52	46831.94	7.75
b)	<i>Expenditure on Interest Payment</i>	21840.77	19923.09	9.63
c)	<i>Expenditure on Salaries/wages</i>	39425.93	45585.43	-13.51
d)	<i>Expenditure on Pension</i>	26087.46	26898.66	-3.02
e)	<i>Expenditure on subsidy</i>	1542.27	3889.52	-60.35
5	Capital Expenditure	13521.03	13851.86	-2.39
6	Total Expenditure (4+5)	152880.98	156980.5	-2.61
7	Revenue Surplus (+)/Deficit (-) (1-4)	-6823.18	-26582.14	-74.33
8	Fiscal Surplus (+)/Deficit (-)	-22672.5	-42785.97	-47.01
9	Primary Deficit(8-4b)	-831.73	-22862.88	-96.36