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HIGHLIGHTS

Forecast

Re-assessing the Macroeconomic Scene for 2013–14

Charu Jain and Purna C Parida

The economic fundamentals of the Indian economy continue to remain weak despite several policy initiatives taken by the government during the past few months.

Business Expectations

Lower Business Confidence in September 2013

Charu Jain and Purna C Parida

The 86th round of the Business Expectations Survey carried out in the second quarter of the current fiscal (September 2013) shows a drop in the NCAER Business Confidence Index.

Environment

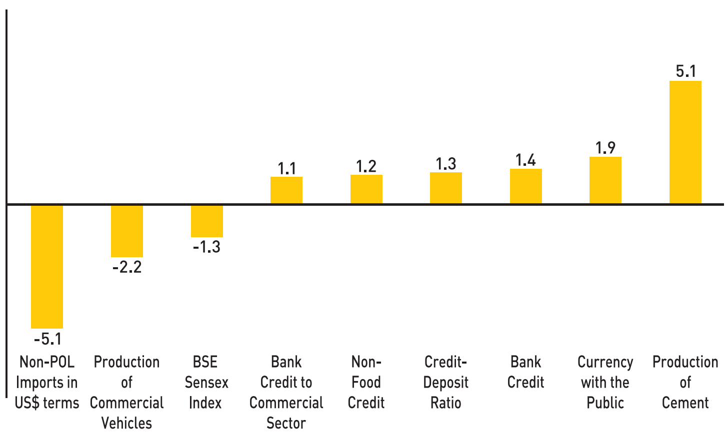
Environmental Challenges of Modern Agriculture

Anjali Tandon

For a long time, the anthropogenic emissions of greenhouse gases (GHGs) were attributed mainly to the energy sector, which is an intensive user of fuels such as diesel and petroleum.

LEADING ECONOMIC INDICATORS: AUGUST 2013

Economy is moving very slowly



Re-assessing the Macro-economic Scene for 2013–14

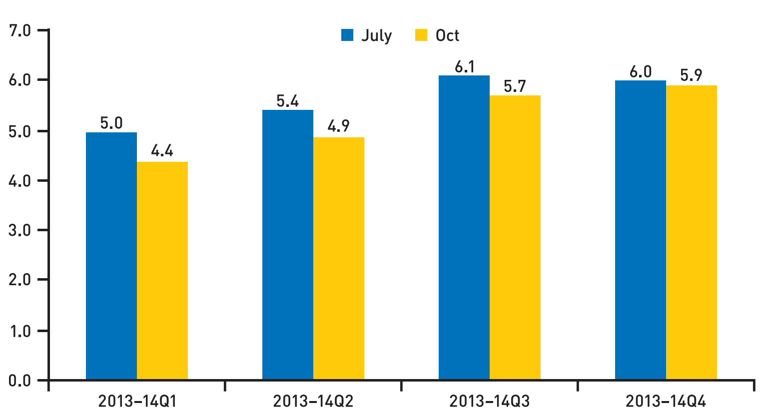
The economy also faces serious challenges on the external front where the Rupee plummeted to a historic low of 68.85 against the US dollar on August 28, 2013.

BACKDROP

THE ECONOMIC FUNDAMENTALS of the Indian economy continue to remain weak despite several policy initiatives taken by the government during the past few months. Official estimates show that the Gross Domestic Product (GDP) at factor cost in constant 2004–05 prices recorded a mere 4.4 per cent growth in Q1 of 2013–14. India's economic output contracted significantly during the first quarter of the current fiscal, largely due to steep fall in private investment as well as private consumption expenditure. While the GDP growth of industry and the services sector declined in Q1 of 2013–14 compared with the corresponding quarter of the previous fiscal year, agriculture registered fairly steady growth during the same period.

According to data released by the Centre for Monitoring Indian Economy (CMIE), new investment announcements at ₹784 billion were 32 per cent lower during 2013–14:Q1 than the average of ₹1.1 trillion for the comparable period of 2012–13, while in the manufacturing sector new proposals slipped by 47 per cent over its level a year ago. Weakening private investment is also explained by the continuous decline in business confidence. The NCAER-MasterCard Business Expectations Survey reveals that the business confidence index has been declining continuously since April 2012, mainly due to overall weak economic conditions and an unfavourable business environment. Gross fixed capital formation also registered negative growth owing to a policy logjam, an unfavourable business environment and a slowdown in economic growth. Private consumption, on the other hand, has been hammered down by persistent food inflation and a decline in real income.

Figure F.1: Quarterly GDP Growth Rate Forecast for 2013–14



Source: Data from CSO, Government of India.

Wholesale Price Index (WPI) inflation, after remaining low during the first few months of 2013, picked up and moved beyond six per cent in August 2013. As usual, the major driver of inflation is food inflation. The prices of food articles, which were around six per cent at the beginning of the current fiscal, increased nearly three times in August. Heavy rainfall and floods in different parts of the country have not only damaged crops but also disrupted the supply chain of commodities, leading to scarcity and price increases.

The economy also faces serious challenges on the external front where the Rupee plummeted to a historic low of 68.85 against the US dollar on August 28, 2013. Both domestic and external factors contributed to the depreciation of the Rupee. Weak domestic growth, large oil imports and global factors, such as the crisis in Syria and the likely tapering of quantitative easing in the United States, contributed to the decline of the Rupee. The depreciating rupee and rising international crude oil prices have put huge pressure on India's current account deficit given that the country imports nearly 80 per cent of its oil requirements. In addition, the steady rise in the oil subsidy bill will put an extra burden on the central government's finances and push the fiscal deficit beyond budget estimates.

To sum up, while the risk factors to growth have become amplified, the positive factors have weakened. The government and the central bank have taken a few policy initiatives to avoid the external crisis, but that may not be good enough to lift economic growth from its present lows.

ECONOMIC PROSPECTS FOR 2013–14

Two approaches were used to examine the emerging scenario for 2013–14: (1) a quarterly model GDP that incorporates some inter-sectoral relationships and the evolution patterns of variables over time and (2) a more detailed annual macro-econometric model.

QUARTERLY GDP GROWTH IN 2013–14

The quarterly projections for 2013–14 are based on several assumptions about the exogenous variables and also update high frequency exogenous variables up to July/August 2013, which are summarised in Figure F.1.

GDP growth rate at 2004–05 constant prices is estimated at 5.3 per cent for 2013–14, which is a downward revision of 0.4 percentage points over our July 2013 estimate of 5.7 per cent. There is a downward revision in the GDP growth rate in all three quarters compared to our previous estimate in July 2013. This is mainly due to a contraction of output in industry and services. While agricultural output is revised up from 3.3 per cent in July to 4.1 per cent in the current estimates due to better rainfall, industrial growth is revised down to 2.9 per cent from earlier estimates of 4.5 per cent in July 2013. The services sector growth rate is also revised down from 6.8 per cent in July 2013 to 6.6 per cent in the current estimates. In the current estimates, rainfall is assumed at three per cent above normal compared to our earlier assumption of a normal monsoon. We retain our earlier assumption of a marginally better capital market (BSE). Bank credit to the commercial sector assumes a lower growth rate of 15 per cent compared to our earlier assumption of around 16 per cent in the current fiscal on account of the recent hike in the policy rate. We retain our earlier assumption of 16.4 per cent year-on-year (yoy) growth in central government expenditure over the Revised Estimates of the previous fiscal. Our estimates show WPI inflation at 6.5 per cent for the current fiscal, up 0.4 percentage points over previous estimates.

ANNUAL ASSESSMENT FOR 2013–14

The current annual forecast (5.2%) is the second revision of real GDP growth rate for 2013–14 after the preliminary forecast presented in July 2013. We had projected real GDP growth at 5.9 per cent in July 2013. The current forecast incorporates changes in key macroeconomic parameters during the past three months.

The key assumptions on which the forecast is based are: 1) world GDP growth is assumed to decline to 2.9 per cent from the earlier estimate of 3.1 per cent in July; 2) international crude oil prices assume no yoy growth in October; 3) non-fuel commodity prices in the international markets also retain the earlier assumption of no yoy change; 4) foreign direct investment net inflows and net invisibles assume yoy 10 per cent and eight per cent increase, respectively, in 2013–14, while foreign institutional investment inflows are retained as earlier; 5) the domestic energy price index assumes yoy increase of 5.6 per cent in 2013–14; 6) the BSE Sensex retains the earlier assumption of five per cent yoy growth; and 7) interest rate retains its earlier assumption of no further moderation and LIBOR also retains the earlier assumption at 2.03 per cent, while exchange rate assumes a significant 9.5 per cent depreciation in the current estimate over July. We have retained the earlier assumption on government finances, subsidies and tax collection. In addition to the above assumptions, we have made an intercept adjustment in private investment functions to capture the decline in investment on account of the rising under-recovery of oil marketing companies.

The revised assessment of the key macroeconomic parameters for 2013–14 are summarised in Table F.1.

The current annual forecast (5.2%) is the second revision of real GDP growth rate for 2013–14 after the preliminary forecast presented in July 2013. We had projected real GDP growth at 5.9 per cent in July 2013.

Table F.1: GDP Forecast for 2013–14

Year-on-Year per cent Change	July 2013 Forecast	October 2013 Forecast
Real GDP		
- Agriculture	3.2	3.9
- Industry	4.3	3.9
- Services	7.1	6.1
Total	**5.9**	**5.2**
Exports ($ value)	9.4	11.0
Imports ($ value)	12.4	13.1
Per cent of GDP at Market Prices		
Inflation (WPI)	5.9	6.8
Current Account Balance*	-4.6	-4.5
Fiscal Deficit (Centre)	5.1	5.1

Note: Forecast based on Annual Model. * Surplus (+)/deficit (-)
Source: NCAER, New Delhi.

Lower Business Confidence in September 2013

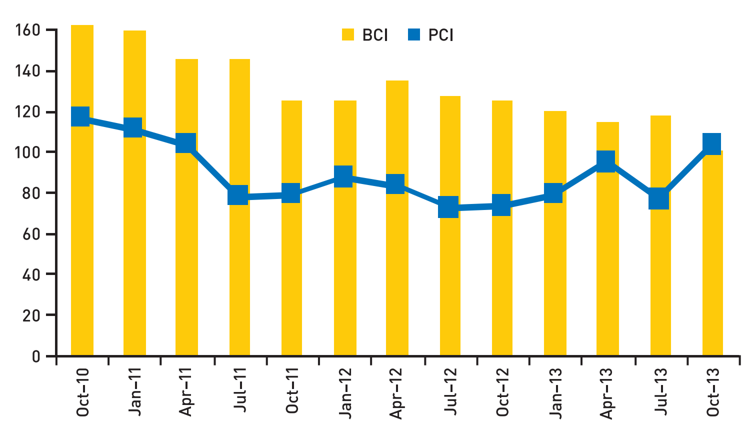
All four components of the BCI have recorded the lowest level of confidence in the past four years, i.e., from July 2009.

LOWER BUSINESS SENTIMENTS AND IMPROVED POLITICAL CONFIDENCE

THE 86TH ROUND of the Business Expectations Survey carried out in September 2013 shows a significant drop in the NCAER Business Confidence Index (BCI). The BCI is now at 100.4 in the current quarter 2013–14:Q2 compared with 117.7 in the previous quarter 2013–14:Q1, showing a significant drop of 15 per cent. Factors such as high inflation, a falling rupee and low economic growth could have contributed to the waning of business confidence in the current round of the survey (Figure B.1).

All four components of the BCI show a decline in the present round of the survey. Among them, the highest decline is recorded in the 'present investment climate' followed by 'expectations that the financial position will improve ahead' and 'expectations for economic conditions to improve in the short run'. The fourth indicator of the BCI, i.e., 'capacity utilisation', reported the lowest decline among the components. All four components of the BCI have recorded the lowest level of confidence in the past four years, i.e., from July 2009. On the whole, although the confidence level improved in the July survey after showing a continous fall in the past fiscal year, the overall recovery in the BCI was quite weak as seen in the last round (July 2013).

Figure B.1: Business Sentiments



Source: NCAER, New Delhi.

In contrast to the BCI, the Political Confidence Index (PCI) that provides a measure of the confidence of the business sector in the political management of economic policies shows a significant improvement by a whopping 26.7 points, from 76.2 in July 2013 to 102.9 in October 2013. This is the highest improvement since July 2009. The current round shows improvement in all eight indicators over the previous round. The highest improvement has been reported in the case of 'pushing economic reforms forward' by 16.2 points, followed by 'managing the exchange rate' (10.2 points) and 'managing inflation' (10.1 points). The main reasons behind this improvement could have been various policy measures announced by the government during the past couple of months to increase the speed of implementation of infrastructure projects, setting up of new industries, smoothing the supply of coal and containing the fiscal deficit within the budget estimates by reducing non-plan expenditure.

SECTORAL PATTERNS OF BUSINESS CONFIDENCE

The sectoral distribution of responses reveals a drop in business sentiments in all five major sectors of the economy in the current round over the previous round. Overall, the BCI is the highest in the services sector at 113.5, followed by the consumer durables sector (109), consumer non-durables sector (105.4), and capital goods sector (99.2). The intermediate goods sector once again recorded the lowest BCI of all sectors. However, the rate of fall is much higher in manufacturing firms than in service sector firms. Within the manufacturing sub-sectors, the highest decline is being reported in the consumer non-durables sector, followed by the intermediate goods sector and the capital goods sector (Figure B.2).

Among the four components of the BCI, the indicator that has shown the sharpest decline is ratings on the 'investment climate', which shows a decline in all five sectors, with the highest fall being recorded in the intermediate goods and capital goods sectors. The second highest decline is recorded in 'expectations that the financial position will improve ahead'. A smaller proportion of firms 'expect economic conditions to improve in the next six months' in the manufacturing sub-sectors, while in the services sector it is the other way round. The fourth indicator, i.e., 'capacity utilisation', registered the highest decline in intermediate sector firms.

REGIONAL PATTERNS OF BUSINESS CONFIDENCE

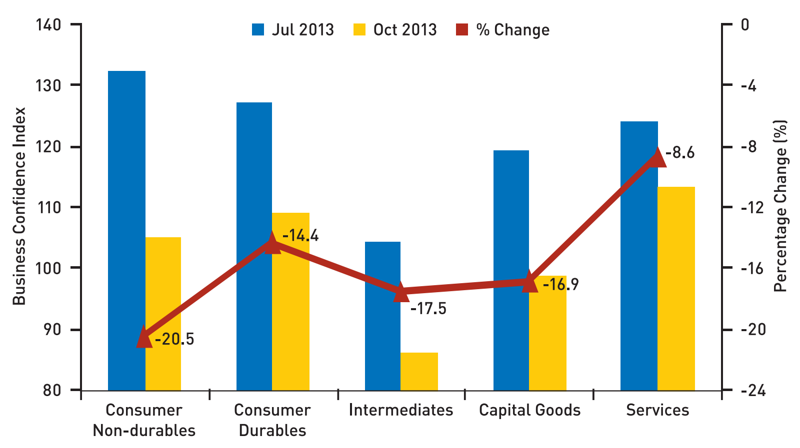
The regional distribution of responses is in line with the sectoral distribution. The present round of the survey reveals a decline in business sentiments across all four regions. Overall, the BCI is the highest in the South at 126.5, followed by the North (100.2) and the East (94.3). The West, which has performed poorly in the past few rounds, has again registered the lowest BCI at 73.9 in October 2013 (Figure B.3).

In terms of growth rate, the highest drop is registered in the East where, except for 'capacity utilisation', all other indicators show a drop. This is followed by the West, where the optimism level declined by 18.4 per cent in October 2013 over July 2013; this region reports a drop in all four components of the BCI. Although the remaining two regions, i.e., North and South, reflect lower optimism in the present survey, the situation is still under control compared with the other two regions. This is because of the four components in the BCI, only two components report a decline for these regions in the October survey. However, the rate of decline in North is higher than in South.

BUSINESS CONFIDENCE BY FIRM SIZE AND OWNERSHIP

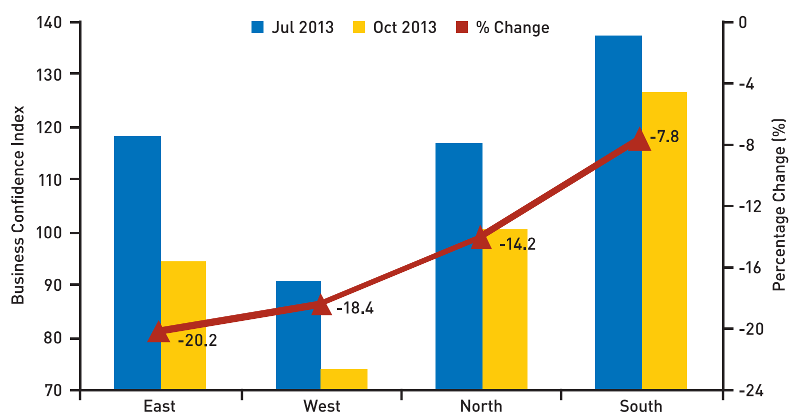
The disaggregation of firms by size reveals lower business sentiments among all sizes of firms in the present survey. While the largest-sized firms registered the highest BCI of all, the smallest-sized firms registered the lowest BCI in October 2013. Among the four components of the BCI, except for 'expectations on economic conditions to improve in the next six months', the remaining three indicators reflect lower optimism across all firm sizes. Overall, the present survey clearly distinguishes a pattern of changes between larger and smaller firms, as larger firms performed poorly in the case of 'investment climate', whereas for smaller firms it is lower 'expectations that the financial position will improve in the short run'.

Figure B.2: Pattern of Business Expectations across Sectors



Source: NCAER, New Delhi.

Figure B.3: Business Sentiments across Regions



Source: NCAER, New Delhi.

The distribution of firms by type of ownership reveals that both public and private sector firms reflect lower business confidence in the present round of the survey over the previous quarter. However, the rate of decline is comparatively higher in private sector firms than in public sector firms. The main reason behind the huge fall in the private sector is lower optimism for 'economic conditions to improve in the next six months' and lower ratings for 'capacity utilisation'. Overall, among all categories of firms, the BCI is the highest in public sector firms at 110.1, followed by partnership firms at 107.8, private limited firms at 98.1, and public limited firms at 97.3 points.

Overall, the present survey reveals lower business sentiments across all sectors and regions of the economy. The main reasons behind this fall are due to significant drop in the ratings of the 'investment climate' and lower 'expectations for the financial position to improve in the short run', which emerges as a major area of concern.

The present round of the survey reveals a decline in business sentiments across all four regions.

Environmental Challenges of Modern Agriculture

FOR A LONG time, the anthropogenic emissions of greenhouse gases (GHGs) were attributed mainly to the energy sector, which is an intensive user of fuels such as diesel and petroleum. However, sector-specific research as well as the study of carbon footprints have highlighted the emission contributions of other economic activities such as agriculture, land use, land use change and forestry, industry, transport, commercial & residential buildings and waste and wastewater. Among these, the combined share of agriculture and forestry accounts for the highest share of 31 per cent in global GHGs (Intergovernmental Panel on Climate Change). Emissions from these two sectors arise from livestock, soil management, paddy cultivation, stubble burning, deforestation, land clearing, and fires.

Emissions from Indian agriculture have increased at an average annual growth rate of 1.2 per cent between 1990 and 2010.

In India, the balance sheet of emissions provides insights into the emission profile. Sector-wise distributions show the dominance of the energy sector with a share of 58 per cent, followed by industry (22%), agriculture (17%), and the waste sector (3%). However, the share of agricultural emissions is more than 21 per cent when one accounts for indirect emissions due to the consumption of inputs such as fertilisers, electricity and fuel such as diesel.

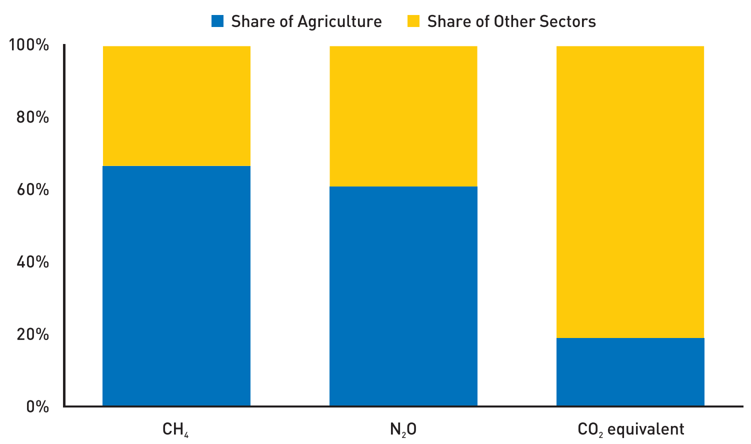
Emissions are measured in a common unit called carbon dioxide (CO_2) equivalents to facilitate comparison across sectors and activities that have varying intensities of different types of emissions. While the magnitude of methane (CH_4) and nitrous oxide (N_2O) may be low in total emissions compared with CO_2 emissions, they have significantly high global warming potential (GWP). The GWP of CH_4 and N_2O is 25 and 298 times that of CO_2, respectively.

The agriculture sector attains primacy due to its emissions of both CH_4 as well as N_2O. Although the CO_2 intensity of agriculture is relatively low, the sector is a key emitter that accounts for more than half the anthropogenic CH_4 and N_2O emissions (Figure E.1). Emissions from Indian agriculture have increased at an average annual growth rate of 1.2 per cent between 1990 and 2010.

Increase in demand for agricultural output is a natural consequence of a growing population. However, this comes at an environmental cost. For instance, the green revolution helped increase output by bringing a larger area under cultivation through irrigation and increasing production yields through the use of fertilisers. Both, electricity for irrigation and fertilisers are emission-intensive inputs, but self-sufficiency in food has come to be associated with such inputs, which have an adverse effect on the environment.

In short, the agriculture sector affects emissions and is also affected by emissions that lead to climate change. The relationship is complex due to the multiple agents involved. The transformation of agriculture into a climate-resilient system is the need of the hour. A system such as this would meet the food requirements while supporting the rural workforce. Additionally it will help stabilise national economic growth with adequate input requirements for downstream industries such as food processing and textiles as stated in the National Mission for Sustainable Agriculture, 2010. The benefits of low carbon agricultural practices have a direct impact on the environment including reducing GHG emissions, saving water and improving soil conditions.

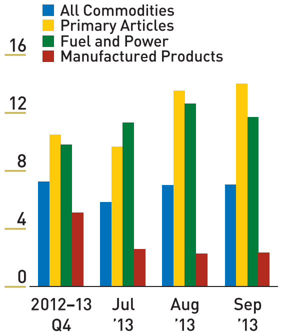
Figure E.1: Share of Agricultural Emissions in India, 2007



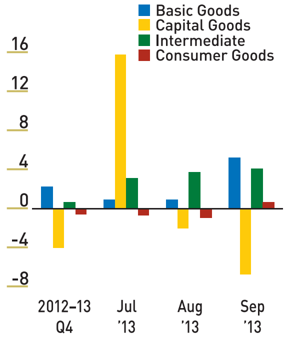
Source: Ministry of Environment and Forests, 2010.

Select Economic Indicators

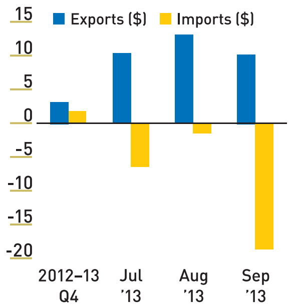
WPI (% yoy)



IIP (% yoy)



External Trade (% yoy)



PERCENTAGE VARIATION (YOY)*

	2011–12	2012–13	2012–13 Q1	2012–13 Q2	2012–13 Q3	2012–13 Q4	2013 JUL	2013 AUG	2013 SEP
INDEX NUMBER OF WHOLESALE PRICES									
All Commodities	8.9	7.4	7.5	7.5	7.8	7.3	5.9	7.0	7.0
Primary Articles	9.8	9.8	9.9	10.2	9.4	10.5	9.7	13.6	14.0
Fuel, Power	14.0	10.3	11.9	10.6	10.8	9.8	11.4	12.7	11.7
Manufactured Products	7.3	5.4	5.3	5.5	6.3	5.1	2.6	2.3	2.4
Basic Goods	10.8	7.7	9.8	9.8	10.0	6.1	0.5	1.4	1.5
Capital Goods	2.9	2.8	2.5	3.0	2.8	2.8	2.7	2.8	2.8
Intermediate	10.9	6.7	6.1	5.4	6.8	6.8	10.1	10.1	9.6
Consumer Goods	8.0	6.3	6.0	5.9	7.0	6.4	3.1	2.5	2.3
Consumer Durables	10.1	6.1	8.4	8.3	5.8	5.0	0.0	0.8	0.8
Consumer Non-durables	7.3	6.4	5.2	5.1	7.4	6.9	4.1	3.0	2.8
CPI Industrial Workers	8.4	10.4	10.1	10.0	9.7	10.8	10.8	10.7	10.7
CPI Agricultural Labourers	8.2	10.0	7.9	8.1	9.5	11.3	12.8	13.2	12.8
INDUSTRY									
IIP General	2.9	1.1	-0.3	0.1	3.2	0.3	2.6	0.4	2.0
IIP Mining	-2.0	-2.3	-1.5	-1.8	0.5	-3.4	-3.0	-0.9	3.3
IIP Electricity	8.2	4.0	6.4	5.8	3.8	4.7	5.2	7.2	12.9
IIP Manufacturing	3.0	1.3	-0.8	-0.3	3.5	0.4	3.0	-0.2	0.6
IIP Basic Goods	5.5	2.5	3.3	3.0	3.4	2.4	1.0	0.9	5.3
IIP Capital Goods	-4.0	-6.0	-20.1	-15.3	-4.4	-4.0	15.9	-2.0	-6.7
IIP Intermediate	-0.6	1.6	0.8	1.5	4.6	0.7	3.2	3.8	4.2
IIP Consumer Goods	4.4	2.4	3.9	2.9	5.7	-0.5	-0.7	-0.9	0.7
IIP Consumer Durables	2.6	2.0	8.0	6.4	5.3	-2.6	-9.6	-8.3	-10.8
IIP Consumer Non-durables	5.9	2.8	0.6	0.0	6.1	1.0	7.4	5.4	11.6
Coal Production	1.3	3.7	8.0	6.7	14.2	-0.6	1.2	5.5	13.3
Electricity Generation	8.1	4.0	6.7	5.8	3.8	4.7	5.2	6.7	12.6
Steel	10.3	2.5	3.4	3.0	-0.3	4.3	7.0	4.3	6.6
Cement	6.7	8.4	12.5	9.3	9.8	6.7	0.8	5.5	7.3
Crude Oil	1.0	-0.6	-0.6	-0.3	-0.9	0.5	-2.3	-1.5	0.5
Petroleum Refinery	3.1	15.8	23.5	25.2	21.2	7.3	5.1	4.9	32.1
MONEY & BANKING									
M3	15.8	13.5	14.3	14.5	13.7	12.6	12.4	11.7	12.5
Net Bank Credit to Central Government	21.8	18.5	22.1	21.1	20.3	16.2	15.4	12.2	12.1
RBI Credit to Central Government	69.6	33.5	49.0	47.9	45.7	20.6	22.5	21.8	26.8
Bank Credit to Commercial Sector	18.7	16.8	18.2	18.1	16.5	16.5	14.2	15.8	16.6
Bank Credit	18.7	16.6	18.1	17.9	16.3	16.5	14.9	17.1	17.9
Food Credit	33.0	36.6	57.0	44.9	35.0	30.3	3.4	5.7	7.1
Non-food Credit	18.5	16.3	17.4	17.4	16.0	16.2	15.1	17.3	18.1
Bank Rate (%)	9.7	35.8	50.0	50.0	50.0	50.0	9.0	9.0	9.0
PLR (%)	8.1	1.0	11.3	6.0	-2.0	-2.4	10.1	10.1	10.1
Auc 91 dtb (%)	8.5	-3.3	6.9	0.5	-3.8	-6.4	8.1	8.1	8.2
EXTERNAL SECTOR									
Exports ($)	21.8	-1.8	-3.9	-8.5	0.7	3.2	10.6	13.3	10.3
Imports ($)	32.3	0.3	-5.0	-0.7	6.4	1.9	-6.4	-1.4	-18.6
Trade Balance ($ million)*	-183356	-190336	-42978	-48842	-55257	-45887	-12478	-10561	-6754
Foreign Currency Assets ($ million)*	260069	292647	256958	259958	262014	292647	252051	247402	247924
Exchange Rate (₹/$)	5.1	13.4	19.9	22.6	14.6	6.1	7.8	13.3	17.3
Exchange Rate (₹/£)	7.8	12.3	17.8	18.5	14.7	8.7	4.9	11.7	15.4
FISCAL (CENTRE)									
Total Receipt	-5.0	16.6	22.9	13.7	5.2	20.8	18.2	41.4	7.3
Revenue Receipt	-4.8	16.2	30.6	14.9	5.8	18.4	17.6	41.6	7.2
Tax Revenue	10.3	17.3	32.8	15.7	7.7	16.1	12.8	19.5	4.3
Non-tax Revenue	-43.9	10.8	16.3	10.8	-1.7	35.8	33.0	74.5	43.8
Total Expenditure	8.3	8.5	19.3	21.4	12.1	3.2	10.5	10.7	13.6
Plan Expenditure	9.6	0.2	2.5	5.8	23.9	-1.8	25.7	-1.8	-3.2
Non-plan Expenditure	7.7	12.5	27.3	29.0	7.2	5.2	6.2	15.2	26.0
Fiscal Deficit (₹ crore)*	509731	489890	190460	146444	67795	85191	77786	64042	7437
Revenue Deficit (₹ crore)*	384722	363459	152712	110572	34753	65422	66903	54449	-9550
CAPITAL MARKETS									
BSE-SENSEX	-6.4	4.7	-9.8	-8.4	7.6	20.3	12.2	6.8	3.3
Market Capitalisation	-7.1	2.6	-11.0	-10.3	4.6	21.0	2.2	-1.3	-3.8
All India Net FII Investment (₹ crore)*	87083	168367	-494	44618	55877	68366	-17233	-15695	7380

* Actuals where indicated.

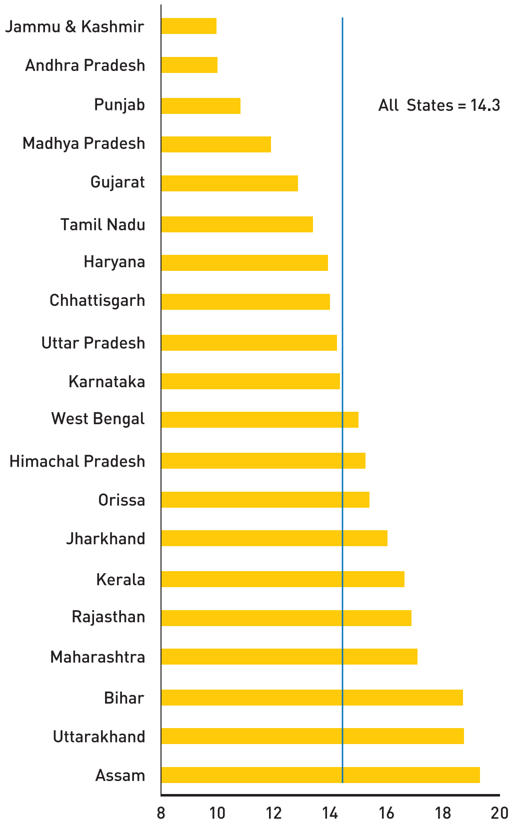
- **The yoy headline inflation stays put at seven per cent during September 2013. YoY WPI inflation of primary goods increased, fuel and power moderated and manufactured goods stagnated on a yoy basis.**
- **YoY growth in IIP capital goods deteriorated significantly in September 2013. Contrary to this, IIP basic and intermediate goods improved on a yoy basis.**
- **Growth in exports turned lower to 10.3 per cent (yoy) and imports dropped sharply to 18.6 per cent (yoy) in September 2013.**

State-wise Expenditure on Education as percentage of Total Expenditure*

STATE	AVERAGE 2005–06 TO 2009–10	2011–12 (RE)	2012–13 (BE)
Andhra Pradesh	10.0	14.0	13.6
Assam	19.3	18.7	21.1
Bihar	18.7	16.6	19.5
Chhattisgarh	14.0	19.0	17.8
Gujarat	12.8	16.1	13.4
Haryana	13.9	16.6	18.3
Himachal Pradesh	15.2	18.8	17.5
Jammu & Kashmir	10.0	13.4	13.0
Jharkhand	16.0	17.0	17.0
Karnataka	14.3	15.5	14.8
Kerala	16.6	17.6	17.0
Madhya Pradesh	11.9	13.3	14.8
Maharashtra	17.1	19.9	19.8
Orissa	15.4	16.9	15.7
Punjab	10.8	15.6	14.2
Rajasthan	16.9	18.0	18.5
Tamil Nadu	13.4	14.5	15.0
Uttar Pradesh	14.2	17.4	17.6
Uttarakhand	18.7	18.2	20.8
West Bengal	15.0	19.4	17.8
All States	14.3	16.6	16.5
All States (as % to GDP)	2.3	2.7	2.7

Note: * Includes expenditure on Sports, Arts and Culture under Revenue Expenditure and Capital Outlay.
Source: RBI, State Finances: A Study of Budgets of 2012–13.

State-wise Expenditure as percentage of Total Expenditure, Average 2005–06 to 2009–10



Statistics: Devender Pratap; **Secretarial Support**: Sudesh Bala

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