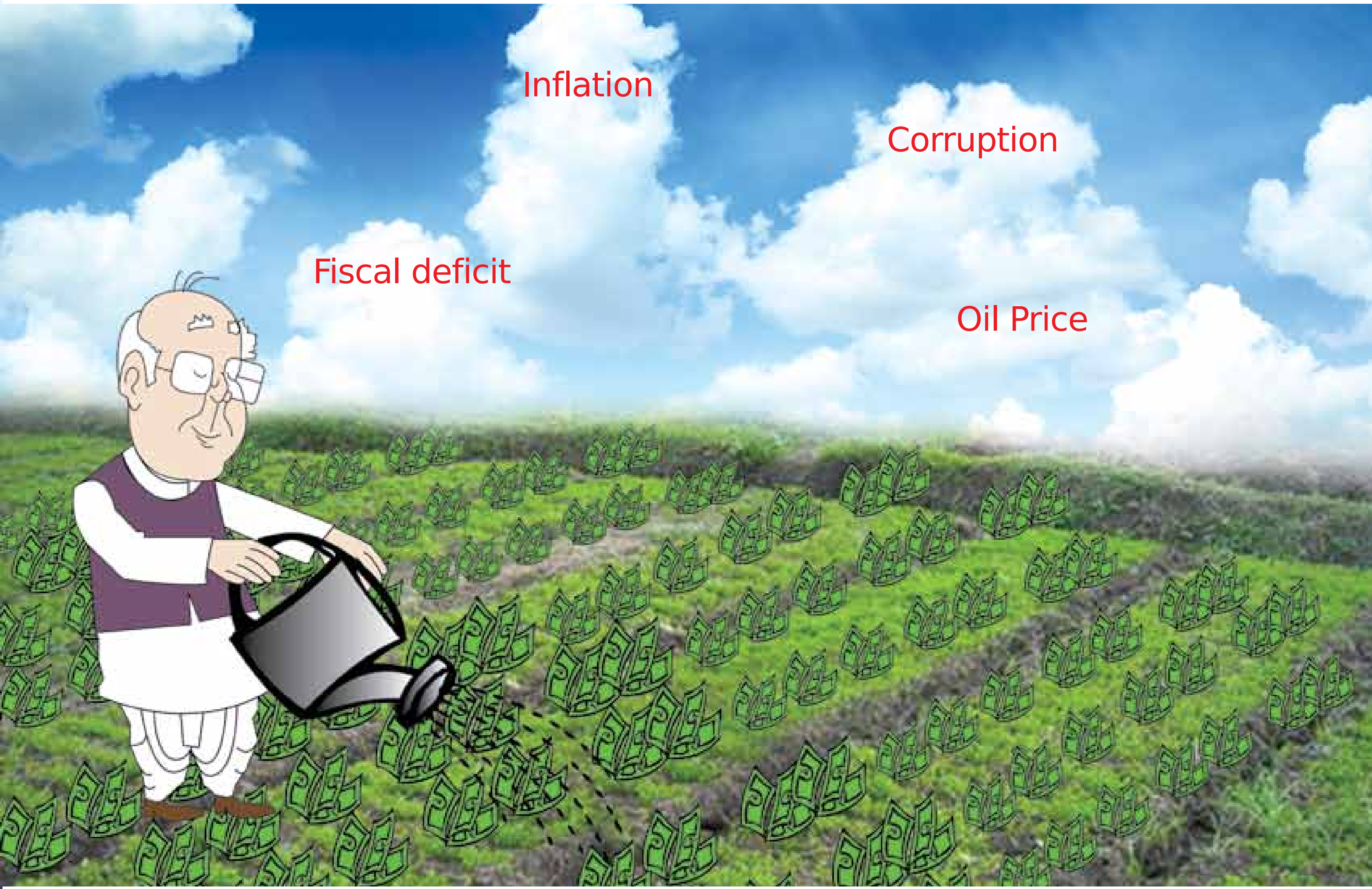
28th Feb, 2011

Union Budget 2011-12

"Missed Opportunity, a Complete Non-Event"



Latin Manharlal Securities Pvt. Ltd.

VIEW – VISION – VALUE – WEALTH

India's growth in 2010-11 has been swift and broad-based. The economy is back to its pre-crisis growth trajectory. While agriculture has shown a rebound, industry is regaining its earlier momentum. Services sector continues its near double digit run. Fiscal consolidation has been impressive.

The Gross Domestic Product (GDP) of India is estimated to have grown at 8.6% in 2010-11 in real terms. In 2010-11 agriculture is estimated to have grown at 5.4%, industry at 8.1% and services at 9.6%. All three sectors are contributing to the consolidation of growth. More importantly, the economy has shown remarkable resilience to both external and domestic shocks. Share of manufacturing in GDP is expected to grow from about 16% to 25% over a period of next 10 years. Therefore the Govt. is likely to come out with a National Manufacturing Policy.

The development of India's external sector in the current year has been encouraging. Even as the recovery in developed countries is gradually taking root, India's trade performance has improved. Exports have grown at 29.4% to reach US$184.6 bn, while imports at US$273.6 bn have recorded a growth of 17.6% during April-January 2010-11, over the corresponding period last year. The current account deficit is around the 2009-10 level and poses some concerns because of the composition of its financing.

As against a target of ₹40,000 Crs, the Govt. will raise about ₹22,144 Crs. from disinvestment in 2010-11. A higher than anticipated realisation in non-tax revenues has led the Govt. to reschedule some of its divestment issues planned for the current year. The Govt., however intends to maintain the momentum on disinvestment in 2011-12 by raising ₹40,000 Crs.

The Gross Tax Receipts are estimated at ₹9,32,440 Crs. which is an increase of 24.9% over the Budget Estimates (BE) for 2010-11. After devolution to States, the net tax to Centre in 2011-12 is ₹6,64,457 Crs. The Non Tax Revenue Receipts for 2011-12 are estimated at ₹1,25,435 Crs.

The total expenditure proposed for 2011-12 is ₹12,57,729 Crs, which is an increase of 13.4% over 2010-11BE. The Plan Expenditure at ₹4,41,547 Crs. marks an increase of 18.3% and the Non Plan Expenditure at ₹8,16,182 Crs. is an increase of 10.9% over 2010-11BE.

As per the Revised Estimates (RE) of the Government, the fiscal deficit for 2010-11 has been brought down to 5.1% as compared to BE of 5.5%. The Government' targeted fiscal deficit FY12 is 4.6%, FY13 4.1% and FY14 3.5%. The fiscal deficit of 4.6% of GDP in 2011-12 works out to ₹4,12,817 Crs.

Taking into account the various other financing items for fiscal deficit, the net market borrowing of the Government in 2011-12 would be ₹3.43 lakh Crs. In addition, ₹15,000 Crs is proposed to be financed through Treasury Bills. Accordingly, the Central Government debt as a proportion of GDP is estimated at 44.2 % for 2011-12 as against 52.5% recommended by the 13th Finance Commission.

In the course of the year the Central Government would introduce an amendment to the Fiscal Responsibility & Budget Management Act (FRBM), laying down the fiscal road map for the next five years.

The 13th Finance Commission has worked out a fiscal consolidation road map for States requiring them to eliminate revenue deficit and achieve a fiscal deficit of 3% of their respective Gross State Domestic Product (GSDP) latest by 2014-15.

INFLATION – Remains a Burning Issue

Despite improvement in the availability of most food items, consumers were denied the benefit of seasonal fall in prices normally seen in winter months. These developments revealed shortcomings in distribution and marketing systems, which are getting accentuated due to growing demand for these food items with rising income levels. The huge differences between wholesale and retail prices and between markets in different parts of the country indicate inherent flaws in the distribution systems. These are at the expense of remunerative prices for farmers and competitive prices for consumers.

The total food inflation declined from 20.2 % in February 2010 to 9.3 % in January 2011, but it still remains a concern. In the medium term perspective, 3 priorities of sustaining a high growth trajectory are making development more inclusive, improving institutions, public delivery and governance practices. Thus the average inflation is expected to be lower in 2011-12.

Taxes			
Income Tax Structure			
Entity	**2010-11**	**Entity**	**2011-12**
Individuals & HUF		Individuals & HUF	
Up to ₹ 1,60,000	NIL	Up to ₹ 1,80,000	NIL
₹ 1,60,001 to ₹ 5,00,000	10%	₹ 1,80,001 to ₹ 5,00,000	10%
₹ 5,00,001 to ₹ 8,00,000	20%	₹ 5,00,001 to ₹ 8,00,000	20%
₹ 8,00,001 & above	30%	₹ 8,00,001 & above	30%
Individual Woman Assessee		Individual Woman Assessee	
Up to ₹ 1,90,000	NIL	Up to ₹ 1,90,000	NIL
₹ 1,90,001 to ₹ 5,00,000	10%	₹ 1,90,001 to ₹ 5,00,000	10%
₹ 5,00,001 to ₹ 8,00,000	20%	₹ 5,00,001 to ₹ 8,00,000	20%
₹ 8,00,001 & above	30%	₹ 8,00,001 & above	30%
Individual Senior Citizen (Age 65 years and above)		Individual Senior Citizen (Age between 60 to 80 years)	
Up to ₹ 2,40,000	NIL	Up to ₹ 2,50,000	NIL
₹ 2,40,001 to ₹ 5,00,000	10%	₹ 2,50,001 to ₹ 5,00,000	10%
₹ 5,00,001 to ₹ 8,00,000	20%	₹ 5,00,001 to ₹ 8,00,000	20%
₹ 8,00,001 & above	30%	₹ 8,00,001 & above	30%

TAXATION

Direct Tax

- For Senior citizens, Govt. proposes to reduce the qualifying age, from 65 years to 60 years
- A new category of Very Senior Citizens, 80 years and above, has been created who will be eligible for a higher exemption limit of ₹5,00,000.
- Surcharge on Domestic Companies reduced to 5% from current 7.5%.
- Minimum Alternate Tax (MAT) is increased form current 18% to 18.5% of the book profits to keep the effective rate of the MAT at the same level.
- As a measure to ensure equal sharing of the corporate tax liability, Govt. proposes to levy MAT on developers of Special Economic Zones as well as units operating in SEZs. **(Negative for Mundra Port & SEZ, Adani Power & Software companies)**

- Additional deduction of ₹20,000 allowed u/s 80CCF over and above existing limit of ₹1 lakh u/s 80C for investment in long term infrastructure bonds as notified by the Central Government has been extended for one more year till 2011-12.
- In order to improve funds flow to India, lower rate of 15% tax on dividends received by an Indian company from its foreign subsidiary proposed.
- It is proposed to free all individual and sole proprietor taxpayers with a turnover upto ₹60 lakh from the formalities of audit. This will give relief to a large number of taxpayers.
- Direct Tax Code (DTC) proposed to be implemented with effect from April 01, 2012.

Indirect Tax

- Standard rate of Central Excise Duty retained at 10% across all categories.
- Base rate of Central Excise Duty increased from 4% to 5%
- Withdrawal of excise duty exemption on 130 items that are mainly in the nature of consumer goods. A nominal Central Excise duty of 1% is being imposed on these 130 items. However; Cenvat credit would be available for the manufacture of these items.
- Basic food and fuel continues to be exempt from excise duty.
- In case of jewellery and articles of gold, silver and precious metals, the central excise levy would apply only to goods sold under a brand name.
- Service Tax retained at current levels of 10%.
- It is proposed to expand the scope of legal services to include services provided by business entities to individuals as well as representational and arbitration services by individuals to business entities. There shall, however, be no tax on services provided by individuals to other individuals.
- It is proposed to introduce self-assessment in Customs to quicken the clearance of the cargo by Customs authorities and further modernise the Customs administration. Under this, importers and exporters will themselves assess their duty liabilities while filing their declarations in the Electronic Data Interchange (EDI) system. The Department will verify such assessments on a selective system driven basis.

SECTORAL IMPACT

AGRICULTURE – Will Be a Key Thrust Area

- For the year 2011-12, Govt. plans to raise the target of credit flow to the farmers from ₹3,75,000 Crs this year to ₹4,75,000 Crs in 2011-12.
- Banks have been asked to step up direct lending for agriculture and credit to small and marginal farmers.
- A concessional rate of basic customs provided to specified agricultural machinery has been reduced to 2.5% from current 5% and the concession is also being extended to parts of such machinery to encourage their domestic production.
- Interest Subvention of 2% given to farmers for repayment of short-term crop loans has been increased to 3% for 2011-12. Thus, the effective Interest rate would be 4%.
- During the year 2010-11, the Nutrient Based Subsidy (NBS) policy was successfully implemented for all fertilisers except Urea. The extension of the NBS regime to cover Urea is under active consideration of the Govt.

- Direct transfer of cash subsidy to people living below poverty line in a phased manner to ensure greater efficiency, cost effectiveness and better delivery for both kerosene and fertilisers
- To improve the availability of storage and warehouse facilities for agricultural produce as well as to incentivize food processing, Govt. proposes to enlarge the scope of these exemptions by extending full exemption from excise duty to air conditioning equipment and refrigeration panels for cold chain infrastructure; including conveyor belts in the full exemption from excise duty to equipment used in cold storages, mandis and warehouses.
- It is proposed to include capital investment in fertiliser production as an infrastructure sub-sector.
- It is proposed to extend the benefit of investment linked deduction to businesses engaged in the production of fertilisers in order to give a boost to production in the agriculture sector.
- The basic customs duty on micro-irrigation equipment has been reduced from 7.5% to 5% as micro-irrigation is an environment-friendly and efficient means of irrigation (especially for dry land farming).
- The Govt. proposes to strengthen NABARD's capital base by infusing ₹3000 Crs, in a phased manner, as Government equity.
- The Govt. has raised the corpus of Rural Infrastructure Development Fund (RIDF) XVII to ₹18,000 Crs in 2011-12 from ₹16,000 Crs in the current year. The additional allocation would be dedicated to creation of warehousing facilities.
- During 2011-12, approval is being given to set up 15 more Mega Food Parks as an estimated 40% of the fruit and vegetable production in India goes waste due to lack of storage, cold chain and transport infrastructure. The 11th Plan target for number of Mega Food Parks was set at 30. So far, 15 such parks have been sanctioned.
- Capital investment in the creation of modern storage capacity will be eligible for viability gap funding scheme of the Finance Ministry.
- Cold chains and post-harvest storage to be recognized as an infrastructure sub-sector.
- The total allocation of Rashtriya Krishi Vikas Yojana (RKVY) increased from ₹6,755 Crs in 2010-11 to ₹7,860 Crs in 2011-12.
- For the year 2011-12, Bharat Nirman, which includes Pradhan Mantri Gram Sadak Yojna (PMGSY), Accelerated Irrigation Benefit Programme, Rajiv Gandhi Grameen Vidyutikaran Yojna, Indira Awas Yojna, National Rural Drinking Water Programme and Rural telephony have together been allocated ₹58,000 Crs. This is an increase of ₹10,000 Crs from the current year.
- The Government has decided to index the wage rates notified under the MGNREGA to the Consumer Price Index for Agricultural Labour. The Govt. proposes to increase the remuneration of Anganwadi workers from ₹1,500 per month to ₹3,000 per month and for Anganwadi helpers from ₹750 per month to ₹1,500 per month. Around 22 lakh Anganwadi workers and helpers will benefit from the increase.

(Positive for – ITC, Godrej Industries (Godrej Agrovet), RCF, Chambal Fertilisers, National Fertiliser, Coromandel Int, HUL, Gateway Distriparks, Arshiya Int, Adani Ent, M&M, Escorts, TIL, Hero Honda, Bajaj Auto)

Automobile

- No change in excise duty as against an expectation of 2% hike. **(Positive for Maruti Suzuki, M&M, Tata Motors, Ashok Leyland)**

Banking, Financial Services & Insurance

- In order to liberalise the portfolio investment route the Govt. has decided to permit SEBI registered Mutual Funds to accept subscriptions from foreign investors who meet the KYC requirements for equity schemes. Currently, only FIIs and sub accounts registered with the SEBI and NRIs are allowed to invest in mutual fund schemes. **(Positive for Rel Capital, IDFC)**
- Reserve Bank of India to consider giving some additional banking licences to private sector players. RBI has proposed some amendments in the Banking Regulation Act and is planning to issue the guidelines for banking licences before the close of FY11. **(Positive for M&M Fin Serv, Rel capital, Shriram Transport Finance, IFCI, LIC Housing, PFC, REC)**
- Provision of ₹20,157 Crs for infusion in the Public Sector Banks to maintain Tier I Capital to Risk Weighted Asset Ratio (CRAR) at 8% and increase government equity in some banks to 58%. **(Positive for all PSBs in general and large PSBs like SBI, PNB, BOB in particular)**
- No Increase in FDI limit in insurance from 26% to 49%. **(Negative for Aditya Birla Nuvo, Max India)**

Capital Goods

- Capital goods imported for the expansion of existing mega or Ultra Mega Power Projects (UMPP) enjoy a concessional basic customs duty of 2.5% and full exemption from CVD. The Govt. proposes to correct this anomaly by providing a parallel excise duty exemption. **(Positive for BHEL, L&T)**

Cement

- For the Cement industry, it is proposed to replace the existing excise duty rates with composite rates having an ad valorem and specific component with some rationalization. **(Negative for all cement companies incl. India Cement, Ultratech Cement, ACC)**
- Basic Custom Duty on 2 critical raw materials of cement industry viz. petcoke and gypsum is to be reduced to 2.5% **(Positive for Shree Cement)**

Education

- Proposed allocation of education sector increased by 24% to ₹52,057 Crs. **(Positive for Everonn, Educomp, NIIT, Aptech)**
- The existing operational norms of Sarva Shiksha Abhiyan have been revised to implement the right of children to free and compulsory education which has come into force with effect from April 1, 2010. For the year 2011-12, ₹21,000 Crs allocated to the above scheme which is 40% higher than ₹15,000 Crs allocated in the Budget for 2010-11.

FMCG & Retail

- Central excise duty on sanitary napkins, baby and adult diapers reduced from 10% to 1%. **(Positive for Procter & Gamble)**
- Full exemption from basic Customs Duty to Crude Palm Stearin used in manufacture of laundry soap.
- No FDI in multi-brand retail announced. **(Negative for Pantaloon Retail, Future Capital, Shoppers Stop, Trent)**

Hotels and Travel & Tourism

- Levy of service tax on hotel accommodation, in excess of declared tariff of ₹1,000 per day with an abatement of 50% so that the effective burden is only 5% of the amount charged. **(Negative for Indian Hotels, EIH, Hotel Leela, Royal Orchid)**
- Service tax levied on the service provided by air-conditioned restaurants that have license to serve liquor, by giving an abatement of 70%. Thus, the effective burden will be 3% of the bill.
- Service tax raised on air travel by ₹50 in the case of domestic air travel and ₹250 on international journeys by economy class. **(Negative for Jet Airways, Spice Jet, Kingfisher Airlines)**

Infrastructure

- The FII limit for investment in corporate bonds, with residual maturity of over 5 years issued by companies in infrastructure sector, is raised by an additional limit of US$20 bn. taking the limit to US$25 bn. This will raise the total limit available to the FIIs for investment in corporate bonds to US$40 bn. **(Positive for IDFC, PFC, REC, IFCI, L&T, IRB Infra)**
- Since most of the infrastructure companies are organised in the form of SPVs, FIIs would also be permitted to invest in unlisted bonds with a minimum lock-in period of 3 years. However, the FIIs will be allowed to trade amongst themselves during the lock-in period.
- Allocation to Infrastructure sector increased by 23.3% to ₹2,14,000 Crs in 2011-12. This amounts to 48.5% of the Gross Budgetary Support. **(Positive for infrastructure sector as well capital goods and cement sector)**
- India Infrastructure Finance Company Limited (IIFCL) cumulative disbursement target set at ₹20,000 Crs by March 31, 2011 and ₹25,000 Crs by March 31, 2012.
- Allowed tax free bonds of ₹30,000 Crs to be issued by various Government undertakings in the year 2011-12 in order to give a boost to infrastructure development in railways, ports, housing and highways development. This includes Indian Railway Finance Corporation ₹10,000 Crs, National Highway Authority of India ₹10,000 Crs, HUDCO ₹5,000 Crs and Ports ₹5,000 Crs.
- To attract foreign funds for financing of infrastructure, Govt. proposes to create special vehicles in the form of notified infrastructure debt funds; subject interest payment on the borrowings of these funds to a reduced withholding tax rate of 5% instead of the current rate of 20%; exempt the income of the fund from tax.
- Financial Assistance to be made available for metro projects in Delhi, Mumbai, Bengaluru, Kolkata and Chennai. **(Positive for Reliance Infra, L&T)**

Metals

- Enhance the rate of export duty for all types of iron ore and unify it at 20% ad valorem. Currently Iron ore attracts an export duty of 15% in the case of lumps and 5% in the case of fines. **(Negative for Sesa Goa, NMDC)**
- Basic customs duty on ferro-alloys reduced from 5% to 2.5%.
- Stainless steel scrap fully exempted from basic customs duty.

Pharma

- Enhanced the weighted deduction on payments made to National Laboratories, universities and Institutes of technology, for scientific research to 200% from current 175%.
- Basic customs duty on lactose for the manufacture of homeopathic medicines reduced from 25% to 10%.
- Import duties on specified raw material for the manufacture of syringes and needles reduced to 5% basic and 4% CVD.
- Service tax levied on all services provided by hospitals with 25 or more beds with facility of central air conditioning. **(Negative for Apollo Hospitals, Fortis Healthcare)**

Real Estate

- Existing scheme of interest subvention of 1% on housing loans liberalized by extending it to housing loan upto ₹15 lakh where the cost of the house does not exceed ₹25 lakh from the present limit of ₹10 lakh and ₹20 lakh respectively. **(Positive for Unitech, HDIL, DLF, Puravankara Projects, Godrej Properties)**
- Investment linked deduction to businesses which develop affordable housing under a notified scheme is proposed.

Telecom

- Extended the concession available to parts, components and accessories for manufacture of mobile handsets till 31st March, 2012 and included few more items in its ambit
- Planned to provide Rural Broadband Connectivity to all 2,50,000 Panchayats in the country in 3 years. **(Positive for Sterlite Technologies, Tulip Telecom)**
- Connectivity to all 1,500 institutions of Higher Learning and Research through optical fiber backbone to be provided by March, 2012.

Textile

- Optional levy on branded garments or made up converted into a mandatory levy at unified rate of 10%. **(Negative for Provogue, Arvind Mills, Alok Ind, Aditya Birla Nuvo)**
- Basic customs duty on raw silk (not thrown) reduced from 30% to 5%
- Basic customs duty on certain textile intermediates reduced from 5% to 2.5%
- Basic customs duty on certain specified inputs for manufacture of certain technical fibre and yarn reduced from 7.5% to 5%.

Other Sectors

- Basic customs duty on inputs for chemicals and paper reduced from 5% to 2.5%. **(Positive for ITC)**
- Expand the raw material list for manufacture of specified electronic components that are fully exempt from basic customs duty
- Excise duty (and hence CVD) on parts of ink-jet and laser-jet printers reduced from 10 % to 5%.
- Excise Duty on LEDs reduced to 5% and special CVD fully exempted. **(Positive for Surya Roshni, Bajaj Electricals)**
- Basic Customs Duty on solar lantern reduced from 10% to 5%.

From the Commodities Desk

If the last Union budget was prepared in the backdrop of severe drought and floods, this budget was prepared under the backdrop of its aftermath i.e. record inflation. Last year the government had laid down a four pronged strategy to revive the agricultural sector viz. increasing production, reducing wastage, increasing agricultural credit and food processing reforms. Despite increasing the plan outlay and credit flow, there seems to be a problem in execution and its results. Even though the government did a planned expenditure of nearly ₹14000 Crss, the sector continues to lag in the India growth story.

In terms of sheer number, agriculture growth (5.4%) figures look quite robust; we would not read too much into these numbers and get excited as we believe that the number has been magnified due to the base effect, which is justified by the elevated levels of inflation and food shortage in the country.

Key Highlights of the Budget:

Increasing agricultural production – This has been the most important concern for the government since quite some time. Last year the government of India had allocated somewhere around ₹1200 cr on increasing agriculture productivity and production and this year it is no different. In 2011-12, the government has allocated ₹1900 cr for the same, a rise of around 58%.

This year's focus is on creating a Green revolution in the rice belt of eastern India, promoting 60000 pulses villages in rain fed areas, bringing 60000 ha of land under oil palm cultivation, increasing vegetable production and a creating a fodder development program. We welcome these steps taken by the government but are surprised that no steps have been taken on improving the quality of soil and seeds in the country. We believe that without proper water and soil management, yields will continue to languish in the country and will plague the productivity.

Rural infrastructure - Nearly 40% of India's food produce is lost due to wastage, a figure which is one of the highest in the world and if not addressed will lead to alarming effects. We believe that this is due to inadequate warehousing and storage, a nascent food processing industry, production and supply bottlenecks, corruption in PDS and appalling rural infrastructure. It is encouraging to see that for a change, the government is serious on reducing the wastage and the focus on warehousing and storage is evident. The government has taken some important steps in opening up the warehousing sector to private players. This will not only reduce storage deficit but also provide a strong mechanism. This time around the government means business as it is also setting up 15 Mega food parks and opening up cold storage industry to private entrepreneurs.

Agriculture Credit - In line with its four pronged strategy to revive agriculture, the government has raised its credit flow for farmers to ₹4,75,000 cr. It has also increased interest rate subvention from 2% to 3%, thus bringing down the effective rate to 4%. The interest rate subvention is applicable subject to farmers paying their dues on time.

Food security Bill - ₹15000 cr have been allocated by the government for food security. The government has assured that the Food security bill will be introduced in the financial year 2011-12. It is in urgent interest of the nation that the Food security bill is introduced as soon as possible as a failed monsoon can lead to severe shortage and spiraling up of food prices.

Fertilizers - Capital investments in fertilizers and cold chains to be given infrastructure status. This will encourage fresh investments in this sector.

Metals and Minerals - Export duty for all iron ores enhanced and unified at 20%. This is a step in the right direction and will help increase availability for domestic steel producers.

Basic customs duty is being exempted on the value of gold and silver content in copper concentrate.

The Concessional excise duty of 1% without CENVAT credit facility is being imposed on the following goods, namely:-

(i) Articles of jewellery manufactured or sold under a brand name

(ii) Branded articles of gold, silver and platinum.

The finance minister in this budget has not taken a very reformist stand; he has more or less maintained the status quo. We feel that with a majority in the house, and given the tough economic conditions the FM could have been much bolder and ushered in a phase of agricultural revolution. According to us there is an urgent need of a Green revolution in the country. The steps that the government is currently undertaking in increasing production of oilseeds, pulses and rice have to be extended to cash crops, fruits and vegetables. We are also disappointed to see that there was no mention of either a planned outlay on irrigation, water harvesting or improvement of seed quality.

Some of the other key areas which the FM could have touched upon especially in these inflationary times were - reduction in import duty on non- ferrous metals, thermal coal, crude oil and steel.

All in all we believe that this budget has maintained its focus on agriculture, but has fallen short on big ticket reforms. The government has missed a big opportunity.

REVENUE & EXPENDITURE OF GOVERNMENT AT GLANCE

(₹ Crs)	2005-06 Actuals	2006-07 Actuals	2007-08 Actuals	2008-09 Actuals	2009-10 Actuals	2010-11 RE	2011-12 BE	Growth
Tax Revenue (net)	270264	351182	439547	443319	456536	563685	664457	17.9%
Non Tax Revenue	77198	83205	102317	96940	116275	220148	125435	-43.0%
Revenue Receipts	**347462**	**434387**	**541864**	**540259**	**572811**	**783833**	**789892**	**0.8%**
Recoveries of loans	10645	5893	5100	6139	8613	9001	15020	66.9%
Other Receipts	1581	534	38795	566	24581	22744	40000	75.9%
Borrowings and other Liabilities	146435	142573	126912	336992	418482	400998	412817	2.9%
Capital Receipts	**158661**	**149000**	**170807**	**343697**	**451676**	**432743**	**467837**	**8.1%**
TOTAL RECEIPTS	**506123**	**583387**	**712671**	**883956**	**1024487**	**1216576**	**1257729**	**3.4%**
On revenue a/c	327903	372191	420861	559024	657925	726749	733558	0.9%
of which Interest Payments	*132630*	*150272*	*171030*	*192204*	*213093*	*240757*	*267986*	*11.3%*
On Capital Account	37582	41336	86728	49697	63171	94803	82624	-12.8%
Non-plan Expenditure	**365485**	**413527**	**507589**	**608721**	**721096**	**821552**	**816182**	**-0.7%**
On Revenue Account	111858	142418	173572	234774	253884	326928	363604	11.2%
On Capital Account	28780	27442	31510	40461	49507	68096	77943	14.5%
Plan Expenditure	**140638**	**169860**	**205082**	**275235**	**303391**	**395024**	**441547**	**11.8%**
TOTAL EXPENDITURE	**506123**	**583387**	**712671**	**883956**	**1024487**	**1216576**	**1257729**	**3.4%**
Int as a %age of Total exp	26.2%	25.8%	24.0%	21.7%	20.8%	19.8%	21.3%	7.7%
Revenue Expenditure	**439761**	**514609**	**594433**	**793798**	**911809**	**1053677**	**1097162**	**4.1%**
Capital Expenditure	**66362**	**68778**	**118238**	**90158**	**112678**	**162899**	**160567**	**-1.4%**
Revenue Deficit	92299	80222	52569	253539	338998	269844	307270	13.9%
	2.6%	**1.9%**	**1.1%**	**-4.5%**	**-5.3%**	**-4.0%**	**-4.0%**	
Fiscal Deficit	146435	142573	126912	336992	418482	400998	412817	2.9%
	4.1%	**3.5%**	**2.7%**	**-6.0%**	**-6.7%**	**-5.5%**	**-5.5%**	
Primary Deficit	13805	(7699)	(44118)	144788	205389	160241	144831	-9.6%
	0.4%	**-0.2%**	**-0.9%**	**-2.6%**	**-3.2%**	**-1.9%**	**-1.9%**	

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