

## Union Budget 2012-13: An Assessment\*

*The Union Budget 2012-13 seeks to prepare the Indian economy for the 12<sup>th</sup> Five Year Plan by addressing the existing fiscal concerns. In this context, the Budget has identified five objectives, viz., recovery in domestic demand; reviving private investment; addressing supply-side sectoral bottlenecks; dealing with malnutrition in select districts; improving delivery and governance mechanisms through better co-ordination; and addressing concerns relating to black money and corruption. The Budget envisages a significant fiscal correction through reduction in gross fiscal deficit-GDP ratio from 5.9 per cent in 2011-12 (RE) to 5.1 per cent in 2012-13. In the medium term, the government seeks to resume the rule-based fiscal consolidation by amending the fiscal responsibility and budget management (FRBM) Act, 2003, which inter alia, incorporates a Medium Term Expenditure Framework Statement. The announcement to cap the total expenditure on subsidies at 2.0 per cent of GDP in 2012-13 and a phased reduction thereafter would facilitate the sustainability of Central finances in the years to come. Notwithstanding the fact that the implementation of tax reforms, viz., Direct Tax Code (DTC) and Goods and Services Tax (GST), has been delayed, some of the announcements relating to tax measures have been made to enable a smooth transition to the new tax regimes.*

The Union Budget 2012-13 was presented in the Parliament on March 16, 2012 against the backdrop of a significant economic slowdown and some moderation in inflationary pressures. In this backdrop, the Budget identifies five objectives, viz., recovery in domestic demand; reviving private investment; addressing supply-side sectoral bottlenecks; dealing with malnutrition in select districts; improving delivery and governance mechanisms through better co-ordination; and addressing concerns relating to black money and corruption to be addressed effectively in the ensuing fiscal year. The Budget lays emphasis on striking a

\* Prepared in the Fiscal Analysis Division of the Department of Economic and Policy Research. This article is based on the Union Budget 2011-12 presented to the Parliament on March 16, 2012. The article on Union Budget 2010-11 had appeared in May 2011 issue of the RBI Bulletin.

balance between fiscal consolidation and strengthening macroeconomic fundamentals. The correction in revenue deficit-GDP ratio is sought to be achieved through both revenue enhancing (especially indirect tax measures and non-tax revenues through spectrum auction receipts) and expenditure control measures, viz., restricting expenditure on subsidies to 2 per cent of GDP. The incorporation of the concept of 'effective revenue deficit' and 'Medium-Term Expenditure Framework' statement in the proposed amendments to FRBM Act, 2003 indicate a move towards expenditure reforms. This article provides an assessment of the Union Budget 2012-13. Section I sets out the macroeconomic framework of the Budget. An analysis of the progress envisaged towards fiscal correction and consolidation by the Central government is undertaken in Section II. The initiatives towards tax reforms, as announced in the Union Budget, are covered in Section III. Section IV sets out the major sectoral policy initiatives in the Budget while Section V concludes with overall assessment.

### I. Macroeconomic Framework

The Union Budget 2012-13 was presented against the backdrop of a significant economic slowdown in 2011-12, led by deceleration in industrial growth, while inflationary pressures have exhibited signs of moderation since December 2011. The economic growth is expected to return to a recovery path in 2012-13 with real GDP growth estimated at 7.6 per cent, +/-0.25 per cent in 2012-13, though it may converge to the average growth of around 9 per cent in the 12<sup>th</sup> Plan

**Table 1: Macroeconomic Projections in the Budget**

Parameter	(Per cent)			
	2011-12	2012-13	2013-14	2014-15
	1	2	3	4
Real GDP Growth	6.9	7.6 (+/-25 bps)	Around 9	Around 9
Nominal GDP growth	16.1	14.0	15.0	15.5
Current Account Deficit/GDP	3.6	-	-	-

only by 2013-14 (Table 1). The headline inflation is expected to moderate further in 2012-13, with the average implicit inflation, based on projected real and nominal GDP growth rates for 2012-13, estimated lower at 6.4 per cent than that in 2011-12. The current account deficit as a proportion of GDP is estimated to be lower in 2012-13 (around 3.6 per cent in 2011-12).

The underlying macroeconomic assumptions for 2012-13 are expected to support the fiscal consolidation initiatives of the Central government. However, there could be upside risks to inflation projections, considering the extent of suppressed inflation on account of incomplete pass-through of global crude oil prices to domestic markets. The policy initiatives announced in the Budget, *viz.*, increasing productivity in the dairy sector, oilseeds and oil palm, enhancing allocations for agricultural research, building storage capacities for foodgrains, and improving irrigation and water management indicate the Central Government's concerns to address the supply-side bottlenecks in agriculture, though their impact on supply and inflation may be seen only with a lag.

## II. Progress towards Fiscal Correction and Consolidation

### *Key deficits to remain higher than the path envisaged by the Thirteenth FC*

The Central government was expected to return to the fiscal consolidation path through a gradual reduction in the gross fiscal deficit (GFD)-GDP ratio so as to reach 3.0 per cent level by 2013-14, as recommended by the 13<sup>th</sup> Finance Commission (ThFC). The revised estimates for Central government finances for 2011-12 show that there was a significant deviation in key deficit indicators from the recommended benchmarks as also a considerable slippage in meeting the Budget estimates. The Budget attributes this to significant deviations in macroeconomic global and domestic parameters from the underlying assumptions made in the Union Budget 2011-12. The firming up of international crude oil prices coupled with the impact of reduction in indirect taxes on petroleum products, slowdown in economic growth, and shortfall in disinvestment contributed to a slippage in GFD-GDP ratio amounting to 1.5 per cent of GDP.

**Table 2: Select Fiscal Indicators**

(As percentage of GDP)

	2011-12 (RE)	2012-13 (BE)	Rolling Targets	
			2013-14	2014-15
	1	2	3	4
Revenue Deficit	4.4 (3.4)	3.4	2.8	2.0
Effective Revenue Deficit#	2.9 (1.8)	1.8	1.0	0.0
Fiscal Deficit	5.9 (4.6)	5.1	4.5	3.9
Gross Tax Revenue	10.1	10.6	11.1	11.7
Total Outstanding Liabilities*	45.7	45.5	44.0	41.9
<i>Memo: 13<sup>th</sup> Finance Commission Roadmap</i>				
Revenue Deficit	2.3	1.2	0.0	-0.5
Fiscal Deficit	4.8	4.2	3.0	3.0
Total Outstanding Liabilities	52.5	50.5	47.5	44.8
# Excludes grants for creation of capital assets from the total revenue expenditure				
* Includes external debt at current exchange rates and excludes part of NSSF and total MSS liabilities.				
<b>Note:</b> Figures in parentheses represent budget estimates.				

Furthermore, expenditure on subsidies overshoot the budget estimates by 0.8 per cent of GDP. Although higher-than-anticipated nominal GDP growth and some reduction in plan expenditures muted the extent of fiscal deterioration, GFD-GDP ratio was placed higher at 5.9 per cent for 2011-12 (Table 2).

The GFD-GDP ratio is budgeted to decline to 5.1 per cent during 2012-13 (Statement 1). The correction of one percentage point in revenue deficit-GDP ratio in 2012-13 is attempted to be achieved through both revenue-enhancing (especially indirect tax measures and non-tax revenues through spectrum auction receipts) and expenditure control measures, *viz.*, restricting expenditure on subsidies to 2 per cent of

**Table 3: Revenue Account of Central Government**

(As percentage of GDP)

	2011-12	2011-12	Variation 3 = (2-1)	2012-13	Variation 5 = (4-2)
	(BE)	(RE)		(BE)	
	1	2	3	4	5
Revenue Receipts	8.9	8.6	-0.3	9.2	0.6
Revenue Expenditure	12.3	13.0	0.7	12.7	-0.3
Revenue Deficit	3.4	4.4	1.0	3.4	-1.0
RE: Revised Estimates. BE: Budget Estimates.					

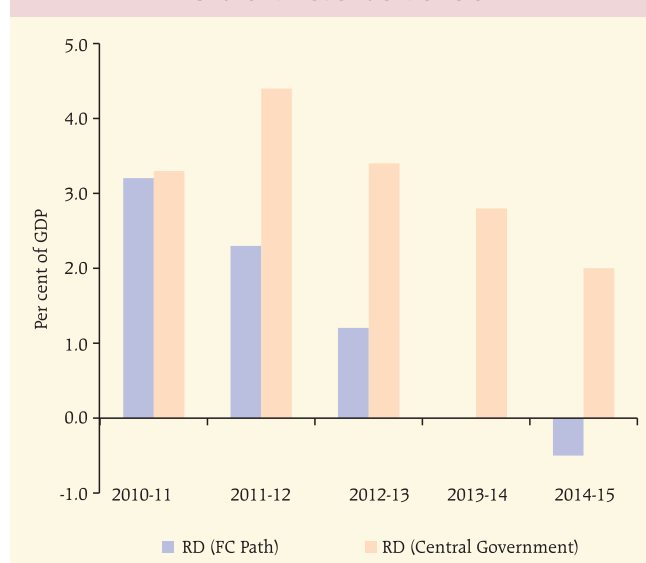
**Table 4: Revenue Account – Central Government**

	(per cent of GDP)				
	2008-09	2009-10	2010-11	2011-12 (RE)	2012-13 (BE)
	1	2	3	4	5
Revenue Receipts	9.6	8.9	10.3	8.6	9.2
(i) Tax revenue( Net)	7.9	7.1	7.4	7.2	7.6
(ii) Non Tax Revenue	1.7	1.8	2.8	1.4	1.6
Revenue Expenditure	14.1	14.1	13.6	13.0	12.7
Revenue Deficit	4.5	5.2	3.3	4.4	3.4
<i>Memo Item:</i>					
Effective Revenue Deficit	-	-	2.1	2.9	1.8

GDP (Tables 3 and 4).

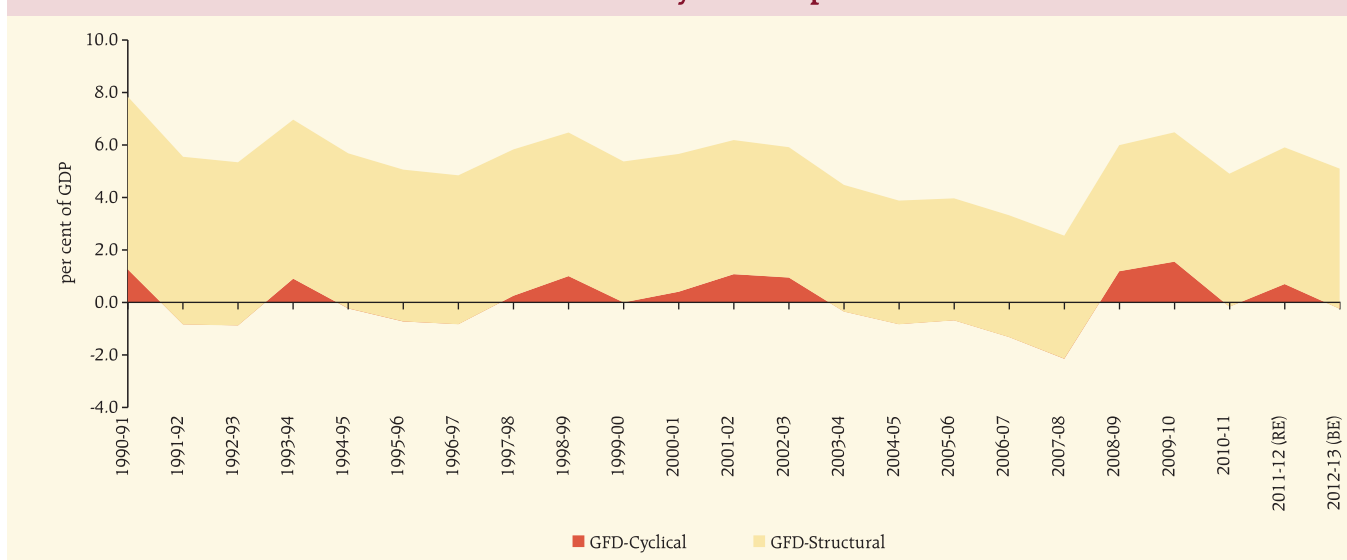
In recognition of the difficulty in achieving the zero revenue deficit-GDP ratio as envisaged by the 13<sup>th</sup> Finance Commission, the government intends to focus on eliminating effective revenue deficit-GDP ratio (excluding capital grants) by 2014-15 (Chart 1, Table 2).

The fiscal deficit of the Centre continues to be predominantly structural in nature (Chart 2). In this context, the introduction of amendments to the FRBM Act, 2003 as part of Finance Bill, 2012 and also incorporation of 'Medium-term Expenditure Framework statement' in the Act are significant initiatives towards fiscal consolidation in 2012-13. The latter would set out three-year rolling targets for expenditure indicators, which could improve quality of public expenditure management.

**Chart 1: Revenue Deficit**

### Receipts Pattern

Gross tax revenues in 2011-12 (RE) turned out to be lower by around 3 per cent over the budgeted level, mainly on account of a shortfall in direct tax collections, particularly corporation tax (Statement 2). Notwithstanding a shortfall of ₹146 billion on account of non-materialisation of auction of telecommunication spectrum and FM phase III, non-tax revenue receipts in 2011-12 (RE) were only marginally lower than the budgeted level, aided in part by higher transfer of dividends and profits from Public Sector Undertakings.

**Chart 2: Structural and Cyclical component of GFD**

**Table 5: Tax Buoyancy\***

	2007-08	2008-09	2009-10	2010-11	2011-12 (RE)	2012-13 (BE)
	1	2	3	4	5	6
Corporation Tax	2.1	0.8	1.0	1.2	0.6	1.0
Income Tax	2.4	0.1	0.7	0.6	1.1	1.0
Customs Duty	1.3	-0.3	-1.1	3.3	0.8	1.6
Union Excise Duty	0.3	-0.9	-0.3	1.7	0.6	2.1
Service Tax	2.3	1.5	-0.3	1.1	2.1	2.2
Gross Tax Revenue	1.6	0.2	0.2	1.4	0.8	1.4

RE: Revised Estimates BE: Budget Estimates

\* Calculated as ratios of tax growth to nominal GDP growth.

In 2012-13, the government seeks to increase the tax-GDP ratio by 0.5 percentage point, through roll-back of standard excise tax rates to 12 per cent, widening of the service tax base and rationalisation of customs duty rates. Reflecting the impact of these measures, the budgeted revenue buoyancies for customs duties and excise duties in 2012-13 exceed the pre-crisis level (Table 5). Additional resource mobilisation measures on the indirect tax front are expected to increase gross tax revenues by 4.6 per cent, while non-tax revenue is expected to increase by nearly 32 per cent, mainly on account of an estimated receipt of ₹ 400 billion from auction of telecommunication spectrum in 2012-13.

### ***Assumed High Tax Buoyancy Appears Optimistic***

The implied tax buoyancy for 2012-13 is 1.39<sup>1</sup>, which is significantly higher than the long-term average tax buoyancy for the period 2003-04 to 2011-12 (1.11) as well as the average for the recent period 2010-11 to 2011-12 (1.14). The high service tax buoyancy may be sustained provided that the government is able to ensure greater compliance. In this context, it is pertinent to note that the amount under dispute as a proportion of arrears of the respective tax was the highest for service tax in 2010-11 (Table 6).

### ***Disinvestment Continues to be Treated as Non-debt Budgetary Receipt***

The disinvestment receipts are placed at ₹ 300 billion for 2012-13 and these would continue to be used

<sup>1</sup> The Budget has assumed a growth of 14 per cent in GDP at current market prices and a growth of 19.5 per cent in gross tax revenue.

**Table 6: Amount Under Dispute**

(As per cent of respective tax arrears)						
	Corporation Tax	Personal Income Tax	Customs	Union Excise	Service Tax	Total amount under dispute
	1	2	3	4	5	6
2004-05	77.0	40.6	68.0	81.6	56.1	58.8
2005-06	74.7	84.2	75.1	69.0	79.5	78.0
2006-07	68.3	61.6	70.6	69.6	78.8	66.0
2007-08	58.9	58.7	74.6	70.6	74.2	61.8
2008-09	60.5	55.4	74.6	63.0	73.9	60.6
2009-10	66.3	55.9	57.8	77.8	90.7	64.6
2010-11	69.6	77.4	63.5	79.3	82.9	75.4

Source: Budget documents of the Central government.

for financing budgetary expenditures in 2012-13 as was done during 2009-10 to 2011-12.

### ***Expenditure Pattern***

Revenue expenditure growth in 2011-12 (RE) remained higher than the budgeted level, mainly on account of the non-plan components, particularly subsidies and interest payments. However, the revenue expenditure growth is budgeted to decline in 2012-13, while capital expenditure (both plan and non-plan components) is expected to increase sharply. The restraint on non-plan revenue expenditure growth is critical to ensure that the fiscal consolidation going forward is sustainable, and not excessively reliant on revenue augmentation. However, non-plan expenditure may remain within the budget estimates for 2012-13 provided the government adheres to its commitment of capping subsidies (Table 8).

### ***Considerable upside Risks on Budgeted Subsidies***

It is recognised that some subsidies for development purposes are inevitable but subsidies which do not reach the intended beneficiaries or are not in tune with the macroeconomic fundamentals should be rationalised. The budgeted reduction in expenditure on subsidies is mainly on account of a decline of over 36 per cent in petroleum subsidy in 2012-13. The compensation to oil marketing companies for under-recoveries budgeted at ₹ 400 billion for 2012-13 may turn out to be inadequate in the absence of deregulation of diesel prices, given

**Table 7: Major Items of Expenditure**

(Amount in ₹ billion)					
Items	2010-11	2011-12(RE)	2012-13(BE)	Variation (in per cent)	
				2 over 1	3 over 2
	1	2	3	4	5
<b>Revenue Expenditure</b>	<b>10,407.23</b>	<b>11,619.40</b>	<b>12,861.09</b>	<b>11.6</b>	<b>10.7</b>
<b>Capital Expenditure</b>	<b>1,566.05</b>	<b>1,567.80</b>	<b>2,048.16</b>	<b>0.1</b>	<b>30.6</b>
<b>Total expenditure</b>	<b>11,973.28</b>	<b>13,187.20</b>	<b>14,909.25</b>	<b>10.1</b>	<b>13.1</b>
<b>Non-Plan</b>					
1. Interest Payments	2,340.22	2,756.18	3,197.59	17.8	16.0
2. Grants to States	497.90	553.22	642.11	11.1	16.1
3. Subsidies	1,734.20	2,162.97	1,900.15	24.7	-12.2
<b>Total Non-Plan Expenditure</b>	<b>8,182.99</b>	<b>8,921.16</b>	<b>9,699.00</b>	<b>9.0</b>	<b>8.7</b>
<b>Plan</b>					
1. Central Plan	2,859.50	3,214.05	3,910.27	12.4	21.7
2. Central Assistance for State and UT Plans	930.79	1,051.99	1,299.98	13.0	23.6
<b>Total Plan Expenditure</b>	<b>3,790.29</b>	<b>4,266.04</b>	<b>5,210.25</b>	<b>12.6</b>	<b>22.1</b>

RE: Revised Estimates BE: Budget Estimates

the likelihood of a spillover of petroleum subsidy payments for the last quarter of 2011-12 and continued pressure on global crude oil prices. Although the government has indicated that subsidies related to food and for administering the Food Security Act will be fully provided for, the budgeted growth of only 3 per cent in food subsidy in 2012-13 poses the risk of a slippage in adhering to the budget estimates (Table 8). It may also be noted that it could be difficult to keep the expenditure on subsidies under control purely through better targeting and direct cash transfer mechanisms.

### Quality of Expenditure

The growth rates of both revenue and non-plan expenditures are placed lower in 2012-13. The share of

capital component in total expenditure is, however, budgeted to increase. The capital outlay-GDP ratio is budgeted to increase to 2.9 per cent in 2012-13 from 2.1 per cent in 2011-12 (RE), mainly on account of enhanced non-defence capital outlay.

The Central plan outlay is budgeted to increase by 16.7 per cent during 2012-13 with increase in allocations, particularly for industry and minerals, social development, communications and science, technology and environment (Table 9).

### Financing Pattern of Fiscal Deficit

Fiscal deficit would continue to be largely financed by market borrowings during 2012-13 (Table 10 and

**Table 8: Total Subsidies**

(Amount in ₹ billion)								
Items	2010-11		2011-12 (BE)		2011-12 (RE)		2012-13 (BE)	
	Amount	per cent to GDP	Amount	per cent to GDP	Amount	per cent to GDP	Amount	per cent to GDP
	1	2	3	4	5	6	7	8
<b>Total Subsidies</b>	<b>1,734.20</b>	<b>2.3</b>	<b>1,435.70</b>	<b>1.6</b>	<b>2,162.97</b>	<b>2.4</b>	<b>1,900.15</b>	<b>1.9</b>
i. Food	638.44	0.8	605.73	0.7	728.23	0.8	750.00	0.7
ii. Fertiliser	623.01	0.8	499.98	0.6	671.99	0.8	609.74	0.6
iii. Petroleum	383.71	0.5	236.40	0.3	684.81	0.8	435.80	0.4
iv. Interest subsidy	46.80	0.1	68.69	0.1	57.91	0.1	79.68	0.1
v. Other subsidies	42.24	0.1	19.24	0.0	20.03	0.0	24.93	0.0

RE: Revised Estimates. BE: Budget Estimates



**Table 9: Central Plan Outlay by Heads of Development**

(Amount in ` billion)				
Item	2010-11	2011-12 (BE)	2011-12 (RE)	2012-13 (BE)
1	2	3	4	5
1. Agriculture	157.16 (3.4)	147.44 (2.5)	148.55 (2.7)	176.92 (2.7)
2. Rural Development	523.97 (11.3)	552.88 (9.3)	481.28 (8.6)	507.29 (7.8)
3. Irrigation and Flood Control	4.76 (0.1)	5.65 (0.1)	4.89 (0.1)	12.75 (0.2)
4. Energy	1109.77 (23.9)	1554.95 (26.2)	1471.90 (26.4)	1548.42 (23.8)
a) Power	467.45 (10.1)	727.54 (12.3)	696.80 (12.5)	695.08 (10.7)
b) Petroleum	582.11 (12.5)	732.16 (12.4)	675.88 (12.1)	725.97 (11.1)
5. Industry and Minerals	359.51 (7.7)	452.14 (7.6)	405.81 (7.3)	572.27 (8.8)
6. Transport	942.05 (20.3)	1168.61 (19.7)	1092.05 (19.6)	1253.57 (19.2)
7. Communications	103.36 (2.2)	202.56 (3.4)	119.94 (2.1)	154.11 (2.4)
8. Science, Technology and Environment	119.21 (2.6)	161.86 (2.7)	127.13 (2.3)	165.92 (2.5)
9. Social Services	1172.96 (25.3)	1448.16 (24.4)	1480.60 (26.5)	1789.06 (27.5)
10. Others	150.41 (3.2)	230.32 (3.9)	249.57 (4.5)	334.78 (5.1)
<b>Total (1 to 10)</b>	<b>4643.16</b> <b>(100.0)</b>	<b>5924.57</b> <b>(100.0)</b>	<b>5581.72</b> <b>(100.0)</b>	<b>6515.09</b> <b>(100.0)</b>
<i>To be financed by:</i>				
1. Budgetary Support	2,859.50	3,355.21	3,214.06	3,910.27
2. Internal and Extra Budgetary Resources of Public Enterprises, etc.	1,783.66	2,569.36	2,367.66	2,604.82

**Note:** Figures in parentheses represent percentage to total.

Statement 3). The net market borrowings through dated securities for 2012-13 as announced in the Union Budget, are ` 4,790 billion. The Budget 2012-13 has also envisaged net short-term borrowings (including all Treasury Bills) of ` 90 billion, thereby funding about 2 per cent of the GFD, substantially lower than about 22 per cent in 2011-12 (RE). The higher budgeted market borrowings could put pressure on yields, especially at the long end. Such pressures could exacerbate considerably if credit demand picks up with recovery in growth, increasing the interest burden on the Government and crowding out private investment. Any

**Table 10: Financing Pattern of Gross Fiscal Deficit**

(Amount in ` billion)			
Item	2011-12 (BE)	2011-12 (RE)	2012-13 (BE)
	1	2	3
Gross Fiscal Deficit	4,128.17 (100.0)	5,219.80 (100.0)	5,135.90 (100.0)
<i>Financed by</i>			
Net Market Borrowings*	3,531.28 (85.5)	4,843.04 (92.8)	4,930.00 (96.0)
Small Savings (net)	241.82 (5.9)	-103.02 (-2.0)	11.98 (0.2)
External Assistance	145.00 (3.5)	103.11 (2.0)	101.48 (2.0)
State Provident Fund	100.00 (2.4)	100.00 (1.9)	120.00 (2.3)
NSSF	0.94 (0.0)	60.80 (1.2)	49.40 (1.0)
Draw Down of Cash Balances	200.00 (4.8)	-246.64 (-4.7)	–
Others	-90.87 (-2.2)	462.51 (8.9)	-76.96 (-1.5)

– Nil RE: Revised Estimates BE: Budget Estimates

\* Includes Dated Securities and 364-day Treasury Bills only.

**Note:** Figures in parenthesis represent percentages to GFD.

further slippage could come into conflict with the objective of fiscal-monetary coordination.

### **Resource Transfers from the Centre to States to Increase**

Assessing the revenue raising capacity as well as expenditure commitments of the Centre and States, the Thirteenth Finance Commission (ThFC) had recommended an increase in vertical devolution of taxes and grants-in-aid from Centre to States for its Award period (2010-15). Consequently, tax devolution as well as gross and net transfers to the States as ratios to GDP increased in 2010-11. However, slippages in tax revenues along with deterioration in overall fiscal performance of the Centre led to lower gross and net transfers (0.2 percentage point of GDP each) in 2011-12 (RE). Reflecting this shortfall, both tax devolution and grants-in-aid turned out to be lower in 2011-12 (RE) than their budgeted levels. However, gross and net transfers as ratios to GDP are budgeted to increase by 0.2 percentage point each to 5.2 per cent and 5.1 per cent, respectively, in 2012-13 (Table 11). In absolute terms, tax devolution from the Centre to States and

**Table 11: Gross and Net Transfers from Centre to States**

(Amount in ` billion)				
Items	2010-11	2011-12 (BE)	2011-12 (RE)	2012-13 (BE)
	1	2	3	4
1. Shareable Taxes from Centre	2,193.03	2,634.58	2,554.14	3,019.21
2. Grants-in-Aid to States	1,549.30	1,871.25	1,765.96	2,108.75
3. Loans from Centre	102.27	100.33	130.23	120.13
4. Gross transfers (1 to 3)	3,844.60	4,606.16	4,450.34	5,248.09
5. Repayment of loans to Centre	92.09	93.05	112.47	94.18
6. Net Transfers (4-5)	3,752.51	4,513.11	4,337.87	5,153.91
Gross Transfers/GDP	5.0	5.2	5.0	5.2
Net Transfers/GDP	4.9	5.1	4.9	5.1

RE: Revised Estimates. BE: Budget Estimates.

grants-in-aid are budgeted to increase by 18.2 per cent and 19.4 per cent, respectively, during 2012-13.

### III. Proposed Roadmap for Tax Reforms

While the Report of the Parliamentary Standing Committee on DTC is being examined by the Government, the Constitution Amendment Bill, a step in the implementation of Goods and Services Tax (GST), has been placed before the Parliamentary Standing Committee. In the meantime, the drafting of model legislation for Centre and State GST in consultation with the State governments is under progress. The GST Network, as a National Information Utility, will also be operationalised by August 2012.

The base of service tax has been widened by including, within the ambit of tax, all services other than those in the negative list. Service tax rate has also been raised from 10 per cent to 12 per cent. Measures have also been taken to bring about harmonisation between Central Excise and Service taxes. These include the introduction of a common simplified registration form and a common return for Central Excise and Service Tax.

The rate of withholding tax on interest payments on external commercial borrowings is proposed to be reduced from 20 per cent to 5 per cent for three years for seven sectors, viz., power, airlines, roads and bridges, ports and shipyards, affordable housing, fertiliser and dams.

The Budget has proposed to introduce a General Anti-Avoidance Rule (GAAR) in order to counter aggressive tax avoidance schemes, while ensuring that it is used only for appropriate cases, by enabling a review by the GAAR panel.

### IV. Major Policy Initiatives

#### ***Agriculture Sector to address food security concerns through concerted efforts; with higher investments and credit availability***

Agriculture continues to be a priority of the government and is driven by the objective to achieve an aggregate growth of at least 4 per cent in agriculture sector during 2012-2017. The focus is to address the supply bottlenecks in agriculture through higher plan outlay, enhancement in allocations for specific schemes, such as, Rashtriya Krishi Vikas Yojana, besides expanding the coverage of National Food Security Mission and strengthening the Mission for Protein Supplement. Allocation for extending Green Revolution to Eastern India has been enhanced to ` 10 billion in 2012-13. The targeted credit flow to farmers is also placed higher at ` 5,750 billion in 2012-13 (` 4,750 billion in 2011-12), while the interest subvention scheme of crop loans to farmers at 7 per cent is to be continued in 2012-13.

#### ***Infrastructure initiatives to improve availability of resources and encouragement for adopting PPP mode of investment***

Recognising inadequate infrastructure as a constraining factor to achievement of higher growth, the Budget has emphasised the need for a massive expansion in investment in infrastructure during 2012-13. The energy needs of rapid growth will pose a major challenge since these requirements have to be met in an environment where domestic energy prices are constrained and world energy prices are high and likely to rise further. Since India's domestic energy supplies are limited, dependence upon imports will increase. Even in the case of coal, import dependence is projected to increase as the growth of thermal generation will require coal supplies which cannot be fully met from domestic mines. In this context, the budget has proposed a slew of steps including customs duty

exemption on imported fuel and lower levy on overseas funds for projects to provide relief to crisis-hit power sector. Permitting power companies to tap external commercial borrowing (ECB) route to part re-finance rupee debt on power plants and increasing power sector's tax-free bonds limit to ` 100 billion from ` 50 billion is expected to provide a boost to this sector. The increase in the limit of tax-free bonds to ` 600 billion for financing infrastructure projects in 2012-13 could help to revive investment activities in this sector.

### ***Inclusive development strategy to be carried forward in 2012-13***

The Central government has taken definite steps to create food security at the household level by making food a legal entitlement for all targeted people, especially for the poor and vulnerable segments of our population. The National Food Security Bill, 2011 is before the Parliamentary Standing Committee. To ensure that the objectives of the National Food Security Bill are effectively realised, a Public Distribution System Network is being created using the Aadhaar platform. A National Information Utility for the computerisation of PDS is being created. It is expected to become operational by December 2012. Following the decision taken in the Prime Minister's National Council on India's Nutritional Challenges, a multi-sectoral programme to address maternal and child malnutrition in selected 200 high-burden districts is being rolled out during 2012-13. It will harness synergies across nutrition, sanitation, drinking water, primary health care, women education, food security and consumer protection schemes. The allocation for social services has gone up to 27.5 per cent in 2012-13 from 24.4 per cent of Central Plan Outlays (Table 10) in 2011-12.

### ***Education and Skill Development Initiatives***

The Budget has continued to work towards universalisation of education through enhanced allocations under *Sarva Shiksha Abhiyan* (SSA), which has become a primary vehicle for implementation of the Right to Education (RTE) Act from April 1, 2010. Simultaneously, the government has accorded importance to quality education by increasing allocations for the *Rashtriya Madhyamik Shiksha*

*Abhiyan* (RMSA). The Budget also seeks to carry forward the long-term objective of skill-building through projects under National Skill Development Corporation (NSDC). In order to improve the flow of institutional credit for skill development, the budget proposes to set up a separate Credit Guarantee Fund. This will benefit youth in acquiring market-oriented skills.

### ***Financial Sector initiatives directed at deepening and broadening of financial sector***

To avoid multiplicity of registration and data upkeep, a central Know Your Customer (KYC) depository has also been announced in the Budget. It is expected to enable banks to share the information regarding the customers and to avoid multiplicity of registration. As a next step for expediting the Financial Inclusion process, the *Swabhimaan* campaign is proposed to be extended to North-Eastern and hilly States for habitations having population in excess of 1,000 and to other habitations with population above 2,000 as per Census 2011. The budget proposes to extend the scheme of capitalisation of weak RRBs by another 2 years to enable all the States to contribute their share.

### ***Budget and Financial Markets***

In order to encourage savings in financial instruments and to improve the depth of domestic capital market, a new scheme called Rajiv Gandhi Equity Savings Scheme has been proposed in the Budget. The scheme will have lock-in period of three years; it will allow income tax deductions of 50 per cent to new retail investors having annual income below ` 1 million and investment of up to ` 50,000. Other reforms proposed in the Budget to deepen capital markets include, allowing Qualified Foreign Investors (QFIs) to access the Indian corporate bond market, simplifying the process of issuing Initial Public Offers (IPOs), lowering their costs and helping companies reach more retail investors in small towns. A provision of ` 158.88 billion has been made in the budget for capitalisation of public sector banks, RRBs and other financial institutions including NABARD. This move is expected to equip the banking sector to meet the growing credit requirements of the economy while meeting the parameters of financial soundness. The proposed recapitalisation of



the RRBs and NABARD would facilitate further flow of institutional credit to the agricultural sector.

## V. Overall Assessment

The Union Budget 2012-13 sets out a clear roadmap for fiscal consolidation by budgeting a significant reduction in GFD-GDP ratio beginning from 2012-13, thereby setting the stage for attaining a 'faster, sustainable and more inclusive growth' during the 12<sup>th</sup> Five-Year Plan period. This would help to create the necessary space for private investment. The fiscal correction for the ensuing year is primarily revenue-driven through widening of base of the services tax, and partial rollback of crisis-related reductions in various indirect tax rates. The revenue outcome would, however, hinge on the realisation of the budgeted tax

buoyancies which would be a challenging task. On the expenditure side, the capping of subsidies coupled with better targeting of beneficiaries is a positive step, though the Budget has not indicated any specific measures to restrict the expenditure on subsidies to 2 per cent of GDP. The achievement of this objective would necessitate steps to allow the pass-through of international crude oil and fertiliser prices to domestic prices. On the financing side, the envisaged market borrowings by the government for 2012-13 could pose a challenge for monetary management, particularly if private investment demand revives. A credible fiscal consolidation accompanied with higher capital outlays would have a positive impact on private investment sentiments and augur well for the revival of economic growth in 2012-13.

**Statement 1  
Budget at a Glance**

(` Billion)

Items	2010-11 (Accounts)	2011-12 (Budget Estimates)	2011-12 (Revised Estimates)	2012-13 (Budget Estimates)
	1	2	3	4
<b>1. Revenue Receipts (i+ii)</b>	<b>7,884.71</b>	<b>7,898.92</b>	<b>7,669.89</b>	<b>9,356.85</b>
i) Tax Revenue (Net to Centre)	5,698.69	6,644.57	6,422.52	7,710.71
ii) Non-tax Revenue	2,186.02	1,254.35	1,247.37	1,646.14
<i>of which:</i> Interest Receipts	197.34	195.78	201.25	192.31
<b>2. Capital Receipts</b>	<b>4,088.57</b>	<b>4,678.37</b>	<b>5,517.30</b>	<b>5,552.41</b>
<i>of which:</i>				
i) Market Borrowings	3,263.99	3,531.28	4,843.04	4,930.00
ii) Recoveries of Loans	124.20	150.20	142.58	116.50
iii) Disinvestment of Equity in PSUs	228.46	400.00	154.93	300.00
<b>3. Total Receipts (1+2)</b>	<b>11,973.28</b>	<b>12,577.29</b>	<b>13,187.20</b>	<b>14,909.25</b>
<b>4. Revenue Expenditure (i + ii)</b>	<b>10,407.23</b>	<b>10,971.62</b>	<b>11,619.40</b>	<b>12,861.09</b>
i) Non-Plan	7,264.91	7,335.58	8,157.40	8,655.96
ii) Plan	3,142.32	3,636.04	3,462.01	4,205.13
<b>5. Capital Expenditure (i + ii)</b>	<b>1,566.05</b>	<b>1,605.67</b>	<b>1,567.80</b>	<b>2,048.16</b>
i) Non-Plan	918.08	826.24	763.76	1,043.04
ii) Plan	647.97	779.43	804.04	1,005.12
<b>6. Total Non-Plan Expenditure (4i + 5i)</b>	<b>8,182.99</b>	<b>8,161.82</b>	<b>8,921.16</b>	<b>9,699.00</b>
<i>of which:</i>				
i) Interest Payments	2,340.22	2,679.86	2,756.18	3,197.59
ii) Defence	1,541.17	1,644.15	1,709.37	1,934.07
iii) Subsidies	1,734.20	1,435.70	2,162.97	1,900.15
<b>7. Total Plan Expenditure (4ii + 5ii)</b>	<b>3,790.29</b>	<b>4,415.47</b>	<b>4,266.04</b>	<b>5,210.25</b>
<b>8. Total Expenditure (6+7=4+5)</b>	<b>11,973.28</b>	<b>12,577.29</b>	<b>13,187.20</b>	<b>14,909.25</b>
<b>9. Revenue Deficit (4-1)</b>	<b>2,522.52</b>	<b>3,072.70</b>	<b>3,949.51</b>	<b>3,504.24</b>
	(3.3)	(3.4)	(4.4)	(3.4)
<b>10. Effective Revenue Deficit</b>	<b>1,647.65</b>	<b>1,604.17</b>	<b>2,574.46</b>	<b>1,857.52</b>
	(2.1)	(1.8)	(2.9)	(1.8)
<b>11. Gross Fiscal Deficit (8-(1+2ii+2iii))</b>	<b>3,735.91</b>	<b>4,128.17</b>	<b>5,219.80</b>	<b>5,135.90</b>
	(4.9)	(4.6)	(5.9)	(5.1)
<b>12. Gross Primary Deficit (10-6i)</b>	<b>1,395.69</b>	<b>1,448.31</b>	<b>2,463.62</b>	<b>1,938.31</b>
	(1.8)	(1.6)	(2.8)	(1.9)

(Contd.)

**Statement 1**  
**Budget at a Glance (Concl.)**

(` Billion)

Items	Variation					
	Col. 3 over Col. 2		Col. 3 over Col. 1		Col. 4 over Col. 3	
	Amount	Per cent	Amount	Per cent	Amount	Per cent
	5	6	7	8	9	10
<b>1. Revenue Receipts (i+ii)</b>	<b>-229.03</b>	<b>-2.9</b>	<b>-214.82</b>	<b>-2.7</b>	<b>1,686.96</b>	<b>22.0</b>
i) Tax Revenue (Net to Centre)	-222.05	-3.3	723.83	12.7	1,288.19	20.1
ii) Non-tax Revenue	-6.98	-0.6	-938.65	-42.9	398.77	32.0
<i>of which: Interest Receipts</i>	5.47	2.8	3.91	2.0	-8.94	-4.4
<b>2. Capital Receipts</b>	<b>838.93</b>	<b>17.9</b>	<b>1,428.73</b>	<b>34.9</b>	<b>35.11</b>	<b>0.6</b>
<i>of which:</i>						
i) Market Borrowings	1,311.76	37.1	1,579.05	48.4	86.96	1.8
ii) Recoveries of Loans	-7.62	-5.1	18.38	14.8	-26.08	-18.3
iii) Disinvestment of Equity in PSUs	-245.07	-61.3	-73.53	-32.2	145.07	93.6
<b>3. Total Receipts (1+2)</b>	<b>609.91</b>	<b>4.8</b>	<b>1,213.92</b>	<b>10.1</b>	<b>1,722.05</b>	<b>13.1</b>
<b>4. Revenue Expenditure (i + ii)</b>	<b>647.79</b>	<b>5.9</b>	<b>1,212.18</b>	<b>11.6</b>	<b>1,241.68</b>	<b>10.7</b>
i) Non-Plan	821.82	11.2	892.49	12.3	498.56	6.1
ii) Plan	-174.03	-4.8	319.69	10.2	743.12	21.5
<b>5. Capital Expenditure (i + ii)</b>	<b>-37.87</b>	<b>-2.4</b>	<b>1.75</b>	<b>0.1</b>	<b>480.36</b>	<b>30.6</b>
i) Non-Plan	-62.48	-7.6	-154.32	-16.8	279.28	36.6
ii) Plan	24.61	3.2	156.07	24.1	201.08	25.0
<b>6. Total Non-Plan Expenditure (4i + 5i)</b>	<b>759.34</b>	<b>9.3</b>	<b>738.17</b>	<b>9.0</b>	<b>777.84</b>	<b>8.7</b>
<i>of which:</i>						
i) Interest Payments	76.32	2.8	415.96	17.8	441.41	16.0
ii) Defence	65.22	4.0	168.20	10.9	224.70	13.1
iii) Subsidies	727.27	50.7	428.77	24.7	-262.82	-12.2
<b>7. Total Plan Expenditure (4ii + 5ii)</b>	<b>-149.42</b>	<b>-3.4</b>	<b>475.76</b>	<b>12.6</b>	<b>944.20</b>	<b>22.1</b>
<b>8. Total Expenditure (6+7=4+5)</b>	<b>609.91</b>	<b>4.8</b>	<b>1,213.92</b>	<b>10.1</b>	<b>1,722.05</b>	<b>13.1</b>
<b>9. Revenue Deficit (4-1)</b>	<b>876.81</b>	<b>28.5</b>	<b>1,426.99</b>	<b>56.6</b>	<b>-445.27</b>	<b>-11.3</b>
<b>10. Effective Revenue Deficit</b>	<b>970.29</b>	<b>60.5</b>	<b>926.81</b>	<b>56.3</b>	<b>-716.94</b>	<b>-27.8</b>
<b>11. Gross Fiscal Deficit (8-(1+2ii+2iii))</b>	<b>1,091.63</b>	<b>26.4</b>	<b>1,483.89</b>	<b>39.7</b>	<b>-83.90</b>	<b>-1.6</b>
<b>12. Gross Primary Deficit (10-6i)</b>	<b>1,015.31</b>	<b>70.1</b>	<b>1,067.93</b>	<b>76.5</b>	<b>-525.31</b>	<b>-21.3</b>

**Notes** : 1. Capital Receipts are net of repayments.

2. Market borrowings include dated securities and 364 day Treasury Bills.

**Source** : Budget documents of the Government of India, 2012-13

**Statement 2**  
**Transactions on Revenue Account**

(` Billion)

Items	2010-11 (Accounts)	2011-12 (Budget Estimates)	2011-12 (Revised Estimates)	2012-13 (Budget Estimates)
	1	2	3	4
<b>I. Revenue Receipts (A+B)</b>	<b>7,884.71</b>	<b>7,898.92</b>	<b>7,669.89</b>	<b>9,356.85</b>
<b>A. Tax Revenue(Net to Centre)(a-b-c)</b>	<b>5,698.69</b>	<b>6,644.57</b>	<b>6,422.52</b>	<b>7,710.71</b>
<b>a) Gross Tax Revenue</b>	<b>7,930.72</b>	<b>9,324.40</b>	<b>9,016.64</b>	<b>10,776.12</b>
	<b>(10.3)</b>	<b>(10.5)</b>	<b>(10.1)</b>	<b>(10.6)</b>
<i>of which :</i>				
1 Corporation Tax	2,986.88	3,599.90	3,276.80	3,732.27
2 Personal IncomeTax	1,390.69	1,645.26	1,666.79	1,898.66
3 Customs Duty	1,358.13	1,517.00	1,530.00	1,866.94
4 Union Excise Duty	1,377.01	1,635.50	1,500.75	1,937.29
5 Service Tax	710.16	820.00	950.00	1,240.00
6 Securities Transaction Tax	71.55	75.00	52.00	59.20
7 Banking Cash Transaction Tax	1.58	0.00	0.00	0.00
8 Taxes of UTs (Net of Assignments to Local Bodies)	19.82	19.73	23.17	23.10
9 Fringe Benefit Tax	1.68	0.00	0.00	0.00
10 Other Taxes and Duties	13.22	12.01	17.13	18.66
<b>b) States' Share</b>	<b>2,193.03</b>	<b>2,634.58</b>	<b>2,554.14</b>	<b>3,019.21</b>
<b>c) Surcharge transferred to NCCF#</b>	<b>39.00</b>	<b>45.25</b>	<b>39.98</b>	<b>46.20</b>
<b>B. Non-Tax Revenue</b>	<b>2,186.02</b>	<b>1,254.35</b>	<b>1,247.37</b>	<b>1,646.14</b>
<i>of which :</i>				
1 Interest Receipts	197.34	195.78	201.25	192.31
2 Dividends and Profits	479.92	426.24	501.22	501.53
3 External Grants	26.73	21.73	34.77	28.87
4 Non-tax Receipts of UTs	10.97	11.69	11.05	11.36
5 Other Non-Tax Revenue	1,471.06	598.91	499.08	912.07
<b>II. Revenue Expenditure (A+B)</b>	<b>10,407.23</b>	<b>10,971.62</b>	<b>11,619.40</b>	<b>12,861.09</b>
<b>A. Non-Plan Expenditure</b>	<b>7,264.91</b>	<b>7,335.58</b>	<b>8,157.40</b>	<b>8,655.96</b>
<i>of which :</i>				
1 Interest Payments	2,340.22	2,679.86	2,756.18	3,197.59
2 Defence Revenue Expenditure	920.61	952.16	1,047.93	1,138.28
3 Subsidies	1,734.20	1,435.70	2,162.97	1,900.15
4 Non-Plan Grants to States and UTs	497.90	663.11	553.22	642.11
<b>B. Plan Expenditure (1+2)</b>	<b>3,142.32</b>	<b>3,636.04</b>	<b>3,462.00</b>	<b>4,205.13</b>
1 Central Plan	2,324.54	2,682.87	2,525.96	3,035.28
2 Central Assistance for State and UT Plans	817.78	953.17	936.04	1,169.85
<b>III. Revenue Deficit (-)/Surplus(+) [ I-II ]</b>	<b>-2,522.52</b>	<b>-3,072.70</b>	<b>-3,949.51</b>	<b>-3,504.24</b>

(Contd.)



**Statement 2**  
**Transactions on Revenue Account (Concl'd.)**

(` Billion)

Items	Variation					
	Col. 3 over Col. 2		Col. 3 over Col. 1		Col. 4 over Col. 3	
	Amount	Per cent	Amount	Per cent	Amount	Per cent
	5	6	7	8	9	10
<b>I. Revenue Receipts (A+B)</b>	<b>-229.03</b>	<b>-2.9</b>	<b>-214.82</b>	<b>-2.7</b>	<b>1,686.96</b>	<b>22.0</b>
<b>A. Tax Revenue(Net to Centre)(a-b-c)</b>	<b>-222.05</b>	<b>-3.3</b>	<b>723.83</b>	<b>12.7</b>	<b>1,288.19</b>	<b>20.1</b>
<b>a) Gross Tax Revenue</b>	<b>-307.76</b>	<b>-3.3</b>	<b>1,085.92</b>	<b>13.7</b>	<b>1,759.48</b>	<b>19.5</b>
<i>of which :</i>						
1 Corporation Tax	-323.10	-9.0	289.92	9.7	455.47	13.9
2 Personal IncomeTax	21.53	1.3	276.10	19.9	231.87	13.9
3 Customs Duty	13.00	0.9	171.87	12.7	336.94	22.0
4 Union Excise Duty	-134.75	-8.2	123.74	9.0	436.54	29.1
5 Service Tax	130.00	15.9	239.84	33.8	290.00	30.5
6 Securities Transaction Tax	-23.00	-30.7	-19.55	-27.3	7.20	13.8
7 Banking Cash Transaction Tax	0.00	-	-1.58	-100.0	0.00	-
8 Taxes of UTs (Net of Assignments to Local Bodies)	3.44	17.4	3.35	16.9	-0.07	-0.3
9 Fringe Benefit Tax	0.00	-	-1.68	-100.0	0.00	-
10 Other Taxes and Duties	5.12	42.6	3.91	29.6	1.53	8.9
<b>b) States' Share</b>	<b>-80.44</b>	<b>-3.1</b>	<b>361.11</b>	<b>16.5</b>	<b>465.07</b>	<b>18.2</b>
<b>c) Surcharge transferred to NCCF#</b>	<b>-5.27</b>	<b>-11.6</b>	<b>0.98</b>	<b>2.5</b>	<b>6.22</b>	<b>15.6</b>
<b>B. Non-Tax Revenue</b>	<b>-6.98</b>	<b>-0.6</b>	<b>-938.65</b>	<b>-42.9</b>	<b>398.77</b>	<b>32.0</b>
<i>of which :</i>						
1 Interest Receipts	5.47	2.8	3.91	2.0	-8.94	-4.4
2 Dividends and Profits	74.98	17.6	21.30	4.4	0.31	0.1
3 External Grants	13.04	60.0	8.04	30.1	-5.90	-17.0
4 Non-tax Receipts of UTs	-0.64	-5.5	0.08	0.7	0.31	2.8
5 Other Non-Tax Revenue	-99.83	-16.7	-971.98	-66.1	412.99	82.8
<b>II. Revenue Expenditure (A+B)</b>	<b>647.78</b>	<b>5.9</b>	<b>1,212.17</b>	<b>11.6</b>	<b>1,241.69</b>	<b>10.7</b>
<b>A. Non-Plan Expenditure</b>	<b>821.82</b>	<b>11.2</b>	<b>892.49</b>	<b>12.3</b>	<b>498.56</b>	<b>6.1</b>
<i>of which :</i>						
1 Interest Payments	76.32	2.8	415.96	17.8	441.41	16.0
2 Defence Revenue Expenditure	95.77	10.1	127.32	13.8	90.35	8.6
3 Subsidies	727.27	50.7	428.77	24.7	-262.82	-12.2
4 Non-Plan Grants to States and UTs	-109.89	-16.6	55.32	11.1	88.89	16.1
<b>B. Plan Expenditure (1+2)</b>	<b>-174.04</b>	<b>-4.8</b>	<b>319.68</b>	<b>10.2</b>	<b>743.13</b>	<b>21.5</b>
1 Central Plan	-156.91	-5.8	201.42	8.7	509.32	20.2
2 Central Assistance for State and UT Plans	-17.13	-1.8	118.26	14.5	233.81	25.0
<b>III. Revenue Deficit (-)/Surplus(+) [ I-II ]</b>	<b>-876.81</b>	<b>28.5</b>	<b>-1,426.99</b>	<b>56.6</b>	<b>445.27</b>	<b>-11.3</b>

# : NCCF: National Calamity Contingency Fund.

Note: Figures in the parentheses are gross tax revenue as percentage of GDP.

Source: Budget Documents of the Government of India, 2012-13

**Statement 3**  
**Transactions on Capital Account**

( ` Billion)

Items	2010-11 (Accounts)	2011-12 (Budget Estimates)	2011-12 (Revised Estimates)	2012-13 (Budget Estimates)
	1	2	3	4
<b>I. Capital Receipts (1 to 10)</b>	<b>4,088.57</b>	<b>4,678.37</b>	<b>5,517.30</b>	<b>5,552.41</b>
1. Market Borrowings	3,263.99	3,531.28	4,843.04	4,930.00
2. Small Savings (net)	112.33	241.82	-103.02	11.98
3. State Provident Funds	125.14	100.00	100.00	120.00
4. Special Deposits (net)	0.00	0.00	0.00	0.00
5. Reserve Funds and Deposits	123.79	-100.60	-11.33	74.55
6. NSSF	-85.86	0.94	60.80	49.40
7. Recovery of Loans and Advances	124.20	150.20	142.58	116.50
8. Disinvestment of Equity Holding in Public Sector Enterprises	228.46	400.00	154.93	300.00
9. External Borrowings	235.56	145.00	103.11	101.48
10. Others	-39.04	209.73	227.20	-151.50
<b>II. Capital Expenditure (1+2)</b>	<b>1,566.05</b>	<b>1,605.67</b>	<b>1,567.80</b>	<b>2,048.16</b>
1. Non Plan Expenditure	918.08	826.24	763.76	1,043.04
<i>of which:</i> Defence Capital	620.56	691.99	661.44	795.79
2. Plan Expenditure (i+ii)	647.97	779.43	804.04	1,005.12
i) Central Plan	534.96	672.34	688.09	874.99
ii) Central Assistance for State and UT Plans	113.01	107.09	115.95	130.13
<b>III. Capital Surplus(+)/Deficit(-) [I-II]</b>	<b>2,522.52</b>	<b>3,072.70</b>	<b>3,949.51</b>	<b>3,504.24</b>

(Contd.)

**Statement 3**  
**Transactions on Capital Account (Concl.)**

(` Billion)

Items	Variation					
	Col. 3 over Col. 2		Col. 3 over Col. 1		Col. 4 over Col. 3	
	Amount	Per cent	Amount	Per cent	Amount	Per cent
	5	6	7	8	9	10
<b>I. Capital Receipts (1 to 10)</b>	<b>838.93</b>	<b>17.9</b>	<b>1,428.73</b>	<b>34.9</b>	<b>35.11</b>	<b>0.6</b>
1. Market Borrowings	1,311.76	37.1	1,579.05	48.4	86.96	1.8
2. Small Savings (net)	-344.84	-142.6	-215.35	-191.7	115.00	-111.6
3. State Provident Funds	0.00	-	-25.14	-20.1	20.00	20.0
4. Special Deposits (net)	0.00	-	0.00	-	0.00	-
5. Reserve Funds and Deposits	89.27	-88.7	-135.12	-109.2	85.89	-757.8
6. NSSF	59.86	-	146.66	-170.8	-11.40	-18.8
7. Recovery of Loans and Advances	-7.62	-5.1	18.38	14.8	-26.08	-18.3
8. Disinvestment of Equity Holding in Public Sector Enterprises	-245.07	-61.3	-73.53	-32.2	145.07	93.6
9. External Borrowings	-41.89	-28.9	-132.45	-56.2	-1.63	-1.6
10. Others	17.47	8.3	266.23	-682.0	-378.70	-166.7
<b>II. Capital Expenditure (1+2)</b>	<b>-37.87</b>	<b>-2.4</b>	<b>1.75</b>	<b>0.1</b>	<b>480.36</b>	<b>30.6</b>
1. Non Plan Expenditure	-62.48	-7.6	-154.32	-16.8	279.28	36.6
<i>of which: Defence Capital</i>	-30.55	-4.4	40.88	6.6	134.35	20.3
2. Plan Expenditure (i+ii)	24.61	3.2	156.07	24.1	201.08	25.0
i) Central Plan	15.75	2.3	153.13	28.6	186.90	27.2
ii) Central Assistance for State and UT Plans	8.86	8.3	2.94	2.6	14.18	12.2
<b>III. Capital Surplus(+)/Deficit(-) [I-II]</b>	<b>876.81</b>	<b>28.5</b>	<b>1,426.99</b>	<b>56.6</b>	<b>-445.27</b>	<b>-11.3</b>

- Not Available/abnormal growth due to very low / high base.

**Notes** : 1. Capital Receipts are net of repayments.

2. Market borrowings include dated securities and 364-day Treasury Bills.

**Source** : Budget documents of the Government of India, 2012-13

**Statement 4**  
**Financing of Gross Fiscal Deficit of the Central Government**

(` Billion)

Year	Internal Finance				External Finance	Total Finance/ Gross Fiscal Deficit (4+5)
	Market Borrowings #	Other Borrowings @	Draw Down of Cash Balances *	Total (1+2+3)		
	1	2	3	4	5	6
1990-91	80.01 (17.9)	221.03 (49.5)	113.47 (25.4)	414.51 (92.9)	31.81 (7.1)	446.32 (100.0)
1991-92	75.10 (20.7)	165.39 (45.5)	68.55 (18.9)	309.04 (85.1)	54.21 (14.9)	363.25 (100.0)
1992-93	36.76 (9.2)	188.66 (47.0)	123.12 (30.6)	348.54 (86.8)	53.19 (13.2)	401.73 (100.0)
1993-94	289.28 (48.0)	152.95 (25.4)	109.60 (18.2)	551.83 (91.6)	50.74 (8.4)	602.57 (100.0)
1994-95	203.26 (35.2)	328.34 (56.9)	9.61 (1.7)	541.21 (93.8)	35.82 (6.2)	577.03 (100.0)
1995-96	340.01 (56.4)	161.17 (26.8)	98.07 (16.3)	599.25 (99.5)	3.18 (0.5)	602.43 (100.0)
1996-97	190.93 (28.6)	314.69 (47.2)	131.84 (19.8)	637.46 (95.5)	29.87 (4.5)	667.33 (100.0)
1997-98	324.99 (36.5)	562.57 (63.5)	-9.10 (-1.0)	878.46 (98.8)	10.91 (1.2)	889.37 (100.0)
1998-99	689.88 (60.9)	426.50 (37.6)	-2.09 (-0.2)	1,114.29 (98.3)	19.20 (1.7)	1,133.49 (100.0)
1999-2000	620.76 (59.3)	405.97 (38.8)	8.64 (0.8)	1,035.37 (98.9)	11.80 (1.1)	1,047.17 (100.0)
2000-01	734.31 (61.8)	390.77 (32.9)	-11.97 (-1.0)	1,113.11 (93.7)	75.05 (6.3)	1,188.16 (100.0)
2001-02	908.12 (64.4)	460.38 (32.7)	-14.96 (-1.1)	1,353.54 (96.0)	56.01 (4.0)	1,409.55 (100.0)
2002-03	1,041.26 (71.8)	509.97 (35.2)	18.83 (1.3)	1,570.06 (108.2)	-119.34 (-8.2)	1,450.72 (100.0)
2003-04	888.70 (72.1)	518.33 (42.0)	-39.42 (-3.2)	1,367.61 (110.9)	-134.88 (-10.9)	1,232.73 (100.0)
2004-05	509.40 & (40.5)	615.62 (48.9)	-14.61 (-1.2)	1,110.41 (88.3)	147.53 (11.7)	1,257.94 (100.0)
2005-06	1,062.41 & (72.6)	536.10 (36.6)	-208.88 (-14.3)	1,389.63 (94.9)	74.72 (5.1)	1,464.35 (100.0)
2006-07	1,148.01 & (80.5)	147.82 (10.4)	45.18 (3.2)	1,341.01 (94.1)	84.72 (5.9)	1,425.73 (100.0)
2007-08	1,306.00 & (102.9)	141.68 (11.2)	-271.71 (-21.4)	1,175.97 (92.7)	93.15 (7.3)	1,269.12 (100.0)
2008-09	2,469.75 & (73.3)	351.68 (10.4)	438.34 (13.0)	3,259.77 (96.7)	110.15 (3.3)	3,369.92 (100.0)
2009-10	3,943.71 & (94.2)	144.60 (3.5)	-13.87 (-0.3)	4,074.44 (97.4)	110.38 (2.6)	4,184.82 (100.0)
2010-11	3,263.99 & (87.4)	172.06 (4.6)	64.30 (1.7)	3,500.35 (93.7)	235.56 (6.3)	3,735.91 (100.0)
2011-12 (RE)	4,843.04 & (92.8)	520.29 (10.0)	-246.64 (-4.7)	5,116.69 (98.0)	103.11 (2.0)	5,219.80 (100.0)
2012-13 (BE)	4,930.00 & (96.0)	104.42 (2.0)	0.00 (-)	5,034.42 (98.0)	101.48 (2.0)	5,135.90 (100.0)

RE : Revised Estimates. BE : Budget Estimates.

# : Includes dated securities and 364-day Treasury Bills.

@ : Other borrowings include small savings, state provident funds, special deposits, reserve funds, etc. For the years 1999-2000 to 2001-02, small savings and public provident fund are represented by National Small Savings Fund (NSSF)'s investment in Central Government special securities and hence form part of Centre's internal debt.

\* : Prior to 1997-98, represents variations in 91-day Treasury Bills issued net of changes in cash balances with the Reserve Bank.

&amp; : Exclusive of amount raised under Market Stabilisation Scheme.

**Note:** Figures in parentheses represent percentages to total finance (gross fiscal deficit).**Source:** Central Government Budget Documents.



**Statement 5**  
**Central Plan Outlay by Heads of Development**

(` Billion)

Items	2011-12 (Budget Estimates)	2011-12 (Revised Estimates)	2012-13 (Budget Estimates)	Variation			
				Col. 2 over Col. 1		Col. 3 over Col. 2	
				Amount	Per cent	Amount	Per cent
	1	2	3	4	5	6	7
1. Agriculture	147.44 (2.5)	148.55 (2.7)	176.92 (2.7)	1	0.8	28	19.1
2. Rural Development*	552.88 (9.3)	481.28 (8.6)	507.29 (7.8)	-72	-13.0	26	5.4
3. Irrigation and Flood Control	5.65 (0.1)	4.89 (0.1)	12.75 (0.2)	-1	-13.5	8	160.7
4. Energy of which :	1,554.95 (26.2)	1,471.90 (26.4)	1,548.42 (23.8)	-83	-5.3	77	5.2
a) Power	727.54 (12.3)	696.80 (12.5)	695.08 (10.7)	-31	-4.2	-2	-0.2
b) Petroleum	732.16 (12.4)	675.88 (12.1)	725.97 (11.1)	-56	-7.7	50	7.4
5. Industry and Minerals	452.14 (7.6)	405.81 (7.3)	572.27 (8.8)	-46	-10.2	166	41.0
6. Transport **	1,168.61 (19.7)	1,092.05 (19.6)	1,253.57 (19.2)	-77	-6.6	162	14.8
7. Communications	202.56 (3.4)	119.94 (2.1)	154.11 (2.4)	-83	-40.8	34	28.5
8. Science, Technology and Environment	161.86 (2.7)	127.13 (2.3)	165.92 (2.5)	-35	-21.5	39	30.5
9. Social Services #	1,448.16 (24.4)	1,480.60 (26.5)	1,789.06 (27.5)	32	2.2	308	20.8
10. Others	230.32 (3.9)	249.57 (4.5)	334.78 (5.1)	19	8.4	85	34.1
<b>Total (1 to 10)</b>	<b>5,924.57</b> <b>(100.0)</b>	<b>5,581.72</b> <b>(100.0)</b>	<b>6,515.09</b> <b>(100.0)</b>	<b>-343</b>	<b>-5.8</b>	<b>933</b>	<b>16.7</b>
<i>To be financed by :</i>							
1. Budgetary Support	3,355.21 (56.6)	3,214.06 (57.6)	3,910.27 (60.0)	-141.15	-4.2	696.21	21.7
2. Internal and Extra Budgetary Resources (IEBR) of Public Enterprises, etc.	2,569.36 (43.4)	2,367.66 (42.4)	2,604.82 (40.0)	-201.70	-7.9	237.16	10.0

\* Includes provision for rural housing but excludes provision for rural roads.

\*\* Includes provision for rural roads.

# Excludes provision for rural housing.

**Note** : Figures in parentheses represent percentage to total.**Source** : Budget documents of Government of India, 2012-13.

**Statement 6**  
**Resources Transferred to States and Union Territory Governments**

(' Billion)

Items	2010-11 (Actuals)	2011-12 (Budget Estimates)	2011-12 (Revised Estimates)	2012-13 (Budget Estimates)	Variation					
					Col. 3 over Col. 2		Col. 3 over Col. 1		Col. 4 over Col. 3	
					Amount	Per cent	Amount	Per cent	Amount	Per cent
	1	2	3	4	5	6	7	8	9	10
<b>A. States' Share in Central Taxes and Duties</b>	<b>2,193.03</b>	<b>2,634.58</b>	<b>2,554.14</b>	<b>3,019.21</b>	<b>-80.44</b>	<b>-3.1</b>	<b>361.11</b>	<b>16.5</b>	<b>465.07</b>	<b>18.2</b>
<b>B. Total Grants (i+ii)</b>	<b>1,595.85</b>	<b>1,926.28</b>	<b>1,816.36</b>	<b>2,168.17</b>	<b>-109.92</b>	<b>-5.7</b>	<b>220.51</b>	<b>13.8</b>	<b>351.81</b>	<b>19.4</b>
i) Plan	1,097.95	1,263.17	1,263.14	1,526.06	-0.03	0.0	165.19	15.0	262.92	20.8
ii) Non-Plan	497.90	663.11	553.22	642.11	-109.89	-16.6	55.32	11.1	88.89	16.1
<b>C. Total Non-Plan Loans*</b>	<b>0.85</b>	<b>0.85</b>	<b>0.75</b>	<b>0.85</b>	<b>-0.10</b>	<b>-11.8</b>	<b>-0.10</b>	<b>-11.8</b>	<b>0.10</b>	<b>13.3</b>
<b>D. Plan Loans (i+ii)</b>	<b>102.14</b>	<b>90.20</b>	<b>100.20</b>	<b>110.00</b>	<b>10.00</b>	<b>11.1</b>	<b>-1.94</b>	<b>-1.9</b>	<b>9.80</b>	<b>9.8</b>
i) Central Assistance for States & Union Territory Plans	102.14	90.00	100.00	110.00	10.00	11.1	-2.14	-2.1	10.00	10.0
ii) Assistance for Central & Centrally Sponsored Plan Schemes	0.00	0.20	0.20	0.00	0.00	-	0.20	-	-0.20	-100.0
<b>E. Gross Transfers (A to D)</b>	<b>3,891.87</b>	<b>4,651.91</b>	<b>4,471.45</b>	<b>5,298.23</b>	<b>-180.46</b>	<b>-3.9</b>	<b>579.58</b>	<b>14.9</b>	<b>826.78</b>	<b>18.5</b>
<b>F. Recovery of Loans &amp; Advances</b>	<b>82.27</b>	<b>84.16</b>	<b>83.58</b>	<b>85.29</b>	<b>-0.58</b>	<b>-0.7</b>	<b>1.31</b>	<b>1.6</b>	<b>1.71</b>	<b>2.0</b>
<b>G. Net Resources transferred to States &amp; UT Governments (E-F)</b>	<b>3,809.60</b>	<b>4,567.75</b>	<b>4,387.87</b>	<b>5,212.94</b>	<b>-179.88</b>	<b>-3.9</b>	<b>578.27</b>	<b>15.2</b>	<b>825.07</b>	<b>18.8</b>

\* Net of recovery of short-term loans and advances.

Source : Budget documents of Government of India, 2012-13.

**Statement 7**  
**Interest payments by the Central Government**

(` Billion)

Item	1990-91 (Accounts)	2001-2002 (Accounts)	2002-2003 (Accounts)	2003-2004 (Accounts)	2004-05 (Accounts)	2005-06 (Accounts)	2006-07 (Accounts)
	1	2	3	4	5	6	7
<b>I. Interest Payments on Internal Debt</b>	<b>98.14</b>	<b>660.35</b>	<b>751.76</b>	<b>826.20</b>	<b>863.80</b>	<b>855.33</b>	<b>1,072.94</b>
<i>of which :</i>							
i) On Market Loans*	63.66	550.24	625.59	687.65	698.52	665.00	841.46
ii) On Treasury Bills**	33.92	64.53	61.51	35.42	21.65	39.90	57.40
iii) On Marketable securities issued in conversion of special securities	–	23.99	30.67	62.63	77.53	70.66	57.15
<b>II. Interest on External debt</b>	<b>18.34</b>	<b>42.85</b>	<b>42.52</b>	<b>31.39</b>	<b>28.08</b>	<b>31.73</b>	<b>38.67</b>
<b>III. Interest on Small Savings Deposits, Certificates and PPF @</b>	<b>41.28</b>	<b>224.71</b>	<b>233.79</b>	<b>205.03</b>	<b>189.50</b>	<b>180.29</b>	<b>181.06</b>
<b>IV. Interest on State Provident Funds</b>	<b>8.85</b>	<b>37.94</b>	<b>39.13</b>	<b>37.33</b>	<b>44.25</b>	<b>49.50</b>	<b>50.44</b>
<b>V. Interest on Special Deposits of Non-Government Provident Funds etc.</b>	<b>38.76</b>	<b>142.59</b>	<b>136.25</b>	<b>131.61</b>	<b>128.92</b>	<b>128.74</b>	<b>124.48</b>
<b>VI. Interest on Reserve Funds</b>	<b>1.12</b>	<b>1.29</b>	<b>2.29</b>	<b>3.52</b>	<b>5.41</b>	<b>7.17</b>	<b>8.83</b>
<b>VII. Interest on Other Obligations</b>	<b>3.25</b>	<b>5.67</b>	<b>12.14</b>	<b>14.00</b>	<b>15.92</b>	<b>13.45</b>	<b>24.51</b>
<b>VIII. Others #</b>	<b>5.24</b>	<b>-40.80</b>	<b>-39.84</b>	<b>-8.20</b>	<b>-6.54</b>	<b>60.09</b>	<b>1.79</b>
<b>Total Interest Payments (I to VIII)</b>	<b>214.98</b>	<b>1,074.60</b>	<b>1,178.04</b>	<b>1,240.88</b>	<b>1,269.34</b>	<b>1,326.30</b>	<b>1,502.72</b>

(Contd.)

**Statement 7**  
**Interest payments by the Central Government (Concl'd.)**

(` Billion)

Item	2007-08 (Accounts)	2008-09 (Accounts)	2009-10 (Accounts)	2010-11 (Accounts)	2011-12 (Revised Estimates)	2012-13 (Budget Estimates)
	8	9	10	11	12	13
<b>I. Interest Payments on Internal Debt</b>	<b>1,468.01</b>	<b>1,641.64</b>	<b>1,530.00</b>	<b>1,730.23</b>	<b>2,125.57</b>	<b>2,529.35</b>
<i>of which :</i>						
i) On Market Loans*	962.15	1,103.93	1,341.76	1,511.75	1,769.97	2,150.92
ii) On Treasury Bills**	77.01	110.10	95.94	118.74	240.14	274.16
iii) On Marketable securities issued in conversion of special securities	61.98	55.33	52.86	48.56	48.56	48.56
<b>II. Interest on External debt</b>	<b>39.28</b>	<b>41.95</b>	<b>36.29</b>	<b>31.56</b>	<b>36.08</b>	<b>39.47</b>
<b>III. Interest on Small Savings Deposits, Certificates and PPF @</b>	<b>173.01</b>	<b>170.58</b>	<b>168.97</b>	<b>181.59</b>	<b>180.15</b>	<b>188.72</b>
<b>IV. Interest on State Provident Funds</b>	<b>51.90</b>	<b>57.76</b>	<b>66.49</b>	<b>71.27</b>	<b>83.62</b>	<b>98.15</b>
<b>V. Interest on Special Deposits of Non-Government Provident Funds etc.</b>	<b>122.35</b>	<b>110.93</b>	<b>95.44</b>	<b>92.35</b>	<b>91.80</b>	<b>93.47</b>
<b>VI. Interest on Reserve Funds</b>	<b>12.25</b>	<b>12.25</b>	<b>6.14</b>	<b>1.08</b>	<b>0.95</b>	<b>2.69</b>
<b>VII. Interest on Other Obligations</b>	<b>57.50</b>	<b>88.46</b>	<b>151.64</b>	<b>156.60</b>	<b>157.59</b>	<b>157.59</b>
<b>VIII. Others #</b>	<b>-214.00</b>	<b>-201.53</b>	<b>75.96</b>	<b>75.54</b>	<b>80.42</b>	<b>88.15</b>
<b>Total Interest Payments (I to VIII)</b>	<b>1,710.30</b>	<b>1,922.04</b>	<b>2,130.93</b>	<b>2,340.22</b>	<b>2,756.18</b>	<b>3,197.59</b>

\* Represents dated securities.

\*\* Also includes special securities issued to RBI in conversion of Treasury Bills.

@ Since 1999-2000, these payments form part of internal debt.

# Includes *inter alia*, interest on insurance and pension funds, bonus on field deposits and interest on other deposits and accounts.**Note** : 1. The data are taken from Finance Accounts and Expenditure Budget volume 2 and the aggregate figures for interest payments may not tally for some years with the data produced elsewhere.

2. Since 1999-2000, interest on small savings represents interest on Central Government Special securities issued to the NSSF.

**Source** : Budget documents of the Government of India.



**Statement 8**  
**Outstanding Liabilities of Central Government**

(` Billion)

Year (End March)	Internal Debt	Of which: Market Loans	Small Savings, & Provident Funds	Other Accounts +	Reserve Fund and Deposits ++	Total Domestic Liabilities (1+3+4+5)	External Liabilities*	Total Liabilities (6+7)
	1	2	3	4	5	6	7	8
1990-91	1,540.04 (27.0)	705.20 (12.4)	617.71 (10.8)	453.36 (8.0)	219.22 (3.8)	2,830.33 (49.7)	315.25 (5.5)	3,145.58 (55.2)
1991-92	1,727.50 (26.4)	780.23 (11.9)	696.82 (10.6)	518.18 (7.9)	234.64 (3.6)	3,177.14 (48.5)	369.48 (5.6)	3,546.62 (54.2)
1992-93	1,991.00 (26.5)	816.93 (10.9)	770.05 (10.2)	597.97 (7.9)	237.53 (3.2)	3,596.55 (47.8)	422.69 (5.6)	4,019.24 (53.4)
1993-94	2,457.12 (28.4)	1,106.11 (12.8)	878.77 (10.1)	724.77 (8.4)	245.56 (2.8)	4,306.22 (49.7)	473.45 (5.5)	4,779.67 (55.2)
1994-95	2,664.67 (26.2)	1,309.08 (12.9)	1,064.35 (10.5)	857.87 (8.4)	289.93 (2.9)	4,876.82 (48.0)	509.29 (5.0)	5,386.11 (53.0)
1995-96	3,078.69 (25.8)	1,639.86 (13.8)	1,214.25 (10.2)	920.10 (7.7)	336.80 (2.8)	5,549.84 (46.6)	512.49 (4.3)	6,062.33 (50.9)
1996-97	3,444.76 (25.0)	1,841.00 (13.4)	1,389.55 (10.1)	1,000.88 (7.3)	379.19 (2.8)	6,214.37 (45.1)	542.39 (3.9)	6,756.76 (49.0)
1997-98	3,889.98 (25.5)	2,165.98 (14.2)	1,677.80 (11.0)	1,240.87 (8.1)	420.97 (2.8)	7,229.62 (47.3)	553.32 (3.6)	7,782.94 (51.0)
1998-99	4,596.96 (26.3)	2,855.85 (16.3)	2,064.58 (11.8)	1,268.02 (7.2)	415.95 (2.4)	8,345.52 (47.7)	572.54 (3.3)	8,918.06 (50.9)
1999-2000	7,142.54 # (36.6)	3,558.62 (18.2)	664.06 (3.4)	1,344.25 (6.9)	475.08 (2.4)	9,625.92 (49.3)	584.37 (3.0)	10,210.29 (52.3)
2000-01	8,036.98 (38.2)	4,287.93 (20.4)	963.44 (4.6)	1,440.20 (6.9)	585.35 (2.8)	11,025.97 (52.4)	659.45 (3.1)	11,685.42 (55.6)
2001-02	9,130.61 (40.1)	5,165.17 (22.7)	1,445.11 (6.3)	1,641.57 (7.2)	731.33 (3.2)	12,948.62 (56.8)	715.46 (3.1)	13,664.08 (60.0)
2002-03	10,206.89 (41.6)	6,191.05 (25.2)	2,264.00 (9.2)	1,723.74 (7.0)	801.26 (3.3)	14,995.89 (61.1)	596.12 (2.4)	15,592.01 (63.5)
2003-04	11,417.06 (41.4)	7,079.65 (25.7)	2,883.78 (10.5)	1,680.94 (6.1)	923.76 (3.4)	16,905.54 (61.4)	461.24 (1.7)	17,366.78 (63.0)
2004-05	12,759.71 & (39.4)	7,589.95 (23.4)	3,904.77 (12.0)	1,741.07 (5.4)	929.89 (2.9)	19,335.44 (59.6)	608.78 (1.9)	19,944.22 (61.5)
2005-06	13,897.58 & (37.6)	8,623.70 (23.3)	4,797.61 (13.0)	1,869.21 (5.1)	1,094.62 (3.0)	21,659.02 (58.6)	942.43 (2.6)	22,601.45 (61.2)
2006-07	15,449.75 & (36.0)	9,728.01 (22.7)	5,394.50 (12.6)	2,201.60 (5.1)	1,312.95 (3.1)	24,358.80 (56.7)	1,027.16 (2.4)	25,385.96 (59.1)
2007-08	17,996.51 & (36.1)	11,045.64 (22.1)	5,536.20 (11.1)	2,450.81 (4.9)	1,270.43 (2.5)	27,253.95 (54.6)	1,120.31 (2.2)	28,374.26 (56.9)
2008-09	20,198.41 & (35.9)	13,381.94 (23.8)	5,535.18 (9.8)	3,340.91 (5.9)	1,286.82 (2.3)	30,361.32 (53.9)	1,230.46 (2.2)	31,591.78 (56.1)
2009-10	23,283.39 & (36.1)	17,466.19 (27.0)	6,206.27 (9.6)	3,274.57 (5.1)	1,194.53 (1.8)	33,958.77 (52.6)	1,340.83 (2.1)	35,299.60 (54.7)
2010-11	26,671.15 & (34.8)	20,720.33 (27.0)	6,805.61 (8.9)	3,046.97 (4.0)	1,287.62 (1.7)	37,811.35 (49.3)	1,576.39 (2.1)	39,387.74 (51.3)
2011-12 (RE)	32,024.11 & (35.9)	25,084.47 (28.1)	6,845.61 (7.7)	2,861.64 (3.2)	1,276.28 (1.4)	43,007.64 (48.3)	1,679.50 (1.9)	44,687.14 (50.1)
2012-13 (BE)	37,436.58 & (36.8)	29,874.47 (29.4)	6,965.61 (6.9)	2,719.71 (2.7)	1,350.84 (1.3)	48,472.74 (47.7)	1,780.98 (1.8)	50,253.72 (49.5)

RE: Revised Estimates BE: Budget Estimates

+ Include mainly Postal Insurance and Life Annuity Fund, borrowings under Compulsory Deposits and Income-Tax Annuity Deposits, Special Deposits of non-Government Provident Funds.

++ Include Depreciation Reserve Fund of Railways, Dept. of Posts and Dept. of Telecommunications, Deposits of Local Funds, Departmental and Judicial Deposits, Civil Deposits, etc.

\* At historical exchange-rate.

# The sharp increase in internal debt and corresponding decline in small savings and provident funds in 1999-2000 is due to conversion of other liabilities (small savings, deposits and public provident funds) amounting to ` 1,802.73 billion into Central Government securities. Since 1999-2000, Small Savings represent liabilities under National Small Savings fund (NSSF) excluding NSSF investment in the Central Government's Special Securities.

&amp; Include amount raised under Market Stabilisation Scheme.

Note: Figures in parentheses are percentages to GDP.

Source: Budget Documents of the Government of India.

**Statement 9**  
**Key Fiscal Indicators**

(` Billion)

Items	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08
	(Accounts)	(Accounts)	(Accounts)	(Accounts)	(Accounts)	(Accounts)
	1	2	3	4	5	6
1 Gross Fiscal Deficit	1,450.72 (5.9)	1,232.73 (4.5)	1,257.94 (3.9)	1,464.35 (4.0)	1,425.73 (3.3)	1,269.12 (2.5)
2 Revenue Deficit	1,078.79 (4.4)	982.61 (3.6)	783.38 (2.4)	923.00 (2.5)	802.22 (1.9)	525.69 (1.1)
3 Net RBI Credit to Centre	-283.99 (-1.2)	-760.65 (-2.8)	-601.77 (-1.9)	51.60 (0.1)	-41.76 (-0.1)	-1,156.32 (-2.3)
4 Gross Primary Deficit	272.68 (1.1)	-8.15 (0.0)	-11.40 (0.0)	138.05 (0.4)	-76.99 (-0.2)	-441.18 (-0.9)
5 Subsidies	435.33 (1.8)	443.23 (1.6)	459.57 (1.4)	475.22 (1.3)	571.25 (1.3)	709.26 (1.4)
of which :						
i) Food	241.76 (1.0)	251.81 (0.9)	257.98 (0.8)	230.77 (0.6)	240.14 (0.6)	313.28 (0.6)
ii) Fertiliser	110.15 (0.4)	118.47 (0.4)	158.79 (0.5)	184.60 (0.5)	262.22 (0.6)	324.90 (0.7)
iii) Petroleum	52.25 (0.2)	63.51 (0.2)	29.56 (0.1)	26.83 (0.1)	26.99 (0.1)	28.20 (0.1)
6 Defence Expenditure	556.62 (2.3)	600.66 (2.2)	758.56 (2.3)	805.49 (2.2)	855.10 (2.0)	916.81 (1.8)
7 Interest Payments	1,178.04 (4.8)	1,240.88 (4.5)	1,269.34 (3.9)	1,326.30 (3.6)	1,502.72 (3.5)	1,710.30 (3.4)
8 Total Non-Plan Expenditure	3,017.78 (12.3)	3,489.23 (12.7)	3,659.60 (11.3)	3,651.00 (9.9)	4,135.27 (9.6)	5,075.89 (10.2)
9 Budgetary Support to Public Enterprises *	152.32 (0.6)	159.82 (0.6)	170.05 (0.5)	173.62 (0.5)	206.35 (0.5)	196.36 (0.4)
10 Interest Receipts	376.22 (1.5)	385.38 (1.4)	323.87 (1.0)	220.32 (0.6)	225.24 (0.5)	210.60 (0.4)
11 Interest Payments as per cent of revenue receipts	51.0	47.0	41.5	38.2	34.6	31.6
12 Revenue Deficit as per cent of Gross Fiscal Deficit	74.4	79.7	62.3	63.0	56.3	41.4
13 Net RBI Credit to Centre as per cent of Gross Fiscal Deficit	-19.6	-61.7	-47.8	3.5	-2.9	-91.1

(Contd.)

**Statement 9**  
**Key Fiscal Indicators (Concl.)**

(` Billion)

Items	2008-09 (Accounts)	2009-10 (Accounts)	2010-11 (Accounts)	2011-12 (Budget Estimates)	2011-12 (Revised Estimates)	2012-13 (Budget Estimates)
	7	8	9	10	11	12
1 Gross Fiscal Deficit	3,369.92 (6.0)	4,184.82 (6.5)	3,735.91 (4.9)	4,128.17 (4.6)	5,219.80 (5.9)	5,135.90 (5.1)
2 Revenue Deficit	2,535.39 (4.5)	3,389.98 (5.2)	2,522.52 (3.3)	3,072.70 (3.4)	3,949.51 (4.4)	3,504.24 (3.4)
3 Net RBI Credit to Centre	1,747.89 (3.1)	1,500.06 (2.3)	1,849.69 (2.4)	..	..	..
4 Gross Primary Deficit	1,447.88 (2.6)	2,053.89 (3.2)	1,395.69 (1.8)	1,448.31 (1.6)	2,463.62 (2.8)	1,938.31 (1.9)
5 Subsidies	1,297.08 (2.3)	1,413.51 (2.2)	1,734.20 (2.3)	1,435.70 (1.6)	2,162.97 (2.4)	1,900.15 (1.9)
of which :						
i) Food	437.51 (0.8)	584.43 (0.9)	638.44 (0.8)	605.73 (0.7)	728.23 (0.8)	750.00 (0.7)
ii) Fertiliser	766.03 (1.4)	612.64 (0.9)	623.01 (0.8)	499.98 (0.6)	671.99 (0.8)	609.74 (0.6)
iii) Petroleum	28.52 (0.1)	149.51 (0.2)	383.71 (0.5)	236.40 (0.3)	684.81 (0.8)	435.80 (0.4)
6 Defence Expenditure	1,142.23 (2.0)	1,417.81 (2.2)	1,541.17 (2.0)	1,644.15 (1.8)	1,709.37 (1.9)	1,934.07 (1.9)
7 Interest Payments	1,922.04 (3.4)	2,130.93 (3.3)	2,340.22 (3.0)	2,679.86 (3.0)	2,756.18 (3.1)	3,197.59 (3.1)
8 Total Non-Plan Expenditure	6,087.21 (10.8)	7,210.96 (11.2)	8,182.99 (10.7)	8,161.82 (9.2)	8,921.16 (10.0)	9,699.00 (9.5)
9 Budgetary Support to Public Enterprises *	235.53 (0.4)	323.20 (0.5)	450.66 (0.6)	479.25 (0.5)	571.51 (0.6)	641.92 (0.6)
10 Interest Receipts	207.17 (0.4)	217.84 (0.3)	197.34 (0.3)	195.78 (0.2)	201.25 (0.2)	192.31 (0.2)
11 Interest Payments as per cent of revenue receipts	35.6	37.2	29.7	33.9	35.9	34.2
12 Revenue Deficit as per cent of Gross Fiscal Deficit	75.2	81.0	67.5	74.4	75.7	68.2
13 Net RBI Credit to Centre as per cent of Gross Fiscal Deficit	51.9	35.8	49.5	..	..	..

.. Not available / applicable.

\* Figures relate to revised estimates for years prior to 2008-09.

**Note:** Figures in parentheses are per cent to GDP.**Source:** Budget documents of the Government of India.