INDIA BUDGET 2008-09

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BUDGET HIGHLIGHTS

- **Overall a progressive growth oriented budget.**
- **Focus equally on infrastructure and rural development, education, healthcare and employment generation.**
- **Climate for balanced growth.**
- **Increase in spending on social sector schemes and relief to income-tax payers.**

The Indian Economy during 2007-08

Economic survey

The economy has moved decisively to a higher growth phase. There is now no doubt that the economy has moved to a higher growth plane, with growth in GDP at market prices exceeding 8 per cent in every year since 2003-04. The projected economic growth of 8.7 per cent for 2007-08 is fully in line with this trend. There was acceleration in domestic investment and saving rates to drive growth and provide the resources for meeting the 9 per cent (average) growth target of the Eleventh Five-Year Plan. Macroeconomic fundamentals continue to inspire confidence and the investment climate is full of optimism. Buoyant growth of government revenues made it possible to maintain fiscal consolidation as mandated under the Fiscal Responsibility and Budget Management Act (FRBMA). The decisive change in growth trend also means that the economy was, perhaps, not fully prepared for the different set of challenges that accompany fast growth. Inflation flared up in the last half of 2006-07 and was successfully contained during the current year, despite a global hardening of commodity prices and an upsurge in capital inflows. An appreciation of the rupee, a slowdown in the consumer goods segment of industry and infrastructure (both physical and social) constraints, remained of concern. Raising growth to double digit will therefore require additional reforms.

GROSS DOMESTIC PRODUCT

GDP at current market prices is projected at Rs. 46, 93,602 crore in 2007-08 by the Central Statistical Organization (CSO) in its advance estimates (AE) of Gross Domestic Product. There is no doubt that the economy has moved to a higher growth plane, with growth in GDP at market prices exceeding 8 per cent in every year since 2003-04.The drivers of growth continue to be '**services**' and '**manufacturing'** which are estimated to grow at 10.70 percent and 9.4 percent, respectively. Thus, in the current fiscal year, the size of the Indian economy at market exchange rate will cross US$ 1 trillion. At the nominal exchange rate (average of April-December 2007) GDP is projected to be US$ 1.16 trillion in 2007-08. Per capita income at nominal exchange rate is estimated at US$ 1,021. According to the World Bank system of classification of countries as low income, middle income and high income, India is still in the category of low income countries.

The (per capita) GDP at purchasing power parity is conceptually a better indicator of the relative size of the economy than the (per capita) GDP at market exchange rates. There are, however, practical difficulties in deriving GDP at PPP, and we now have two different estimates of the PPP conversion factor for 2005. India's GDP at PPP is estimated at US$ 5.16 trillion or US$ 3.19 trillion depending on whether the old or new conversion factor is used. In the former case, India is the third largest economy in the world after the United States and China; while in the latter it is the fifth largest (behind Japan and Germany).

SAVING AND INVESTMENT

A notable feature of the recent GDP growth has been a sharply rising trend in gross domestic investment and saving, with the former rising by 13.1 per cent of GDP and the latter by 11.3 per cent of GDP over five years till 2006-07. The average investment ratio for the Tenth Five Year Plan at 31.4 per cent was higher than that for the Ninth Five Year Plan, while the average saving rate was also 31.4 per cent of GDP higher than the average ratio of 23.6 per cent during the Ninth Five Year Plan. Gross domestic savings as a proportion of GDP continued to improve, rising from 26.4 per cent in 2002-

03 to 34.8 per cent in 2006-07 with an average of 31.4 per cent during the Tenth Five Year Plan.

Both private and public savings have contributed to higher overall savings. Private savings have risen by 6.1 per cent points of GDP over the Tenth Five Year Plan period while public sector savings increased by 5.2 per cent of GDP. Both have increased steadily over this period, though private savings appear to have reached a plateau in 2005-06.In contrast to the increase in savings the increase in investment has been driven by private investment, which went up by 10.3 per cent of GDP over the five years of the Tenth Five Year Plan. This improvement was in turn driven by private corporate investment, which increased by 9.1 per cent of GDP over these five years. Private corporate sector investment improved from 5.4 per cent of GDP in 2001-02 to 14.5 per cent in 2006-07. The upsurge in private corporate Investment has been visible even to the public as a “Capex” boom, and that is still continuing.

STOCK MARKET

Stock markets are an important instrument of financial intermediation. They saw increased activity in 2007-08. Primary market issue of debt and equity increased along with private placement. The secondary market too showed a rising trend, notwithstanding intermittent ups and downs in the stock prices responding mainly to global developments. The Bombay Stock Exchange (BSE) Sensex rose from 13,072 at end-March 2007 to 18,048 as on February 18, 2008, while the National Stock Exchange (NSE) index Nifty 50 rose from 3,822 to 5,277 during the same period. Both the indices gave a return of around 38 per cent during this period. The higher net mobilization of resources by mutual funds showed state of the economy that investors were realizing the importance of using intermediaries in risky markets. All the other indicators of capital market such as market capitalization, turnover and price-earning ratio remained strong. The commodity market also showed signs of expansion in terms of turnover and number of transactions during the year.

INFLATION

The implicit deflator for GDP MP and its demand components is the most comprehensive measure of inflation on an annual basis. Overall inflation, as measured by the aggregate deflator for GDP MP, is projected to decline from 5.6 per cent in 2006-07 to 4.1 per cent in 2007-08. Thus the inflation rate is projected to be identical to that in 2005-06. The counterpart of the consumer price index (CPI), the most commonly used inflation rate for monetary purposes, is the deflator for private final consumption expenditures (PFCE).Inflation, according to the PFCE deflator jumped from 3 per cent in 2005-06 to 5.1 per cent in 2006-07 and is projected to be 5.5 per cent in 2007-08. The projected decline in the overall inflation is, therefore, due to the deceleration in investment goods prices from 5.5 per cent growth in 2006-07 to 4.3 per cent growth in 2007-08. This should have a positive effect on investment.

EXPORT & IMPORT

India's greater integration with the world economy was reflected by the trade openness indicator, the trade to GDP ratio, which increased from 22.5 per cent of GDP in 2000-01 to 34.8 per cent of GDP in 2006-07. If services trade is included, the increase is higher at 48 per cent of GDP in 2006-07 from 29.2 per cent of GDP in 2000-01, reflecting greater degree of openness. India's merchandise exports and imports (in US$, on customs basis) grew by 22.6 per cent and 24.5 per cent respectively in 2006-07, recording the lowest gap between growth rates after 2002-03.India's export of services grew by 32.1 per cent to US$ 76.2 billion in 2006-07. Software services, business services, financial services and communication services were the main drivers of growth. Commercial services exports were almost 60 per cent of merchandise exports in 2006-07. However, services exports grew by a disappointing 8.6 per cent in April-September 2007, due to a decline in value of non-software services, particularly business and communication services. Relief given to exporters in three trenches amounting to over Rs.8,000 crore; Interest cost of sterilization through market stabilization bonds (MSS), which is in a sense, subsidy to the export sector, estimated at

Rs.8,351 crore for the year 2007-08.Comparison of the commodity-wise growth of major exports to the United States, European Union and rest of the world provides a better idea of the impact of economic slowdown and rupee appreciation. Manufactured exports to the United States decelerated sharply in 2006-07 because of demand slowdown while dollar depreciation was an additional factor in 2007-08.

FOREIGN DIRECT INVESTEMENT

Foreign Direct Investment (FDI) is an important source to meet the demand for funds that are required for rapid network expansion. The FDI policy provides an investor-friendly environment for the growth of the telecom sector. The total FDI equity inflows in the telecom sector from August 1991 up to July 2007 have been Rs. 20,718 crore which is 8.1 per cent of the total FDI equity inflows into India during the period.

BUDGET HIGHLIGHTS

General

Economic growth estimated at 8.7% for the year 2007-08

Revenue Deficit estimated at 1.4% for the year 2007-08

Fiscal Deficit Estimate at 3.1 % for the year 2007-08.

DIRECT TAX

Corporate taxation

- No change in the corporate income tax rates.
- No change in the rate of surcharge.
- No change in the education cess.
- Income arising from saplings or seedlings grown in a nursery is exempt from tax.
- Business of production of seeds and manufacture of agricultural implements added to the list of companies allowed weighted deduction of 150 per cent on any expenditure on in-house scientific research.
- Benefit of amortizations of certain preliminary expenses under Section 35D allowed assessing in the services sector.

- Corporate debt instruments issued in demat form and listed on recognized stock exchanges exempted from TDS.

- Parent company allowed to set off the dividend received from its subsidiary company against dividend distributed by the parent company; provided that the dividend received has suffered DDT and the parent company is not a subsidiary of another company.

- Inserted a new sub-section (11C) in Section 80-IB to grant a five year tax holiday to hospitals located in any place outside the urban agglomerations especially in tier2 and tier-3 towns; this window will be open for the period April 1, 2008 to March 31, 2013.

- Five year holiday from income tax being granted to two, three or four star hotels established in specified districts having UNESCO-declared 'World Heritage Sites'; the hotel should be constructed and start functioning during the period April 1, 2008 to March 31, 2013.

- FBT has been withdrawal from expenditure incurred over maintaining the guest house.

- The FBT value on Festival Celebration has been reduced to 20% from 50%.

- Sponsorship of any employee-sportsperson, organizing sports events for employees is excluded from the purview of FBT

- Rate of tax on short term capital gains under Section 111A & Section 115AD increased to 15 per cent.(Earlier the rates was 10%)

- STT paid to be treated like any other deductible expenditure against business income; Levy of STT, in the case of options to be only on premium, where the option is not exercised; liability to be on the seller; where the option is exercised, levy to be on the settlement price and the liability on the buyer; no change in the present rates.

- Commodities Transaction Tax (CTT) to be introduced on the same lines as STT on options and futures.

- Law being amended to exclude entities carrying on regular trade, commerce or business or providing services in relation to any trade, commerce or business and earning incomes from claiming that their purposes also fall under "charitable purpose"; Genuine charitable organizations not to be affected in any way.

- Banking Cash Transaction Tax (BCTT) being withdrawn with effect from April 1, 2009.

Personal Taxation

- Threshold limit of exemption from personal tax in case of all assesses increased to Rs. 1,50,000. The slab and rates of tax are:

Up to Rs. 150000	Nil
Rs. 150001 to Rs. 300000	10 percent
Rs. 300001 to Rs. 500000	20 percent
Rs. 500001 and above	30 percent

In case of women assessee, the threshold limit increased from Rs.145000 to Rs.180000.The slab and rates of tax are:

Up to Rs. 180000	Nil
Rs. 180001 to Rs. 300000	10 percent
Rs. 300001 to Rs. 500000	20 percent
Rs. 500001 and above	30 percent

In case of senior citizen, the threshold limit increased from Rs. 195000 to Rs. 2, 25,000. The slab and rates of tax are:

Up to Rs. 225000	Nil
Rs. 225001 to Rs. 300000	10 percent
Rs. 300001 to Rs. 500000	20 percent
Rs. 500001 and above	30 percent

- Senior Citizen Saving Scheme 2004 and the Post Office Time Deposit Account added to the basket of saving instruments under Section 80C of the Income Tax Act.

- Additional deduction of Rs.15, 000 allowed under Section 80D to an individual paying medical insurance premium for his/her parent or parents.

- Income Tax Act to be amended to provide that reverse mortgage would not amount to "transfer"; and the stream of revenue received by the senior citizen would not be "income".

- Amendments in assessment and re-assessment procedure.

- Coir Board included in Section 10(29A) and exempted from income tax.

INDIRECT TAX

Service tax

- **Following services have been individually specified as taxable services:-**

1. Services provided in relation to information technology software for use in the course, or furtherance, of business or commerce;
2. Services provided in relation to management of investment, under unit linked insurance business, commonly known as Unit Linked Insurance Plan (ULIP) scheme;
3. Services provided in relation to management of investment, under unit linked insurance business, commonly known as Unit Linked Insurance Plan (ULIP) scheme;
4. Services provided by a recognized stock exchange in relation to securities;

5. Services provided by a recognized association or a registered association (commodity exchange) in relation to sale or purchase of any goods or forward contracts;
6. Services provided by a processing and clearinghouse in relation to processing, clearing and settlement of transactions insecurities, goods or forward contracts;
7. Services provided in relation to supply of tangible goods, without transferring right of possession and effective control of the tangible goods;
8. Services provided in relation to internet telecommunication.

- ❖ Threshold limit of exemption for small service providers increased from Rs. 8 Lakhs to per year to Rs. 10 Lakhs.

- ❖ No Change in service Tax Rate.

Customs Duties

- ❖ No change in the peak rate of customs duty.

- ❖ Customs duty on Project Imports to reduce from 7.5 per cent to 5 per cent; 4 per cent special CVD to be imposed on a few specified projects in the power sector.

- ❖ Customs duty being reduced on steel melting scrap and aluminum scrap from 5 per cent to nil.

- ❖ Customs duty to be reduced from 10 per cent to 5 per cent on certain specified life saving drugs and on the bulk drugs used for the manufacture of such drugs. They are also being exempted from excise duty or countervailing duty.

- ❖ Customs duty is being reduced on vitamin premixes and mineral mixtures from 30 per cent to 20 per cent and on phosphoric acid from 7.5 per cent to 5 per cent to reduce cost of manufacture of dairy and poultry feeds.

- ❖ Customs duty being reduced on bactofuges from 7.5 per cent to nil for the benefit of dairy industry and to increase shelf life of milk.

- ❖ Specified parts of set top boxes and specified raw materials for use in the IT/ electronic hardware industry to be exempted from customs duty.

- Customs duty on convergence products to be reduced from 10 per cent to 5 per cent to establish parity between devices used in the information/ communication sector and the entertainment sector

- Customs duty being reduced on specified machinery from 7.5 per cent to 5 per cent to provide fillip to the manufacture of sports goods; duty also being exempted on specified raw materials for sports goods.

- Customs duty to be exempted on rough cubic zirconia and being reduced on polished cubic zirconia from 10 per cent to 5 per cent, in order to encourage value addition and exports by gem and jewellery industry; Customs duty on rough coral being reduced from 10 per cent to 5 per cent.

- Customs duty removed on helicopter simulators to facilitate training of helicopter pilots.

- Customs duty reduced on crude and unrefined sulphur from 5 per cent to 2 per cent, in order to support domestic fertilizer production.

- Customs duty exemption is proposed to be withdrawn on naphtha for use in the manufacture of polymers in order to correct price distortions and revenue losses.

- Naphtha for use in the manufacture of polymers will be subjected to normal rate of 5 per cent. Naphtha imported for the production of fertilizers will continue to be exempt from import duty.

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Excise Duty

- General CENVAT rate on all goods reduced from 16 per cent to 14 per cent to give a stimulus to the manufacturing sector.

- Excise duty on all goods produced in the pharmaceutical sector reduced from 16 per cent to 8 per cent.

- Excise duty reduced on buses and their chassis from 16 per cent to 12 per cent.

- Excise duty reduced on small cars from 16 per cent to 12 per cent and on hybrid cars from 24 per cent to the general revised rate of 14 per cent.

- Excise duty reduced on two wheelers and three wheelers from 16 per cent to 12 per cent.

- Excise duty to be reduced on paper, paper board and articles made there from manufactured out of non-conventional raw materials by units not having an attached bamboo/wood pulp making plant from 12 per cent to 8 per cent with a further reduction on clearances up to 3,500 MT from 8 per cent to nil. Excise duty on certain varieties of writing, printing and packing paper is to be reduced from 12 per cent to 8 per cent.

- Excise duty is to be reduced from 16 per cent to nil on a few mass consumption items including composting machines, wireless data cards, packaged coconut water, tea and coffee mixes, and puffed rice.

- Excise duty reduction from 16 per cent to 8 per cent on a few more items including water purification devices, veneers and flush doors, sterile dressing pads etc., Specified packaging material and breakfast cereals.

- Anti AIDS drug, Atazanavir, as well as bulk drugs for its manufacture are to be exempted from excise duty.

- Excise duty being exempted on end-use basis, on refrigeration equipment (consisting of compressor, condenser units, evaporator, etc) above 2 TR (tonne refrigeration) utilizing power of 50 KW and above.

- Excise duty rates on bulk cement and packaged cement brought on par; bulk cement to attract excise duty of Rs.400 per Metric Tonne or 14 per cent ad valorem, whichever is higher; cement clinkers excise duty at Rs.450 per Metric Tonne.

- Excise duty being increased on packaged software from 8 per cent to 12 per cent, bringing at par with customized software attracting a service tax of 12 per cent.

- Excise duty on both filter and non-filter cigarettes brought on par by applying higher rates on non-filter cigarettes.

- Ad valorem part of the excise duty on unbranded petrol and unbranded diesel being abolished and replaced by an equivalent specific duty of Rs.1.35 per litre; there will be only a specific duty of Rs.14.35 per litre on unbranded petrol and Rs.4.60 per litre on unbranded diesel; there will be no impact on retail prices.

- NCCD of 1 per cent removed on polyester filament yarn and the levy shifted to cellular mobile phones.

Central Sales Tax (CST)

- Central sales tax rate being reduced from 3 percent to 2 percent from April, 1 2008.

Goods and Service Tax (GST)

- The road map for goods and service tax being prepared for the introduction of GST from April 1, 2010.

OTHERS

- Saving rate and investment rate estimated to be 35.6 per cent and 36.3 per cent, respectively, by the end of 2007-08; between April- December 2007-2008.
- FDI amounted to US$ 12.7 billion and FII to US$ 18 billion.
- Support to Central Public Sector Enterprises (CPSEs): Government to provide Rs.16,436 crore as equity support and Rs.3,003 crore as loans to CPSEs in 200809;

- 44 CPSEs listed as on date; Government policy is to list more CPSEs in order to unlock their true value and improve corporate governance. Rural Infrastructure Development Fund.
- Corpus of RIDF-XIV to be raised in 2008-09 to Rs.14,000 crore, with a separate window for rural roads

Manufacturing Sector

- Growth in capital goods still very high at 20.2 per cent. Goal to take manufacturing growth rate to double digit through more reforms.

Power

- Against Eleventh Plan target for additional power generation capacity of 78,577 MW Commercial Operation Date (COD) on about 10,000 MW to be achieved by end March 2008.
- Rajeev Gandhi Grameen Vidyutikaran Yojana to be continued during the Eleventh Plan period with a capital subsidy of Rs.28,000 crore; allocation of Rs.5,500 crore for 2008-09.
- Accelerated Power Development and Reforms Project: Rs.800 crore to be provided in 2008-09, A National Fund for transmission and distribution reform to be created.

Roads

- National Highway Development Programme (NHDP): Allocation for NHDP enhanced to Rs.12,966 crore in 2008-09 from Rs.10,867 crore in 2007-08;
- Completion rate in the Golden Quadrilateral is 96.48 per cent and in the North South, East West Corridor project is 23.36 per cent

Oil and Gas

- Seventh round of bidding under the New Exploration Licensing Policy; bids invited for 57 exploration blocks; estimated to attract investment of the order of US$3.5 billion to US$8 billion for exploration and discovery.

Coal

- 53 coal blocks with reserves of 13,842 million tonnes allotted during April-January 2007-08 to Government and private sector companies; new Coal Distribution Policy notified in October 2007; coal regulator to be appointed.

Information Technology

- Allocation to the Department of Information Technology enhanced to Rs.1,680 crore in 2008-09 from Rs.1,500 crore in 2007-08; Two Schemes for establishing 100,000 broadband internet-enabled Common Service Centres in rural areas and State Wide Area Networks (SWAN) with Central assistance under implementation;
- New scheme for State Data Centres also approved; Rs.75 crore provided for the common service centres; Rs.450 crore provided for SWAN and Rs.275 crore for the State Data Centres.

Textiles

- Schemes for Integrated Textile Parks (SITP) and the Technology Upgradation Fund (TUF) to be continued in the Eleventh Plan period; Provision for SITP being maintained at Rs.450 crore in 2008-09; Provision for TUF to be increased to Rs.1,090 crore in 2008-09 from Rs.911 crore in 2007-08.
- Handloom sector: 250 clusters being developed and 443 yarn banks established under the cluster approach to the development of the handloom sector; Over 17 lakh families of weavers to be covered under the health insurance scheme by March 2008; Allocation being increased to Rs.340 crore in 2008-09; Infrastructure and production being scaled up by taking up six centres for development as mega-clusters; Varanasi and Sibsagar to be taken up for handlooms, Bhiwandi and Erode for powerlooms, and Narsapur ad Moradabad for handicrafts; Each mega-cluster to require about Rs.70 crore; Initial provision of Rs.100 crore made in 2008-09.

Micro, Small and Medium Enterprises

- A risk capital fund being created in the Small Industries and Development Bank of India (SIDBI); Credit Guarantee Trust with SIDBI had extended guarantees to

89,129 units for an amount of Rs.2,479 crore as on January 31, 2008; SIDBI to reduce the guarantee fee from 1.5 per cent to 1 per cent and the annual service fee from 0.75 per cent to 0.5 per cent for loans up to Rs.5Lacs.

Permanent Account Number

- Requirement of PAN extended to all transactions in the financial market subject to suitable threshold exemption limits.

National market for securities

- Empowered Committee of State Finance Ministers to be requested to work with the Central Government to create pan Indian market for securities that will expand the market base and enhance the revenues of the State Governments.

Differential Rate of Interest

- Borrower's eligibility criteria for loan under the DRI Scheme to the weaker section of the community engaged in gainful occupation enhanced.

Exporters

The government announced several relief measures to the exporters, which Includes:

- Enhancement by 3 per cent of the Duty Entitlement Pass Book (DEPB) rates for nine sectors i.e. textiles (including handloom), ready made garments, leather products, handicrafts, engineering products, processed agricultural products, marine products, sports goods and toys; and by 2 per cent for others.
- Reduction in Export Credit Guarantee Corporation (ECGC) premium by 10 per cent.
- Release of around Rs 600 crore to clear all arrears of terminal excise duties and Central Sales Tax (CST) reimbursement.

- Enhancement of the rates of duty drawback by around 10 per cent to 40 per cent.
- Interest subvention of 2 per cent for pre-shipment and post-shipment credit for the nine sectors and all exporters from the SME sector which was further extended from December 31, 2007 to March 31, 2008.
- Refund of Service Tax to exporters for use of services not in the nature of Input Services
- Provision to pay interest on Exchange Earners Foreign Currency (EEFC) balances for outstanding balances.
- Widening the list of interest subvention of 2 per cent for pre-shipment and post-shipment credit to include jute, textiles and carpets; processed cashew, coffee and tea; solvent extracted de-oiled cake; and plastics and linoleum.

Scheme of Debt Waiver and Debt Relief for farmers:

- Scheme to cover all loans disbursed by scheduled commercial banks, regional rural banks and cooperative credit institutions up to March 31, 2007 and overdue as on December 31, 2007 are covered under the scheme;
- Complete waiver of all loans that were overdue on December 31, 2007 and which remained unpaid until February 29, 2008 for marginal farmers and small farmers;
- One time settlement (OTS) scheme in respect of other farmers for all loans that were overdue on December 31, 2007 and which remained unpaid until February 29, 2008; Rebate of 25 per cent against payment of the balance of 75 per cent under OTS;
- Implementation of the debt waiver and debt relief scheme to be completed by June 30, 2008; Farmers availing the relief would be entitled to fresh agricultural loans from banks in accordance with normal rules.

INDIA BUDGET 2008

Union Budget 2008-09

Budget at a glance

(In crores of Rupees)

	2006-2007 Actuals	2007-2008 Budget Estimates	2007-2008 Revised Estimates	2008-2009 Budget Estimates
1. Revenue Receipts	434387	486422	525098	602935
2. Tax Revenue (net to Centre)	351182	403872	431773	507150
3. Non-tax Revenue	83205	82550	93325	95785
4. Capital Receipts (5+6+7)$	149000	194099	184275	147949
5. Recoveries of Loans	5893	1500	4497	4497
6. Other Receipts	534	41651	36125	10165
7. Borrowings and other Liabilities$	142573	150948	143653	133287
8. Total Receipts (1+4)$	583387	680521	709373	750884
9. Non-plan Expenditure	413527	475421	501849	507498
10. On Revenue Account of which,	372191	383546	412975	448352
11. Interest Payments	150272	158995	171971	190807
12. On Capital Account	41336	91875	88874	59146
13. Plan Expenditure	169860	205100	207524	243386
14. On Revenue Account	142418	174354	175611	209767
15. On Capital Account	27442	30746	31913	33619
16. Total Expenditure (9+13)	583387	680521	709373	750884
17. Revenue Expenditure (10+14)	514609	557900	588586	658119
18. Capital Expenditure (12+15)	68778	122621	120787	92765
19. Revenue Deficit (17-1)	80222 (1.9)	71478 (1.5)	63488 (1.4)	55184 (1.0)
20. Fiscal Deficit {16-(1+5+6)}	142573 (3.5)	150948 (3.3)	143653 (3.1)	133287 (2.5)
21. Primary Deficit (20-11)	-7699 - (0.2)	-8047 - (0.2)	-28318 - (0.6)	-57520 - (1.1)

* GDP for BE 2008-2009 has been projected at Rs.5303770 crore assuming 13% growth over the advance estimate of 2007-2008 (Rs.4693602 crore) released by CSO.