

## **ABSTRACT**

This paper tries to study the growth convergence amongst Indian states post the financial crisis. This paper finds evidence for convergence amongst all the states in India. The basic assumption of conditional convergence holds for the Indian context. It has also been found that the agriculture sector has fully converged. On an average the services sector and the manufacturing sectors are converging at 38.21% and 38.19% respectively. However the speed of convergence differs for individual states. The growth convergence is attributed to the physical infrastructure in the states. States that have better roads and have a higher percapita power consumption seem to better than states that lack these basic infrastructure in their states. The policy implication of our analysis on regional disparity suggests that speed of convergence is different for each state in India and therefore separate policies are required for states of separate income groups to reduce regional disparity.

