

**Ministry of Finance
Department of Economic Affairs
Economic Division
8(2)/Ec. Dn./2007**

**MONTHLY ECONOMIC REPORT
AUGUST, 2007**

HIGHLIGHTS

- The overall growth of GDP during 2006-07 (as per the Revised Estimates of CSO) has been placed 9.4 per cent. Growth during the 1st Quarter 2007-08 has been estimated at 9.3 percent
- The Monsoon Season rainfall from June 1, 2007 to September 5, 2007 was normal/excess in 86 per cent of meteorological sub-divisions.
- Food grain stocks were 23.91 million tonnes as on June 1, 2007.
- Overall industrial growth was 9.6 per cent during April-July, 2007-08 as compared with 11.1 per cent in April-July, 2006-07.
- Core infrastructure sectors achieved an average growth rate of 6.1 per cent during April-July, 2007-08 as compared with 8.7 per cent in April-July, 2006-07.
- Broad Money (M3) growth (year-on-year) was 20.0 per cent as on August 17, 2007 as compared with 19.9 per cent last year.
- Exports grew by 18.2 per cent in dollar terms during April-July, 2007. Imports increased by 30.7 per cent in April-July, 2007.
- Forex reserves (excluding Gold and SDRs) stood at \$221.51 billion at the end of August, 2007.
- Rupee depreciated against US Dollar, Japanese Yen and Euro and appreciated against Pound Sterling in August, 2007.
- The annual inflation rate in terms of WPI (Base 1993-94=100) was 3.52 per cent for the week ended September 1, 2007 as compared with 5.34 per cent a year ago.
- Tax revenue (net to Centre) during April-July, 2007-08 was higher by 25.6 per cent compared with corresponding period 2006-07.
- In terms of value, Fiscal deficit during April-June, 2007-08 increased by 49.8 per cent over corresponding period last year.
- In terms of value, Revenue deficit during April-June, 2007-08 was higher by 5.4 per cent over corresponding period last year.

**(M. C. Singhi)
Adviser**

Economic growth

As per the Quick Estimates released by the Central Statistical Organization, the economic growth is estimated at 9.0 per cent in 2005-06. The overall growth of GDP during 2006-07 (as per the Revised Estimates of CSO) has been placed 9.4 per cent. At disaggregated level the growth during 2006-07 (R) was 2.7 per cent in Agriculture, 10.9 per cent in Industry and 11.0 per cent in Services as compared 6.0 per cent, 9.6 per cent and 9.8 per cent respectively during 2005-06 (Q).

Growth of GDP at factor cost by Economic Activity									
(at constant 1999-2000 prices)									
	Industry	Growth				Percentage share in GDP			
		2003-04	2004-05 (P)	2005-06 (Q)	2006-07 (R)	2003-04	2004-05 (P)	2005-06 (Q)	2006-07 (R)
1	Agriculture, forestry & fishing	10.0	0.0	6.0	2.7	21.7	20.2	19.7	18.5
2	Industry	7.4	9.8	9.6	10.9	25.6	26.1	26.2	26.6
a	Mining & quarrying	3.1	7.5	3.6	5.1	2.2	2.2	2.1	2.0
b	Manufacturing	6.6	8.7	9.1	12.3	15.0	15.1	15.1	15.5
c	Electricity, gas & water supply	4.8	7.5	5.3	7.4	2.3	2.3	2.2	2.2
d	Construction	12	14.1	14.2	10.7	6.1	6.5	6.8	6.9
3	Services	8.5	9.6	9.8	11.0	52.7	53.7	54.1	54.9
a	Trade, hotels, transport & communication	12.1	10.9	10.4	13.0	25.0	25.8	26.1	27.0
b	Financing, insurance, real estate & business services	5.6	8.7	10.9	10.6	13.4	13.5	13.8	13.9
c	Community, social & personal services	5.4	7.9	7.7	7.8	14.3	14.4	14.2	14.0
4	GDP at factor cost	8.5	7.5	9.0	9.4	100	100	100	100

(P) Provisional, (Q): Quick estimates (R) Revised Estimates

Quarterly Estimate of GDP First Quarter 2007-08 (Percentage change over previous year)				
		2005-06	2006-07	2007-08
		Q1	Q1	Q1
1	Agriculture forestry & fishing	4.0	2.8	3.8
2	Industry	10.5	10.6	10.6
	Mining and Quarrying	6.1	3.7	3.2
	Manufacturing	10.7	12.3	11.9
	Electricity Gas and Water Supply	7.4	5.8	8.3
	Construction	12.7	10.5	10.7
3	Services	9.2	11.7	10.6
	Trade hotels and Communications	10.2	12.4	12.0
	Financial Services	8.9	10.8	11.0
	Community, Social and Personnel Services	7.5	11.3	7.6
	Overall GDP at factor cost	8.4	9.6	9.3

AGRICULTURE

MONSOON SEASON RAINFALL*

In the Monsoon Season (June-September), the rainfall from June 1, 2007 to September 05, 2007 was normal/excess in 31 meteorological sub-divisions (86 per cent) and deficient/scanty in the remaining 5 (14 per cent). The annual average for 2002-2006 was normal/excess in 25 (69 per cent) meteorological sub-divisions and deficient/scanty in the remaining 11 (31 per cent).

Number of Meteorological Sub-divisions							
	2002	2003	2004	2005	2006	2002-2006+	2007
Excess/Normal	19	33	21	27	25	25	31
Deficient/Scanty/Nil	17	03	15	09	11	11	05
Total	36	36	36	36	36	36	36

*(June-September)

+ Annual Average

PROCUREMENT

Wheat procurement as on July 31, 2007 in the current marketing year (i.e. 2006-07) increased by 20.3 per cent at 11.10 million tonnes as compared with 9.23 million tonnes in the corresponding period of 2005-06. Procurement of rice during the marketing year 2007-08 (as on July 31, 2007) at 24.90 million tonnes was declined by 7.2 per cent than the level of 26.84 million tonnes during the corresponding period of 2006-07.

	Full Marketing Year				As on July 31		% change
	2003-04	2004-05	2005-06	2006-07	2006	2007	
	Million Tonnes						
Rice(Oct-Sept.)	22.83	24.68	27.66	24.90*	26.84	24.90	-7.2
Wheat(Apr-Mar)	15.80	16.80	14.79	9.23	9.23	11.10	20.3
Total	38.63	41.48	42.45	34.13	36.07	36.00	-0.2

* October July 2006-07.

OFF-TAKE

Off-take from the Public Distribution System from Central Pool during April-June, 2007 was 8.91 million tonnes as against 3.30 million tonnes during April-June, 2006.

				Million Tonnes	
	2004-05(P)	2005-06(P)	2006-07(P)	April-June	
				2006	2007
Rice	23.20	25.04	25.06	6.23	6.17
Wheat	18.27	17.16	11.71	3.06	2.74
Total	41.47	42.20	36.77	9.29	8.91

P : Provisional

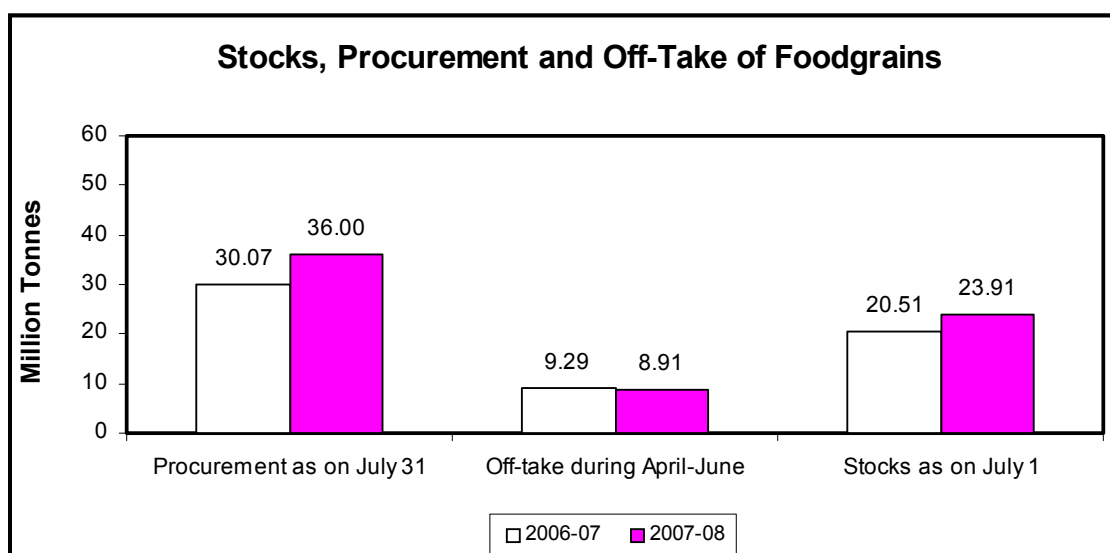
STOCKS

Stocks of food-grains as on July 1, 2007 was 23.91 million tonnes, which was higher by 23.57 per cent than the level of 19.35 million tonnes as on July 1, 2006.

Million Tonnes

	As on July 1	
	2006	2007
Rice	11.14	10.98
Wheat	8.21	12.93
Total *	20.51	23.91

* Includes coarse grains.



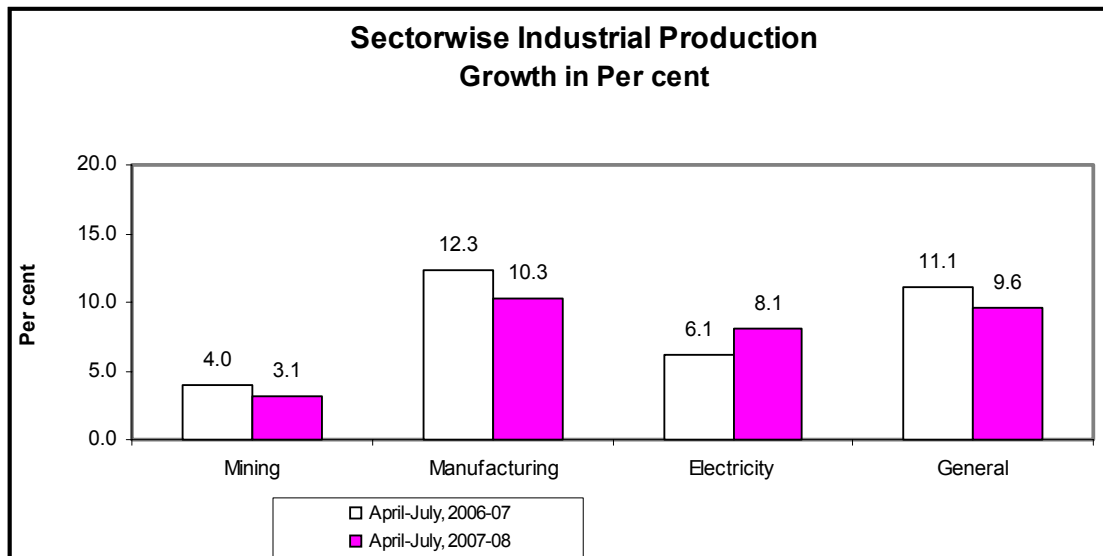
[Rice-Kharif marketing year (October-September)]
[Wheat - Rabi marketing year (April-March)]

INDEX OF INDUSTRIAL PRODUCTION

The overall growth rate of index of industrial production (IIP) during April-July, 2007-08 was 9.6 percent as compared to 11.1 percent in April-July, 2006-07. The growth rate achieved by the mining, manufacturing and electricity sectors during April-July, 2007 was 3.1 percent, 10.3 percent and 8.1 percent respectively as compared to 4.0 percent, 12.3 percent and 6.1 percent during corresponding period last year.

As per the use-based classification, growth rate of basic goods, capital goods and consumer goods showed higher growth whereas intermediate goods showed lower growth as compared to April-July, 2006-07.

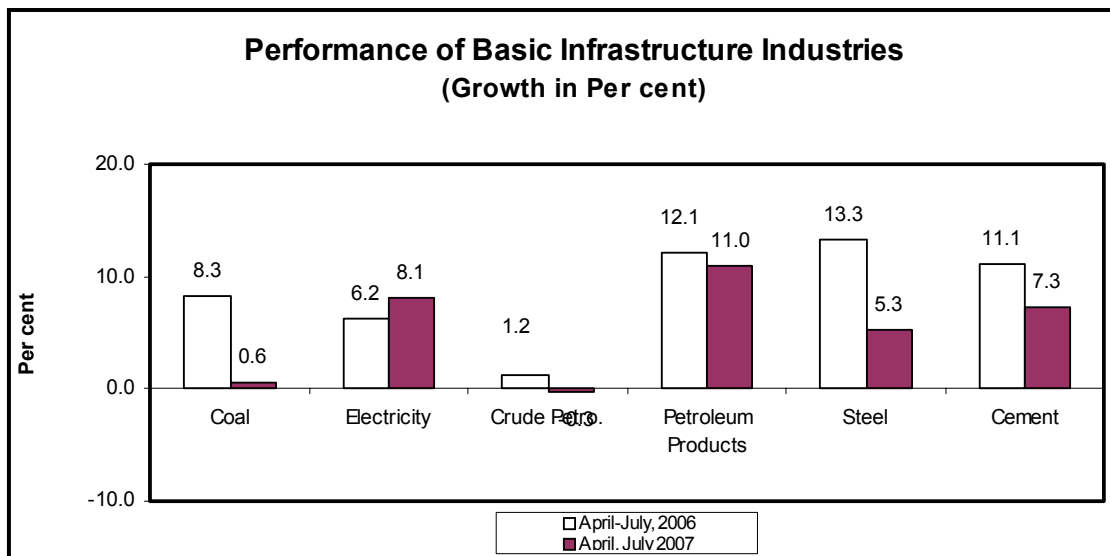
(PERCENTAGE CHANGE IN SECTORWISE INDEX OF INDUSTRIAL PRODUCTION (Base: 1993-94=100))						
	2005-06	2006-07	Jul '06	Jul '07	April-July	
					2006-07	2007-08
General	8.2	11.5	13.2	7.1	11.1	9.6
Mining	1.0	5.4	5.1	4.9	4.0	3.1
Manufacturing	9.1	12.5	14.3	7.2	12.3	10.3
Electricity	5.2	7.3	8.9	7.5	6.1	8.1
Use-Based Classification						
Basic goods	6.7	10.3	10.0	9.0	9.2	9.3
Capital goods	15.8	18.2	18.3	12.9	20.3	19.5
Intermediate goods	2.5	12.0	10.7	4.7	10.7	8.0
Consumer goods	12.0	10.1	16.8	5.3	10.5	7.9
<i>Of which</i>						
Consumer durables	15.3	9.2	16.1	-3.2	15.2	-0.3
Consumer non-durables	11.0	10.4	17.1	8.4	8.8	10.8



INFRASTRUCTURE

The six core infrastructure industries registered a growth of 6.1 per cent during April-July, 2007 as compared to 8.7 per cent in corresponding period last year.

PRODUCTION IN INFRASTRUCTURE INDUSTRIES								
Industry/Infrastructure	Unit	July		Full Yr.	April-July		% Change	
		2006	2007	2006-07	2006-07	2007-08	2006-07	2007-08
Coal	Mn tonnes	30.7	31.04	426	127.7	128.4	8.3	0.6
Electricity Generation	in Gwh	54224	58301	662693	216700	5234231	6.2	8.1
Crude petroleum	000 tonnes	2863	2888	33987	11304	11272	1.2	-0.3
Petroleum Products	000 tonnes	11370	11898	135587	43212	47960	12.1	11.0
Finished steel	000 tonnes	3894	4200	49390	15343	16150	13.3	5.3
Cement	000 tonnes	12720	13860	161310	53350	57255	11.1	7.3
Average growth rate*		10.9	6.3	8.2	-	-	8.7	6.1



MONEY AND BANKING

During the current financial year 2007-08, broad money stock (M3) (up to August 17, 2007) increased by 4.4 per cent as compared with the growth rate of 5.5 per cent registered during the corresponding period of the last year. The year-on-year growth, as on August 17, 2007, was 20.0 per cent as compared with 19.9 per cent on the corresponding date of last year.

Net foreign exchange assets (NFA) of banking sector (up to August 17, 2007) have increased by 7.9 per cent as compared to 10.8 per cent in the same period last year. The year on year growth rate of NFA, as on August 17, 2007, was 22.5 per cent as against 22.7 per cent on the corresponding date of last year.

Items	Outstanding as on (Rs. crore)		% Variations			
			Financial year so far		Year-on-year	
	March 31, 2007	August 17, 2007	2006-07	2007-08	2006	2007
M3(I+II+III+IV)	3310278	3455658	5.5	4.4	19.9	20.0
I. Currency with the public	483471	493559	6.0	2.1	17.9	12.7
II. Demand deposits with banks	474228	422704	-7.0	-10.9	22.9	11.9
III. Time deposits with banks	2345083	2533618	8.1	8.0	19.7	23.1
IV. Other deposits with RBI	7496	5776	-15.6	-22.9	20.7	-0.4
Sources (1+2+3+4-5)						
1. Net bank credit to Govt. (A+B)	838177	859138	4.3	2.5	4.6	7.5
A. RBI's net credit to Govt.	5752	-80206	-	-	-	-
B. Other bank credit to Govt.	832425	939343	5.6	12.8	1.4	17.3
2. Bank credit to commercial sector	2123362	2140665	4.1	0.8	27.8	21.4
3. Net foreign exchange assets of banking sector	913179	985670	10.8	7.9	22.7	22.5
4. Government's currency liabilities to the public	8286	8457	-9.4	2.1	-3.1	6.6
5. Banking sector's net non-monetary liabilities other than time deposits	572727	538272	6.6	-6.0	22.3	8.6

Scheduled Commercial Banks (SCBs): Business in India

During the current financial year (up to August 17, 2007) gross bank credit increased by 0.5 per cent as compared with 4.8 per cent during the same period of the previous year. The year-on-year growth of gross bank credit as on August 17, 2007 was 23.1 per cent as against 31.4 per cent on the corresponding date of last year.

Non-Food credit during the financial year so far (up to August 17, 2007), increased by 0.9 per cent as compared an increase of 4.8 per cent during the same period of the last year. The year-on-year growth rate of non-food credit, as on August 17, 2007, was 23.6 per cent as compared with 32.8 per cent on the corresponding date of last year.

The year-on-year growth of time deposits with SCBs as on August 17, 2007 was 24.6 per cent as compared with 21.2 per cent on the corresponding date of last year.

Select Scheduled Commercial banks – Business in India						
Items	Outstanding as on (Rs. Crore)		% Variations			
	Mar 31, 2007	August 17, 2007	Financial year so far		Year-on-year	
			2006-07	2007-08	2006	2007
1. Bank credit	1928914	1938045	4.4	0.5	31.4	23.1
Food credit	46521	38359	-10.2	-17.5	-9.4	5.0
Non-Food credit	1882393	1899696	4.8	0.9	32.8	23.6
2. Aggregate deposit	2608310	2743137	5.9	5.2	21.6	22.8
Demand deposit	429138	379443	-7.6	-11.6	24.2	12.6
Time deposits	2179172	2363694	8.8	8.5	21.2	24.6
3. Investments in Govt. and other approved securities	790432	902013	5.7	14.1	0.8	19.0
Government securities	774981	881594	5.9	13.8	1.3	18.8
Other approved securities	15451	20419	-3.1	32.2	-18.1	26.1

INTEREST RATES (PER CENT PER ANNUM)

As on August 17, 2007 Bank Rate was 6.00 per cent, which is the same as on the corresponding date of last year. Call money rates (borrowing) were in the range of 0.20/0.65 per cent as compared with 4.65/6.25 per cent on the corresponding date of last year.

Item/week ended	2006	2007
	August 18	August 17
Bank Rate	6.00	6.00
IDBI ¹	10.25	10.25
Prime Lending Rate ²	10.00-11.50	12.75-13.25
Deposit Rate ³	6.25-8.00	8.00-9.50
Call Money Rate ⁴ (Low/High)		
Borrowings	5.25/6.25	4.75/55.00
Lending	5.25/6.25	4.75/55.00

1. Minimum Term Lending Rate (MTLR)

2. Prime Lending Rate relates to five major Banks

3. Deposit Rate relates to major banks for term deposits of more than one-year maturity.

4. Call money rates are based on data covering 90-95 per cent of total transactions reported by major participants.

FOREIGN TRADE

Exports, in dollar terms, during April-July, 2007 increased by 18.2 percent. Imports increased by 30.7 percent. Oil imports increased by 5.3 percent and Non-oil imports increased by 43.7 per cent.

Million US Dollar

Item			April-July (P)		% Change April-July
	2005-06(R)	2006-07 (P)	2006-07	2007-08	2007-08
Exports	103044	124629	39587	46798	18.2
Imports	149184	181368	55428	72418	30.7
POL	43951	57271	18873	19879	5.3
Non-POL	105232	124097	36555	52539	43.7
Trade Balance	-46139	-56739	-15841	-25620	-

Source: Provisional Data for April-July, 2007 as per the press note of the Ministry of Commerce and Industry.

FOREIGN EXCHANGE RESERVES (EXCLUDING GOLD & SDRs)

	Amount		Variation	
	Rs.Crore	\$ Million	Rs.Crore	\$ Million
At the end of			(over last year)	
March, 1999	125412	29522	22905	3547
March, 2000	152924	35058	27512	5536
March, 2001	184482	39554	31558	4496
March, 2002	249118	51049	64636	11495
March, 2003	341476	71890	92358	20841
March, 2004	466215	107448	124739	35558
March, 2005	593121	135571	126906	28123
March, 2006	647327	145108	54206	9537
March, 2007	836597	191924	7064	4713
2007-2008			(over last month)	
April	812995	196899	-23602	4975
May	817440	200697	4445	3789
June	839879	206105	22439	5408
July	888680	219753	48801	13648
August*	907301	221509	18621	1756

* Provisional

Source : RBI.

EXTERNAL ASSISTANCE AND DEBT SERVICE PAYMENTS

Gross external aid during April-August, 2007 at Rs 6127 crore was 0.21 percent higher than that of Rs 6114 crore in April-August, 2006. Net disbursements were Rs 2612 crore as compared with Rs. 2234 crore during same period last year. Net aid transfers were Rs 811 crore as compared with Rs 490 crore during corresponding period last year.

EXTERNAL ASSISTANCE AND DEBT SERVICE PAYMENTS*

	<i>(Rs crore)</i>					
	Receipts		Repayment of Principal		Payment of Interest	
	2006-07	2007-08	2006-07	2007-08	2006-07	2007-08
External Assistance - Govt A/C	52024	4700	3418	3047	1467	1491
External Assistance – Non-Govt A/C	420	646	461	468	277	310
Govt. Grant	476	764	-	-	-	-
Non-Govt Grant	14	17	-	-	-	-
Grand Total	6114	6127	3879	3515	1744	1801
Net Disbursement	2234	2612	-	-	-	-
Net Transfers	490	811	-	-	-	-
* April-August						

Rupees per Unit of Foreign Currency

The average market exchange rate of the Rupee during July, 2007 appreciated against US Dollar, stable against Japanese Yen and depreciated against Pound Sterling and Euro as compared with average market exchange rate of the Rupee during June, 2007.

Rupees Per Unit of Foreign Currency

	<i>(Market Rate)@</i>			
	US Dollar	Pound Sterling	Japanese Yen	Euro
March, 2003	47.64	75.44	0.4015	51.52
March, 2004	45.08	82.29	0.4141	55.25
March, 2005	43.69	83.25	0.4152	57.66
March, 2006	44.48	77.62	0.3793	53.46
March, 2007	44.03	85.68	0.3754	58.27
2007-2008				
April	42.15	83.82	0.3546	56.96
May	40.78	80.91	0.3377	55.11
June	40.77	80.99	0.3325	54.71
July	40.41	82.18	0.3325	55.43
August	40.82	82.12	0.3497	55.65
@ FEDAI Rates, Rupee- US dollar rate as on 10/9/2007 was Rs. 40.635				

INFLATION

The annual rate of inflation based on Wholesale Price Index (WPI) stood at 3.52 per cent for week ended September 1, 2007 compared with 5.34 per cent a year ago. This rate was contributed by an increase of 8.59 per cent in Primary Articles, 2.87 per cent decrease in Fuel, Power, Lights and Lubricants and 4.09 per cent increase in Manufactured Products as against an increase of 6.62 per cent, 7.49 per cent and 4.02 per cent respectively on the corresponding date of last year.

VARIATION IN WHOLESALE PRICE INDEX (Base: 1993-94)					
Items/Groups	Weight (%)	Percent variation during			
		Month end		Year (Point to Point)	
		(week ending 1-9-2007)			
		Last year	Current year	Last year	Current year
All Commodities	100.00	1.12	0.61	5.34	3.52
1. Primary articles	22.03	3.05	2.25	6.62	8.59
2. Fuel, Power, Light and Lubricants	14.23	0.76	-0.06	7.49	-2.87
3. Manufactured Products	63.75	0.16	0.51	4.02	4.09

CONSUMER PRICE INDEX

All India Consumer Price Index for Industrial Workers (CPI-IW) for July, 2007 stood at 611 (increased by previous month's level of 602). The year-on-year inflation based on CPI-IW 6.45 percent in July 2007, which is lower than 6.71 percent a year ago.

CONSUMER PRICE INDEX AND INFLATION RATE (%)		
(Base : 1982=100)		
	2006-07 (July, 2006)	2007-08 (July, 2007)
Annual Inflation	6.71	6.45
Financial Year Inflation	4.20	3.94
% Change over last month	0.81	1.54
Level of Index	574	611
Average of Index for 12 months ending July	553.78	590.71

WORLD COMMODITY PRICE

Commodity	Unit	Quarterly Averages			Monthly Averages		
		Oct-Dec 2006	Jan-Mar 2007	Apr-Jun 2007	Jun 2007	Jul 2007	Aug 2007
Energy							
Coal, Australia	\$/mt	46.60	53.19	57.91	61.60	67.31	69.56
Crude oil, avg, spot	\$/bbl	59.02	57.23	66.13	68.19	73.60	70.13
Crude oil, Brent	\$/bbl	59.73	58.07	68.73	71.32	77.20	70.80
Crude oil, Dubai	\$/bbl	57.33	55.58	64.71	65.76	69.46	67.21
Natural gas, US	\$/mmbtu	6.66	7.23	7.50	7.30	6.22	6.20
Agriculture							
Coffee, robusta	c/kg	168.01	172.85	188.25	204.32	203.95	192.77
Tea, auctions (3), average	c/kg	182.23	177.95	199.86	207.38	212.97	207.54
Coconut oil	\$/mt	671.22	754.33	900.17	979.00	929.00	910.00
Groundnut oil	\$/mt	1120.67	1170.00	1190.00	1209.00	1342.00	1404.00
Palm oil	\$/mt	545.67	608.67	762.33	805.00	811.00	821.00
Palmkernel oil	\$/mt	601.67	677.67	875.67	969.00	924.00	903.00
Soybean meal	\$/mt	230.33	255.67	260.33	270.00	289.40	296.00
Soybean oil	\$/mt	662.22	709.67	793.92	833.00	885.40	909.00
Maize	\$/mt	155.69	170.88	159.41	165.25	146.84	149.66
Rice, Thailand, 25%	\$/mt	276.08	292.56	297.43	300.50	306.80	306.50
Wheat, US, HRW	\$/mt	208.69	198.38	205.69	223.04	238.41	259.73
Wheat US SRW	\$/mt	193.52	173.66	187.03	205.03	225.61	257.44
Oranges	\$/mt	919.97	816.75	892.67	935.34	1142.48	1231.13
Sugar, world	c/kg	25.71	23.49	20.90	20.48	22.44	21.63
Raw Materials							
Logs, Malaysia	\$/cum	256.60	264.83	261.97	257.91	263.05	270.93
Plywood	c/sheets	637.17	629.49	639.63	642.65	649.73	651.11
Woodpulp	\$/mt	747.23	727.38	751.25	761.35	746.12	746.12
Cotton A Index	c/kg	127.79	128.82	127.35	133.60	149.58	148.15
Rubber, US	c/kg	199.38	241.55	251.58	252.98	232.21	235.67
Rubber, Singapore	c/kg	176.01	223.28	233.85	226.72	210.09	213.38
Wool	c/kg	565.00	565.00	565.00	565.00	565.00	565.00
Fertilizers							
DAP	\$/mt	254.21	344.49	431.08	434.50	436.25	429.40
Phosphate rock	\$/mt	45.50	45.50	59.88	80.00	80.00	80.00
Pottasium chloride	\$/mt	175.00	175.63	184.79	196.88	203.13	212.50
Urea, E. Europe, bulk	\$/mt	234.01	297.35	291.25	289.00	267.88	269.00
Metals and Minerals							
Aluminum	\$/mt	2723.67	2801.09	2761.49	2676.93	2732.44	2512.28
Copper	\$/mt	7068.22	5932.86	7640.76	7474.38	7972.57	7502.29
Gold	\$/toz	614.47	650.27	667.45	655.66	665.38	665.21
Iron ore	c/dmtu	77.35	84.70	84.70	84.70	84.70	84.70
Lead	c/kg	162.71	178.66	217.58	242.52	308.28	312.43
Nickel	\$/mt	33129.03	41440.05	48032.92	41704.76	33416.59	27597.93
Silver	c/toz	1263.27	1332.49	1335.79	1315.43	1293.43	1230.52
Steel cr coilsheet	\$/mt	658.33	650.00	650.00	650.00	650.00	650.00
Steel hr coilsheet	\$/mt	558.33	550.00	550.00	550.00	550.00	550.00
Tin	c/kg	1033.53	1272.93	1409.76	1409.98	1473.78	1512.29
Zinc	c/kg	420.35	345.58	366.39	360.29	354.56	324.38

Source : World Bank – Pink Sheet

PUBLIC FINANCE

Trends in Central Government Finances: April-July 2007

	Budget Estimates	April-July		Col.3 as % of	Col. 4 as % of	% Change over preceding year	
	2007-08	2006-07	2007-08	2006-07 BE	2007-08 BE	2006-07	2007-08 (4/3)
(Rs. Crore)							
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
1. Revenue Receipts	486422	77336	95291	19.2	19.6	37.4	23.2
Gross tax revenue	548122	96480	121337	21.8	22.1	35.0	25.8
Tax (net to Centre)	403872	63640	79911	19.4	19.8	44.8	25.6
Non Tax	82550	13696	15380	18.0	18.6	11.0	12.3
2. Capital Receipts	194099	88745	132772	55.3	68.4	11.3	49.6
of which:							
Recovery of loans	1500	2341	997	29.3	66.5	2.3	-57.4
Other Receipts	41651*	0	2367	-	5.7	-100.0	-
Borrowings and other liabilities	150948	86404	129408	58.1	85.7	11.5	49.8
3. Total Receipts (1+2)	680521	166081	228063	29.4	33.5	22.1	37.3
4.Non-Plan Expenditure (a)+(b)	475421	120110	168244	30.7	35.4	22.0	40.1
(a) Revenue Account	383546	115048	128094	33.4	33.4	22.2	11.3
of which:							
Interest payments	158995	40178	48936	28.7	30.8	17.9	21.8
Major Subsidies	50987	21685	27395	48.7	53.7	21.0	26.3
Pensions	23488	6568	6594	33.6	28.1	10.7	0.4
(b) Capital Account	91875*	5062	40150**	10.8	43.7	18.0	693.2
5.Plan Expenditure (i)+(ii)	205100	45971	59819	26.6	29.2	22.2	30.1
(i) Revenue Account	174354	40498	49597	28.2	28.4	30.3	22.5
(ii) Capital Account	30746	5473	10222	18.9	33.2	-16.4	86.8
6.Total Expenditure (4)+(5)=(a)+(b)	680521	166081	228063	29.4	33.5	22.1	37.3
(a)Revenue Expenditure	557900	155546	177691	31.9	31.8	24.2	14.2
(b)Capital Expenditure	122621	10535	50372	13.9	41.1	-2.8	378.1
7. Revenue Deficit	71478	78210	82400	92.3	115.3	13.5	5.4
8. Fiscal Deficit	150948	86404	129408 **	58.1	85.7	11.5	49.8
9. Primary Deficit	-8047	46226	80472	521.6	-1000.0	6.5	74.1

* Includes an amount of Rs. 40,000 crore on account of transaction relating to transfer RBI's stake in SBI to the Government.

** The increase in fiscal deficit is due to increased capital expenditure on 'Acquisition of RBI stake in SBI' (Rs. 35,531 crore). This expenditure has been largely neutralized in the month of August, 2007 by transfer of profit from RBI to Union Government, which includes Rs. 34,308 crore on account of profit on sale of SBI share. Amount of Rs. 1,223 crore is the book value of shares.

Source : Controller General of Accounts, MOF, GOI.