

**Ministry of Finance
Department of Economic Affairs
Economic Division
4(3)/Ec. Dn. /2012**

**MONTHLY ECONOMIC REPORT
FEBRUARY 2014**

HIGHLIGHTS

- The overall growth of GDP at factor cost at constant (2004-05) prices (real GDP) for 2013-14 is placed at 4.9 per cent as compared to 4.5 per cent for 2012-13 (as per the Advance Estimates released on 7th February, 2014). The GDP growth rate is placed at 4.4 per cent, 4.8 per cent and 4.7 per cent respectively in the first, second and third quarters of 2013-14. Growth in the first three quarters of 2013-14 is, thus, 4.6 per cent.
- Food grains (rice and wheat) stocks held by FCI and State agencies were 55.91 million tonnes as on February 1, 2014 vis-à-vis the buffer stock norm of 25 million tonnes on January 1, 2014.
- Overall growth in the Index of Industrial Production (IIP) was 0.1 per cent during January 2014 as compared to 2.5 per cent in January 2013. During April- January 2013-14, IIP shows nil growth vis-à-vis 1.0 per cent growth during April- January 2012-13.
- Eight core infrastructure industries registered a growth of 1.6 per cent in January 2014 as compared to a growth of 8.3 per cent in January 2013. During April- January 2013-14, these sectors grew by 2.4 per cent as compared to 6.9 per cent during April- January 2012-13.
- Broad money (M₃) for 2013-14 (up to February 21, 2014) increased by 11.7 per cent as compared to 11.0 per cent during the corresponding period of the last year. The year-on-year growth, as on February 21, 2014 was 14.5 per cent as compared to 12.7 per cent in the previous year.
- Exports and imports decreased by 3.7 per cent and 17.1 per cent respectively, in US dollar terms during February 2014 over February 2013.
- Foreign Currency Assets stood at US\$ 267.9 billion at end-February 2014 as compared to US\$ 258.7 billion at end-February 2013.
- The Rupee depreciated against US dollar, Pound sterling, Japanese yen and Euro in the month of February 2014 over January 2014.
- The WPI inflation for all commodities for the month of February 2014 has declined to 4.68 per cent from 5.05 per cent in the previous month.
- Gross tax revenue for the financial year 2013-14 (April-January) was Rs 821,329 crore, recorded a growth of 10 per cent over 2012-13.
- As a proportion of revised estimate, fiscal deficit and revenue deficit during 2013-14 (April-January) was 101.6 per cent and 102.3 per cent respectively.

(RANGEET GHOSH)
Assistant Adviser
(Rangeet.Ghosh@nic.in)

ECONOMIC GROWTH

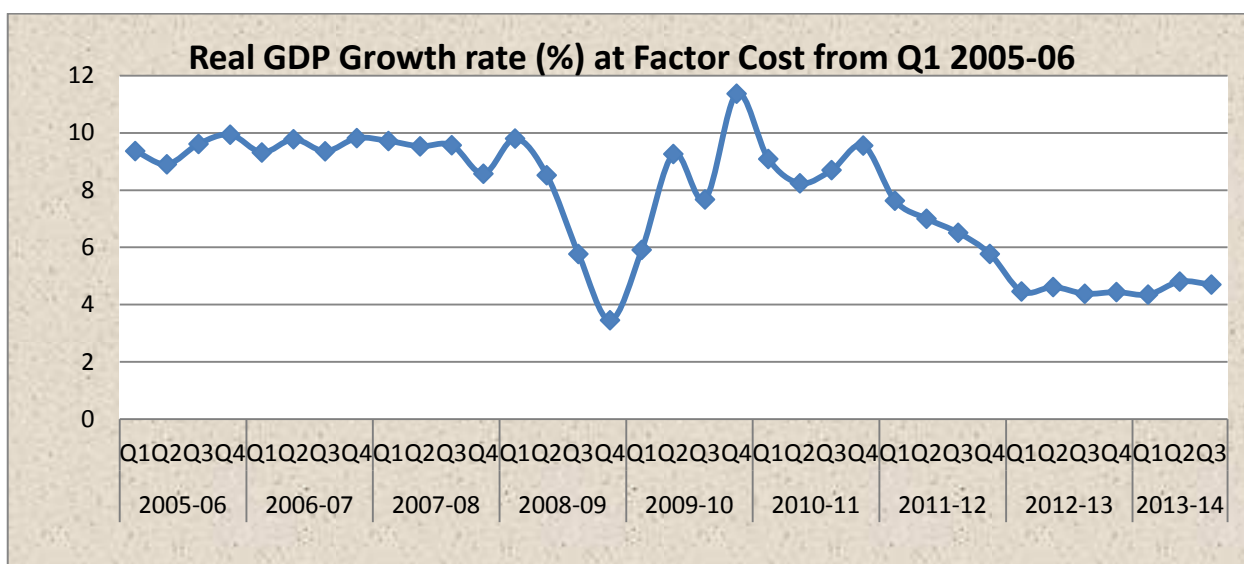
As per the Advance Estimates of the Central Statistics Office (CSO), the growth in Gross Domestic Product (GDP) at factor cost at constant (2004-05 prices) is estimated at 4.9 per cent in 2013-14 with agriculture, industry and services registering growth rates of 4.6 per cent, 0.7 per cent and 6.9 per cent respectively. The GDP growth rate is placed at 4.4 per cent, 4.8 per cent and 4.7 per cent respectively in the first, second and third quarters of 2013-14.

| Sector | | Growth | | | Percentage Share in GDP | | |
|----------|---|------------|-------------|-------------|-------------------------|-------------|-------------|
| | | 2011-12 | 2012-13(1R) | 2013-14(AE) | 2011-12 | 2012-13(1R) | 2013-14(AE) |
| 1 | Agriculture, forestry & fishing | 5.0 | 1.4 | 4.6 | 14.6 | 14.4 | 13.9 |
| 2 | Industry | 7.8 | 1.0 | 0.7 | 27.9 | 28.2 | 27.3 |
| a | Mining & quarrying | 0.1 | -2.2 | -1.9 | 2.2 | 2.1 | 2.0 |
| b | Manufacturing | 7.4 | 1.1 | -0.2 | 16.2 | 16.3 | 15.8 |
| c | Electricity, gas & water supply | 8.4 | 2.3 | 6.0 | 1.9 | 1.9 | 1.9 |
| d | Construction | 10.8 | 1.1 | 1.7 | 7.6 | 7.9 | 7.7 |
| 3 | Services | 6.6 | 7.0 | 6.9 | 57.5 | 57.4 | 58.8 |
| a | Trade, hotels, transport & Communication | 4.3 | 5.1 | 3.5 | 27.3 | 26.7 | 26.9 |
| b | Financing ,insurance, real estate & business services | 11.3 | 10.9 | 11.2 | 17.3 | 18.0 | 19.1 |
| c | Community, social & personal services | 4.9 | 5.3 | 7.4 | 12.9 | 12.7 | 12.8 |
| 4 | GDP at factor cost | 6.7 | 4.5 | 4.9 | 100 | 100 | 100 |

1R: 1st Revised Estimates; AE: Advanced Estimates. Source: CSO.

| Sector | | 2011-12 | | | | 2012-13 | | | | 2013-14 | | |
|----------|--|-------------|------------|------------|------------|------------|-------------|------------|------------|------------|------------|-------------|
| | | Q1 | Q2 | Q3 | Q4 | Q1 | Q2 | Q3 | Q4 | Q1 | Q2 | Q3 |
| 1 | Agriculture, forestry & fishing | 6.5 | 4.0 | 5.9 | 3.4 | 1.8 | 1.8 | 0.8 | 1.6 | 2.7 | 4.6 | 3.6 |
| 2 | Industry | 10.1 | 8.2 | 6.9 | 6.3 | 0.3 | -0.4 | 1.7 | 2.1 | 0.2 | 2.3 | -0.7 |
| a | Mining & quarrying | 0.3 | -4.6 | -1.9 | 5.8 | -1.1 | -0.1 | -2.0 | -4.8 | -2.8 | -0.4 | -1.6 |
| b | Manufacturing | 12.4 | 7.8 | 5.3 | 4.7 | -1.1 | 0.0 | 2.5 | 3.0 | -1.2 | 1.0 | -1.9 |
| c | Electricity, gas & water supply | 8.5 | 10.3 | 9.6 | 5.4 | 4.2 | 1.3 | 2.6 | 0.9 | 3.7 | 7.7 | 5.0 |
| d | Construction | 8.9 | 11.9 | 12.2 | 10.2 | 2.8 | -1.9 | 1.0 | 2.4 | 2.8 | 4.3 | 0.6 |
| 3 | Services | 6.7 | 7.0 | 6.5 | 6.1 | 7.2 | 7.6 | 6.9 | 6.3 | 6.7 | 6.0 | 7.6 |
| a | Trade, hotels, transport & communication | 5.5 | 4.7 | 4.0 | 3.3 | 4.0 | 5.6 | 5.9 | 4.8 | 3.9 | 4.0 | 4.3 |
| b | Financing , insurance, real estate & business services | 11.3 | 12.0 | 11.1 | 11.0 | 11.7 | 10.6 | 10.2 | 11.2 | 8.9 | 10.0 | 12.5 |
| c | Community, social & personal services | 2.4 | 5.4 | 5.7 | 5.7 | 7.6 | 7.4 | 4.0 | 2.8 | 9.4 | 4.2 | 7.0 |
| 4 | GDP at factor cost | 7.6 | 7.0 | 6.5 | 5.8 | 4.5 | 4.6 | 4.4 | 4.4 | 4.4 | 4.8 | 4.7 |

Source: CSO.



AGRICULTURE AND FOOD MANAGEMENT

Rainfall: With respect to rainfall situation in India, the year is categorized into four seasons: winter season (January-February); pre monsoon (March-May); south west monsoon (June-September) and post monsoon (October-December). South west monsoon accounts for more than 75 per cent of annual rainfall. The actual rainfall received during the period 01.03.2014 – 12.03.2014, has been 23.1 mm as against the normal at 10.7 mm. Rainfall has been in excess (that is, +20% or more) in 26 sub divisions as compared to 7 during the corresponding period last year. The meeting of Crop Weather Watch Group (CWWG) held on 14.03. 2014, in the Ministry of Agriculture, India Meteorological Department (IMD) has mentioned that it is too early to predict whether it is El Nino situation prevalent and its possible impacts.

All India production of food grains: As per the 2nd advance estimates released by Ministry of Agriculture on 14.02.2014, production of total food grains during 2013-14 is estimated at 263.20 million tonnes as compared to 257.13 million tonnes in 2012-13.

Table 3A: Production of Major Agricultural Crops (in Million Tonnes)

| Crop | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 | 2013-14 (2 nd advance estimates) |
|-------------------|---------|---------|---------|---------|---------|--|
| Rice | 99.18 | 89.09 | 95.98 | 105.30 | 105.24 | 106.19 |
| Wheat | 80.68 | 80.80 | 86.87 | 94.88 | 93.51 | 95.60 |
| Total Pulses | 14.57 | 14.66 | 18.24 | 17.09 | 18.34 | 19.77 |
| Total Food grains | 234.47 | 218.11 | 244.49 | 259.29 | 257.13 | 263.20 |
| Total Oilseeds | 27.72 | 24.88 | 32.48 | 29.79 | 30.94 | 32.98 |
| Sugarcane | 285.03 | 292.30 | 342.38 | 361.04 | 341.20 | 345.92 |

Procurement: Procurement of rice as on 18.03.2014 was 25.42 million tonnes and wheat procurement was 25.09 million tonnes during 2013-14.

Table 3B : Procurement in Million Tonnes

| Crop | 2010-11 | 2011-12 | 2012-13 | 2013-14 |
|----------------------------|---------|---------|---------|---------|
| Rice | 34.20 | 35.04 | 34.04 | 25.42# |
| Wheat | 22.51 | 28.34 | 38.15 | 25.09 |
| Total | 56.71 | 63.38 | 72.19 | 50.51 |
| # Position as on 18.3.2014 | | | | |

Off-take: Off-take of rice during the month of January, 2014 was 25.19 lakh tonnes. This comprises 20.35 lakh tonnes under TPDS and 4.84 lakh tonnes under other welfare schemes. In respect of wheat, the total off take was 36.29 lakh tonnes comprising of 16.94 lakh tonnes under TPDS and 19.35 lakh tonnes under other welfare schemes.

Stocks: Stocks of food-grains (rice and wheat) held by FCI as on February 1, 2014 were 55.91 million tonnes, which is lower by 15.5 per cent compared to the level of 66.19 million tonnes as on February 1, 2013.

| Crop | Off-take | | | Stocks | |
|---|-----------------|----------------|---|------------------------|------------------------|
| | 2011-12 | 2012-13 | 2013-14 (Up to Jan., 2014) | Feb 1, 2013 | Feb 1, 2014 |
| Rice | 32.12 | 32.64 | 24.21 | 35.38 | 16.94 |
| Unmilled Paddy in terms of Rice | | | | | 14.77# |
| Wheat | 24.26 | 33.21 | 23.79 | 30.81 | 24.20 |
| Total | 56.38 | 65.85 | 48.00 | 66.19 | 55.91 |
| <p>Note: Buffer Norms for Rice and Wheat are 13.80 Million Tonnes and 11.20 Million Tonnes respectively as on 1.1.2014. # Since September, 2013, FCI gives separate figures for rice and unmilled paddy lying with FCI & state agencies in terms of rice.</p> | | | | | |

INDUSTRIAL PRODUCTION

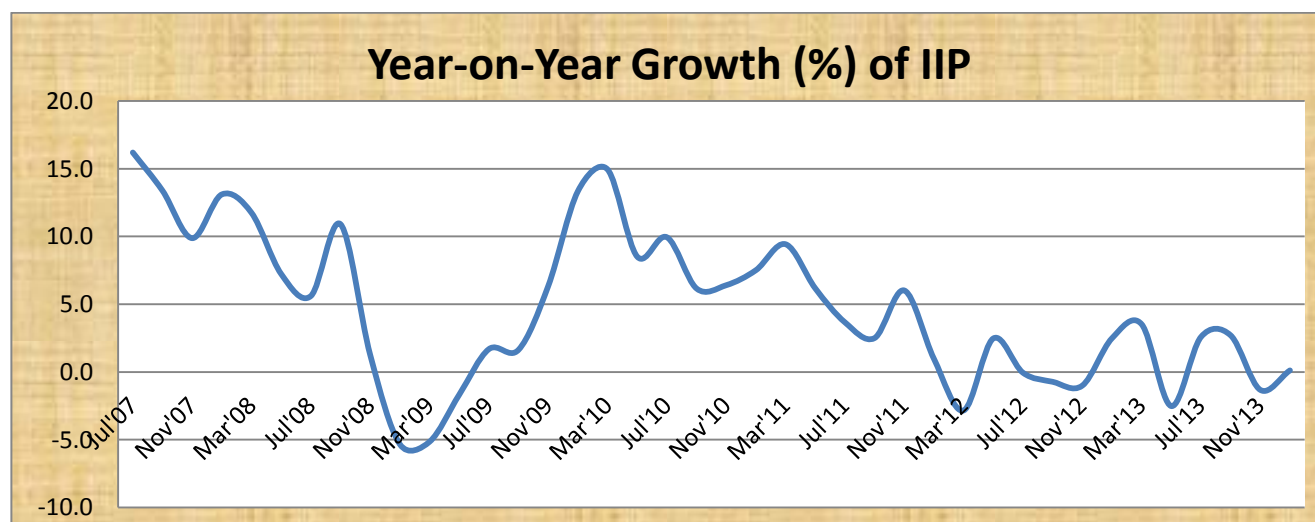
Table 5: Percentage Change in Index of Industrial Production

| Industry Group | April- January 2012-13 | April-January 2013-14 | January 2013 | January 2014 |
|----------------------|---------------------------|--------------------------|--------------|-----------------|
| General index | 1.0 | 0.0 | 2.5 | 0.1 |
| Mining | -1.8 | -1.5 | -1.8 | 0.7 |
| Manufacturing | 0.8 | -0.4 | 2.7 | -0.7 |
| Electricity | 4.7 | 5.7 | 6.4 | 6.5 |
| Basic goods | 2.8 | 1.3 | 3.7 | 0.9 |
| Capital goods | -9.4 | -0.8 | -2.5 | -4.2 |
| Intermediate goods | 1.8 | 3.0 | 3.5 | 3.4 |
| Consumer goods | 2.7 | -2.7 | 2.5 | -0.6 |
| <i>Durables</i> | 3.3 | -12.5 | -0.7 | -8.3 |
| <i>Non-durables</i> | 2.1 | 5.6 | 4.6 | 4.4 |

Table 6: Production growth (per cent) in core infrastructure-supportive industries

| Industry | April- January 2012-13 | April-January 2013-14 | January 2013 | January 2014 |
|-----------------------|---------------------------|--------------------------|--------------|--------------|
| Coal | 6.5 | 1.0 | 4.0 | -0.7 |
| Crude oil | -0.4 | -0.3 | -0.2 | 3.0 |
| Natural Gas | -13.6 | -14.1 | -16.8 | -5.2 |
| Refinery Products | 30.1 | 1.4 | 35.1 | -4.5 |
| Fertilizers | -4.0 | 2.5 | -9.1 | 1.2 |
| Steel | 3.3 | 4.1 | 6.3 | 3.4 |
| Cement | 8.1 | 3.4 | 10.2 | 1.5 |
| Electricity | 4.8 | 5.2 | 6.3 | 5.7 |
| Overall growth | 6.9 | 2.4 | 8.3 | 1.6 |

Year-on-Year Growth (%) of IIP



MONEY AND BANKING

Broad money (M_3) for 2013-14 (up to February 21, 2014) increased by 11.7 per cent as compared to 11.0 per cent during the corresponding period of the last year. The year-on-year growth, as on February 21, 2014 was 14.5 per cent as compared to 12.7 per cent in the previous year.

Table 7: Money Stock: Components and Sources

| (Rs. Billion) | | | | | | |
|---|-------------------|----------|-----------------------|---------|--------------|-------|
| Item | Outstanding as on | | Variation over | | | |
| | 2013 | 2014 | Financial Year so far | | Year-on-Year | |
| | Mar. 31 | Feb. 21 | 2012-13 | 2013-14 | 2013 | 2014 |
| M3 | 83,820.2 | 93,585.8 | 11.0 | 11.7 | 12.7 | 14.5 |
| 1 Components | | | | | | |
| 1.1 Currency with the Public | 11,447.4 | 12,390.5 | 10.1 | 8.2 | 10.9 | 10.1 |
| 1.2 Demand Deposits with Banks | 7,469.6 | 7,803.2 | 0.6 | 4.5 | 5.8 | 9.1 |
| 1.3 Time Deposits with Banks | 64,870.9 | 73,379.4 | 12.5 | 13.1 | 13.9 | 15.9 |
| 1.4 'Other' Deposits with Reserve Bank | 32.4 | 12.7 | -46.6 | -60.8 | 38.1 | -15.7 |
| 2 Sources (2.1+2.2+2.3+2.4-2.5) | | | | | | |
| 2.1 Net Bank Credit to Government | 27,072.1 | 30,210.9 | 12.6 | 11.6 | 14.5 | 13.2 |
| 2.1.1 Reserve Bank | 5,905.8 | 6,589.5 | | | | |
| 2.1.2 Other Banks | 21,166.3 | 23,621.4 | 13.1 | 11.6 | 12.7 | 13.8 |
| 2.2 Bank Credit to Commercial Sector | 56,646.6 | 62,861.8 | 11.5 | 11.0 | 16.3 | 13.7 |
| 2.2.1 Reserve Bank | 30.6 | 78.8 | | | | |
| 2.2.2 Other Banks | 56,616.1 | 62,783.0 | 11.6 | 10.9 | 16.3 | 13.6 |
| 2.3 Net Foreign Exchange Assets of Banking Sector | 16,366.6 | 18,812.2 | 3.3 | 14.9 | 8.7 | 18.0 |
| 2.4 Government's Currency Liabilities to the Public | 153.4 | 165.6 | 12.5 | 7.9 | 14.0 | 9.4 |
| 2.5 Banking Sector's Net Non-Monetary Liabilities | 16,418.5 | 18,464.7 | 7.4 | 12.5 | 24.4 | 12.9 |
| 2.5.1 Net Non-Monetary Liabilities of RBI | 6,925.0 | 8,900.0 | 15.2 | 28.5 | 29.4 | 27.9 |

Source: RBI

Reserve money (M_0) during the financial year 2013-14 (up to February 21, 2014) showed an increase of 7.2 per cent as compared to increase of 4.7 per cent in the corresponding period of the previous year. The year-on-year variation revealed an increase of 8.8 per cent (up to February 21, 2014) compared to 7.5 per cent on the corresponding date of the previous year.

An important source of reserve money, namely, net foreign exchange assets (NFA) of the RBI, showed an increase of 15.2 per cent y-o-y, as compared to an increase of 9.7 per cent on the corresponding date of the last year.

Scheduled Commercial Banks (SCBs): business in India

During the current financial year 2013-14 (up to February 21, 2014), Bank credit registered an increase of 11.4 per cent, as compared to 11.2 per cent during the corresponding period last year. The y-o-y variation revealed an increase of 14.4 per cent as compared to 16.3 per cent during the same period in the previous year.

Non-Food credit during this period increased by 8.7 per cent as compared to 8.5 per cent during the corresponding period of last year. The y-o-y variation revealed an increase of 14.7 per cent compared to 16.1 per cent during the same period in the previous year.

The aggregate deposits with Scheduled Commercial Banks (SCBs) increased by 12.7 per cent (up to February 21, 2014), as compared to 11.1 per cent during the corresponding period of last year. The y-o-y variation revealed an increase of 15.9 per cent as compared to 12.8 per cent in the previous year.

Table 8: Scheduled Commercial Banks - Business in India

| Items | 2013-14 | | Financial year so far | | Year-on-year | |
|---|------------------------------------|-------------------|-----------------------|---------|--------------|------|
| | Outstanding as on (Rs. billion) | | 2012-13 | 2013-14 | 2013 | 2014 |
| | March 29, 2013 | February 21, 2014 | | | | |
| Bank Credit | 53902 | 58617 | 11.2 | 11.4 | 16.3 | 14.4 |
| Non-Food credit | 52928 | 57552 | 8.5 | 8.7 | 16.1 | 14.7 |
| Aggregate deposits | 67505 | 76052 | 11.1 | 12.7 | 12.8 | 15.9 |
| Investments in Government. And other approved securities | 20061 | 22441 | 13.1 | 11.9 | 12.5 | 14.3 |

Source: RBI

| Table 9 : Policy Rates/Interest Rates (per cent per annum) | | |
|---|-----------------|------------------|
| Item / Week Ended | 2013 | 2014 |
| | Feb 22 | Feb 21 |
| Cash Reserve Ratio (per cent) ⁽¹⁾ | 4.00 | 4.00 |
| Bank Rate | 8.75 | 9.00 |
| Repo Rate | 7.75 | 8.00 |
| Reverse Repo Rate | 6.75 | 7.00 |
| Prime Lending Rate ⁽²⁾ | 9.70 / 10.50 | 10.00 / 10.25 |
| Deposit Rate ⁽³⁾ | 7.50 / 9.00 | 8.00 / 9.10 |
| Call Money Rate (Weighted Average) ⁽⁴⁾ | 7.85 | 8.09 |
| <p>⁽¹⁾ Cash Reserve Ratio relates to Scheduled Commercial Banks (excluding Regional Rural Banks). ⁽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⁾ Data cover 90-95 per cent of total transactions reported by participants. Source: RBI</p> | | |

As on February 21, 2014, the Bank Rate was 9.00 per cent as compared to 8.75 per cent on the corresponding date of last year. As on February 21, call money rate (weighted average) was 8.09 per cent as compared with 7.85 per cent on the corresponding date of last year.

EXTERNAL SECTOR

Foreign trade: Exports and imports decreased by 3.7 per cent and 17.1 per cent respectively, in US dollar terms during February 2014 over February 2013. Oil imports decreased by 3.1 per cent and Non-Oil imports decreased by 24.5 per cent during February 2014 over February 2013.

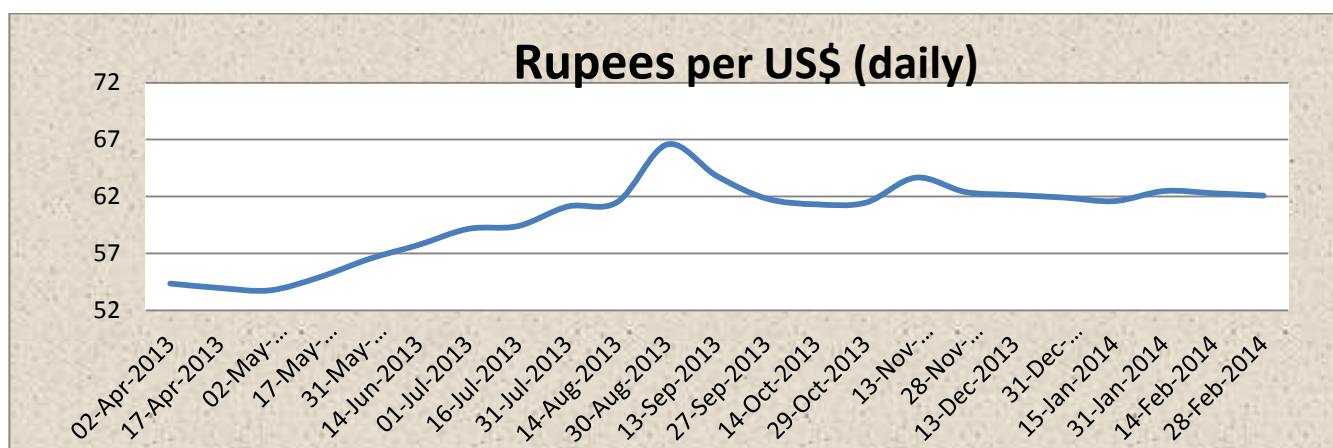
| Exports and imports (in US\$ million) | | | | | | | | |
|--|------------------------------|------------------------------|------------------------------|-----------------------|----------------|-----------------|-------------|--|
| <i>Item</i> | 2010-11 (Apr-Mar) | 2011-12 (Apr-Mar) | 2012-13 (Apr-Mar) | April-February | | February | | % Change in February 2014 |
| | | | | 2012-13 | 2013-14 | 2013 | 2014 | |
| Exports | 251136 | 305964 | 300401 | 269859 | 282777 | 26669 | 25689 | -3.7 |
| Imports | 369769 | 489320 | 490737 | 449789 | 410863 | 40792 | 33819 | -17.1 |
| <i>Oil</i> | 105964 | 154968 | 164041 | 150632 | 151841 | 14134 | 13697 | -3.1 |
| <i>Non-Oil</i> | 263805 | 334352 | 326696 | 299157 | 259022 | 26658 | 20122 | -24.5 |
| Trade balance | -118633 | -183356 | -190336 | -179930 | -128086 | -14123 | -8130 | -42.4 |
| Source: Provisional data as per the Press Note of the Ministry of Commerce and Industry. | | | | | | | | |

| Table 11: Foreign Currency Assets | | | | |
|--|--------------------------|---------------------|------------------|---------------------|
| | Amount | | Variation | |
| | Rs. Crore | US\$ million | Rs. Crore | US\$ million |
| At the end of | (over last year) | | | |
| March, 2008 | 1196023 | 299230 | 359426 | 107306 |
| March, 2009 | 1231340 | 241676 | 35317 | -57554 |
| March, 2010 | 1150778 | 254935 | -80562 | 13259 |
| March, 2011 | 1225999 | 274580 | 75221 | 19645 |
| March, 2012 | 1333954 | 260742 | 107955 | -13838 |
| March, 2013 | 1418339 | 260775 | 84385 | 33 |
| 2013-14 | (over last month) | | | |
| April 2013 | 1433397 | 264372 | 15058 | 3597 |
| May 2013 | 1466378 | 259555 | 32981 | -4817 |
| June 2013 | 1524769 | 255407 | 58391 | -4148 |
| July 2013 | 1535910 | 251315 | 11141 | -4092 |
| August 2013 | 1653926 | 248433 | 118016 | -2882 |
| September 2013 | 1568148 | 249797 | -85778 | 1364 |
| October 2013 | 1564394 | 254746 | -3754 | 4949 |
| November 2013 | 1651502 | 264686 | 87108 | 9940 |
| December 2013 | 1662880 | 268653 | 11378 | 3967 |
| January 2014 | 1658880 | 265519 | -4000 | -3134 |
| February 2014 | 1662611 | 267852 | 3731 | 2333 |
| Source: RBI. | | | | |

Exchange rate: The rupee depreciated by 0.3 per cent against US dollar, 0.7 per cent against Pound sterling, 2.2 per cent against Japanese yen and 0.5 per cent against Euro in the month of February 2014 over January 2014.

| Table 12 : Rupee per unit of foreign currency* | | | | |
|---|------------------|-----------------------|---------------------|-------------|
| | US dollar | Pound sterling | Japanese yen | Euro |
| March, 2009 | 51.2287 | 72.9041 | 0.5251 | 66.9207 |
| March, 2010 | 45.4965 | 68.4360 | 0.5018 | 61.7653 |
| March 2011 | 44.9684 | 72.7070 | 0.5498 | 62.9660 |
| March, 2012 | 50.3213 | 79.6549 | 0.6103 | 66.4807 |
| March 2013** | 54.4046 | 82.0190 | 0.5744 | 70.5951 |
| 2013-14 | | | | |
| April 2013 | 54.3757 | 83.2005 | 0.5571 | 70.7652 |
| May 2013 | 55.0108 | 84.1087 | 0.5451 | 71.3803 |
| June 2013 | 58.3973 | 90.4729 | 0.5999 | 77.0683 |
| July 2013 | 59.7754 | 90.7757 | 0.6000 | 78.2026 |
| August 2013 | 63.2088 | 97.8657 | 0.6457 | 84.1814 |
| September 2013 | 63.7521 | 101.0967 | 0.6427 | 85.1190 |
| October 2013 | 61.6156 | 99.2048 | 0.6300 | 84.1044 |
| November 2013 | 62.6330 | 100.8780 | 0.6263 | 84.5334 |
| December 2013 | 61.9101 | 101.3961 | 0.5983 | 84.8162 |
| January 2014 | 62.0731 | 102.2687 | 0.5968 | 84.5621 |
| February 2014 | 62.2540 | 102.9724 | 0.6102 | 84.9656 |

* FEDAI Indicative Market Rates (on monthly average basis). ** Data from March, 2013 onwards are based on RBI's reference rate.



External assistance and debt service payments: Gross external assistance during April-February 2014 stands at Rs. 27,518.63 crore as compared to Rs. 22,990.55 crore during the corresponding period of the previous year. Net disbursement stood at Rs. 7,717.96 crore during April-February 2014 as compared to Rs. 5,967.67 crore during April-February 2013 while net transfers were Rs. 3,964.96 crore during April- February 2014 as compared to Rs. 2,001.91 crore during April-February 2013.

| | FEBRUARY 2014 | During the Financial year 2013-2014 up to Feb., 2014 | FEBRUARY 2013 | During the Financial year 2012-2013 up to Feb., 2013 |
|---|---------------|--|---------------|--|
| External Assistance (Government Account) | | | | |
| 1) Gross Disbursement | 1,555.49 | 19,406.35 | 1,246.50 | 15,516.95 |
| 2) Repayments | 1,295.87 | 16,411.06 | 1,123.58 | 14,724.31 |
| 3) Interest Payments | 263.08 | 3,275.66 | 277.77 | 3,438.87 |
| 4) Net Disbursement (1-2) | 259.62 | 2,995.29 | 122.92 | 792.64 |
| 5) Net Transfers (4-3) | -3.46 | -280.37 | -154.85 | -2,646.23 |
| External Assistance (Non-Government Account) | | | | |
| 1) Gross Disbursement | 174.03 | 5,102.17 | 213.2 | 5,200.66 |
| 2) Repayments | 79.41 | 3,389.61 | 107.13 | 2,298.57 |
| 3) Interest Payments | 29.36 | 477.34 | 46.02 | 526.89 |
| 4) Net Disbursement (1-2) | 94.62 | 1,712.56 | 106.07 | 2,902.09 |
| 5) Net Transfers (4-3) | 65.26 | 1,235.22 | 60.05 | 2,375.20 |
| Government Grants | | | | |
| 1) Gross Disbursement | 17.93 | 2,957.29 | 354.7 | 2,087.17 |
| 2) Repayments | 0 | 0 | 0 | 0 |
| 3) Interest Payments | 0 | 0 | 0 | 0 |
| 4) Net Disbursement (1-2) | 17.93 | 2,957.29 | 354.7 | 2,087.17 |
| 5) Net Transfers (4-3) | 17.93 | 2,957.29 | 354.7 | 2,087.17 |
| Non Government Grants | | | | |
| 1) Gross Disbursement | 0 | 52.82 | 0 | 185.77 |
| 2) Repayments | 0 | 0 | 0 | 0 |
| 3) Interest Payments | 0 | 0 | 0 | 0 |
| 4) Net Disbursement (1-2) | 0 | 52.82 | 0 | 185.77 |
| 5) Net Transfers (4-3) | 0 | 52.82 | 0 | 185.77 |
| Grand Total | | | | |
| 1) Gross Disbursements | 1,747.45 | 27,518.63 | 1,814.40 | 22,990.55 |
| 2) Repayments | 1,375.28 | 19,800.67 | 1,230.71 | 17,022.88 |
| 3) Interest Payments | 292.44 | 3,753.00 | 323.79 | 3,965.76 |
| 4) Net Disbursement (1-2) | 372.17 | 7,717.96 | 583.69 | 5,967.67 |
| 5) Net Transfers (4-3) | 79.73 | 3,964.96 | 259.9 | 2,001.91 |

*: Data are provisional.

INFLATION

Wholesale Price Index (WPI 2004-05=100): The headline WPI inflation has declined to 4.68 per cent in February 2014 from 5.05 per cent in the previous month. Inflation for Primary food articles (wt. 14.34%) for the month of February 2014 has declined to 8.12 per cent from 8.80 per cent in the previous month on account of decline in inflation of cereals, vegetables, eggs, fish marine, chicken, spices, tea and coffee. Accordingly, food inflation (primary food + manufactured food) (wt. 24.31 %) declined to 5.60 per cent from 6.24 per cent in the previous month. Inflation for Fuel & power (wt. 14.91%) has declined to 8.75 per cent for the month of February 2014 from 10.03 per cent in the previous month. Inflation for manufactured products (wt. 64.97%) has remained unchanged at 2.76 per cent in February 2014. Non-food manufactured inflation (*core* as defined by RBI) increased to 3.15 per cent in February 2014 from 3.02 per cent in January 2014. The average WPI inflation rate for the last 12 months (March 2013 to February 2014) was 5.92 per cent as compared to 7.53 per cent during the corresponding period in 2012-13. The build-up of inflation since March is 5.17 per cent as against 6.15 per cent in the corresponding period last year. WPI inflation rates for major groups are indicated in Table 14.

| Major groups | Weight (%) | Cumulative change (%) Since March | | Inflation (%) | | Inflation (%) (Average of 12 months) | |
|----------------------|--------------|--------------------------------------|---------------|---------------|--------------|---|--------------|
| | | 2013-14 | 2012-13 | 2013-14 | 2012-13 | 2013-14 | 2012-13 |
| | | ALL COMMODITIES | 100.00 | 5.17 | 6.15 | 4.68 | 7.28 |
| PRIMARY ARTICLES | 20.12 | 6.95 | 7.99 | 6.33 | 10.54 | 9.87 | 10.07 |
| <i>Food articles</i> | <i>14.34</i> | <i>8.78</i> | <i>9.28</i> | <i>8.12</i> | <i>11.95</i> | <i>12.72</i> | <i>10.03</i> |
| FUEL AND POWER | 14.91 | 10.96 | 9.96 | 8.75 | 10.64 | 9.84 | 10.76 |
| MANUFACTURED PDT. | 64.97 | 2.69 | 4.21 | 2.76 | 4.80 | 2.97 | 5.49 |

Inflation based on Consumer Price Indices (CPIs): The all India CPI inflation (combined) has declined to 8.10 per cent in February 2014 from 8.79 per cent in January 2014 mainly on account of vegetables, cereals, meat, fish and oil & fats. Inflation based on CPI-IW declined to 7.24 per cent in January 2014 from 9.13 per cent in December 2013. Inflation based on CPI-AL & CPI-RL declined to 9.08 per cent and 9.21 per cent respectively in January 2014 from 11.19 per cent and 11.18 per cent in December 2013.

| | WPI | CPI-IW | CPI-AL | CPI-RL | CPI(NS) |
|---------------|-------------|--------|---------|---------|-------------|
| Base : | 2004-05 | 2001 | 1986-87 | 1986-87 | 2010 |
| Feb-13 | 7.28 | 12.06 | 12.72 | 12.52 | 10.91 |
| Mar-13 | 5.65 | 11.44 | 12.64 | 12.62 | 10.39 |
| Apr-13 | 4.77 | 10.24 | 12.32 | 12.15 | 9.39 |
| May-13 | 4.58 | 10.68 | 12.70 | 12.50 | 9.31 |
| June-13 | 5.16 | 11.06 | 12.85 | 12.65 | 9.87 |
| July-13 | 5.85 | 10.85 | 12.80 | 12.61 | 9.64 |
| Aug-13 | 6.99 | 10.75 | 13.21 | 12.89 | 9.52 |
| Sep-13 | 7.05 | 10.70 | 12.78 | 12.44 | 9.84 |
| Oct-13 | 7.24 | 11.06 | 12.65 | 12.48 | 10.17 |
| Nov-13 | 7.52 | 11.47 | 13.43 | 13.27 | 11.16 |
| Dec-13 | 6.40 | 9.13 | 11.19 | 11.18 | 9.87 |
| Jan-14 | 5.05 | 7.24 | 9.08 | 9.21 | 8.79 |
| Feb-14 | 4.68 | - | - | - | 8.10 |

Note: WPI inflation for Jan & Feb-14 and CPI (New Series) inflation for Feb-14 is provisional.

Table 16: World Commodity Price Data

| Commodity | Unit | Annual averages | | | Monthly averages | | |
|--------------------|-----------|-----------------|----------|----------|------------------|--------|--------|
| | | Jan-Dec | Jan- Dec | Jan- Dec | Dec | Jan | Feb |
| | | 2011 | 2012 | 2013 | 2013 | 2014 | 2014 |
| Coal, Australia | \$/mt | 121.4 | 96.4 | 84.6 | 84.3 | 81.6 | 76.3 |
| Crude oil, average | \$/bbl | 104.0 | 105.0 | 104.1 | 105.5 | 102.1 | 104.8 |
| Natural gas, US | \$/mmbtu | 4.0 | 2.8 | 3.7 | 4.3 | 4.2 | 4.6 |
| Cocoa | \$/kg | 3.0 | 2.4 | 2.4 | 2.8 | 2.8 | 3.0 |
| Coffee, Robusta | \$/kg | 2.4 | 2.3 | 2.1 | 1.9 | 1.9 | 2.1 |
| Tea, auctions avg. | \$/kg | 2.9 | 2.9 | 2.9 | 2.9 | 2.9 | 2.6 |
| Coconut oil | \$/mt | 1730 | 1111 | 941 | 1269 | 1270 | 1362 |
| Groundnut oil | \$/mt | 1988 | 2436 | 1773 | 1493 | 1410 | 1303 |
| Palm oil | \$/mt | 1125.4 | 999.3 | 856.9 | 912.0 | 865.0 | 906.0 |
| Palm kernel oil | \$/mt | 1648 | 1110 | 897 | 1143 | 1160 | 1287 |
| Soybean meal | \$/mt | 398.0 | 524.1 | 545.3 | 564.0 | 567.0 | 592.0 |
| Soybean oil | \$/mt | 1299 | 1226 | 1057 | 989 | 943 | 983 |
| Soybeans | \$/mt | 540.7 | 591.4 | 538.4 | 568.0 | 566.0 | 590.0 |
| Maize | \$/mt | 291.7 | 298.4 | 259.4 | 197.4 | 198.1 | 209.3 |
| Rice, Thailand, 5% | \$/mt | 543.0 | 563.0 | 505.9 | 451.0 | 450.0 | 459.0 |
| Wheat, US, HRW | \$/mt | 316.3 | 313.2 | 312.2 | 291.6 | 275.5 | 292.3 |
| Bananas, US | \$/mt | 1.0 | 1.0 | 0.9 | 0.9 | 0.9 | 1.0 |
| Oranges | \$/mt | 0.9 | 0.9 | 1.0 | 0.7 | 0.7 | 0.8 |
| Fishmeal | \$/mt | 1537 | 1558 | 1747 | 1553 | 1531 | 1559 |
| Meat, chicken | \$/kg | 1.9 | 2.1 | 2.3 | 2.3 | 2.3 | 2.3 |
| Meat, beef | \$/kg | 4.0 | 4.1 | 4.1 | 4.1 | 4.1 | 4.2 |
| Sugar, world | \$/kg | 0.6 | 0.5 | 0.4 | 0.4 | 0.3 | 0.4 |
| Plywood | \$/sheets | 607.5 | 610.3 | 560.2 | 527.1 | 525.7 | 535.3 |
| Cotton A Index | \$/kg | 3.3 | 2.0 | 2.0 | 1.9 | 2.0 | 2.1 |
| Rubber, TSR20 | \$/kg | 4.5 | 3.2 | 2.5 | 2.3 | 2.1 | 1.9 |
| DAP | \$/mt | 618.9 | 539.8 | 444.9 | 369.9 | 438.3 | 490.6 |
| Urea | \$/mt | 421.0 | 405.4 | 340.1 | 330.1 | 352.6 | 344.1 |
| Copper | \$/mt | 8828 | 7962 | 7332 | 7215 | 7291 | 7149 |
| Lead | \$/mt | 2400.8 | 2064.6 | 2139.8 | 2137 | 2143 | 2108 |
| Tin | \$/mt | 26054 | 21126 | 22283 | 22762 | 22064 | 22821 |
| Nickel | \$/mt | 22910 | 17548 | 15032 | 13925 | 14101 | 14204 |
| Zinc | \$/mt | 2193.9 | 1950.4 | 1910.3 | 1975.0 | 2036.9 | 2034.5 |
| Gold | \$/toz | 1569 | 1670 | 1411 | 1222 | 1244 | 1300 |
| Silver | \$/toz | 35 | 31 | 24 | 20 | 20 | 21 |
| Iron ore | \$/dmt | 167.8 | 128.5 | 135.4 | 135.8 | 128.1 | 121.4 |

Source: World Bank – The Pink Sheet

PUBLIC FINANCE

As a proportion of revised estimate, fiscal deficit and revenue deficit during 2013-14 (April-January) was 101.6 per cent and 102.3 per cent respectively.

Table 17: Trends in Central Government Finances: April-January 2014 (Rs. Crore)

| | Revised Estimates | April-January | | Col.3 as per cent of | Col.4 as per cent of | Per cent change over preceding year | |
|---|-------------------|---------------|---------|----------------------|----------------------|-------------------------------------|---------------|
| | 2013-14 | 2012-13 | 2013-14 | 2012-13 RE | 2013-14 RE | 2012-13 | 2013-14 (4/3) |
| 1.Revenue Receipts | 1029252 | 628583 | 721905 | 72.1 | 70.1 | 14.5 | 14.8 |
| Gross tax revenue* | 1158905 | 746555 | 821329 | 71.9 | 70.9 | 14.9 | 10.0 |
| Tax (net to Centre) | 836026 | 527822 | 575945 | 71.1 | 68.9 | 15.1 | 9.1 |
| Non Tax Revenue | 193226 | 100761 | 145960 | 77.7 | 75.5 | 11.3 | 44.9 |
| 2.Capital Receipts <i>of which</i> | 561182 | 482765 | 548039 | 86.4 | 97.7 | 6.6 | 13.5 |
| Recovery of loans | 10802 | 8906 | 9691 | 63.3 | 89.7 | -41.5 | 8.8 |
| Other Receipts | 25841 | 8178 | 5506 | 34.1 | 21.3 | 198.1 | -32.7 |
| Borrowings and other liabilities | 524539 | 465681 | 532842 | 89.4 | 101.6 | 7.1 | 14.4 |
| 3.Total Receipts (1+2) | 1590434 | 1111348 | 1269944 | 77.7 | 79.8 | 10.9 | 14.3 |
| 4.Non-Plan Expenditure (a)+(b) | 1114903 | 795322 | 900841 | 79.4 | 80.8 | 12.3 | 13.3 |
| (a) Revenue Account | 1027689 | 724927 | 814429 | 78.8 | 79.2 | 14.2 | 12.3 |
| <i>of which:</i> | | | | | | | |
| Interest payments | 380066 | 233795 | 285379 | 73.8 | 75.1 | 14.0 | 22.1 |
| Major Subsidies | 245451 | 205615 | 207410 | 83.0 | 84.5 | 67.7 | 0.9 |
| Pensions | 74076 | 52002 | 60096 | 81.5 | 81.1 | 11.4 | 15.6 |
| (b) Capital Account | 87214 | 70395 | 86412 | 85.9 | 99.1 | -3.7 | 22.8 |
| 5.Plan Expenditure (i)+(ii) | 475532 | 316026 | 369103 | 73.6 | 77.6 | 7.5 | 16.8 |
| (i) Revenue Account | 371851 | 255861 | 286326 | 74.5 | 77.0 | 2.9 | 11.9 |
| (ii) Capital Account | 103681 | 60165 | 82777 | 70.1 | 79.8 | 32.4 | 37.6 |
| 6.Total Expenditure (4)+(5)=(a)+(b) | 1590435 | 1111348 | 1269944 | 77.7 | 79.8 | 10.9 | 14.3 |
| (a)Revenue Expenditure | 1399540 | 980788 | 1100755 | 77.7 | 78.7 | 11.0 | 12.2 |
| (b)Of which Grants for creation of Capital Assets | 121283 | 82732 | 101217 | 66.6 | 83.5 | -8.1 | 22.3 |
| (c)Capital Expenditure | 190895 | 130560 | 169189 | 77.8 | 88.6 | 10.2 | 29.6 |
| 7.Revenue Deficit | 370288 | 352205 | 378850 | 90.0 | 102.3 | 5.3 | 7.6 |
| 8.Effective Revenue Deficit (7-6(b)) | 249005 | 269473 | 277633 | 100.9 | 111.5 | 10.3 | 3.0 |
| 9.Fiscal Deficit | 524540 | 465681 | 532842 | 89.4 | 101.6 | 7.1 | 14.4 |
| 10.Primary Deficit | 144474 | 231886 | 247463 | 113.5 | 171.3 | 0.9 | 6.7 |

Source: CGA, *Gross Tax Revenue is prior to devolution to the States.