

**Ministry of Finance
Department of Economic Affairs
Economic Division
8(2)/Ec. Dn./2006**

**MONTHLY ECONOMIC REPORT
MARCH, 2006**

HIGHLIGHTS

- The winter season rainfall from March 1, 2006 to April 12, 2006 was normal/excess in 69 per cent of meteorological sub-divisions.[
- Food grain stocks were 18.84 million tonnes as on February 1, 2006.
- Overall industrial growth was 8.0 per cent during April-February, 2005-06 as compared with 8.2 per cent in April-February, 2004-05.
- Core infrastructure sectors achieved an average growth rate of 4.5 per cent during April-February, 2005-06 as compared with 5.8 per cent in April-February, 2004-05.
- Broad Money (M3) growth (year-on-year) was 16.2 per cent as on March 31, 2006 as compared with 14.1 per cent (net of conversion) last year.
- Exports grew by 24.7 per cent in dollar terms during April-March, 2005-06. Imports increased by 31.5 per cent in April-March, 2005-06.
- Forex reserves (excluding Gold and SDRs) stood at \$145.11 billion at the end of March, 2006.
- Rupee depreciated against US Dollar, Pound Sterling, Japanese Yen and Euro in March, 2006.
- The annual inflation rate in terms of WPI (Base 1993-94=100) was 3.24 per cent for the week ended April 8, 2006 as compared with 5.86 per cent a year ago.
- Tax revenue (net to Centre) during April-February, 2005-06 was higher by 23.4 per cent compared with an increase of 17.3 per cent in corresponding period last year.
- In terms of value, Fiscal deficit during April-February, 2005-06 was higher by 14.5 per cent over corresponding period last year.
- In terms of value, Revenue deficit April-February, 2005-06 was higher by 6.5 per cent over corresponding period last year.

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AGRICULTURE

PRE-MONSOON SEASON RAINFALL*

In the pre-monsoon season (March-May), the rainfall from March 1, 2006 to April 12, 2006 was normal/excess in 25 meteorological sub-divisions (69 per cent) and deficient/scanty in the remaining 11 (31 per cent). The annual average for 2001-2005 was normal/excess in 17 (47 per cent) meteorological sub-divisions and deficient/scanty in the remaining 19 (53 per cent).

Number of Meteorological Sub-divisions

| | 2001 | 2002 | 2003 | 2004 | 2005 | 2001-2005+ | 2006 |
|----------------------|------|------|------|------|------|------------|------|
| Excess/Normal | 10 | 13 | 21 | 16 | 25 | 17 | 25 |
| Deficient/Scanty/Nil | 26 | 23 | 15 | 20 | 11 | 19 | 11 |
| Total | 36 | 36 | 36 | 36 | 36 | 36 | 36 |

* (March-May)

+ Annual Average

PROCUREMENT

Wheat procurement up to April 17, 2006 in the current marketing year (i.e. 2006-07) declined by 11.3 per cent at 4.93 million tonnes as compared with 5.56 million tonnes in the corresponding period of 2005-06. Procurement of rice during the marketing year 2005-06 (up to April 17, 2006) at 22.85 million tonnes was higher by 13.0 per cent than the level of 20.23 million tonnes during the corresponding period of 2004-05.

| | Full Marketing Year | | | | Up to Apr. 17 | | % change |
|-----------------|---------------------|---------|---------|---------|---------------|-------|--------------|
| | 2002-03 | 2003-04 | 2004-05 | 2005-06 | 2005 | 2006 | Col. 7/Col.6 |
| | Million Tonnes | | | | | | |
| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 |
| Rice(Oct-Sept.) | 16.41 | 22.83 | 24.21 | - | 20.23 | 22.85 | 13.0 |
| Wheat(Apr-Mar) | 19.06 | 15.80 | 16.80 | 14.79 | 5.56 | 4.93 | -11.3 |
| Total | 35.47 | 38.63 | 41.01 | 14.79 | 25.79 | 27.78 | 7.7 |

OFF-TAKE

Off-take from the Public Distribution System from Central Pool during April-January, 2006 was 32.98 million tonnes as against 33.34 million tonnes during April-January, 2005.

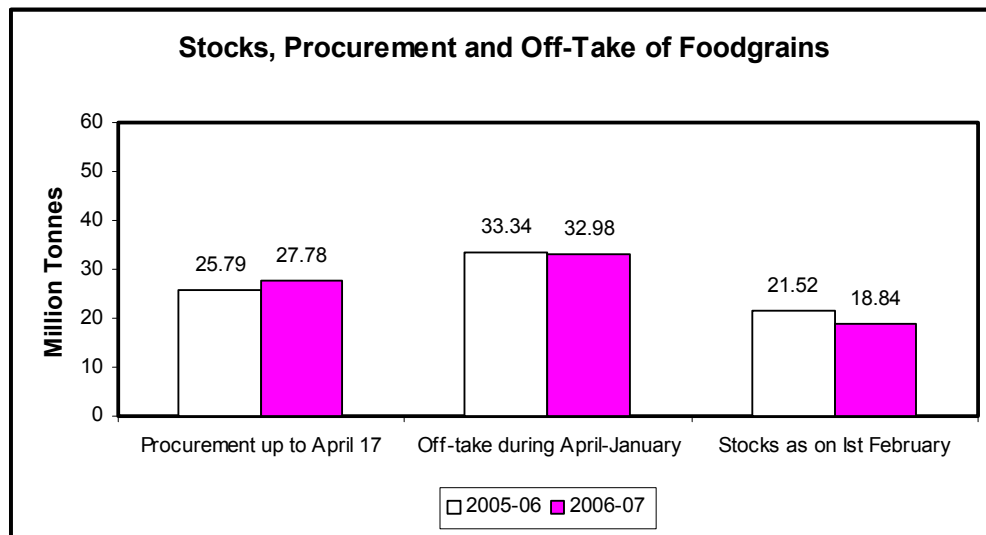
| | 2002-03(P) | 2003-04(P) | 2004-05(P) | April-January (P) | |
|-------|----------------|------------|------------|-------------------|-------|
| | | | | 2004 | 2005 |
| 1 | 3 | 4 | 5 | 5 | 6 |
| | Million Tonnes | | | | |
| Rice | 24.64 | 25.04 | 22.98 | 18.40 | 18.99 |
| Wheat | 24.99 | 24.29 | 18.27 | 14.94 | 13.98 |
| Total | 49.63 | 49.33 | 41.25 | 33.34 | 32.98 |

P : Provisional

STOCKS

Stocks of foodgrains as on February 1, 2006 was 18.84 million tonnes, which was lower by 12.5 per cent than the level of 21.52 million tonnes as on February 1, 2005.

| | As on January 1 | | As on February 1 | |
|-------|-----------------|-------|------------------|-------|
| | 2005 | 2006 | 2005 | 2006 |
| | Million Tonnes | | | |
| Rice | 12.76 | 12.64 | 14.21 | 13.97 |
| Wheat | 8.93 | 6.19 | 7.31 | 4.87 |
| Total | 21.69 | 18.83 | 21.52 | 18.84 |

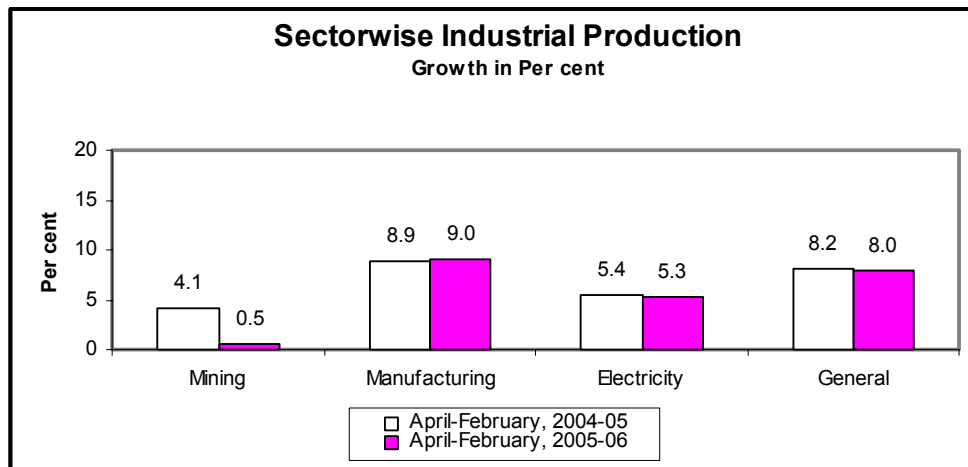


INDEX OF INDUSTRIAL PRODUCTION

The overall growth rate of index of industrial production (IIP) during April-February, 2005-06 was 8.0 percent as compared to 8.2 percent in April-February, 2004-05. The growth rate achieved by the mining, manufacturing and electricity sectors during April-February, 2005-06 was 0.5 percent, 9.0 percent and 5.3 percent respectively as compared to 4.1 percent, 8.9 percent and 5.4 percent respectively during corresponding period last year.

As per the use-based classification, growth rate in production, in April-February, 2005-06, of basic goods and capital goods registered higher growth whereas intermediate goods and consumer goods showed lower growth as compared to April-February, 2004-05.

| SECTORWISE INDEX OF INDUSTRIAL PRODUCTION | | | | | | |
|--|---------|---------|---------|---------|------------|---------|
| (Base: 1993-94=100) | | | | | | |
| (Percentage change) | | | | | | |
| | 2003-04 | 2004-05 | Feb '05 | Feb '06 | April-Feb. | |
| | | | | | 2004-05 | 2005-06 |
| General | 7.0 | 8.4 | 5.9 | 8.8 | 8.2 | 8.0 |
| Mining | 5.2 | 4.4 | -1.6 | 0.9 | 4.1 | 0.5 |
| Manufacturing | 7.4 | 9.2 | 7.4 | 9.5 | 8.9 | 9.0 |
| Electricity | 5.1 | 5.2 | -0.8 | 9.0 | 5.4 | 5.3 |
| Use-Based Classification | | | | | | |
| Basic goods | 5.4 | 5.5 | 0.8 | 8.5 | 5.3 | 6.4 |
| Capital goods | 13.6 | 13.9 | 10.0 | 13.5 | 12.7 | 16.5 |
| Intermediate goods | 6.4 | 6.1 | 3.3 | 2.5 | 6.1 | 2.5 |
| Consumer goods | 7.1 | 11.7 | 11.9 | 12.4 | 11.8 | 11.7 |
| <i>Of which</i> | | | | | | |
| Consumer durables | 11.6 | 14.3 | 13.8 | 18.2 | 14.7 | 14.1 |
| Consumer non-durables | 5.8 | 10.8 | 11.2 | 10.6 | 10.9 | 11.0 |



INFRASTRUCTURE

The six core infrastructure industries registered a lower growth of 4.5 per cent during April-February, 2005-06 as compared to 5.8 per cent in corresponding period last year.

| PRODUCTION IN INFRASTRUCTURE INDUSTRIES | | | | | | | | |
|---|-------------|-----------------|-------------|-----------------|-----------------------|----------------|-----------------------|----------------|
| | | February | | Full Yr. | April-February | | % Change | |
| | | | | | | | April-February | |
| Industry/Infrastructure | Unit | 2005 | 2006 | 2004-05 | 2004-05 | 2005-06 | 2004-05 | 2005-06 |
| Coal | Mn tonnes | 34.5 | 37.8 | 375.0 | 341.2 | 362.9 | 7.6 | 6.4 |
| Electricity Generation | Mn kwh | 46016 | 50137 | 587366 | 534493 | 562702 | 5.4 | 5.3 |
| Crude petroleum | 000 tonnes | 2596 | 2545 | 33981 | 31065 | 29357 | 1.9 | -5.5 |
| Petroleum Products | 000 tonnes | 9484 | 10072 | 118216 | 108082 | 109636 | 5.0 | 1.4 |
| Finished steel | 000 tonnes | 3317 | 3280 | 38325 | 36146 | 38057 | 7.5 | 5.3 |
| Cement | 000 tonnes | 10971 | 12757 | 131559 | 119034 | 133158 | 6.6 | 11.9 |
| Average growth rate* | (%) | 0.8 | 5.6 | 4.4 | - | - | 5.8 | 4.5 |
| | | January | | Full Yr. | April-Jan. | | April-Jan. | |
| Cargo handled at major ports | Mn tonnes | 35.59 | 37.19 | 383.8 | 311.61 | 347.99 | 10.8 | 11.7 |
| Telecommunications | | | | | | | | |
| a) Net switching capacity | 000 lines | 366.59 | 1447.64 | 6714.1 | 4941.45 | 8291.43 | 33.7 | 67.8 |
| b) Net Tele. Connections | 000 nos | 885.03 | 1603.80 | 6962.1 | 5989.18 | 11542.11 | -14.3 | 92.7 |
| Revenue earning goods traffic on railways | Mn tonnes | 53.37 | 61.72 | 601.9 | 491.76 | 542.81 | 7.8 | 10.4 |
| * Weights as in IIP (Base: 1993-94) : Coal (3.2), Electricity generation (10.2), Crude oil (4.2), Refinery throughput (2.0), Finished Steel (5.1) and Cement (2.0). | | | | | | | | |

Revenue earning goods traffic handled by Railways

The revenue earning goods traffic handled by Railways during April-January, 2006 increased by 10.4 per cent as compared to 7.8 per cent in corresponding period last year.

TRAFFIC ORIGINATING

(Million Tonnes)

| | Full Year | January | | April-Jan. | | % Change |
|---|------------------|----------------|--------------|-------------------|---------------|-------------------------|
| Commodities | 2004-05 | 2005 | 2006 | 2005 | 2006 | April-Jan., 2006 |
| 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| Coal | 271.06 | 23.95 | 27.55 | 221.94 | 241.17 | 8.7 |
| Raw material for Steel Plants | 44.11 | 4.11 | 4.63 | 35.95 | 43.42 | 20.8 |
| Pig Iron & Finished Steel From Steel Plants | 14.86 | 1.36 | 1.60 | 12.05 | 13.73 | 13.9 |
| Iron Ore for Exports | 36.33 | 3.32 | 3.31 | 30.07 | 34.43 | 14.5 |
| Cement | 54.23 | 4.78 | 6.28 | 44.23 | 48.40 | 9.4 |
| Foodgrains | 46.19 | 3.69 | 3.87 | 38.09 | 33.53 | -12.0 |
| Fertilizers | 28.36 | 2.45 | 2.97 | 24.01 | 27.47 | 14.4 |
| POL | 32.40 | 2.87 | 3.00 | 26.29 | 28.02 | 6.6 |
| Balance other goods | 74.35 | 6.84 | 8.51 | 59.13 | 72.64 | 22.8 |
| Total | 601.89 | 53.37 | 61.72 | 491.76 | 542.81 | 10.4 |

MONEY AND BANKING

During the current financial year 2005-06, broad money stock (M3) (up to March 31, 2006) increased by 20.4 per cent as compared with the growth rate of 12.3 per cent (net of conversion) registered during the corresponding period of the last year. The fiscal year variation for 2005-06 are not comparable with those of 2004-05 as the data for 2005-06 include 27 fortnights while usually 26 fortnights. The year-on-year growth, as on March 31, 2006, was 16.2 per cent as compared with 14.1 per cent (net of conversion) on the corresponding date of last year. The 16.2 per cent growth was higher than projected growth of 14.5 per cent announced by the RBI in their Annual Policy statement for 2005-06 in April, 2005.

Net foreign exchange assets (NFA) of banking sector (up to March 31, 2006) registered an increase of 10.0 per cent as compared with a growth of 23.3 per cent in the same period last year. The annual growth rate of NFA, as on March 31, 2006, was 10.2 per cent as against 22.4 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, 2005 | March 31, 2006 | 2004-05 | 2005-06 | 2005 | 2006 |
| M3(I+II+III+IV) | 2251449 | 2709905 | 12.3 | 20.4 | 14.1 | 16.2 |
| | (2247936) | | (12.1) | | (13.9) | |
| I. Currency with the public | 355863 | 414404 | 13.0 | 16.5 | 12.7 | 16.8 |
| II. Demand deposits with banks | 285154 | 387877 | 10.3 | 36.0 | 15.7 | 20.7 |
| III. Time deposits with banks | 1603954 | 1900710 | 12.4 | 18.5 | 14.0 | 15.2 |
| | (1600441) | | (12.2) | | (13.7) | |
| IV. Other deposits with RBI | 6478 | 6914 | 26.5 | 6.7 | 44.5 | 9.4 |
| Sources (1+2+3+4-5) | | | | | | |
| 1. Net bank credit to Govt. (A+B) | 756766 | 777526 | 1.9 | 2.7 | 2.6 | 3.8 |
| | (744573) | | (0.2) | | (0.9) | |
| A. RBI's net credit to Govt. | -17975 | 12617 | - | - | - | - |
| B. Other bank credit to Govt. | 774741 | 764909 | 11.0 | -1.3 | 9.9 | -1.5 |
| | | | (9.2) | | (8.2) | |
| 2. Bank credit to commercial sector | 1280249 | 1686509 | 26.0 | 31.7 | 27.5 | 26.7 |
| | (1247367) | | (22.8) | | (24.3) | |
| 3. Net foreign exchange assets of banking sector | 649255 | 713865 | 23.3 | 10.0 | 22.4 | 10.2 |
| 4. Government's currency liabilities to the public | 7448 | 8695 | 2.1 | 16.7 | 2.1 | 16.7 |
| 5. Banking sector's net non-monetary liabilities other than time deposits | 442269 | 476690 | 54.0 | 7.8 | 51.4 | 18.4 |

Note :- Figures within brackets are exclusive of conversion of non-banking entity into banking entity with effect from October 11, 2004.

Scheduled Commercial Banks (SCBs) : Business in India

During the current financial year (up to March 31, 2006) incremental gross bank credit increased by 36.0 per cent as compared with a growth of 31.9 per cent (net of conversion) in the same period of the previous year. The year-on-year growth of gross bank credit as on March 31, 2006 was 29.9 per cent as against 26.9 per cent (net of conversion) on the corresponding date of last year.

Non-Food credit during the financial year so far (up to March 31, 2006), registered a growth of 37.3 per cent as compared with 32.8 per cent (net of conversion) during the same period of the last year. The year-on-year growth rate of non-food credit was 30.8 per cent as compared with 27.7 per cent (net of conversion) on the corresponding date of last year.

The year-on-year growth of time deposits with SCBs as on March 31, 2006 was 16.1 per cent as compared with 12.3 per cent (net of conversion) on the corresponding date of last year.

| Items | Outstanding as on (Rs. Crore) | | % Variations | | | |
|--|----------------------------------|------------------|--------------------------|-------------|--------------|-------------|
| | | | Financial year so far | | Year-on-year | |
| | March 18, 2005 | Mar. 31, 2006 | 2004- 05 | 2005- 06 | 2005 | 2006 |
| 1. Bank credit | 1100428 | 1496474 | 37.0 | 36.0 | 31.7 | 29.9 |
| | | | (31.9) | | (26.9) | |
| Food credit | 41120 | 41787 | 11.3 | 1.6 | 8.2 | 4.4 |
| Non-Food credit | 1059308 | 1454687 | 38.2 | 37.3 | 32.7 | 30.8 |
| | | | (32.8) | | (27.7) | |
| 2. Aggregate deposit | 1700197 | 2087669 | 18.7 | 22.8 | 15.1 | 16.9 |
| | | | (17.8) | | (12.8) | |
| Demand deposit | 248027 | 347250 | 27.1 | 40.0 | 16.1 | 21.4 |
| Time deposits | 1452170 | 1740419 | 17.2 | 19.8 | 14.9 | 16.1 |
| | | | (16.2) | | (12.3) | |
| 3. Investments in Govt. and other approved securities | 739153 | 727577 | 9.2 | -1.6 | 7.6 | -1.7 |
| | | | (7.3) | | (5.7) | |
| Government securities | 718981 | 704694 | 10.0 | -2.0 | 8.2 | -2.2 |
| | | | (8.0) | | (6.3) | |
| Other approved securities | 20172 | 22883 | -12.4 | 13.4 | -11.6 | 14.4 |

Note :- Figures within brackets are exclusive of conversion of non-banking entity into banking entity with effect from October 11, 2004.

INTEREST RATES (PER CENT PER ANNUM)

As on March 31, 2006 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 4.75/8.25 per cent as compared with 3.85/5.60 per cent on the corresponding date of last year.

| Item/week ended | 2005 | 2006 |
|---|-------------|-------------|
| | Mar. 25 | Mar. 31 |
| 1 | 2 | 3 |
| Bank Rate | 6.00 | 6.00 |
| IDBI ¹ | 10.25 | 10.25 |
| Prime Lending Rate ² | 10.25-10.75 | 10.25-10.75 |
| Deposit Rate ³ | 5.25-6.25 | 6.00-7.00 |
| Call Money Rate ⁴ (Low/High) | | |
| Borrowings | 3.85/5.60 | 4.75/8.25 |
| Lending | 3.85/5.60 | 4.75/8.25 |

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-March, 2005-06 increased by 24.7 percent. Imports increased by 31.5 percent. Oil imports were higher by 46.8 percent and Non-oil imports were higher by 25.6 per cent.

| Item | 2003-04 (R) | 2004-05 (P) | 2005-06 (P) |
|---------------|-------------------|-------------|-------------|
| | Rs. Crore | | |
| Exports | 293367 | 361879 | 445658 |
| Imports | 359108 | 478302 | 620827 |
| Trade balance | -65741 | -116423 | -175169 |
| | Million US Dollar | | |
| Exports | 63725 | 80672 | 100607 |
| Imports | 78005 | 106631 | 140238 |
| POL | 20532 | 29858 | 43844 |
| Non-POL | 57474 | 76772 | 96393 |
| Trade balance | -14280 | -25959 | -39631 |

Source: 1. For 2003-04 (R) as per DGCI&S. For 2004-05 (P) and 2005-06 (P) are as per the press note of the Ministry of Commerce and Industry dated April 10, 2006.

FOREIGN EXCHANGE RESERVES (EXCLUDING GOLD & SDRs)

| | Amount | | Variation | |
|----------------------|----------|------------|--------------------------|------------|
| | Rs.Crore | \$ Million | Rs.Crore | \$ Million |
| At the end of | | | (over last year) | |
| March, 1997 | 80368 | 22367 | 21922 | 5323 |
| March, 1998 | 102507 | 25975 | 22139 | 3608 |
| 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 |
| 2005-2006 | | | (over last month) | |
| April | 593423 | 135950 | 302 | 379 |
| May | 580749 | 132925 | -12674 | -3025 |
| June | 575864 | 132352 | -4885 | -573 |
| July | 585319 | 134587 | 9455 | 2235 |
| August | 608225 | 138107 | 22906 | 3520 |
| September | 602309 | 136920 | -5916 | -1187 |
| October | 619299 | 137286 | 16990 | 366 |
| November | 627455 | 136582 | 8156 | -704 |
| December | 590497 | 131018 | -36958 | -5564 |
| January | 589526 | 133770 | -971 | 2752 |
| February | 603925 | 135897 | 14399 | 2127 |
| March* | 647327 | 145108 | 43402 | 9211 |

* Provisional

Source : RBI.

EXTERNAL ASSISTANCE AND DEBT SERVICE PAYMENTS

Gross external aid during April-March, 2005-06 at Rs 18349.12 crore was 6.9 percent higher than that of Rs 17171.24 crore in April-March, 2004-05. Net disbursements were Rs. 9989.27 crore as compared with Rs. 7603.19 crore during same period last year. Net aid transfers were Rs. 6347.31 crore as compared with Rs. 4343.99 crore during corresponding period last year.

EXTERNAL ASSISTANCE AND DEBT SERVICE PAYMENTS*

(Rs crore)

| | Receipts | | Repayment of Principal | | Payment of Interest | |
|------------------------------------|-----------------|-----------------|------------------------|----------------|---------------------|----------------|
| | 2004-05 | 2005-06 | 2004-05 | 2005-06 | 2004-05 | 2005-06 |
| External Assistance - Govt A/C | 13542.70 | 14192.71 | 7101.51 | 6997.85 | 2808.44 | 3143.22 |
| External Assistance – Non-Govt A/C | 1118.19 | 1480.55 | 2466.54 | 1362.00 | 450.76 | 498.74 |
| Govt. Grant | 2453.22 | 2626.32 | - | - | - | - |
| Non-Govt Grant | 57.13 | 49.54 | - | - | - | - |
| Grand Total | 17171.24 | 18349.12 | 9568.05 | 8359.85 | 3259.20 | 3641.96 |
| Net Disbursement | 7603.19 | 9989.27 | - | - | - | - |
| Net Transfers | 4343.99 | 6347.31 | - | - | - | - |

* April-March

Rupees Per Unit of Foreign Currency

The average market exchange rate of the Rupee during March, 2006 depreciated against US Dollar, Pound Sterling, Japanese Yen and Euro as compared with average market exchange rate of the Rupee during February, 2006.

Rupees Per Unit of Foreign Currency

| | (Market Rate)@ | | | |
|------------------|----------------|----------------|--------------|-------|
| | US Dollar | Pound Sterling | Japanese Yen | Euro |
| March, 2001 | 46.62 | 67.39 | 0.3846 | 42.44 |
| March, 2002 | 48.74 | 69.37 | 0.3723 | 42.75 |
| 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 |
| 2005-2006 | | | | |
| April | 43.74 | 82.92 | 0.4080 | 56.62 |
| May | 43.49 | 80.82 | 0.4080 | 55.26 |
| June | 43.58 | 79.31 | 0.4013 | 53.04 |
| July | 43.54 | 76.36 | 0.3892 | 52.45 |
| August | 43.63 | 78.15 | 0.3939 | 53.59 |
| September | 43.92 | 79.47 | 0.3955 | 53.83 |
| October | 44.82 | 79.08 | 0.3904 | 53.91 |
| November | 45.73 | 79.32 | 0.3861 | 53.93 |
| December | 45.64 | 79.70 | 0.3851 | 54.12 |
| January | 44.40 | 78.27 | 0.3843 | 53.75 |
| February | 44.33 | 77.56 | 0.3763 | 52.99 |
| March | 44.48 | 77.62 | 0.3793 | 53.46 |

@ FEDAI Rates

INFLATION

The annual rate of inflation based on Wholesale Price Index (WPI) stood at 3.24 per cent for week ended April 8, 2006 compared with 5.86 per cent a year ago. This rate was contributed by an increase of 4.28 per cent in Primary Articles, 8.27 per cent increase in Fuel, Power, Lights and Lubricants and 0.88 per cent increase in Manufactured Products as against an increase of 2.24 per cent, 11.09 per cent and 5.38 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 | | Year (Point to Point) | |
| | | Last year | Current year | (ending 8-4-2006) | |
| | | Last year | Current year | Last year | Current year |
| All Commodities | 100.00 | 1.06 | 0.05 | 5.86 | 3.24 |
| 1.Primary articles | 22.03 | 1.80 | 1.04 | 2.24 | 4.28 |
| 2. Fuel, Power, Light and Lubricants | 14.23 | 1.18 | 0.64 | 11.09 | 8.27 |
| 3. Manufactured Products | 63.75 | 0.77 | -0.52 | 5.38 | 0.88 |

CONSUMER PRICE INDEX

All India Consumer Price Index for Industrial Workers (CPI-IW) for February, 2006 stood at 551 (increased by 0.4 per cent over previous month's level of 549). The level of CPI-IW of February, 2006 was higher than the level of February, 2005 by 4.95 per cent.

| CONSUMER PRICE INDEX AND INFLATION RATE (%) | | |
|--|-------------------------|-------------------------|
| (Base : 1982=100) | | |
| | 2004-05 (Feb., 2005) | 2005-06 (Feb., 2006) |
| Annual Inflation | 4.17 | 4.95 |
| Financial Year Inflation | 4.2 | 5.0 |
| % Change over last month | -0.2 | 0.4 |
| Level of Index | 525 | 551 |
| Average of Index for 12 months ending February | 517.75 | 540.08 |

PUBLIC FINANCE

Trends in Central Government Finances: April-February 2005-06

| | Budget Estimates 2005-06 | April-February | | Col.3 as % of 2004-05 BE | Col. 4 as % of 2005-06 BE | % Change over proceeding year | |
|---|--------------------------------|----------------|---------------|-----------------------------------|------------------------------------|----------------------------------|------------------|
| | | 2004-05 | 2005-06 | | | 2004-05 | 2005-06 (4/3) |
| (Rs. Crore) | | | | | | | |
| (1) | (2) | (3) | (4) | (5) | (6) | (7) | (8) |
| 1. Revenue Receipts | 351200 | 229005 | 269140 | 74.0 | 76.6 | 9.9 | 17.5 |
| Gross tax revenue | 370025 | 233329 | 283723 | 73.4 | 76.7 | 18.2 | 21.6 |
| Tax (net to Centre) | 273466 | 168407 | 207847 | 72.0 | 76.0 | 17.3 | 23.4 |
| Non Tax | 77734 | 60598 | 61293 | 80.4 | 78.8 | -6.7 | 1.1 |
| 2. Capital Receipts | 163144 | 176201 | 142782 | 104.6 | 87.5 | 0.5 | -19.0 |
| of which: | | | | | | | |
| Recovery of loans | 12000 | 57789 | 8984 | 213.2 | 74.9 | -8.7 | -84.5 |
| Other Receipts | 0 | 2914 | 1578 | 72.9 | | 82.8 | -45.8 |
| Borrowings and other liabilities | 151144 | 115498 | 132220 | 84.1 | 87.5 | 4.6 | 14.5 |
| 3. Total Receipts (1+2) | 514344 | 405206 | 411922 | 84.8 | 80.1 | 5.6 | 1.7 |
| 4. Non-Plan Expenditure (a)+(b) | 370847 | 300849 | 299579 | 90.6 | 80.8 | 4.4 | -0.4 |
| (a) Revenue Account | 330530 | 253097 | 278408 | 86.2 | 84.2 | 5.2 | 10.0 |
| Of which: | | | | | | | |
| Interest payments | 133945 | 108615 | 111105 | 83.9 | 82.9 | 6.4 | 2.3 |
| Major Subsidies | 46098 | 39429 | 39319 | 93.8 | 85.3 | -4.9 | -0.3 |
| Pensions | 19542 | 16054 | 18283 | 100.8 | 93.6 | 12.7 | 13.9 |
| (b) Capital Account | 40317 | 47752 | 21171 | 123.7 | 52.5 | 0.5 | -55.7 |
| 5. Plan Expenditure (i)+(ii) | 143497 | 104357 | 112343 | 71.7 | 78.3 | 9.0 | 7.7 |
| (i) Revenue Account | 115982 | 68582 | 89384 | 74.7 | 77.1 | 12.0 | 30.3 |
| (ii) Capital Account | 27515 | 35775 | 22959 | 66.6 | 83.4 | 3.8 | -35.8 |
| 6. Total Expenditure (4)+(5)=(a)+(b) | 514344 | 405206 | 411922 | 84.8 | 80.1 | 5.6 | 1.7 |
| (a) Revenue Expenditure | 446512 | 321679 | 367792 | 83.4 | 82.4 | 6.6 | 14.3 |
| (b) Capital Expenditure | 67832 | 83527 | 44130 | 90.5 | 65.1 | 1.9 | -47.2 |
| 7. Revenue Deficit | 95312 | 92674 | 98652 | 121.7 | 103.5 | -0.7 | 6.5 |
| 8. Fiscal Deficit | 151144 | 115498 | 132220 | 84.1 | 87.5 | 4.6 | 14.5 |
| 9. Primary Deficit | 17199 | 6883 | 21115 | 87.0 | 122.8 | -18.2 | 206.8 |

Source : Controller General of Accounts, MOF, GOI.