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

MONTHLY ECONOMIC REPORT
NOVEMBER 2014

*****

HIGHLIGHTS

- The GDP growth in the first half of the 2014-15 is estimated at 5.5 per cent as against 4.9 per cent during the same period of previous year. GDP growth in the second quarter (July-September 2014) was estimated at 5.3 per cent as against 5.2 per cent in Q2 of 2013-14. At the sectoral level growth rates are 3.2 per cent for agriculture and allied sectors, 2.2 per cent for industry sector and 7.1 per cent for service sector in Q2 of 2014-15.
- Food grains (rice and wheat) stocks held by FCI and State agencies were 49.5 million tonnes as on December 1, 2014 which is 17.1 per cent less than the level of 59.7 million tonnes as on December 1, 2013.
- Overall growth in the Index of Industrial Production (IIP) was (-) 4.2 per cent during October 2014 as compared to a decline of 1.2 in October 2013. During April-October 2014-15, IIP growth was 1.9 per cent as compared to 0.2 per cent growth in April- October 2013-14.
- Eight core infrastructure industries registered 6.3 per cent growth in October 2014 as compared to decline of 0.1 per cent in October 2013. During April-October 2014-15, these sectors grew by 4.3 per cent as compared to 4.2 per cent growth during April-October 2013-14.
- During 2014-15 (up to November 28, 2014) broad money (M_3) increased by 7.3 per cent as compared to 9.4 per cent during the corresponding period of the last year. The year-on-year growth, as on November 28, 2014 was 11.0 per cent as compared to 14.9 per cent in the previous year.
- Exports and imports increased by 7.3 per cent and 26.8 per cent respectively, in US dollar terms during November 2014 over November 2013.
- Foreign Currency Assets stood at US$ 293.2 billion at end-November 2014 as compared to US$ 264.7 billion at end-November 2013.
- The rupee depreciated against US dollar and appreciated against Japanese yen, Pound sterling and Euro in the month of November 2014 over October 2014.
- The WPI inflation for all commodities for the month of November2014 declined to 0.0 per cent from 1.8 per cent in October 2014.
- Gross tax revenue revenue for the financial year 2014-15 (April-October) at ₹ 5,63,598 crore, recorded growth of 5.9 per cent over 2013-14.
- As proportion of Budget estimate, fiscal deficit and revenue deficit during 2014-15(April-October) was 89.6 per cent and 98.5 per cent respectively.

(Narendra Jena)
Economic Officer
jena.narendra@nic.in

ECONOMIC GROWTH

As per the quarterly estimates of Gross Domestic Product (GDP) for the second quarter (July-September) of 2014-15, released by CSO (on November 28, 2014), GDP growth at factor cost at constant (2004-05) prices is estimated at 5.3 per cent as against 5.2 per cent in Q2 of 2013-14. Growth rate for the first quarter of 2014-15 was 5.7 per cent. The growth rate during the first half of 2014-15 stood at 5.5 per cent. At the sectoral level growth rates are 3.2 per cent for agriculture and allied sectors, 2.2 per cent for industry sector and 7.1 per cent for service sector in Q2 of 2014-15.

Table 1: Growth of GDP at factor cost by economic activity (at 2004-05 prices) (per cent)

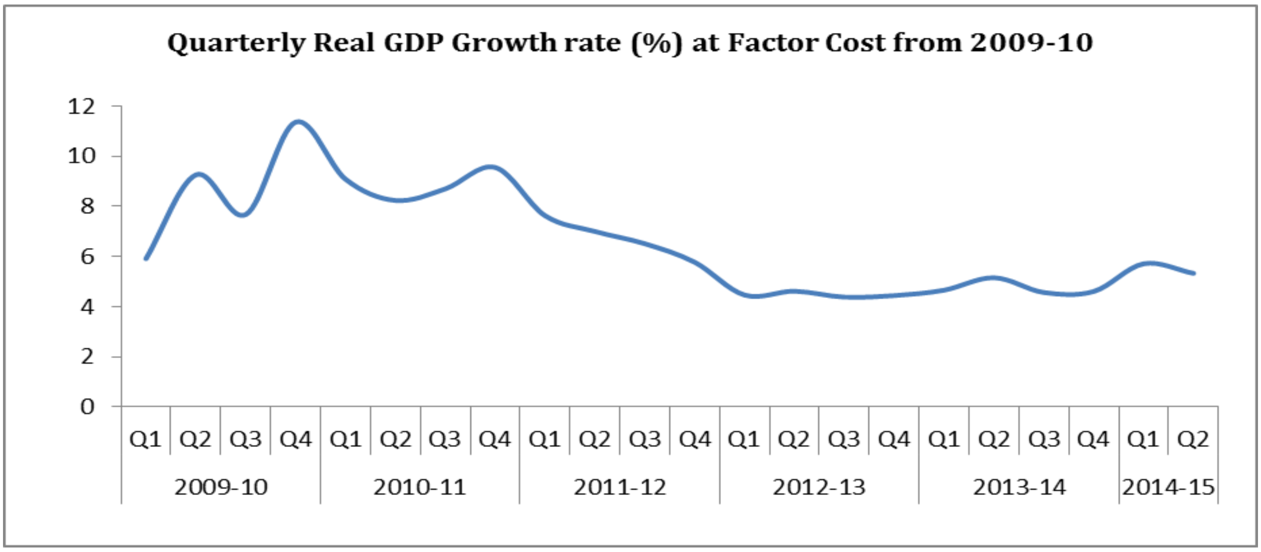
Sector	Growth				Share in GDP		
	2011-12	2012-13(1R)	2013-14 (PE)		2011-12	2012-13(1R)	2013-14 (PE)
Agriculture, forestry & fishing	5.0	1.4	4.7		14.4	13.9	13.9
Industry	7.8	1.0	0.4		28.2	27.3	26.1
Mining & quarrying	0.1	-2.2	-1.4		2.1	2.0	1.9
Manufacturing	7.4	1.1	-0.7		16.3	15.8	14.9
Electricity, gas & water supply	8.4	2.3	5.9		1.9	1.9	1.9
Construction	10.8	1.1	1.6		7.9	7.7	7.4
Services	6.6	7.0	6.8		57.4	58.8	59.9
Trade, hotels, transport & communication	4.3	5.1	3.0		26.7	26.9	26.4
Financing, insurance, real estate & business services	11.3	10.9	12.9		18.0	19.1	20.6
Community, social & personal services	4.9	5.3	5.6		12.7	12.8	12.9
GDP at factor cost	6.7	4.5	4.7		100.0	100.0	100.0

1R: 1st Revised Estimates; PE: Provisional Estimates. Source: CSO.

Table 2: Quarterly Estimates of GDP Growth at Constant (2004-05) Prices (per cent)

Sectors	2012-13				2013-14				2014-15	
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2
Agriculture, forestry & fishing	1.8	1.8	0.8	1.6	4.0	5.0	3.7	6.3	3.8	3.2
Industry	0.3	-0.4	1.7	2.1	-0.4	2.6	-0.4	-0.2	4.2	2.2
Mining & quarrying	-1.1	-0.1	-2.0	-4.8	-3.9	0.0	-1.2	-0.4	2.1	1.9
Manufacturing	-1.1	0.0	2.5	3.0	-1.2	1.3	-1.5	-1.4	3.5	0.1
Electricity, gas & water supply	4.2	1.3	2.6	0.9	3.8	7.8	5.0	7.2	10.2	8.7
Construction	2.8	-1.9	1.0	2.4	1.1	4.4	0.6	0.7	4.8	4.6
Services	7.2	7.6	6.9	6.3	7.2	6.3	7.2	6.4	6.8	7.1
Trade, hotels, transport & communication	4.0	5.6	5.9	4.8	1.6	3.6	2.9	3.9	2.8	3.8
Financing, insurance, real estate and business services	11.7	10.6	10.2	11.2	12.9	12.1	14.1	12.4	10.4	9.5
Community, social & personal services	7.6	7.4	4.0	2.8	10.6	3.6	5.7	3.3	9.1	9.6
GDP at factor cost	4.5	4.6	4.4	4.4	4.7	5.2	4.6	4.6	5.7	5.3

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 from 01.10.2014 to 17.12.2014 has been 83.8 mm as against the normal of 120.2 mm.

Table 3 shows rabi area coverage as December 19, on 2014-15 and 2013-14. There has been a decline in the overall rabi coverage (-5.3 %) in 2014-15 vis-a-vis the corresponding period of 2013-14.

Table 3: Rabi Area Coverage – as on 19.12.2014

Crops	Area Sown (in lakh hectare)			% change in 2014-15 over	
	2012-13	2013-14	2014-15	2012-13	2013-14
Wheat	253.2	273.1	268.3	5.9	-1.8
Rice	1.7	2.2	2.2	27.6	1.8
Total Coarse Cereals	54.8	53.9	48.2	-12.0	-10.5
Jowar	37.5	35.4	29.7	-21.0	-16.2
Bajra	9.6	11.2	10.6	10.3	-5.5
Maize	7.0	6.6	7.2	2.9	8.6
Total Pulses	121.2	132.8	119.9	-1.1	-9.7
Gram	83.1	89.5	75.2	-9.5	-16.0
Lentil	13.5	14.6	14.5	7.4	-0.8
Fieldpea	7.2	7.7	8.2	14.0	6.6
Moongbean	1.6	2.6	2.9	80.1	13.3
Uradbean	3.7	4.3	5.0	35.1	16.1
Total Oilseeds	76.3	78.1	72.5	-5.0	-7.1
Rapeseed & Mustard	63.7	66.6	63.0	-1.0	-5.3
Groundnut	3.7	3.3	3.2	-13.6	-3.9
Sunflower	4.1	3.2	2.3	-43.8	-28.4
Total Rabi Area	507.3	540.0	511.1	0.8	-5.3

Source: DAC.

All India production of food grains: As per the 1st advance estimates released by Ministry of Agriculture on 19.09.2014, production of total kharif foodgrains during 2014-15 is estimated at

120.3 million tonnes compared to 129.3 million tonnes in 2013-14 and 117.2 million tonnes in 2012-13.

Table 4: Production of Major Agricultural Crops (First Adv. Est.)			
Kharif Crops	**Production (in Million Tonnes)**		
	2012-13	**2013-14**	**2014-15**
Rice	85.6	92.3	88.0
Total Pulses	5.3	6.0	5.2
Pigeon Pea (Tur/Arhar)	2.8	3.0	2.7
Urdbean	1.1	1.3	1.2
Moongbean	0.7	0.9	0.7
Total Coarse Cereals	26.3	31.0	27.1
Jowar	2.6	2.6	1.6
Bajra	6.6	8.7	7.5
Maize	14.9	17.8	16.0
Total Oilseeds	18.8	24.0	19.7
Groundnut	3.8	5.6	5.0
Soyabean	12.6	15.7	11.8
Sugarcane	335.3	341.8	342.8
Cotton	33.4	35.3	34.6
Total Kharif Foodgrains	117.2	129.3	120.3

Procurement: Procurement of rice as on 19.12.2014 was 11.9 million tonnes during Kharif Marketing Season 2014-15 and procurement of wheat was 28.0 million tonnes during Rabi Marketing Season 2014-15.

Table 5 : Procurement in Million Tonnes					
Crop	**2010-11**	**2011-12**	**2012-13**	**2013-14**	**2014-15**
Rice	34.2	35.0	34.0	31.8	11.9*
Wheat	22.5	28.3	38.2	25.1	28.0
Total	56.7	63.4	72.2	56.9	39.9
* Position as on 19.12.2014					

Off-take: Off-take of rice during the month of September, 2014 was 32.9 lakh tonnes. This comprises 26.0 lakh tonnes under TPDS and 6.9 lakh tonnes under other schemes. In respect of wheat, the total off-take was 24.2 lakh tonnes comprising of 19.9 lakh tonnes under TPDS and 4.3 lakh tonnes under other schemes.

Stocks: Stocks of food-grains (rice and wheat) held by FCI as on December 1, 2014 were 49.5 million tonnes, which is lower by 17.1 per cent compared to the level of 59.7 million tonnes as on December 1, 2013.

Table 6: Off-take and stocks of food grains (Million Tonnes)						
Crops	**Off-take**				**Stocks**	
	2011-12	**2012-13**	**2013-14**	**2014-15 (Till Sep.)**	**Dec 1, 2013**	**Dec 1, 2014**
Rice	32.1	32.6	29.2	15.9	14.2	10.6
Unmilled Paddy#					21.5	16.9
Converted Unmilled Paddy in terms of Rice					14.4	11.3
Wheat	24.3	33.2	30.6	12.1	31.1	27.6
Total (Rice & Wheat)	56.4	65.9	59.8	27.9	59.7	49.5
Note: Buffer Norms for Rice & Wheat are 7.2 Million Tonnes & 14.0 Million Tonnes as on 1.10.2014 respectively. # Since September, 2013, FCI gives separate figures for rice and unmilled paddy lying with FCI & state agencies in terms of rice.						

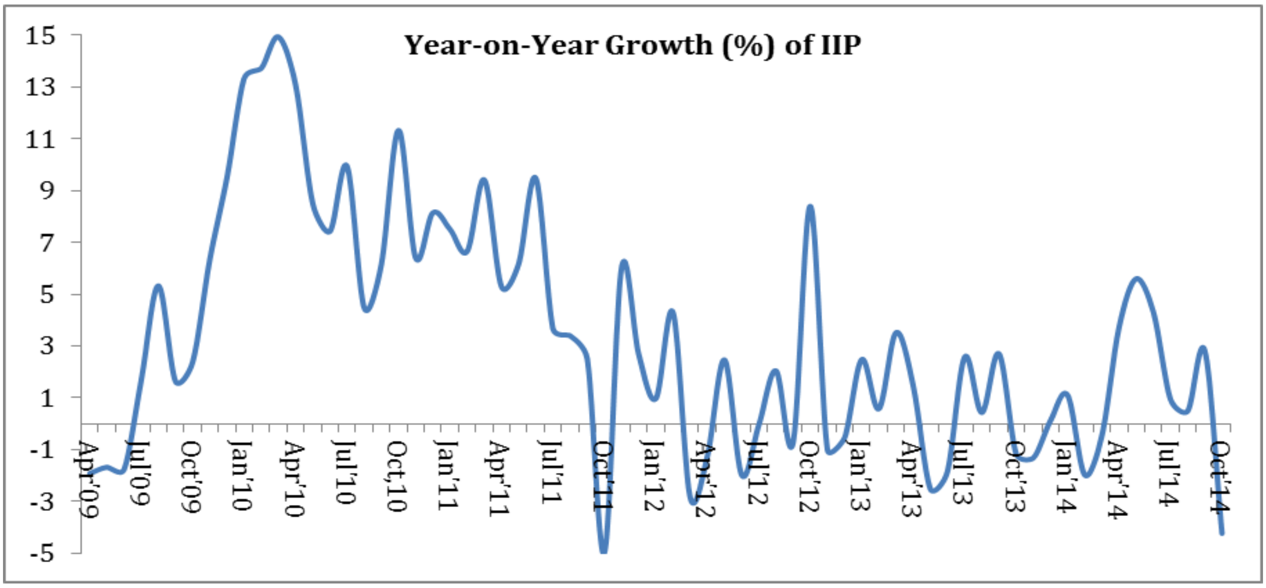
INDUSTRIAL PRODUCTION

Table 7: Percentage Change in Index of Industrial Production (Year-on-Year)

Industry Group	April-October, 2013-14	April-October, 2014-15	October, 2013	October, 2014
General index	0.2	1.9	-1.2	-4.2
Mining	-2.6	2.4	-2.9	5.2
Manufacturing	-0.1	0.7	-1.3	-7.6
Electricity	5.3	10.7	1.3	13.3
Basic goods	1.1	7.6	-0.4	5.8
Capital goods	-0.2	4.8	2.5	-2.3
Intermediate goods	2.7	1.6	2.7	-3.1
Consumer goods	-1.7	-6.3	-5.0	-18.6
Durables	-11.3	-16.0	-12.0	-35.2
Non-durables	6.8	1.0	1.9	-4.3

Table 8: Production growth (per cent) in core infrastructure-supportive industries (Year-on-Year)

Industry	April-October, 2013-14	April-October. 2014-15	October, 2013	October, 2014
Coal	1.3	8.5	-3.5	16.2
Crude oil	-1.2	-0.9	-0.6	1.0
Natural Gas	-16.1	-5.6	-13.5	-4.2
Refinery Products	3.5	-1.7	-5.0	4.2
Fertilizers	2.7	-1.1	4.1	-7.0
Steel	11.9	2.3	5.8	2.3
Cement	4.0	8.1	0.9	-1.0
Electricity	5.1	10.5	1.3	13.2
Overall growth	**4.2**	**4.3**	**-0.1**	**6.3**



MONEY AND BANKING

Broad money (M_3) for 2014-15 (up to November 28, 2014) increased by 7.3 per cent as compared to 9.4 per cent during the corresponding period of the last year. The year-on-year growth, as on November 28, 2014 was 11.0 per cent as compared to 14.9 per cent in the previous year.

Table 9: Money Stock: Components and Sources (as on November 28, 2014)

Item	Outstanding as on (₹. billion)		Variation over (Per cent)			
			Financial Year so far		Year-on-Year	
	Mar. 31, 2014	Nov-28. 2014	2013-14	2014-15	2013	2014
M3	94,973.3	1,01,918.6	9.4	7.3	14.9	11
Components						
Currency with the Public	12,483.4	13,069.2	5.9	4.7	11.1	8.2
Demand Deposits with Banks	8,043.9	8,679.1	−0.7	7.9	6.1	16
Time Deposits with Banks	74,426.3	80,090.8	11.2	7.6	16.5	10.9
'Other' Deposits with Reserve Bank	19.7	79.5	145.2	304.5	234.4	0.1
Sources						
Net Bank Credit to Government	30,386.0	31,167.0	10.8	2.6	14.9	3.8
Reserve Bank	6,987.1	5,568.2				
Other Banks	23,398.9	25,598.9	10.6	9.4	12.9	9.2
Bank Credit to Commercial Sector	64,424.8	67,247.7	7.3	4.4	13.7	10.5
Reserve Bank	88.4	42.1				
Other Banks	64,336.4	67,205.5	7.3	4.5	13.8	10.5
Net Foreign Exchange Assets of Banking Sector	19,239.5	20,382.0	14.4	5.9	15.7	8.8
Government's Currency Liabilities to the Public	173.4	182.6	9.1	5.3	13.7	9.1
Banking Sector's Net Non-Monetary Liabilities	19,250.4	17,060.70	9.4	−11.4	12	−4.8
Net Non-Monetary Liabilities of RBI	8,433.2	8,323.9	27.6	−1.3	24.2	−5.8

Source: RBI

During the financial year 2014-15 (up to November 28, 2014) reserve money (M_0) increased by 0.9 per cent as compared to an increase of 6.7 per cent in the corresponding period of the previous year. The year-on-year variation revealed an increase of 8.2 per cent (up to November 28, 2014) compared to an increase of 12.1 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 (up to November 28, 2014), showed an increase of 7.6 per cent compared to an increase of 14.4 per cent on the corresponding date of the last year.

Scheduled Commercial Banks (SCBs): business in India

During 2014-15 (up to November 28, 2014), bank credit registered an increase of 4.8 per cent, as compared to an increase of 7.3 per cent during the corresponding period last year. The year-on-year variation revealed an increase of 11.3 per cent as compared to an increase of 13.9 per cent during the corresponding date of the previous year.

Table 10: Scheduled Commercial Banks - Business in India (as on November 28, 2014)

Items	2014-15		Variation over (%)			
	Outstanding as on (₹ billion)		Financial year so far		Year-on-year	
	March 28, 2014	November 28, 2014	2013-14	2014-15	2013	2014
Bank Credit	60131	62844	7.3	4.8	13.9	11.3
Non-food credit	59146	61769	7.7	4.4	14.6	11.1
Aggregate deposits	77394	83171	10.3	7.9	15.6	11.7
Investments in Government, and other approved securities	22217	24299	10.5	9.8	12.7	9.6

Source: RBI

Table 11 : Policy Rates/Interest Rates (per cent per annum)

Item / Week Ended	2013	2014
	November 29	November 28
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]	10.00 / 10.25	10.00 / 10.25
Deposit Rate[3]	8.00 / 9.05	8.00 / 9.00
Call Money Rate (Weighted Average)[4]	8.27	7.90

[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

As on November 28, 2014, Bank Rate was 9.00 per cent as compared to 8.75 per cent in the corresponding date of last year.

EXTERNAL SECTOR

Foreign trade: Exports and imports increased by 7.3 per cent and 26.8 per cent respectively, in US dollar terms during November 2014 over November 2013. Oil imports declined by 9.7 per cent and non-oil imports increased by 49.6 per cent during November 2014 over November2013.

Table 12: Exports and imports (in US$ million)

Item	2011-12	2012-13	2013-14	April-November(P)		November (P)		% Change in November 2014
				2013-14	2014-15	2013	2014	
Exports	305964	300401	314405	205437	215756	24202	25961	7.3
Imports	489320	490737	450200	302327	316373	33773	42822	26.8
Oil	154968	164041	164765	108285	106558	12979	11716	-9.7
Non-Oil	334352	326696	285435	194042	209815	20794	31106	49.6
Trade balance	-183356	-190336	-135794	-96890	-100617	-9571	-16861	79.2

Source: Ministry of Commerce and Industry, P: Provisional.

Table 13: Foreign Currency Assets

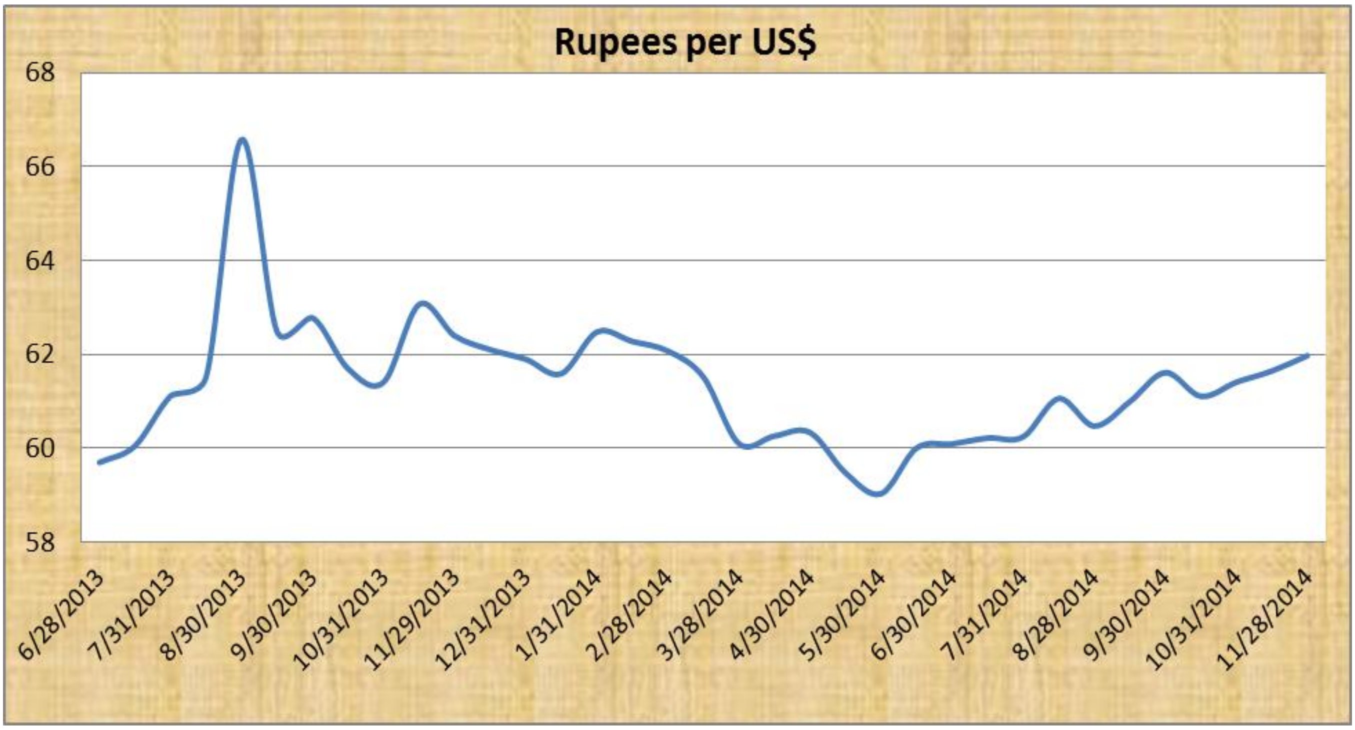
	Amount		Variation	
	₹crore	US$ million	₹ crore	US$ million
At the end of		**(over last year)**		
March, 2008	1196023	299230	359426	107306
March, 2009	1231340	241676	35317	-57554
March, 2010	1150778	254935	-80562	13259
March, 2011	1225999	274580	75221	19645
March, 2012	1333954	260742	107955	-13838
March, 2013	1418339	260775	84385	33
March, 2014	1672942	278361	254603	17586
2014-15		**(over last month)**		
April, 2014	1723905	285710	50963	7349
May, 2014	1695975	287290	-27930	1580
June, 2014	1750649	291322	54674	4032
July 2014	1781343	294504	30694	3182
August 2014	1780496	293380	-847	-1124
September 2014	1791486	290360	10990	-3020
October 2014	1800667	292719	9181	2359
November 2014	1818427	293168	17760	449

Source: RBI.

Exchange rate: The rupee depreciated by 0.6 per cent against US dollar and appreciated by 1.5 per cent against Pound sterling, by 1.2 per cent against Euro and by 7.2 per cent against Japanese yen in the month of November 2014 over October 2014.

Table 14 : Rupee per unit of foreign currency*				
	US dollar	**Pound sterling**	**Japanese yen**	**Euro**
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
March 2014	61.0140	101.4083	0.5965	84.3621
2014-15				
April 2014	60.3566	101.0794	0.5886	83.3495
May 2014	59.3050	99.9398	0.5828	81.4886
June 2014	59.7307	100.9836	0.5853	81.2410
July 2014	60.0586	102.6220	0.5907	81.3943
August 2014	60.8396	101.8085	0.5917	81.1423
September 2014	60.8651	99.3131	0.5677	78.6014
October 2014	61.3420	98.7168	0.5687	77.9117
November 2014	61.7042	97.2826	0.5305	76.9857

* 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-November 2014 stood at ₹ 19,357.76 crore as compared to ₹ 18,148.89 crore during the corresponding period of the previous year. Net disbursement stood at ₹ 4,317.36 crore during April- November 2014 as compared to ₹ 5,405.96 crore during April- November 2013.

Table 15: External Assistance and Debt Service Payments (₹crore)*

	November 2014	2014-15 up to November, 2014	November 2013	2013-14 up to November, 2013
External Assistance (Government Account)				
1) Gross Disbursement	1,777.1	16,110.8	1,419.3	12,981.6
2) Repayments	1,502.0	12,313.3	1,410.6	10,879.0
3) Interest Payments	174.2	2,271.2	170.2	2,253.6
4) Net Disbursement (1-2)	275.1	3,797.5	8.7	2,102.6
5) Net Transfers (4-3)	100.9	1,526.3	-161.4	-151.0
External Assistance (Non-Government Account)				
1) Gross Disbursement	258.7	2,497.1	217.7	3,884.2
2) Repayments	289.6	2,727.1	359.2	1,864.0
3) Interest Payments	19.8	280.2	27.0	285.4
4) Net Disbursement (1-2)	-31.0	-230.0	-141.5	2,020.2
5) Net Transfers (4-3)	-50.7	-510.2	-168.5	1,734.8
Government Grants				
1) Gross Disbursement	201.4	744.9	456.5	1,233.8
2) Repayments	0.0	0.0	0.0	0.0
3) Interest Payments	0.0	0.0	0.0	0.0
4) Net Disbursement (1-2)	201.4	744.9	456.5	1,233.8
5) Net Transfers (4-3)	201.4	744.9	456.5	1,233.8
Non-Government Grants				
1) Gross Disbursement	0.0	5.0	14.8	49.3
2) Repayments	0.0	0.0	0.0	0.0
3) Interest Payments	0.0	0.0	0.0	0.0
4) Net Disbursement (1-2)	0.0	5.0	14.8	49.3
5) Net Transfers (4-3)	0.0	5.0	14.8	49.3
Grand Total				
1) Gross Disbursements	2,237.2	19,357.8	2,108.3	18,148.9
2) Repayments	1,791.6	15,040.4	1,769.8	12,742.9
3) Interest Payments	194.0	2,551.4	197.2	2,539.1
4) Net Disbursement (1-2)	445.6	4,317.4	338.5	5,406.0
5) Net Transfers (4-3)	251.6	1,766.0	141.3	2,866.9

*: Data are provisional.

INFLATION

Wholesale Price Index (WPI 2004-05=100): The headline WPI inflation declined to a five-year low of 0.0 per cent in November 2014 from 1.8 per cent in the previous month (October 2014). Inflation for food articles for the month of November 2014 declined to 0.6 per cent from 2.7 per cent in the previous month mainly on account of lower inflation in cereals, vegetables, fruits, milk and condiments & spices. Accordingly, food inflation (primary food + manufactured food) came down from 2.5 per cent in October 2014 to 0.8 per cent in November 2014. Inflation in fuel & power dropped to -4.9 per cent in November 2014 from 0.4 per cent in the previous month. Inflation for manufactured products moderated to 2.0 per cent in November 2014 from 2.4 per cent in the previous month. Non-food manufactured inflation (core as defined by RBI) also eased to 2.2 per cent in November 2014 from 2.5 per cent in the previous month on account of moderation in all sub groups in the core group except non-metallic mineral products, wood and leather. The average WPI inflation rate for the last 12 months (December 2013 to November 2014) was 4.4 per cent as compared to 6.4 per cent during the corresponding period in 2013-14. The build-up of inflation since March is 0.7 per cent as against 6.7 per cent in the corresponding period last year. WPI inflation rates for major groups are indicated in Table 16.

Table 16: Current Price Situation based on Monthly WPI in November2014 (Base: 2004-05=100)

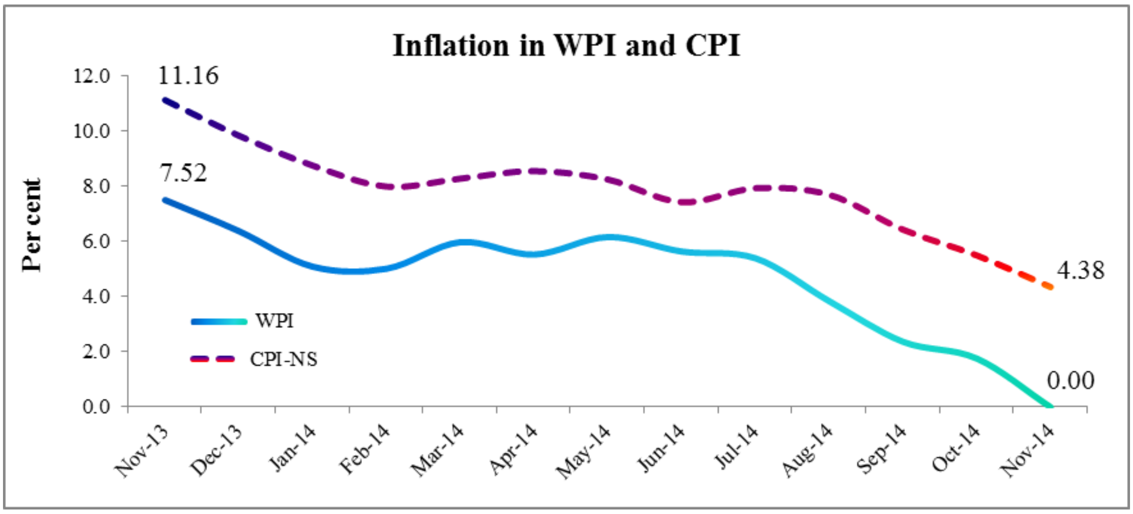
Major groups	Weight (%)	Cumulative change (%) Since March		Inflation (%)		Inflation (%) (Avg. of 12 months)	
		2014-15	2013-14	2014-15	2013-14	2014-15	2013-14
ALL COMMODITIES	**100**	**0.7**	**6.7**	**0.0**	**7.5**	**4.4**	**6.4**
PRIMARY ARTICLES	20.12	5.4	14.3	-1.0	15.3	5.4	10.6
Food Articles	*14.34*	*9.8*	*19.5*	*0.6*	*19.7*	*7.1*	*13.1*
FUEL AND POWER	14.91	-7.0	9.4	-4.9	11.1	6.4	9.9
MANUFACTURED PDT.	64.97	0.8	2.4	2.0	2.9	3.3	3.5

Inflation based on Consumer Price Indices (CPIs): The all India CPI inflation (combined) moderated to 4.4 per cent in November 2014 (lowest since its introduction in January 2012) from 5.5 per cent in October 2014 on account of moderation in inflation for all broad groups. Inflation based on CPI-IW declined to 5.0 per cent in October 2014 from 6.3 per cent in September 2014. Inflation based on other CPIs (CPI-AL &RL) was above 6 per cent in October2014.

Table 17: Year-on-Year inflation based on WPI and CPI's (per cent)

	WPI	**CPI-IW**	**CPI-AL**	**CPI-RL**	**CPI(NS)**
Base :	2004-05	2001	1986-87	1986-87	2010
Nov-13	7.5	11.5	13.4	13.3	11.2
Dec-13	6.4	9.1	11.2	11.2	9.9
Jan-14	5.1	7.2	9.1	9.2	8.8
Feb-14	5.0	6.7	8.1	8.3	8.0
Mar-14	6.0	6.7	8.4	8.5	8.3
Apr-14	5.5	7.1	8.4	8.7	8.6
May-14	6.2	7.0	8.1	8.3	8.3
Jun-14	5.7	6.5	7.7	7.8	7.5
Jul-14	5.4	7.2	8.0	8.1	8.0
Aug-14	3.9	6.8	7.2	7.6	7.7
Sep-14	2.4	6.3	6.9	7.1	6.5
Oct-14	1.8	5.0	6.1	6.4	5.5
Nov-14	0.0	-	-	-	4.4

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



Global Commodity Prices (based on the World Bank Pink Sheet data)

Global year-on-year inflation was negative for all broad groups except beverages and fertilizers in November 2014. Actual price data reveal that, while prices of most of the commodities have declined, prices of oils& meals (except soybean oil), barley, maize, sorghum, wheat, potassium chloride, aluminium and tin have increased in November 2014 compared to previous month.

Table 18: Year-on-year global inflation for major groups/sub-groups (%)

	Nov-13	Sep-14	Oct-14	Nov-14
Energy	1.1	-11.4	-17.2	-23.2
Non-energy	-8.4	-4.4	-5.9	-4.6
Agriculture	-8.6	-5.1	-5.8	-4.7
Beverages	-8.3	26.9	28.6	24.4
Food	-10.8	-9.2	-10.1	-7.5
Raw Materials	-2.0	-7.4	-8.8	-9.7
Fertilizers	-25.8	0.5	4.0	5.4
Metals & Minerals	-5.0	-3.5	-7.3	-5.6
Precious Metals	-27.8	-10.2	-10.0	-10.9

As a proportion of Budget estimate, fiscal deficit and revenue deficit during April-October 2014-15 was 89.6 per cent and 98.5 per cent respectively.

Table 19: Trends in Central Government Finances : April-September 2014-15							
	Budget Estimates (₹ Crore)	**April-October (₹ Crore)**		**Col.3 as per cent of**	**Col.4 as per cent of**	**Per cent change over preceding year**	
	2014-15	**2013-14**	**2014-15**	**2013-14 BE**	**2014-15 BE**	**2013-14**	**2014-15**
	(2)	**(3)**	**(4)**	**(5)**	**(6)**	**(7)**	**(8)**
1.Revenue Receipts	1189763	456041	480073	43.2	40.4	12.8	5.3
Gross tax revenue*	1364524	532221	563598	43.1	41.3	9.3	5.9
Tax (net to Centre)	977258	356526	368872	40.3	37.7	6.8	3.5
Non Tax Revenue	212505	99515	111201	57.8	52.3	41.3	11.7
2.Capital Receipts	605129	465968	482015	76.5	79.7	24.2	3.4
of which							
Recovery of loans	10527	6493	6142	60.9	58.3	10.7	-5.4
Other Receipts	63425	1589	122	2.8	0.2	14.6	-92.3
Borrowings and other liabilities	531177	457886	475751	84.4	89.6	24.5	3.9
3.Total Receipts (1+2)	1794892	922009	962088	55.4	53.6	18.3	4.3
4.Non-Plan Expenditure (a)+(b)	1219892	653950	695097	58.9	57	17.9	6.3
(a) Revenue Account	1114609	591816	641498	59.6	57.6	17.2	8.4
of which:							
Interest payments	427011	184422	205974	49.8	48.2	18.3	11.7
Major Subsidies	251397	173134	178105	78.4	70.8	17.0	2.9
Pensions	81983	41913	53737	59.3	65.5	21.2	28.2
(b) Capital Account	105283	62134	53599	53.1	50.9	25.5	-13.7
5.Plan Expenditure (i)+(ii)	575000	268059	266991	48.3	46.4	19.2	-0.4
(i) Revenue Account	453503	217235	211209	49	46.6	17.7	-2.8
(ii) Capital Account	121497	50824	55782	45.4	45.9	25.8	9.8
6.Total Expenditure (4)+(5)	1794892	922009	962088	55.4	53.6	18.3	4.3
(a)Revenue Expenditure	1568112	809051	852707	56.3	54.4	17.3	5.4
(b)Of which Grants for creation of Capital Assets	168104	80237	73705	45.9	43.8	36.1	-8.1
(c)Capital Expenditure	226780	112958	109381	49.3	48.2	25.6	-3.2
7.Revenue Deficit	378349	353010	372634	92.9	98.5	23.8	5.6
8.Effective Revenue Deficit (7-6(b))	210245	272773	298929	132.9	142.2	20.5	9.6
9.Fiscal Deficit	531177	457886	475751	84.4	89.6	24.5	3.9
10.Primary Deficit	104166	273464	269777	159.2	259	29.0	-1.3

Source: Controller General of Accounts. * Gross Tax Revenue is prior to devolution to the States.