

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

**MONTHLY ECONOMIC REPORT  
SEPTEMBER 2014**

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**HIGHLIGHTS**

- GDP growth in the first quarter (April-June 2014) at 5.7 per cent is the highest in nine quarters. The overall growth of GDP at factor cost at constant (2004-05) prices (real GDP) for 2013-14 was placed at 4.7 per cent as compared to 4.5 per cent for 2012-13 (as per the Provisional Estimates released on 30<sup>th</sup> May, 2014).
- Food grains (rice and wheat) stocks held by FCI and State agencies were 51.19 million tonnes as on October 1, 2014 vis-à-vis the buffer stock norm of 21.20 million tonnes as on October 1, 2014.
- Overall growth in the Index of Industrial Production (IIP) was 0.4 per cent during August 2014, same as in August 2013. During April-August, 2014-15, IIP growth was 2.8 per cent as compared to nil growth in April-August, 2013-14.
- Eight core infrastructure industries registered a growth of 5.8 per cent in August 2014 as compared to 4.7 per cent in August 2013. During April-August, 2014-15, these sectors grew by 4.4 per cent as compared to 4.2 per cent during April-August, 2013-14.
- Broad money (M3) for 2014-15 (up to October 03, 2014) increased by 6.8 per cent as compared to 7.4 per cent during the corresponding period of the last year. The year-on-year growth, as on October 3, 2014 was 12.6 per cent as compared to 13.6 per cent in the previous year.
- Exports and imports increased by 2.7 per cent and 26.0 per cent respectively, in US\$ terms, during September 2014 over September 2013.
- Foreign Currency Assets stood at US\$ 290.4 billion at end-September 2014 as compared to US\$ 249.4 billion at end-September 2013.
- The rupee depreciated against the US dollar and appreciated against the Pound sterling, Japanese yen and Euro in the month of September 2014 over August 2014.
- The WPI inflation for all commodities for the month of September 2014 declined to 2.38 per cent from 3.74 per cent in the previous month.
- Gross tax revenue for the financial year 2014-15 (April-August) at Rs 3,24,938 crore, recorded a growth of 5.1 per cent over 2013-14.
- As proportion of Budget estimate, fiscal deficit and revenue deficit during 2014-15 (April-August) was 74.9 per cent and 85.8 per cent respectively.

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## ECONOMIC GROWTH

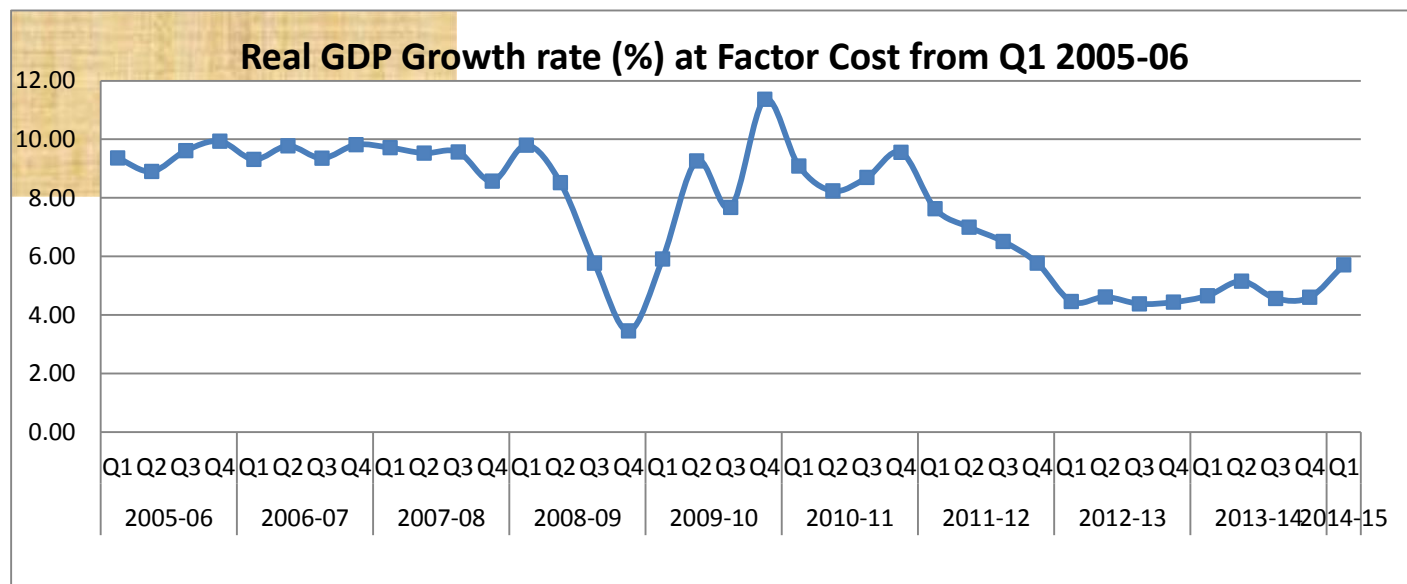
As per the estimates of the Central Statistics Office (CSO), the growth in Gross Domestic Product (GDP) at factor cost at constant (2004-05) prices is placed at 5.7 per cent in the first quarter of 2014-15, which is the highest recorded in nine quarters, with agriculture, industry and services registering growth rates of 3.8 per cent, 4.2 per cent and 6.8 per cent respectively. GDP growth was estimated at 4.7 per cent for the full year, 2013-14.

Table 1: Growth of GDP at factor cost by economic activity (at 2004-05 prices)								
Sector		Growth				Percentage Share in GDP		
		2011-12	2012-13(1R)	2013-14 (PE)		2011-12	2012-13(1R)	2013-14 (PE)
1	Agriculture, forestry & fishing	5.0	1.4	4.7		14.4	13.9	13.9
2	Industry	7.8	1.0	0.4		28.2	27.3	26.1
a	Mining & quarrying	0.1	-2.2	-1.4		2.1	2.0	1.9
b	Manufacturing	7.4	1.1	-0.7		16.3	15.8	14.9
c	Electricity, gas & water supply	8.4	2.3	5.9		1.9	1.9	1.9
d	Construction	10.8	1.1	1.6		7.9	7.7	7.4
3	Services	6.6	7.0	6.8		57.4	58.8	59.9
a	Trade, hotels, transport & communication	4.3	5.1	3.0		26.7	26.9	26.4
b	Financing, insurance, real estate & business services	11.3	10.9	12.9		18.0	19.1	20.6
c	Community, social & personal services	4.9	5.3	5.6		12.7	12.8	12.9
4	GDP at factor cost	6.7	4.5	4.7		100	100	100
1R: 1st Revised Estimates; PE: Provisional Estimates. <b>Source:</b> CSO.								

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

<b>Sectors</b>		<b>2012-13</b>				<b>2013-14</b>				<b>2014-15</b>
		<b>Q1</b>	<b>Q2</b>	<b>Q3</b>	<b>Q4</b>	<b>Q1</b>	<b>Q2</b>	<b>Q3</b>	<b>Q4</b>	<b>Q1</b>
<b>1</b>	<b>Agriculture, forestry &amp; fishing</b>	<b>1.8</b>	<b>1.8</b>	<b>0.8</b>	<b>1.6</b>	<b>4.0</b>	<b>5.0</b>	<b>3.7</b>	<b>6.3</b>	<b>3.8</b>
<b>2</b>	<b>Industry</b>	<b>0.3</b>	<b>-0.4</b>	<b>1.7</b>	<b>2.1</b>	<b>-0.4</b>	<b>2.6</b>	<b>-0.4</b>	<b>-0.2</b>	<b>4.2</b>
a	Mining & quarrying	-1.1	-0.1	-2.0	-4.8	-3.9	0.0	-1.2	-0.4	2.1
b	Manufacturing	-1.1	0.0	2.5	3.0	-1.2	1.3	-1.5	-1.4	3.5
c	Electricity, gas & water supply	4.2	1.3	2.6	0.9	3.8	7.8	5.0	7.2	10.2
d	Construction	2.8	-1.9	1.0	2.4	1.1	4.4	0.6	0.7	4.8
<b>3</b>	<b>Services</b>	<b>7.2</b>	<b>7.6</b>	<b>6.9</b>	<b>6.3</b>	<b>7.2</b>	<b>6.3</b>	<b>7.2</b>	<b>6.4</b>	<b>6.8</b>
a	Trade, hotels, transport & communication	4.0	5.6	5.9	4.8	1.6	3.6	2.9	3.9	2.8
b	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
c	Community, social & personal services	7.6	7.4	4.0	2.8	10.6	3.6	5.7	3.3	9.1
<b>4</b>	<b>GDP at factor cost</b>	<b>4.5</b>	<b>4.6</b>	<b>4.4</b>	<b>4.4</b>	<b>4.7</b>	<b>5.2</b>	<b>4.6</b>	<b>4.6</b>	<b>5.7</b>

**Source:** CSO



### AGRICULTURE AND FOOD MANAGEMENT

**Rainfall:** With respect to rainfall situation in India, the year is categorized into four seasons: winter (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 Monsoon period (June – September) has been 777.5 mm as against the normal at 886.9 mm.

Table 3A shows kharif area coverage as on October 10 of 2014-15 and 2013-14. There has been a decline in the overall kharif coverage (-2.18%) vis-a-vis the corresponding period of last year as on October 10.

**Table 3A: Kharif Area Coverage – as on 10.10.2014**

S. No.	Crops	Area Sown		% change over 2013-14
		2014-15	2013-14	
1	Rice	380.00	376.41	0.95
2	Total Pulses	102.34	109.08	-6.18
a.	Pigeon Pea (Tur/Arhar)	36.01	38.70	-6.95
b.	Urdbean	25.27	24.07	4.99
c.	Moongbean	21.64	24.04	-9.98
3	Total Coarse Cereals	182.34	196.05	-6.99
a.	Jowar	18.51	21.68	-14.62
b.	Bajra	68.37	74.67	-8.44
c.	Maize	78.39	82.22	-4.66
4	Total Oilseeds	178.49	194.91	-8.42
a.	Groundnut	37.25	43.19	-13.75
b.	Soyabean	110.23	122.2	-9.80
5	Sugarcane	48.74	50.32	-3.14
6	Cotton	126.55	114.37	10.65
<b>Total Kharif Area</b>		<b>1026.60</b>	<b>1049.47</b>	<b>-2.18</b>

**Source:** DAC.

**All India production of food grains:** As per the 1<sup>st</sup> advance estimates released by Ministry of Agriculture on 19.09.2014, production of total kharif foodgrains during 2014-15 is estimated at 120.27 million tonnes compared to 129.32 million tonnes in 2013-14.

**Table 3B: Production of Major Agricultural Crops**

S. No.	Kharif Crops	Production (in Million Tonnes)			
		2014-15	2013-14	2012-13	2011-12
		First Adv. Est.	First Adv. Est.		
1	Rice	88.02	92.32	92.37	92.78
2	Total Pulses	5.20	6.01	5.91	6.06
a.	Pigeon Pea (Tur/Arhar)	2.74	3.04	3.02	2.65
b.	Urdbean	1.15	1.33	1.43	1.23
c.	Moongbean	0.71	0.90	0.79	1.24
3	Total Coarse Cereals	27.05	30.99	29.79	32.44
a.	Jowar	1.64	2.57	2.84	3.29
b.	Bajra	7.54	8.66	8.74	10.28
c.	Maize	16.03	17.78	16.19	16.49
4	Total Oilseeds	19.66	23.96	20.79	20.69
a.	Groundnut	5.02	5.57	3.18	5.13
b.	Soyabean	11.82	15.68	14.66	12.21
5	Sugarcane	342.78	341.77	341.2	361.04
6	Cotton	34.62	35.30	34.22	35.20
7	<b>Total Kharif Foodgrains</b>	<b>120.27</b>	<b>129.32</b>	<b>128.07</b>	<b>131.27</b>
<b>Total Rabi Foodgrains</b>		-	-	<b>129.06</b>	<b>128.01</b>
<b>Total Foodgrains</b>		<b>120.27</b>	-	<b>257.13</b>	<b>259.29</b>

**Procurement:** During the Kharif Marketing Season 2013-14, (which spans from October 2013 to September 2014), the procurement of rice was 31.66 million tonnes as on 10.10.2014. During Rabi Marketing Season 2014-15 (which spans from April 2014 to March 2015), the procurement of wheat was 28.02 million tonnes as on 11.07.2014.

**Table 3C : Procurement in Million Tonnes**

Crop	2010-11	2011-12	2012-13	2013-14	2014-15
Rice	34.20	35.04	34.04	31.66*	
Wheat	22.51	28.34	38.15	25.09	28.02**
Total	56.71	63.38	72.19	56.75	
* Position as on 10.10.2014 ** Position as on 11.07.2014					

**Off-take:** Off-take of rice during the month of July, 2014 was 25.36 lakh tonnes. This comprises 21.94 lakh tonnes under TPDS and 3.42 lakh tonnes under other schemes. In respect of wheat, the total off-take was 17.15 lakh tonnes comprising 15.26 lakh tonnes under TPDS and 1.89 lakh tonnes under other schemes.

**Stocks:** Stocks of food-grains (rice and wheat) held by FCI and State agencies as on October 1, 2014 were 51.19 million tonnes, which is lower by 13.59 per cent compared to the level of 59.24 million tonnes as on October 1, 2013.

**Table 4: Off-take and stocks of food grains (Million Tonnes)**

Crop	Off-take				Stocks	
	2011-12	2012-13	2013-14	2014-15 (Till July)	Oct 1, 2013	Oct 1, 2014
<b>Rice</b>	32.12	32.64	29.20	9.45	19.03	15.08
<b>Unmilled Paddy#</b>					6.13	4.87
<b>Converted Unmilled Paddy in terms of Rice</b>					4.11	3.26
<b>Wheat</b>	24.26	33.21	30.62	7.43	36.10	32.85
<b>Total (Rice &amp; Wheat)</b>	<b>56.38</b>	<b>65.85</b>	<b>59.82</b>	<b>16.88</b>	<b>59.24</b>	<b>51.19</b>

Note: Buffer Norms for Rice & Wheat are 7.20 Million Tonnes & 14.00 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 5: Percentage Change in Index of Industrial Production**

Industry Group	April-August, 2013-14	April-August, 2014-15	August 2013	August 2014
<b>General index</b>	<b>0.0</b>	<b>2.8</b>	<b>0.4</b>	<b>0.4</b>
Mining	-3.6	2.5	-0.9	2.6
Manufacturing	-0.1	1.8	-0.2	-1.4
Electricity	4.5	11.7	7.2	12.9
Basic goods	0.3	8.6	0.9	9.6
Capital goods	0.7	4.3	-2.0	-11.3
Intermediate goods	2.4	2.4	3.8	0.3
Consumer goods	-1.6	-4.9	-0.9	-6.9
<i>Durables</i>	-11.2	-12.9	-8.3	-15.0
<i>Non-durables</i>	6.8	0.9	5.4	-0.9

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

Industry	April-August, 2013-14	April-August, 2014-15	Aug-13	Aug-14
Coal	0.2	7.2	6.1	13.4
Crude oil	-1.6	-1.2	-1.5	-4.9
Natural Gas	-17.0	-5.8	-16.1	-8.3
Refinery Products	4.6	-2.7	4.9	-4.3
Fertilizers	1.8	2.8	1.7	-4.3
Steel	13.3	2.0	8.1	9.1
Cement	3.1	11.0	5.2	10.3
Electricity	4.4	11.3	7.1	12.6
<b>Overall</b>	<b>4.2</b>	<b>4.4</b>	<b>4.7</b>	<b>5.8</b>

**Year-on-Year Growth (%) of IIP**



## MONEY AND BANKING

Broad money (M3) for 2014-15 (up to October 3, 2014) increased by 6.8 per cent as compared to 7.4 per cent during the corresponding period of the last year. The year-on-year growth, as on October 03, 2014 was 12.6 per cent as compared to 13.6 per cent in the previous year.

**Table 7: Money Stock: Components and Sources**

Item	Outstanding as on 2014 (₹ Billion)		Variation over (Per cent) (as on October 03, 2014)			
			Financial Year so far		Year-on- Year	
			2013- 14	2014 -15	2013	2014
	Mar. 31	Oct. 03				
M3	94,973.3	101,429.6	7.4	6.8	13.6	12.6
1 Components						
1.1 Currency with the Public	12,483.4	12,837.0	1.6	2.8	10.0	10.7
1.2 Demand Deposits with Banks	8,043.9	8,764.0	0.8	9.0	9.6	15.4
1.3 Time Deposits with Banks	74,426.3	79,745.4	9.1	7.1	14.7	12.6
1.4 'Other' Deposits with Reserve Bank	19.7	83.2	16.8	323.3	106.6	119.7
2 Sources (2.1+2.2+2.3+2.4-2.5)						
2.1 Net Bank Credit to Government	30,386.0	31,482.8	9.4	3.6	14.6	6.3
2.1.1 Reserve Bank	6,987.1	6,052.3				
2.1.2 Other Banks	23,398.9	25,430.5	8.5	8.7	9.4	10.6
2.2 Bank Credit to Commercial Sector	64,424.8	67,246.8	7.3	4.4	17.1	10.5
2.2.1 Reserve Bank	88.4	98.0				
2.2.2 Other Banks	64,336.4	67,148.9	7.3	4.4	17.1	10.4
2.3 Net Foreign Exchange Assets of Banking Sector	19,239.5	20,022.7	7.8	4.1	14.5	13.5
2.4 Government's Currency Liabilities to the Public	173.4	182.6	6.8	5.3	14.0	11.5
2.5 Banking Sector's Net Non-Monetary Liabilities	19,250.4	17,505.5	11.0	-9.1	29.4	-3.8
2.5.1 Net Non-Monetary Liabilities of RBI	8,433.2	8,214.6	23.7	-2.6	39.7	-4.1

Source: RBI

Reserve money (M0) during the financial year 2014-15 (up to October 03, 2014) declined by 1.0 per cent as compared to increase of 1.8 per cent in the corresponding period of the previous year. The year-on-year variation revealed an increase of 11.3 per cent (up to October 03, 2014) compared to 11.2 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 October 03, 2014), showed an increase of 5.6 per cent compared to an increase of 7.4 per cent on the corresponding date of the last year.

## Scheduled Commercial Banks (SCBs): business in India

During 2014-15 (up to October 03, 2014), bank credit registered increase of 4.6 per cent, as compared to 7.4 per cent during the corresponding period last year. The y-o-y variation revealed an increase of 11.0 per cent as compared to 17.4 per cent during the same period in the previous year.

Non-Food credit during 2014-15 (up to October 03, 2014), increased by 4.3 per cent as compared to 7.8 per cent during the corresponding period of last year. The y-o-y variation revealed an increase of 10.8 per cent compared to 18.0 per cent during the same period in the previous year.

The aggregate deposits with SCBs increased by 7.6 per cent (up to October 03, 2014), as compared to 8.6 per cent during the corresponding period last year. The y-o-y variation revealed an increase of 13.1 per cent as compared to 14.4 per cent in the previous year.

**Table 8: Scheduled Commercial Banks - Business in India**

Items	2014-15		Variation over (%) (as on October 03, 2014)			
	Outstanding as on (₹ Billion)		Financial year so far		Year-on-year	
	March 28, 2014	October 3, 2014	2013- 14	2014- 15	2013	2014
Bank Credit	60131	62690	7.4	4.6	17.4	11.0
Non-food credit	59146	61700	7.8	4.3	18.0	10.8
Aggregate deposits	77394	82893	8.6	7.6	14.4	13.1
Investments in Government, and other approved securities	22217	24109	8.4	9.0	8.9	10.9
<b>Source: RBI</b>						

<b>Table 9 : Policy Rates/Interest Rates (per cent per annum)</b>		
<b>Item / Week Ended</b>	<b>2013</b>	<b>2014</b>
	<b>October 04</b>	<b>October 03</b>
Cash Reserve Ratio (per cent) <sup>(1)</sup>	4.00	4.00
Bank Rate	9.50	9.00
Repo Rate	7.50	8.00
Reverse Repo Rate	6.50	7.00
Prime Lending Rate <sup>(2)</sup>	9.80 / 10.25	10.00 / 10.25
Deposit Rate <sup>(3)</sup>	8.00 / 9.05	8.00 / 9.05
Call Money Rate (Weighted Average) <sup>(4)</sup>	9.44	7.76
<sup>(1)</sup> Cash Reserve Ratio relates to Scheduled Commercial Banks (excluding Regional Rural Banks). <sup>(2)</sup> Prime Lending Rate relates to five major Banks. <sup>(3)</sup> Deposit Rate relates to major Banks for term deposits of more than one year maturity. <sup>(4)</sup> Data cover 90-95 per cent of total transactions reported by participants. Source: RBI		

As on October 03, 2014, Bank Rate was 9.00 per cent as compared to 9.50 per cent on the corresponding date of last year. Call money rate (weighted average) was 7.76 per cent as compared to 9.44 per cent on the corresponding date of last year.

### EXTERNAL SECTOR

**Foreign trade:** Exports and imports increased by 2.7 per cent and 26.0 per cent respectively, in US dollar terms, during September 2014 over September 2013. Oil and Non-oil imports increased by 9.7 per cent and 36.2 per cent respectively during the same period.

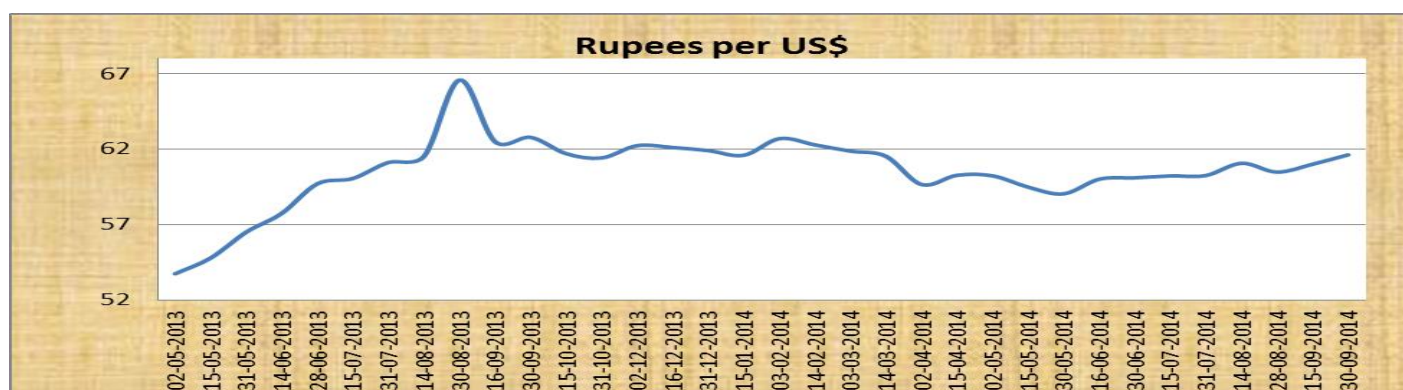
<b>Table 10: Exports and Imports (in US\$ million)</b>								
<b>Item</b>	<b>2011-12</b>	<b>2012-13</b>	<b>2013-14</b>	<b>April-September(P)</b>		<b>September (P)</b>		<b>% Change in September 2014</b>
				<b>2013-14</b>	<b>2014-15</b>	<b>2013</b>	<b>2014</b>	
Exports	305964	300401	314405	153755	163701	28136	28903	2.7
Imports	489320	490737	450200	230479	234100	34258	43151	26.0
<i>Oil</i>	154968	164041	164765	80012	82477	13213	14497	9.7
<i>Non-Oil</i>	334352	326696	285435	150467	151623	21045	28653	36.2
<b>Trade balance</b>	-183356	-190336	-135794	-76724	-70399	-6122	-14247	132.7
<i>Source:</i> Ministry of Commerce and Industry, P: Provisional.								



Table 11: Foreign Currency Assets				
	Amount		Variation	
	₹ Crore	US\$ million	₹ Crore	US\$ million
<b>At the end of</b> (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
<b>2014-15</b> (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
<b>Source: RBI.</b>				

**Exchange rate:** The rupee depreciated by 0.04 per cent against the US dollar and appreciated by 2.5 per cent against the Pound sterling, 4.2 per cent against the Japanese yen and 3.2 per cent against the Euro in the month of September 2014 over August 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
March 2014	61.0140	101.4083	0.5965	84.3621
<b>2014-15</b>				
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
* 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-September 2014 stands at ₹ 14,941.05 crore as compared to ₹ 13,603.71 crore during the corresponding period of the previous year. Net disbursement stood at ₹ 2,796.04 crore during April-September 2014 as compared to ₹ 3,209.32 crore during April- September 2013.

<b>Table 13: External Assistance and Debt Service Payments (₹ Crore)*</b>				
	<b>September 2014</b>	<b>During the Financial year 2014-15 up to September, 2014</b>	<b>September 2013</b>	<b>During the Financial year 2013-14 up to September, 2013</b>
<b><u>External Assistance (Government Account)</u></b>				
<b>1) Gross Disbursement</b>	1,616.09	12,934.49	1,691.86	9,738.01
<b>2) Repayments</b>	1,857.67	9,967.37	1,663.57	8,893.81
<b>3) Interest Payments</b>	349.33	1,796.95	352.52	1,796.15
<b>4) Net Disbursement (1-2)</b>	-241.58	2,967.12	28.29	844.2
<b>5) Net Transfers (4-3)</b>	-590.91	1,170.17	-324.23	-951.95
<b><u>External Assistance (Non-Government Account)</u></b>				
<b>1) Gross Disbursement</b>	6.32	1,577.79	1,182.41	3,330.23
<b>2) Repayments</b>	0	2,177.64	256.99	1,500.58
<b>3) Interest Payments</b>	0	226.55	32.18	256.05
<b>4) Net Disbursement (1-2)</b>	6.32	-599.85	925.42	1,829.65
<b>5) Net Transfers (4-3)</b>	6.32	-826.4	893.24	1,573.60
<b><u>Government Grants</u></b>				
<b>1) Gross Disbursement</b>	20.36	424.31	19.66	507.65
<b>2) Repayments</b>	0	0	0	0
<b>3) Interest Payments</b>	0	0	0	0
<b>4) Net Disbursement (1-2)</b>	20.36	424.31	19.66	507.65
<b>5) Net Transfers (4-3)</b>	20.36	424.31	19.66	507.65
<b><u>Non-Government Grants</u></b>				
<b>1) Gross Disbursement</b>	0	4.46	0	27.82
<b>2) Repayments</b>	0	0	0	0
<b>3) Interest Payments</b>	0	0	0	0
<b>4) Net Disbursement (1-2)</b>	0	4.46	0	27.82
<b>5) Net Transfers (4-3)</b>	0	4.46	0	27.82
<b><u>Grand Total</u></b>				
<b>1) Gross Disbursements</b>	1,642.77	14,941.05	2,893.93	13,603.71
<b>2) Repayments</b>	1,857.67	12,145.01	1,920.56	10,394.39
<b>3) Interest Payments</b>	349.33	2,023.50	384.7	2,052.20
<b>4) Net Disbursement (1-2)</b>	-214.9	2,796.04	973.37	3,209.32
<b>5) Net Transfers (4-3)</b>	-564.23	772.54	588.67	1,157.12

\*: Data are provisional.

## INFLATION

**Wholesale Price Index (WPI 2004-05=100):** The headline WPI inflation moderated to a nearly five year low of 2.38 per cent in September 2014 from 3.74 per cent in the previous month. Inflation for Primary food articles for the month of September 2014 has declined to 3.52 per cent from 5.15 per cent in the previous month mainly on account of lower inflation in cereals, vegetables and egg, meat & fish. Inflation in potatoes, fruits, milk and coffee however is high. Food inflation (primary food + manufactured food) has thus declined to 3.35 per cent from 4.61 per cent in the previous month. Inflation for Fuel & power has declined significantly to 1.33 per cent in September 2014 from 4.54 per cent in the previous month. Inflation for Manufactured products has declined to 2.84 per cent in September 2014 from 3.45 per cent in the previous month. Non-food manufactured inflation (core as defined by RBI) eased to 2.80 per cent in September 2014 from 3.46 per cent in the previous month on account of moderation in all sub groups in the core group except non-metallic mineral products and beverages. The average WPI inflation rate for the last 12 months (October 2013 to September 2014) was 5.49 per cent as compared to 6.37 per cent during the corresponding period in 2013-14. WPI inflation rates for major groups are indicated in Table 14.

**Table 14: Current Price Situation based on Monthly WPI in August 2014(Base: 2004-05=100)**

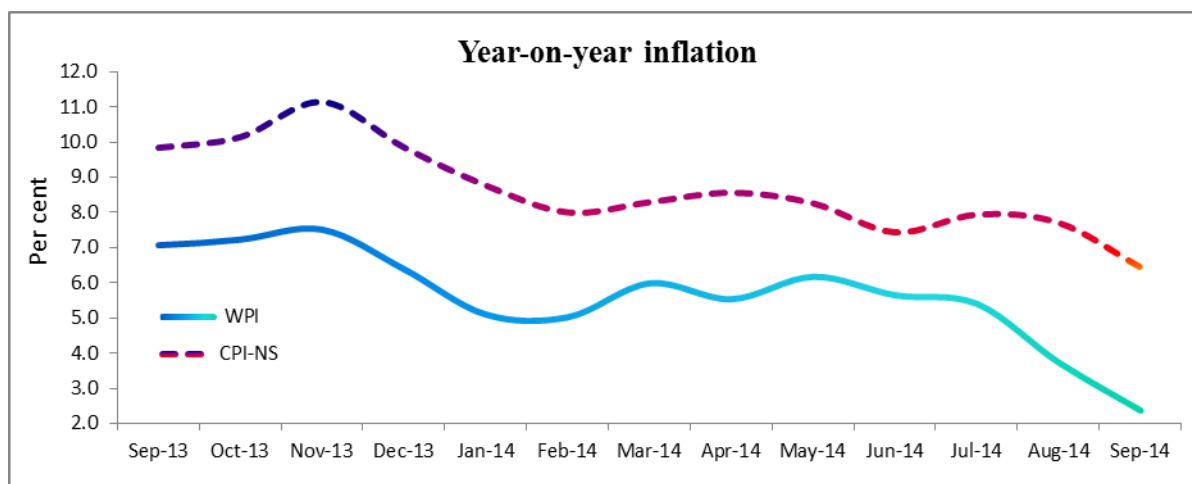
Major groups	Weight (%)	Cumulative change (%) Since March		Inflation (%)		Inflation (%) (Average of 12 months)	
		2014-15	2013-14	2014-15	2013-14	2014-15	2013-14
<b>ALL COMMODITIES</b>	<b>100</b>	<b>2.61</b>	<b>6.23</b>	<b>2.38</b>	<b>7.05</b>	<b>5.49</b>	<b>6.37</b>
PRIMARY ARTICLES	20.12	7.85	13.27	2.18	14.03	7.91	9.52
<i>Food Articles</i>	<i>14.34</i>	<i>11.59</i>	<i>18.12</i>	<i>3.52</i>	<i>18.68</i>	<i>9.95</i>	<i>11.21</i>
FUEL AND POWER	14.91	-0.37	9.92	1.33	11.72	8.66	9.87
MANUFACTURED PDT.	64.97	1.04	1.88	2.84	2.36	3.39	3.94

**Inflation based on Consumer Price Indices (CPIs):** The all India CPI inflation (combined) moderated to 6.46 per cent in September 2014 (lowest since its introduction in January 2012) from 7.73 per cent in August 2014 on account of favourable base effect and decline in prices of some food items. Inflation based on CPI-IW declined to 6.75 per cent in August 2014 from 7.23 per cent in July 2014. Inflation based on other CPI's (CPI-AL & RL) was above 7 per cent in August 2014.

**Table 15: Year-on-Year inflation based on WPI and CPI's (per cent)**

	WPI	CPI-IW	CPI-AL	CPI-RL	CPI(NS)
<b>Base :</b>	<b>2004-05</b>	<b>2001</b>	<b>1986-87</b>	<b>1986-87</b>	<b>2010</b>
Sep-13	7.05	10.7	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	6.4	9.13	11.19	11.18	9.87
Jan-14	5.11	7.24	9.08	9.21	8.79
Feb-14	5.03	6.73	8.14	8.27	8.03
Mar-14	6	6.7	8.38	8.51	8.31
Apr-14	5.55	7.08	8.44	8.72	8.59
May-14	6.18	7.02	8.07	8.33	8.28
Jun-14	5.66	6.49	7.68	7.81	7.46
Jul-14	5.41	7.23	7.97	8.1	7.96
Aug-14	<b>3.74</b>	6.75	7.16	7.57	7.73
Sep-14	<b>2.38</b>	-	-	-	<b>6.46</b>

Note: WPI inflation for Aug & Sep-14 and CPI (New Series) inflation for Sep-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 September 2014. Actual price data reveal that, while prices of most of the commodities has declined, prices of natural gas, coconut oil, copra, groundnuts, groundnut oil, meat, phosphate rock and urea has increased in September 2014 compared to the previous month.

	<b>Sep-13</b>	<b>Jul-14</b>	<b>Aug-14</b>	<b>Sep-14</b>
Energy	2.39	-0.9	-7.45	-11.29
Non-energy	-11.27	-1.34	-1.79	-4.39
Agriculture	-12.52	-2.3	-1.62	-5.03
Beverages	-13.47	27.94	29.49	26.99
Food	-15.29	-8.04	-5.8	-9.18
Raw Materials	-3.02	1.61	-3.37	-7.33
Fertilizers	-24.61	-13.53	-4.81	0.45
Metals & Minerals	-5.81	2.93	-1.79	-3.5
Precious Metals	-24.63	2.83	-5.23	-10.25

## PUBLIC FINANCE

As a proportion of Budget estimate, fiscal deficit and revenue deficit during 2014-15(April-August) was 74.9 per cent and 85.8 per cent respectively.

<b>Table 17: Trends in Central Government Finances : April-August 2014-15</b>							
	<b>Budget Estimates (₹ Crore)</b>	<b>April-August (₹ Crore)</b>		<b>Col.3 as per cent of</b>	<b>Col.4 as per cent of</b>	<b>Per cent change over preceding year</b>	
	2014-15	2013-14	2014-15	2013-14 BE	2014-15 BE	2013-14	2014-15
<b>(1)</b>	<b>(2)</b>	<b>(3)</b>	<b>(4)</b>	<b>(5)</b>	<b>(6)</b>	<b>(7)</b>	<b>(8)</b>
1.Revenue Receipts	1189763	252472	270455	23.9	22.7	13.4	7.1
Gross tax revenue*	1364524	309056	324938	25	23.8	8.7	5.1
Tax (net to Centre)	977258	183686	185459	20.8	19	4.9	1
Non Tax Revenue	212505	68786	84996	39.9	40	44.3	23.6
2.Capital Receipts of which	605129	410464	402263	67.4	66.5	19.8	-2
Recovery of loans	10527	4379	4212	41.1	40	17.4	-3.8
Other Receipts	63425	1434	122	2.6	0.2	6.1	-91.5
Borrowings and other liabilities	531177	404651	397929	74.6	74.9	19.9	-1.7
3.Total Receipts (1+2)	1794892	662936	672718	39.8	37.5	17.3	1.5
4.Non-Plan Expenditure (a)+(b)	1219892	479845	495095	43.2	40.6	15	3.2
(a) Revenue Account	1114609	435111	455708	43.8	40.9	14.5	4.7
of which:							
Interest payments	427011	128176	153876	34.6	36	12.7	20.1
Major Subsidies	251397	137768	125762	62.3	50	12.5	-8.7
Pensions	81983	27874	38354	39.4	46.8	17.4	37.6
(b) Capital Account	105283	44734	39387	38.2	37.4	19.1	-12
5.Plan Expenditure (i)+(ii)	575000	183091	177623	33	30.9	23.8	-3
(i) Revenue Account	453503	149188	139511	33.7	30.8	24	-6.5
(ii) Capital Account	121497	33903	38112	30.3	31.4	22.7	12.4
6.Total Expenditure (4)+(5)	1794892	662936	672718	39.8	37.5	17.3	1.5
(a)Revenue Expenditure	1568112	584299	595219	40.7	38	16.8	1.9
(b)Of which Grants for creation of Capital Assets	168104	54806	53551	31.4	31.9	42.1	-2.3
(c)Capital Expenditure	226780	78637	77499	34.3	34.2	20.6	-1.4
7.Revenue Deficit	378349	331827	324764	87.4	85.8	19.6	-2.1
8.Effective Revenue Deficit (7-6(b))	210245	277021	271213	135	129	16	-2.1
9.Fiscal Deficit	531177	404651	397929	74.6	74.9	19.9	-1.7
10.Primary Deficit	104166	276475	244053	160.9	234.3	23.6	-11.7
Source: Controller General of Accounts. * Gross Tax Revenue is prior to devolution to the States.							