

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

**MONTHLY ECONOMIC REPORT
OCTOBER 2014**

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 30th 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 2.5 per cent during September 2014 as compared to growth of 2.7 in September 2013. During April-September, 2014-15, IIP growth was 2.8 per cent as compared to 0.5 per cent growth in April-September, 2013-14.
- Eight core infrastructure industries registered a growth of 1.9 per cent in September-2014 as compared to 9.0 per cent in September 2013. During April-September, 2014-15, these sectors grew by 4.0 per cent as compared to 5.0 per cent during April-September, 2013-14.
- Broad money (M₃) for 2014-15 (up to October 31, 2014) increased by 6.8 per cent as compared to 8.7 per cent during the corresponding period of the last year. The year-on-year growth, as on October 31, 2014 was 11.3 per cent as compared to 14.5 per cent in the previous year.
- Exports declined by 5.0 per cent and imports increased by 3.6 per cent, in US dollar terms, during October 2014 over October 2013.
- Foreign Currency Assets stood at US\$ 292.7 billion at end-October 2014 as compared to US\$ 254.7 billion at end-October 2013.
- The rupee depreciated against US dollar and Japanese yen and appreciated against Pound sterling and Euro in the month of October 2014 over September 2014.
- The WPI inflation for all commodities for the month of October 2014 declined to 1.77 per cent from 2.38 per cent in the previous month.
- Gross tax revenue for the financial year 2014-15 (April-September) at ₹ 4,90,618 crore, recorded a growth of 7.1 per cent over 2013-14.
- As proportion of Budget estimate, the fiscal deficit and revenue deficit during 2014-15 (April-September) was 82.6 per cent and 91.2 per cent respectively.

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ECONOMIC GROWTH

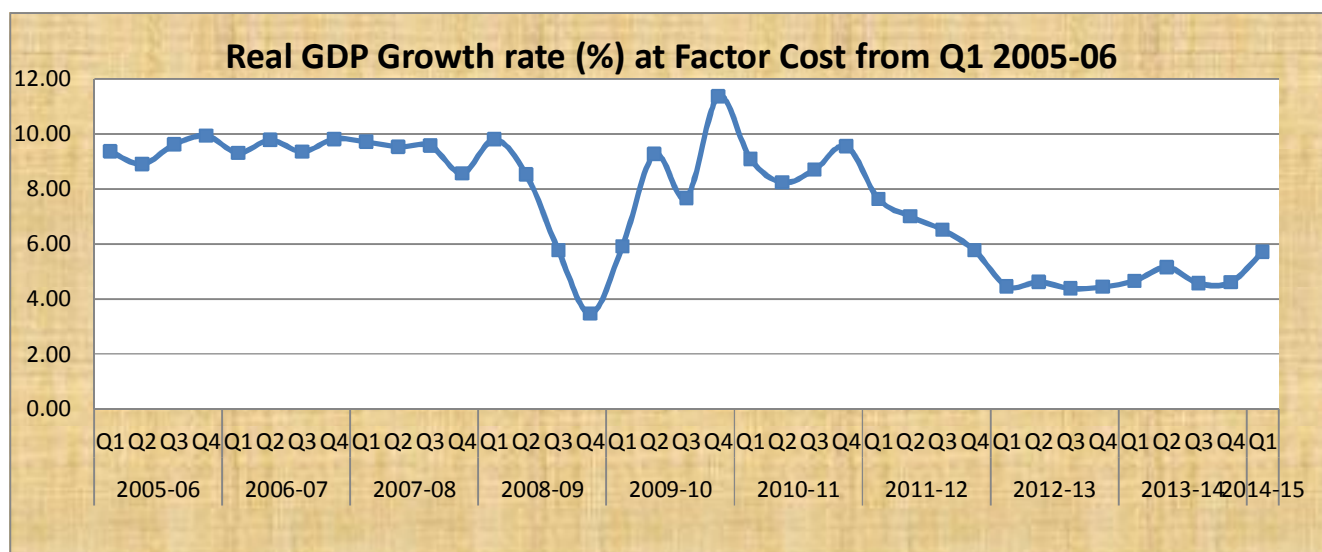
As per the estimates of the Central Statistics Office (CSO), the growth in Gross Domestic Product (GDP) at factor cost at constant (2004-05) prices is placed at 5.7 per cent in the first quarter of 2014-15, which is the highest recorded in nine quarters, with agriculture, industry and services registering 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.

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. Source: CSO.

Sectors		2012-13				2013-14				2014-15
		Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1
1	Agriculture, forestry & fishing	1.8	1.8	0.8	1.6	4.0	5.0	3.7	6.3	3.8
2	Industry	0.3	-0.4	1.7	2.1	-0.4	2.6	-0.4	-0.2	4.2
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
3	Services	7.2	7.6	6.9	6.3	7.2	6.3	7.2	6.4	6.8
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
4	GDP at factor cost	4.5	4.6	4.4	4.4	4.7	5.2	4.6	4.6	5.7

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 from 01.10.2014 to 12.11.2014 has been 64.7 mm as against the normal at 95.6 mm.

Table 3A shows rabi area coverage as on November 7 of 2014-15 and 2013-14. There has been a decline in the overall kharif coverage (-15.54%) vis-a-vis the corresponding period of last year as on November 7.

S. No.	Crops	Area Sown		% change over 2013-14
		2014-15	2013-14	
1	Wheat	4.47	9.39	-52.40
2	Total Coarse Cereals	20.32	26.21	-22.47
a.	Jowar	18.18	23.99	-24.22
b.	Bajra	1.55	1.51	2.65
c.	Maize	0.31	0.23	34.78
3	Total Pulses	23.98	30.86	-22.29
a.	Gram	16.15	23.78	-32.09
b.	Lentil	3.12	2.55	22.35
c.	Fieldpea	1.63	2.13	-23.47
d.	Moongbean	0.25	0.08	212.5
e.	Uradbean	0.76	0.41	85.37
4.	Total Oilseeds	31.36	28.41	10.38
Total Rabi Area		80.13	94.87	-15.54

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 120.27 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	5.2	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	0.9	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	35.3	34.22	35.2
7	Total Kharif Foodgrains	120.27	129.32	128.07	131.27
Total Rabi Foodgrains		-	-	129.06	128.01
Total Foodgrains		-	-	257.13	259.29

Procurement: During the Kharif Marketing Season 2013-14, (which spans from October 2013 to September 2014), the procurement of rice was 31.86 million tonnes as on 07.11.2014. 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	34.2	35.04	34.04	31.86*	
Wheat	22.51	28.34	38.15	25.09	28.02**
Total	56.71	63.38	72.19	56.95	

* Position as on 07.11.2014 ** Position as on 11.07.2014

Off-take: Off-take of rice during the month of August, 2014 was 31.08 lakh tonnes. This comprises 26.27 lakh tonnes under TPDS and 4.81 lakh tonnes under other schemes. In respect of wheat, the total off-take was 22.40 lakh tonnes comprising of 19.40 lakh tonnes under TPDS and 3.00 lakh tonnes under other schemes.

Stocks: Stocks of food-grains (rice and wheat) held by FCI 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 Aug.)	Oct 1, 2013	Oct 1, 2014
Rice	32.12	32.64	29.20	12.56	19.03	15.08
Unmilled Paddy#					6.13	4.87
Converted Unmilled Paddy in terms of Rice					4.11	3.26
Wheat	24.26	33.21	30.62	9.67	36.1	32.85
Total (Rice & Wheat)	56.38	65.85	59.82	22.23	59.24	51.19

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.

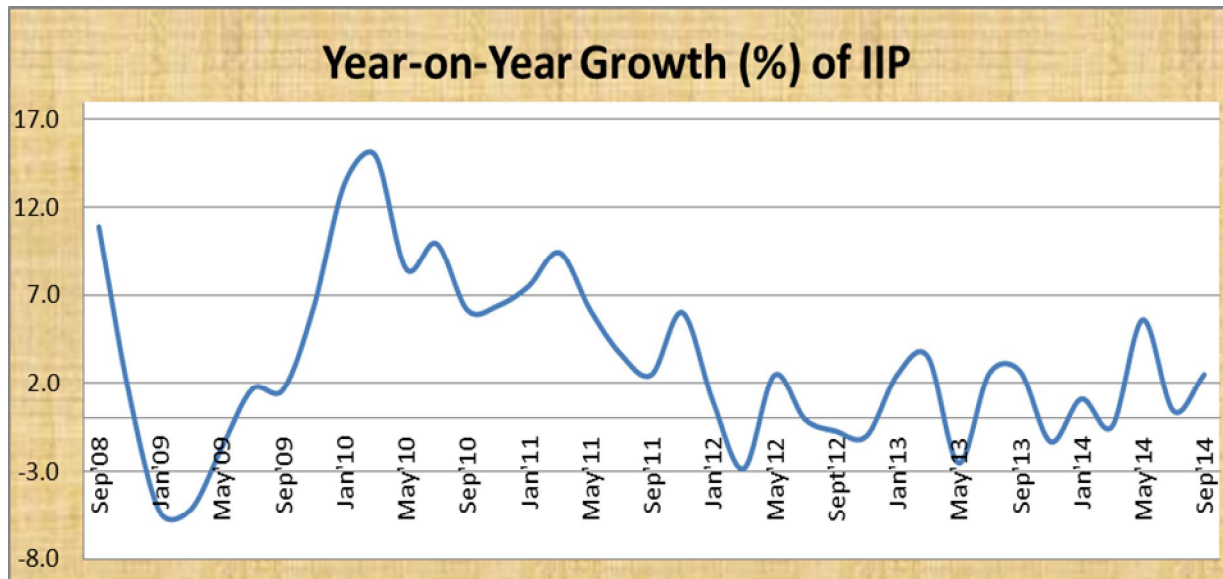
INDUSTRIAL PRODUCTION

Table 5: Percentage Change in Index of Industrial Production

Industry Group	April-September, 2013-14	April-September, 2014-15	Sep-13	Sep-14
General index	0.5	2.8	2.7	2.5
Mining	-2.5	2.1	3.6	0.7
Manufacturing	0.2	2.0	1.4	2.5
Electricity	5.9	10.4	12.9	3.9
Basic goods	1.3	8.0	6.7	5.1
Capital goods	-0.6	5.8	-6.6	11.6
Intermediate goods	2.7	2.3	4.4	1.8
Consumer goods	-1.2	-4.6	1.0	-4.0
<i>Durables</i>	-11.1	-12.6	-10.6	-11.3
<i>Non-durables</i>	7.6	1.3	12.0	1.5

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

Industry	April-Sep. 2013-14	April-Sep. 2014-15	September, 2013	September, 2014
Coal	2.2	7.2	13.6	7.2
Crude oil	-1.3	-1.2	0.5	-1.1
Natural Gas	-16.5	-5.9	-13.9	-6.2
Refinery	5.1	-2.6	7.7	-2.5
Fertilizers	2.5	0.0	5.3	-11.6
Steel	12.9	2.3	10.7	4.0
Cement	4.5	9.7	12.1	3.2
Electricity	5.8	10.0	12.9	3.8
Overall growth	5.0	4.0	9.0	1.9



MONEY AND BANKING

Broad money (M_3) for 2014-15 (up to October 31, 2014) increased by 6.8 per cent as compared to 8.7 per cent during the corresponding period of the last year. The year-on-year growth, as on October 31, 2014 was 11.3 per cent as compared to 14.5 per cent in the previous year.

Table 7: Money Stock: Components and Sources

Item	Outstanding as on 2014 (Rs. Billion)		Variation over (Per cent)			
			(as on October 31, 2014)			
			Financial Year so far		Year-on-Year	
	Mar. 31	Oct-31	2013- 14	2014- 15	2013	2014
M3	94,973.3	1,01,465.2	8.7	6.8	14.5	11.3
1 Components						
1.1 Currency with the Public	12,483.4	12,997.8	5.2	4.1	12.8	8.2
1.2 Demand Deposits with Banks	8,043.9	8,522.8	0.2	6.0	11.6	12.9
1.3 Time Deposits with Banks	74,426.3	79,870.9	10.2	7.3	15.1	11.6
1.4 'Other' Deposits with Reserve Bank	19.7	73.7	34.7	275.0	151.4	68.9
2 Sources (2.1+2.2+2.3+2.4-2.5)						
2.1 Net Bank Credit to Government	30,386.0	31,115.8	11.5	2.4	15.3	3.0
2.1.1 Reserve Bank	6,987.1	5,659.9				
2.1.2 Other Banks	23,398.9	25,455.9	9.1	8.8	10.1	10.2
2.2 Bank Credit to Commercial Sector	64,424.8	67,160.0	7.3	4.2	15.9	10.5
2.2.1 Reserve Bank	88.4	76.8				
2.2.2 Other Banks	64,336.4	67,083.2	7.2	4.3	15.9	10.4
2.3 Net Foreign Exchange Assets of Banking Sector	19,239.5	20,206.8	9.8	5.0	12.7	12.4
2.4 Government's Currency Liabilities to the Public	173.4	182.6	7.9	5.3	14.0	10.3
2.5 Banking Sector's Net Non-Monetary Liabilities	19,250.4	17,200.0	9.6	-10.7	19.0	-4.3
2.5.1 Net Non-Monetary Liabilities of RBI	8,433.2	8,232.6	25.0	-2.4	28.0	-4.9

Source: RBI

Reserve money (M_0) during the financial year 2014-15 (up to October 31, 2014) increased by 0.2 per cent as compared to increase of 6.4 per cent in the corresponding period of the previous year. The year-on-year variation revealed an increase of 7.7 per cent (up to October 31, 2014) compared to 12.8 per cent on the corresponding date of the previous year.

An important source of reserve money, namely, net foreign exchange assets (NFA) of RBI during 2014-15 (up to October 31, 2014), showed an increase of 6.6 per cent compared to an increase of 9.5 per cent on the corresponding date of the last year.

Scheduled Commercial Banks (SCBs): business in India

During the current financial year 2014-15 (up to October 31, 2014), Bank credit registered an increase of 4.6 per cent, as compared to 7.3 per cent during the corresponding period last year. The y-o-y variation revealed an increase of 11.2 per cent as compared to 16.1 per cent during the same period in the previous year.

Non-Food credit during this period increased by 4.2 per cent as compared to 7.6 per cent during the corresponding period of last year. The y-o-y variation revealed an increase of 10.9 per cent compared to 16.8 per cent during the same period in the previous year.

The aggregate deposits with Scheduled Commercial Banks (SCBs) increased by 7.4 per cent (up to October 31, 2014), as compared to 9.5 per cent during the corresponding period last year. The y-o-y variation revealed an increase of 12.0 per cent as compared to 14.9 per cent in the previous year.

Table 8: Scheduled Commercial Banks - Business in India

Items	2014-15		Variation over (%)			
			(as on October 31, 2014)			
	Outstanding as on		Financial year so far		Year-on-year	
	(Rs. billion)		2013-14	2014-15	2013	2014
	March 28, 2014	October 31, 2014				
Bank Credit	60131	62726	7.3	4.6	16.1	11.2
Non-food credit	59146	61636	7.6	4.2	16.8	10.9
Aggregate deposits	77394	82770	9.5	7.4	14.9	12.0
Investments in Government, and other approved securities	22217	24151	9.0	9.1	9.8	10.5
Source: RBI						

Table 9 : Policy Rates/Interest Rates (per cent per annum)		
Item / Week Ended	2013	2014
	November 1	October 31
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⁾	9.80 / 10.25	10.00 / 10.25
Deposit Rate ⁽³⁾	8.00 / 9.05	8.00 / 9.05
Call Money Rate (Weighted Average) ⁽⁴⁾	8.67	7.91
<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 October 31, 2014, the Bank Rate was 9.00 per cent as compared to 8.75 per cent on November 1, 2013. As on October 31, 2014, Call money rates (weighted average) was 7.91 per cent as compared with 8.67 per cent on the corresponding date of last year.

EXTERNAL SECTOR

Foreign trade: Exports declined by 5.0 per cent and Imports increased by 3.6 per cent, in US dollar terms during October 2014 over October 2013. Over the same period oil imports declined by 19.2 per cent and non-oil imports increased by 18.9 per cent.

Table 10: Exports and imports (in US\$ million)								
Item	2011-12	2012-13	2013-14	April-October(P)		October (P)		% Change in October 2014
				2013-14	2014-15	2013	2014	
Exports	305964	300401	314405	181235	189795	27480	26094	-5.0
Imports	489320	490737	450200	268554	273552	38075	39452	3.6
<i>Oil</i>	154968	164041	164765	95306	94842	15294	12365	-19.2
<i>Non-Oil</i>	334352	326696	285435	173248	178710	22781	27086	18.9
Trade balance	-183356	-190336	-135794	-87319	-83756	-10595	-13357	26.1
<i>Source:</i> Ministry of Commerce and Industry, P: Provisional.								

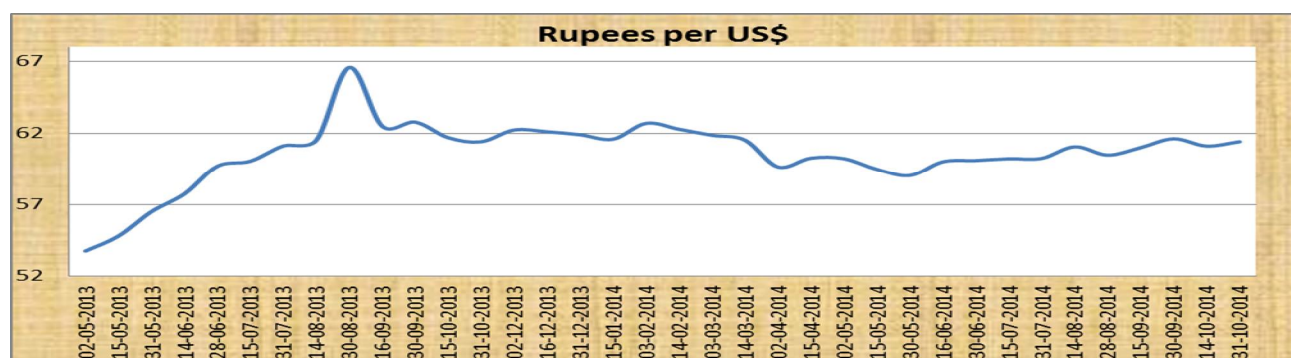
Table 11: Foreign Currency Assets				
	Amount		Variation	
	Rs. Crore	US\$ million	Rs. Crore	US\$ million
At the end of				
(over last year)				
March, 2009	1231340	241676	35317	-57554
March, 2010	1150778	254935	-80562	13259
March, 2011	1225999	274580	75221	19645
March, 2012	1333954	260742	107955	-13838
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
Jul-14	1781343	294504	30694	3182
Aug-14	1780496	293380	-847	-1124
Sep-14	1791486	290360	10990	-3020
Oct-14	1800667	292719	9181	2359

Source: RBI.

Exchange rate: The rupee depreciated by 0.8 per cent against US dollar and 0.2 per cent against Japanese yen and appreciated by 0.6 per cent against Pound sterling and 0.9 per cent against Euro in the month of October 2014 over September 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
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

* 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-October 2014 stands at ₹ 17,032.87 crore as compared to ₹ 16,040.64 crore during the corresponding period of the previous year. Net disbursement stood at ₹ 3,814.88 crore during April- October 2014 as compared to ₹ 5,067.48 crore during April- October 2013.

Table 13: External Assistance and Debt Service Payments (Rs. Crore)*				
	Oct-14	During the Financial year 2014-15 up to October, 2014	Oct-13	During the Financial year 2013-14 up to October, 2013
External Assistance (Government Account)				
1) Gross Disbursement	1,208.55	14,334.12	1,824.31	11,562.31
2) Repayments	843.97	10,811.34	574.58	9,468.39
3) Interest Payments	300.06	2,097.01	287.34	2,083.49
4) Net Disbursement (1-2)	364.58	3,522.78	1,249.73	2,093.92
5) Net Transfers (4-3)	64.52	1,425.77	962.39	10.43
External Assistance (Non-Government Account)				
1) Gross Disbursement	105.77	2,154.59	336.28	3,666.51
2) Repayments	4.37	2,406.65	4.2	1,504.77
3) Interest Payments	1.91	253.33	2.36	258.41
4) Net Disbursement (1-2)	101.4	-252.06	332.08	2,161.74
5) Net Transfers (4-3)	99.49	-505.39	329.72	1,903.33
Government Grants				
1) Gross Disbursement	115.39	539.7	269.62	777.27
2) Repayments	0	0	0	0
3) Interest Payments	0	0	0	0
4) Net Disbursement (1-2)	115.39	539.7	269.62	777.27
5) Net Transfers (4-3)	115.39	539.7	269.62	777.27
Non-Government Grants				
1) Gross Disbursement	0	4.46	6.73	34.55
2) Repayments	0	0	0	0
3) Interest Payments	0	0	0	0
4) Net Disbursement (1-2)	0	4.46	6.73	34.55
5) Net Transfers (4-3)	0	4.46	6.73	34.55
Grand Total				
1) Gross Disbursements	1,429.71	17,032.87	2,436.94	16,040.64
2) Repayments	848.34	13,217.99	578.78	10,973.16
3) Interest Payments	301.97	2,350.34	289.7	2,341.90
4) Net Disbursement (1-2)	581.37	3,814.88	1,858.16	5,067.48
5) Net Transfers (4-3)	279.4	1,464.54	1,568.46	2,725.58

*: Data are provisional.

INFLATION

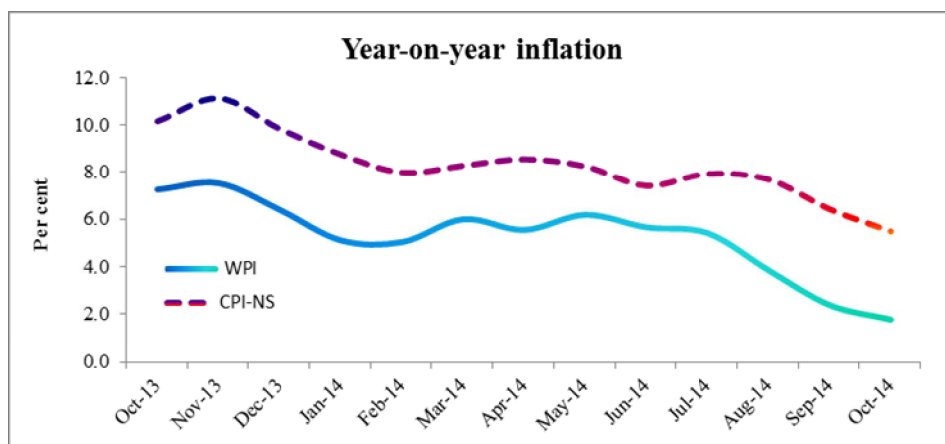
Wholesale Price Index (WPI 2004-05=100): The headline WPI inflation moderated to five-year low of 1.77 per cent in October 2014 from 2.38 per cent in the previous month. Inflation for food articles for the month of October 2014 has declined to 2.70 per cent from 3.52 per cent in the previous month mainly on account of lower inflation in cereals, pulses and vegetables. Accordingly, food inflation (primary food + manufactured food) has come down from 3.35 per cent in September to 2.51 per cent this month. Inflation in fuel & power has dropped to 0.43 per cent in October 2014 from 1.33 per cent in the previous month. Inflation for manufactured products moderated to 2.43 per cent in October 2014 from 2.84 per cent in the previous month. Non-food manufactured inflation (core as defined by RBI) eased to 2.50 per cent in October 2014 from 2.80 per cent in the previous month on account of moderation in all sub groups in the core group except non-metallic mineral products and wood. The average WPI inflation rate for the last 12 months (November 2013 to October 2014) was 5.04 per cent as compared to 6.36 per cent during the corresponding period in 2013-14. WPI inflation rates for major groups are indicated in Table 14.

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	2.0	6.23	1.77	7.24	5.04	6.36
PRIMARY ARTICLES	20.12	6.52	12.68	1.43	14.59	6.78	10.1
<i>Food Articles</i>	<i>14.34</i>	<i>10.19</i>	<i>17.56</i>	<i>2.70</i>	<i>18.34</i>	<i>8.63</i>	<i>12.2</i>
FUEL AND POWER	14.91	-1.63	9.5	0.43	10.54	7.78	9.79
MANUFACTURED PDT.	64.97	1.04	2.29	2.43	2.84	3.37	3.68

Inflation based on Consumer Price Indices (CPIs): The all India CPI inflation (combined) moderated to 5.52 per cent in October 2014 (lowest since its introduction in January 2012) from 6.46 per cent in September 2014 on account of moderation in inflation for all broad groups. Inflation based on CPI-IW declined to 6.30 per cent in September 2014 from 6.75 per cent in August 2014. Inflation based on other CPI's (CPI-AL & RL) was around 7 per cent in September 2014.

	WPI	CPI-IW	CPI-AL	CPI-RL	CPI(NS)
Base :	2004-05	2001	1986-87	1986-87	2010
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	6.00	6.70	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	3.85	6.75	7.16	7.57	7.73
Sep-14	2.38	6.30	6.85	7.11	6.46
Oct-14	1.77	-	-	-	5.52

Note: WPI inflation for Sep & Oct-14 and CPI (New Series) inflation for Oct-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 October 2014. Actual price data reveal that, while prices of most of the commodities has declined, prices of natural gas, coffee, tea, groundnuts, groundnut oil, palm oil, palm kernel, barley, sorghum and wheat has increased in October 2014 compared to the previous month.

	Oct-13	Aug-14	Sep-14	Oct-14
Energy	1.91	-7.43	-11.26	-17.10
Non-energy	-9.25	-1.80	-4.41	-5.79
Agriculture	-9.67	-1.63	-5.06	-5.68
Beverages	-9.68	29.49	26.93	28.90
Food	-11.72	-5.80	-9.18	-9.96
Raw Materials	-3.29	-3.45	-7.44	-8.79
Fertilizers	-27.22	-4.81	0.45	3.73
Metals & Minerals	-5.24	-1.79	-3.50	-7.26
Precious Metals	-26.37	-5.23	-10.25	-10.04

PUBLIC FINANCE

As a proportion of Budget estimate, fiscal deficit and revenue deficit during 2014-15(April-September) was 82.6 per cent and 91.2 per cent respectively.

Table 17: Trends in Central Government Finances : April-September 2014-15							
	Budget	April-September		Col.3 as	Col.4 as	Per cent change	
	Estimates (₹ Crore)	(₹ Crore)		per cent of	per cent of	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	389904	417896	36.9	35.1	11.1	7.2
Gross tax revenue*	1364524	458172	490618	37.1	36	7.8	7.1
Tax (net to Centre)	977258	307589	323191	34.8	33.1	4.7	5.1
Non Tax Revenue	212505	82315	94705	47.8	44.6	44.2	15.1
2.Capital Receipts	605129	419146	444157	68.8	73.4	22.2	6
of which	10527	5579	5210	52.4	49.5	14.9	-6.6
Recovery of loans	63425	1479	121	2.6	0.2	7.8	-91.8
Other Receipts	531177	412088	438826	76	82.6	22.3	6.5
Borrowings and other liabilities	1794892	809050	862053	48.6	48	16.6	6.6
3.Total Receipts (1+2)	1219892	572934	615764	51.6	50.5	16.6	7.5
4.Non-Plan Expenditure (a)+(b)	1114609	519163	568202	52.3	51	16.2	9.4
(a) Revenue Account	1189763	389904	417896	36.9	35.1	11.1	7.2
of which:							
Interest payments	427011	160027	185670	43.2	43.5	22	16
Major Subsidies	251397	158468	160133	71.7	63.7	11.7	1.1
Pensions	81983	34287	46206	48.5	56.4	22.1	34.8
(b) Capital Account	105283	53771	47562	45.9	45.2	20.5	-11.5
5.Plan Expenditure (i)+(ii)	575000	236116	246289	42.5	42.8	16.5	4.3
(i) Revenue Account	453503	193018	194747	43.5	42.9	15.2	0.9
(ii) Capital Account	121497	43098	51542	38.5	42.4	22.3	19.6
6.Total Expenditure (4)+(5)	1794892	809050	862053	48.6	48	16.6	6.6
(a)Revenue Expenditure	1568112	712181	762949	49.6	48.7	16	7.1
(b)Of which Grants for creation of Capital Assets	168104	69518	66269	39.8	39.4	37.2	-4.7
(c)Capital Expenditure	226780	96869	99104	42.3	43.7	21.3	2.3
7.Revenue Deficit	378349	322277	345053	84.8	91.2	22.4	7.1
8.Effective Revenue Deficit (7-6(b))	210245	252759	278784	123.2	132.6	18.9	10.3
9.Fiscal Deficit	531177	412088	438826	76	82.6	22.3	6.5
10.Primary Deficit	104166	252061	253156	146.7	243	22.5	0.4

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