CHAPTER – V

SUMMARY OF FINDINGS, SUGGESTIONS, RECOMMENDATIONS AND CONCLUSION

This chapter exposes all findings of the study, suggestions and recommendation to the policy makers and to the Government, conclusion and implementation for future studies.

Summary of the Findings;

1. Inflation rate under WPI has been increased from 7.15% in December 2009 to 10.25% in June 2010. Average inflation Rate During the period was 9.64%, reaching an all-time high of 10.88% in April 2010 and a record low of 7.15% in December of 2009. WPI Inflation Rate increased by the variant of the Fuel and power and Manufactured Products. Fuel and power average increased by 241.48% and Manufactured Products average rise by 131.21%. To control over Inflation (WPI) RBI credit measures of Repo rate Increased by 0.75%, Reverse Repo Rate increased by 0.50% and Cash Reserve Ratio increased by 0.75% respectively.

2. Inflation rate under WPI has been decreased from 10.25% in June 2010 to 9.45% in December 2010. Average inflation Rate During the period was 9.27%, reaching an all-time high of 10.25% in June 2010 and a record low of 8.2% in November of 2010. The chief contributors of inflation had Manufactured Products and Primary articles. Manufactured Products averaged decreased to 94.26%, Primary articles averaged decreased to 88.30%. To control over Inflation RBI credit measures of Repo rate and Reverse Repo Rate are increased by 0.75%, 0.150% respectively and the statutory Liquid Ratio Reduced by 1%.
3. Inflation rate under WPI has been increased from 9.45% in December 2010 to 9.51% in June 2011. Average inflation Rate During the period was 9.56%, reaching an all-time high of 9.74% in April 2011 and a record low of 9.45% in December of 2010. The main contributors of inflation during this period were Manufactured Products and Fuel and power. Manufactured Products averaged increased by 23.38% and Fuel and power average increased by 108.78%. To control over Inflation RBI credit measures of Repo rate and Reverse Repo Rate and Marginal Standing Facilities are increased by 1.25%, 1.25%, and 0.5% respectively.

4. Inflation rate under WPI has been decreased from 9.51% in June 2011 to 7.74%. in December 2011. Average inflation Rate During the period was 9.39%, reaching an all-time high of 10% in September 2011 and a record low of 7.74 % in December of 2011. The major contributors of inflation Fuel and power and Manufactured Products. Fuel and power average increased over 107.92%, Manufactured Products averaged increased over100.11%. To control over Inflation RBI credit measures of Repo rate and Reverse Repo Rate and Marginal Standing Facilities are increased by 1%, 1%, and 0.25% respectively.

5. Inflation rate under WPI has been decreased from 7.74 % in December 2011 to 7.58 % in June 2012. Average inflation Rate During the period was 7.55%, reaching an all-time high of 7.74% in December 2011 and a record low of 7.23 % in January of 20012. The major contributors of inflation Primary articles and Fuel and Power. Primary articles averaged increased to 212.65%, Fuel and Power average decreased to 91.17%. RBI credit measures of Bank Rate are increased by 3%. Repo Rate reduced by 0.50%, Reverse Repo Rate reduced by 0.50%, Cash Reserve ratio decreased by 1.25% and Marginal Standing Facility reduced by 0.50%.

6. Inflation rate under WPI has been decreased from 7.31% in June 2012 to 7.58 %. in December 2012. Average inflation Rate During the period was 7.58%, reaching an all-time high of 8.07% in September 2012 and a record low of 7.24% in November of 2012.
The major contributors of inflation during this period Manufactured Products and Primary articles. Manufactured Products averaged increased to 107.67%, Primary articles averaged increased to 100.62%. RBI credit control measures of Cash Reserve Ratio reduced by 0.50%. Bank Rate, Repo Rate, Reverse Repo Rate and marginal standing facilities and statutory liquidity are unchanged. The WPI based inflation reduced by 0.27%.

7. Inflation rate under WPI has been decreased from 7.31% in December 2012 to 5.16 % in June 2013. Average inflation Rate During the period was 6.01%, reaching an all-time high of 7.31% in December 2012 and January 2013 and a record low of 4.58% in May of 2013. The major contributors of inflation during this period were Fuel and power and Manufactured Products. Fuel and power average reduced to 84.89%, Manufactured Products averaged reduced to 81.92%. RBI controlling measures are reduced Bank Rate (0.75%), Repo Rate (0.75%), Reverse Repo Rate (0.75%), Cash Reserve Ratio (0.25%) and Marginal Standing Facilities (0.75%). WPI based inflation reduced by 7.80%.

8. Inflation rate under WPI has been decreased from 5.16% in June 2013 to 6.40%.in December 2013. Average inflation Rate During the period was 6.60%, reaching an all-time high of 7.52% in November 2013 and a record low of 5.16% in June of 2013. The major contributors of inflation during this period Fuel and power and Manufactured Products. Fuel and power average increased to 144.08%, Manufactured Products averaged average increased to 141.02%. RBI credit control measures of Bank Rate (0.50%), Repo Rate (0.50%), Reverse Repo Rate (0.50%), and marginal standing Facilities (0.50%) are increased. The WPI based inflation increased by 27.93%.

9. Inflation rate under WPI has been decreased from 6.40 % in December 2014 to 5.66 % in June 2014. Average inflation Rate During the period was 5.70%, reaching an all-time high of 6.40% in December 2013 and a record low of 5.03% in February of 2014. The major contributors of inflation during this period Food Articles and Fuel and power. Food Articles averaged over
115.51%, Fuel and power average reduced to 92.19%. The RBI controlling measures of Bank Rate (0.50%), Repo Rate (0.50%), Reverse Repo Rate (0.50%), and Marginal Standing Facilities (0.50%) are reduced. Cash Reserve Ratio and Statutory Liquidity Ratio are constant. WPI based inflation reduced by 10.87%.

10. Inflation rate under WPI has been decreased from 5.66% in June 2011 to -0.50% in December 2011. Average inflation Rate During the period was 2.61%, reaching an all-time high of 5.66% in June 2014 and a record low of -0.50% in December of 2014. The major contributors of inflation during this period were Manufactured Products and Primary articles. Manufactured Products averaged reduced to 73.93%, Primary articles averaged reduced to 39.15%. RBI credit control measure of marginal Standing Facilities is reduced by (0.50%). Bank Rate, Repo Rate, Reverse Repo Rate, Cash Reserve Ratio and Statutory liquidity Ratio are constant. The WPI based inflation decreased by 53.84%.

11. Inflation rate under CPI (IW) has been decreased from 14.97% in December 2009 to 13.73% in June 2010. Average inflation Rate During the period was 14.55%, reaching an all-time high of 16.22% in January 2010 and a record low of 13.33% in April of 2010. The major contributors of inflation was Housing, Food; beverages and tobacco and Miscellaneous. Housing average increased to 111.88%, Food; beverages and tobacco averaged increased to 101.01%, Miscellaneous averaged increased to 101.33. The RBI credit control measures are increased. Repo Rate increased by 0.75% and Reverse Repo Rate increased by 0.50%, Cash Reserve Rate increased by 0.75%. Inflation based on CPI for Industrial Worker Decreased to 97.22%.

12. Inflation rate under CPI (IW) has been decreased from 13.73% in June 2010 to 9.47% in December 2010. Average inflation Rate During the period was 10.31%, reaching an all-time high of 13.73% in June 2010 and a record low of 8.33% in November of 2010. The major contributors were Fuel and Light and Housing. Fuel and Light averaged increased over 106.59% Housing average increased over 105.44%. The RBI credit control
measures are increased Repo Rate increased by 0.75% and Reverse Repo Rate increased by 1.50%. But the Bank Rate, Cash Reserve Ratio, Marginal Standing Facilities and Statutory Liquidity Ratio were remaining constant. Inflation based on CPI for Industrial Worker decreased by 31.03%.

13. Inflation rate under CPI(IW) has been decreased from 9.47% in December 2010 to 8.62% in June 2011. Average inflation Rate During the period was 9.02%, reaching an all-time high of 9.47% in December 2010 and a record low of 8.62% in February and June of 2010. The major contributors were Housing, Clothing, Bedding and Footwear. Housing average increased over 104.69%, Clothing, Bedding and Footwear averaged increased over 104.55%. The RBI credit measures of Repo Rate increased by 1.25%, Reverse Repo Rate increased by 1.25%, Marginal Standing Facilities increased by 0.50% and Bank Rate, Cash Reserve Ratio, and Statutory Liquidity Ratio were remaining constant. The above measures decreased Inflation by 4.72%.

14. Inflation rate under CPI (IW) has been decreased from 8.62% in June 2011 to 6.49% in December 2011. Average inflation Rate During the period was 8.76%, reaching an all-time high of 10.06% in September 2011 and a record low of 6.49% in December of 2011. The major contributors of inflation during this period Fuel and Light averaged and Housing. Fuel and Light averaged increased over 106.46%, Housing average increased 104.45%. RBI credit control measures of Repo Rate increased by 1%, Reverse Repo rate increased by 1% and marginal standing facilities increased by 0.25%. As a result CPI (IW) increased by 1.62%.

15. Inflation rate under CPI (IW) has been increased from 6.49% in December 2011 to 10.05% in June 2012. Average inflation Rate During the period was 8.35%, reaching an all-time high of 10.22% in April 2012 and a record low of 5.32% in January of 2012. The major contributors of inflation during were Fuel and Light, Food; beverages and tobacco. Fuel and Light averaged increased over 103.83%, Food; beverages and tobacco averaged increased over 103.54%. In the period December 2011 to June 2012 the
RBI credit measures of Bank Rate is increased by 3%. Repo Rate reduced by 0.50%, Reverse Repo Rate reduced by 0.50%, Cash Reserve ratio decreased by 1.25% and Marginal Standing Facility reduced by 0.50%. The above measures Decreased Inflation based on CPI for Industrial Worker by 8.88%.

16. Inflation rate under CPI for Industrial workers has been decreased from 10.05% in June 2012 to 11.17% in December 2012. Average inflation Rate During the period was 9.95, reaching an all-time high of 11.17% in December 2012 and a record low of 9.14% in September of 2012. The major contributors of inflation during this period Food; beverages and tobacco and Miscellaneous. Food; beverages and tobacco averaged increased to 103.05%, Miscellaneous averaged increased to 102.66%. RBI credit control measures of Cash Reserve Ratio reduced by 0.50% and statutory liquidity Ratio reduced by -1%. Bank Rate, Repo Rate, Reverse Repo Rate and marginal standing facilities are unchanged. As a result CPI (IW) decreased by 0.98%.

17. Inflation rate under CPI(IW) has been decreased from 11.17% in December 2012 to 11.06% in June 2013. Average inflation Rate During the period was 11.18%, reaching an all-time high of 12.06% in February 2013 and a record low of 10.24% in April of 2013. The major contributors of inflation during this period were Fuel and Light and Food; beverages and tobacco. Fuel and Light averaged highly increased to 231.38%, Food; beverages and tobacco averaged increased to 103.83%. The RBI controlling measures of Bank Rate (0.75%), Repo Rate (0.75%), Reverse Repo Rate (0.75%), Cash Reserve Ratio (0.25%) and Marginal Standing Facilities (0.75%) are reduced. Inflation based on CPI for Industrial workers increased by 0.10%.

18. Inflation rate under CPI(IW) has been decreased from 11.06% in June 2013 to 9.13% in December 2013. Average inflation Rate During the period was 10.72%, reaching an all-time high of 11.47% in November 2013 and a record low of 9.13% in December of 2013. The major contributors of inflation during this period from June 2013 to December 2013, Housing average
19. Inflation rate under CPI (IW) has been decreased from 9.13% in December 2013 to 6.49% in June 2014. Average inflation rate during the period was 7.2%, reaching an all-time high of 9.13% in December 2013 and a record low of 6.49% in June of 2014. The major contributors of inflation during this period were Housing and Miscellaneous. Housing averaged over 101.68%, Miscellaneous averaged over 101.52%. The RBI controlling measures of Bank Rate (0.25%), Repo Rate (0.25%), Reverse Repo Rate (0.25%), and Marginal Standing Facilities (0.25%) were reduced. Cash Reserve Ratio and Statutory Liquidity Ratio are constant. Inflation based on CPI for Industrial workers decreased by 21.15%.

20. Inflation rate under CPI (IW) has been decreased from 6.49% in June 2014 to 5.86% in December 2014. Average inflation rate during the period was 5.96%, reaching an all-time high of 7.23% in July 2014 and a record low of 4.12% in November of 2014. The major contributors of inflation during this period were Food; beverages and tobacco and Housing. Food; beverages and tobacco averaged increased over 103.45%, Housing increased over 102.64%. RBI credit control measure of Marginal Standing Facilities was reduced by 0.50%. Bank Rate, Repo Rate, Reverse Repo Rate, Cash Reserve Ratio and Statutory liquidity Ratio are constant. CPI (IW) decreased by 8.14%.

21. Inflation rate under CPI for Agriculture Labour has been decreased from 17.57% in December 2009 to 13.02% in June 2010. Average inflation rate during the period was 15.57%, reaching an all-time high of 17.57% in December 2009 and January 2010 and a record low of 13.02% in June of 2010. The major contributors of inflation during this period were Food; beverages and tobacco and Miscellaneous. Food; beverages and tobacco averaged increased over 101.01%, miscellaneous averaged increased over 101.33%. The RBI credit control
measures are increased. Repo Rate increased by 0.75% and Reverse Repo Rate increased by 0.50%, Cash Reserve Rate increased by 0.75%. Inflation based on CPI for Agricultural Labour reduced by 11.36%.

22. Inflation rate under CPI for Agriculture Labour has been decreased from 13.02% in June 2010 to 7.99% in December 2010. Average inflation Rate During the period was 9.48%, reaching an all-time high of 13.02% in June 2010 and a record low of 7.14% in November of 2010. The major contributors of inflation during this period were Fuel and Light, Food; beverages and tobacco. Fuel and Light averaged increased over 106.59%, Food; beverages and tobacco averaged increased over 102.2%. The RBI credit control measures are increased Repo Rate increased by 0.75% and Reverse Repo Rate increased by 1.50%. But the Bank Rate, Cash Reserve Ratio, Marginal Standing Facilities and Statutory Liquidity Ratio were remaining constant. Inflation based on CPI for Agricultural Labour reduced by 38.63%.

23. Inflation rate under CPI for Agriculture Labour has been decreased from 7.99% in December 2010 to 9.32% in June 2011. Average inflation Rate During the period was 8.92%, reaching an all-time high of 9.63% in May 2011 and a record low of 7.99% in December of 2010. The major contributors of inflation during this period were Clothing, Bedding and Footwear, Fuel and Light. Clothing, Bedding and Footwear average increased over 104.55%, Fuel and Light average increased over102.67%. The RBI credit measures of Repo Rate increased by 1.25%, Reverse Repo Rate increased by 1.25%, Marginal Standing Facilities increased by 0.50% and Bank Rate, Cash Reserve Ratio, and Statutory Liquidity Ratio were remaining constant. Inflation based on CPI for Agricultural Labour Increased by 11.59%.

24. Inflation rate under CPI for Agriculture Labour has been decreased from 9.32 % in June 2011 to 6.37% in December 2011. Average inflation Rate During the period was 8.85%, reaching an all-time high of 9.52% in August 2011 and a record low of 6.37% in November of 2011. The major contributors of inflation during this period were Fuel and Light and Clothing,
Bedding and Footwear. Fuel and Light averaged increased over 106.46%, Clothing, Bedding and Footwear averaged increased over 103.24%. RBI credit control measures of Repo Rate increased by 1%, Reverse Repo rate increased by 1% and marginal standing facilities increased by 0.25%. Inflation based on CPI (AL) decreased by 5%.

25. Inflation rate under CPI for Agriculture Labour has been increased from 6.37% in December 2011 to 8.03%. in June 2012. Average inflation Rate During the period was 6.87%, reaching an all-time high of 8.03% in June 2012 and a record low of 4.92% in January of 2012. The major contributors of inflation during this period were Fuel and Light, Food; beverages and tobacco. Fuel and Light averaged increased over 103.83%, Food; beverages and tobacco increased averaged over 103.54%. In the period December 2011 to June 2012 the RBI credit measures of Bank Rate is increased by 3%. Repo Rate reduced by 0.50%, Reverse Repo Rate reduced by 0.50%, Cash Reserve ratio decreased by 1.25% and Marginal Standing Facility reduced by 0.50%. Inflation based on CPI for Agricultural Labour Increased by 11.59%.

26. Inflation rate under CPI for Agriculture Labour has been decreased from 8.03% in June 2012 to 11.33%. in December 2012. Average inflation Rate During the period was 9.53%, reaching an all-time high of 11.33% in December 2012 and a record low of 8.03% in June of 2012. The major contributors of inflation during this period were Food; beverages and tobacco, Miscellaneous. Food; beverages and tobacco average increased over 103.05%. Miscellaneous average increased over 102.66%. RBI credit control measures of Cash Reserve Ratio reduced by 0.50% and statutory liquidity Ratio reduced by -1%. Bank Rate, Repo Rate, Reverse Repo Rate and marginal standing facilities are unchanged. CPI(AL) increased by 18.73%.

27. Inflation rate under CPI for Agriculture Labour has been increased from 11.33% in December 2012 to 12.85%. in June 2013. Average inflation Rate During the period was 12.41%, reaching an all-time high of 12.85% in June 2013 and a record low of 11.33% in December of 2012. The major contributors of
inflation during this period Fuel and Light, Food; beverages and tobacco. Fuel and Light average increased over 231.38%, Food; beverages and tobacco average increased over 103.83%. The RBI controlling measures of Bank Rate (0.75%), Repo Rate (0.75%), Reverse Repo Rate (0.75%), Cash Reserve Ratio (0.25%) and Marginal Standing Facilities (0.75%) are reduced. Inflation based on CPI for Agricultural workers are increased by 9.52%.

28. Inflation rate under CPI for Agriculture Labour has been decreased from 12.85% in June 2013 to 11.19%. In December 2013. Average inflation Rate During the period was 12.70%, reaching an all-time high of 13.43% in November 2013 and a record low of 11.19% in December of 2013. The major contributors of inflation during this period were Fuel and Light, Food; beverages and tobacco. Fuel and Light average increased over 102.36%, Food; beverages and tobacco averaged increased over 102.24%. RBI credit control measures of Bank Rate, Repo Rate, Reverse Repo Rate, and marginal standing Facilities are increased by 0.50% each. CPI (AL) decreased by 1.16%.

29. Inflation rate under CPI for Agriculture Labour has been decreased from 11.19% in December 2013 to 7.68%. In June 2014. Average inflation Rate During the period was 8.71%, reaching an all-time high of 11.09% in December 2013 and a record low of 7.68% in June of 2014. The major contributors of inflation during this period were Miscellaneous, Clothing, Bedding and Footwear. Miscellaneous average increased over 101.52%, Clothing, Bedding and Footwear averaged increased over 101.48%. The RBI controlling measures of Bank Rate (0.25%), Repo Rate (0.25%), Reverse Repo Rate (0.25%), and Marginal Standing Facilities (0.25%) were reduced. Cash Reserve Ratio and Statutory Liquidity Ratio are constant. Inflation based on CPI for Agricultural workers are decreased by 22.15%.

30. Inflation rate under CPI for Agriculture Labour has been decreased from 7.68% in June 2014 to 5.49%. In December 2014. Average inflation Rate During the period was 6.56%, reaching an all-time high of 7.97% in July 2014 and a record low of 4.63% in
November of 2014. The major contributors of inflation during this period were Food; beverages and tobacco, Miscellaneous. Food; beverages and tobacco average increased over 103.45%, Miscellaneous averaged increased 101.47%, and RBI credit control measure of Marginal Standing Facilities was reduced by 0.50%. Bank Rate, Repo Rate, Reverse Repo Rate, Cash Reserve Ratio and Statutory liquidity Ratio are constant. CPI (AL) decreased by 14.48%.

31. Inflation rate under CPI for Rural Labour has been decreased from 17.35% in December 2009 to 13.20% in June 2010. Average inflation Rate During the period was 15.50%, reaching an all-time high of 17.35% in December 2009 and January 2010 and a record low of 13.20% in June of 2010. The major contributors of inflation during this period were Food; beverages and tobacco, Miscellaneous. Food; beverages and tobacco averaged increased over 101.01%, miscellaneous averaged increased over 101.33. The RBI credit control measures are increased. Repo Rate increased by 0.75% and Reverse Repo Rate increased by 0.50%, Cash Reserve Rate increased by 0.75%. Inflation based on Rural Labour reduced by 10.64%.

32. Inflation rate under CPI for Rural Labour has been decreased from 13.20% in June 2010 to 8.01% in December 2010. Average inflation Rate During the period was 9.55%, reaching an all-time high of 13.20% in June 2010 and a record low of 6.95% Points in November of 2010. The major contributors of inflation during this period were Fuel and Light, Food; beverages and tobacco. Fuel and Light averaged increased over 106.59%, Food; beverages and tobacco averaged increased over 102.2%. The RBI credit control measures are increased Repo Rate increased by 0.75% and Reverse Repo Rate increased by 1.50%. But the Bank Rate, Cash Reserve Ratio, Marginal Standing Facilities and Statutory Liquidity Ratio were remaining constant. Inflation based on Rural Labour reduced by 39.32%.

33. Inflation rate under CPI for Rural Labour has been increased from 8.01% in December 2010 to 9.14% in June 2011. Average inflation Rate During the period was 8.87%, reaching an all-time
high of 9.63% in May 2011 and a record low of 8.01% in December of 2010. The major contributors of inflation during this period were Clothing, Bedding and Footwear, Fuel and Light. Clothing, Bedding and Footwear average increased over 104.55%, Fuel and Light average increased over 102.67%. The RBI credit measures of Repo Rate increased by 1.25%, Reverse Repo Rate increased by 1.25%, Marginal Standing Facilities increased by 0.50% and Bank Rate, Cash Reserve Ratio, and Statutory Liquidity Ratio were remaining constant. Inflation based on Rural Labour Increased by 10.74%.

34. Inflation rate under CPI for Rural Labour has been decreased from 9.14% in June 2011 to 6.72% in December 2011. Average inflation Rate During the period was 8.96%, reaching an all-time high of 9.73% in October 2011 and a record low of 6.72% in December of 2011. The major contributors of inflation during this period were Fuel and Light and Clothing, Bedding and Footwear. Fuel and Light averaged increased over 106.46%, Clothing, Bedding and Footwear averaged increased over 103.24%. RBI credit control measures of Repo Rate increased by 1%, Reverse Repo rate increased by 1% and marginal standing facilities increased by 0.25%. Inflation under CPI (RL) reduced by 1.97%.

35. Inflation rate under CPI for Rural Labour has been increased from 6.72% in December 2011 to 8.54% in June 2012. Average inflation Rate During the period was 7.22%, reaching an all-time high of 8.54% in June 2012 and a record low of 5.27% in January of 2012. The major contributors of inflation during this period were Fuel and Light, Food; beverages and tobacco. Fuel and Light averaged increased over 103.83%, Food; beverages and tobacco increased averaged over 103.54%. In the period December 2011 to June 2012 the RBI credit measures of Bank Rate is increased by 3%, Repo Rate reduced by 0.50%, Reverse Repo Rate reduced by 0.50%, Cash Reserve ratio decreased by 1.25% and Marginal Standing Facility reduced by 0.50%. Inflation based on Rural Labour Increased by 10.74%.

36. Inflation rate under CPI for Rural Labour has been increased from 8.54% in June 2012 to 11.31% in December 2012. Average
inflation Rate During the period was 9.77%, reaching an all-time high of 11.31% in December 2012 and a record low of 8.54% in June of 2012. The major contributors of inflation during this period were Food; beverages and tobacco, Miscellaneous. Food; beverages and tobacco average increased over 103.05%. Miscellaneous average increased over 102.66%. RBI credit control measures of Cash Reserve Ratio reduced by 0.50% and statutory liquidity Ratio reduced by -1%. Bank Rate, Repo Rate, Reverse Repo Rate and marginal standing facilities are unchanged. CPI(RL) increased by 14.37%.

37. Inflation rate under CPI for Rural Labour has been increased from 11.31% in December 2012 to 12.65%. Average inflation Rate During the period was 12.29%, reaching an all-time high of 12.65% in June 2013 and a record low of 11.31% in December of 2012. The major contributors of inflation during this period Fuel and Light, Food; beverages and tobacco. Fuel and Light average increased over 231.38%, Food; beverages and tobacco average increased over 103.83%. The RBI controlling measures of Bank Rate (0.75%), Repo Rate (0.75%), Reverse Repo Rate (0.75%), Cash Reserve Ratio (0.25%) and Marginal Standing Facilities (0.75%) are reduced. Inflation based on CPI for Rural workers increased to 8.66%.

38. Inflation rate under CPI for Rural Labour has been decreased from 12.65% in June 2013 to 11.18% in December 2013. Average inflation Rate During the period was 12.50%, reaching an all-time high of 13.27% in November 2013 and a record low of 11.18% in December of 2013. The major contributors of inflation during this period were Fuel and Light, Food; beverages and tobacco. Fuel and Light average increased over 102.36%, Food; beverages and tobacco average increased over 102.24%. RBI credit control measures of Bank Rate, Repo Rate, Reverse Repo Rate, and marginal standing Facilities are increased by 0.50% each. CPI (RL) decreased by 1.16%.

39. Inflation rate under CPI for Rural Labour has been decreased from 11.18 % in December 2013 to 7.81% in June 2014. Average inflation Rate During the period was 8.86%, reaching an all-time
high of 11.18% in December 2013 and a record low of 7.81% in June of 2014. The major contributors of inflation during this period were Miscellaneous, Clothing, Bedding and Footwear. Miscellaneous average increased over 101.52%, Clothing, Bedding and Footwear averaged increased over 101.48%. The RBI controlling measures of Bank Rate (0.25%), Repo Rate (0.25%), Reverse Repo Rate (0.25%), and Marginal Standing Facilities (0.25%) were reduced. Cash Reserve Ratio and Statutory Liquidity Ratio are constant. And Inflation based on CPI for Rural workers Increased to 20.74%.

40. Inflation rate under CPI for Rural Labour has been decreased from 7.81% in June 2014 to 5.74% in December 2014. Average inflation Rate During the period was 6.82%, reaching an all-time high of 8.10% in July 2014 and a record low of 5.02% in November of 2014. The major contributors of inflation during this period were Food; beverages and tobacco, Miscellaneous. Food; beverages and tobacco average increased over 103.45%, Miscellaneous averaged increased 101.47%, and RBI credit control measure of Marginal Standing Facilities was reduced by 0.50%. Bank Rate, Repo Rate, Reverse Repo Rate, Cash Reserve Ratio and Statutory liquidity Ratio are constant. CPI (RL) decreased by 12.66%.

41. Difference in Inflation based under WPI and CPI increased to 51.64% June of 2010. Difference in Inflation based under WPI and CPI averaged 37.54% during the period December of 2009 to June of 2010, reaching an all-time high of 63.13% in April of 2010 and a record low in December 2009. During the period December 2009 to June 2010 Food Articles, Housing, Fuel and Power are the major Variants for inflation. Credit controls measures of Repo Rate (1%), Reverse Repo Rate (0.50%), and Cash Reserve Rate (0.75%) are raised to reduce the inflation. Apart from credit control measures Mass agriculture production and Effective corruption free PDS /FPS will reduce food inflation.

42. Difference in Inflation based under WPI and CPI increased to 12.23% December of 2010. Difference in Inflation based under WPI and CPI averaged 15.23 % during the period June of 2010 to
December of 2010, reaching an all-time high of 16.09% in September of 2010 and a record low in June 2009. During the period June 2010 to December 2010 Manufactured Products, Food Articles, Housing, Fuel and Power are the major Variants for inflation. Credit controls measures of Repo Rate (0.75%), Reverse Repo Rate (1.50%) are increased, and Statutory Liquid Ratio (1%) reduced to control the inflation. Apart from credit controls measures reduce the cost of production by minimize the Raw Material and labour cost and in Mass agriculture production and Effective corruption free PDS /FPS will reduce inflation.

43. Difference in Inflation based under WPI and CPI increased to 9.61% June of 2011. Difference in Inflation based under WPI and CPI averaged 5.93% during the period December of 2010 to June of 2011, reaching an all-time high of 9.29% in March of 2011 and a record low in December 2009. During the period December 2010 to June 2011 Manufactured Product, Fuel, Power and Housing are the major Variants for inflation. Credit controls measures of Repo Rate (1.25%), Reverse Repo Rate (1.25%), and Marginal Standing Facilities (0.50%) are raised for the purpose of reduce the inflation. Apart from credit control measures Mass production, reduction in cost and Effective corruption free PDS /FPS will reduce food inflation.

44. Difference in Inflation based under WPI and CPI increased to 6.10% December of 2011. Difference in Inflation based under WPI and CPI averaged -2.90 % during the period June of 2011 to December of 2011, reaching an all-time high of 6.10% in December of 2011 and a record low in June 2011. During the period June 2011 to December 2011 Manufactured Product, Fuel, Power, Housing and Clothing, Bedding and Footwear are the major Variants for inflation. Credit controls measures of Repo Rate (1%), Reverse Repo Rate (1%), and Marginal Standing Facilities (0.25% increased in the month November and reduced to 8%) are raised for the purpose of reduce the inflation. Apart from credit control measures Mass production, reduction in cost will reduce inflation.
45. Difference in Inflation based under WPI and CPI decreased to -56.92% June of 2012. Difference in Inflation based under WPI and CPI averaged 5.93% during the period December of 2011 to June of 2012, reaching an all-time high of 11.44% in January of 2012 and a record low in December 2009. During the period December 2011 to June 2012 Primary articles especially food articles and fuel & power are the major Variants for inflation. Credit controls measures of Bank Rate (increased by 3.5% in February and March and reduced by 0.50% in April), Repo Rate and Reverse Repo Rate reduced by (0.50%), Cash reserve Ratio (1.25%) and Marginal Standing Facilities (0.50%) are reduced for the purpose to control the inflation. Apart from credit control measures Mass production, reduction in cost and Effective corruption free PDS /FPS will reduce food inflation.

46. Difference in Inflation based under WPI and CPI reduced to -14.70% December of 2012. Difference in Inflation based under WPI and CPI averaged -0.96% during the period June of 2012 to December of 2012, reaching an all-time high of 15.51% in September of 2012 and a record low in June 2011. During the period December 2012 to June 2013 Manufactured Product, Primary Articles Fuel, Power, Housing and miscellaneous, are the major Variants for inflation. Cash Reverse Ratio (1%) and statutory liquidity ratio Marginal Standing Facilities (7%) are reduced to control the inflation. Apart from credit control measures Mass production, reduction in cost will reduce inflation.

47. Difference in Inflation based under WPI and CPI decreased to -28.43% June of 2013. Difference in Inflation based under WPI and CPI averaged -17.91% during the period December of 2012 to June of 2013, reaching an all-time high of -4.08% in January of 2013 and a record low in December 2012. During the period December 2012 to June 2013 Primary articles especially Fuel & power and Manufactured Products, Fuel and Light and Food; beverages and tobacco are the major Variants for inflation. Credit controls measures of Bank Rate (0.75%), Repo Rate and Reverse Repo Rate reduced by (0.75%), Cash reserve Ratio
(1%) and Marginal Standing Facilities (0.75%) are reduced for the purpose of control the inflation.

48. Difference in Inflation based under WPI and CPI reduced to 41.48% December of 2013. Difference in Inflation based under WPI and CPI (WI) averaged 31.03 % during the period June of 2013 to December of 2013, reaching an all-time high of 41.48% in December of 2013 and a record low in June 2011. During the period June 2013 to December 2013 Fuel, Power, Manufactured Product, Housing and Food; beverages and tobacco are the major Variants for inflation. Bank Rate, Repo Rate, Reverse Repo Rate are increased by 0.50% to control the inflation. Apart from credit control measures Mass production, reduction in Production cost will reduce inflation.

49. Difference in Inflation based under WPI and CPI increased to 17.36% June of 2014. Difference in Inflation based under WPI and CPI averaged 10.28% during the period December of 2013 to June of 2014, reaching an all-time high of 20.37% in March of 2014 and a record low in December 2014. During the period December 2013 to June 2014 Primary articles especially Manufactured Products, Fuel & power, Housing, and Miscellaneous, are the major Variants for inflation. Credit controls measures of Bank Rate, Repo Rate, Reverse Repo Rate and Marginal Standing Facilities are increased by 0.50% are reduced the inflation.

50. Difference in Inflation based under WPI and CPI reduced to -99.12% December of 2014. Difference in Inflation based under WPI and CPI (WI) averaged -49.69 % during the period June of 2014 to December of 2014, reaching an all-time high of -15.82% in July of 2014 and a record low in June 2011. During the period June 2014 to December 2014 Manufactured Products, Primary articles especially, Food; beverages and tobacco, Housing, and Miscellaneous are the major Variants for inflation. Credit controls measures of Marginal Standing Facilities reduced by 0.50% to control the inflation.
51. The Difference in Inflation based under WPI and CPI(AL) increased to 69.26% June of 2010. Difference in Inflation based under WPI and CPI(AL) averaged 46.12% during the period December of 2009 to June of 2010, reaching an all-time high of 69.26% in June 2010 and a record low in December 2009. The difference between the inflation rates is in increasing trend. During the period Food Articles, Fuel and Power and Miscellaneous are the major Variants for inflation. Credit controls measures of Repo Rate (1%), Reverse Repo Rate (0.50%), and Cash Reserve Rate (0.75%) are raised to reduce the inflation. Apart from credit control measures Mass agriculture production and Effective corruption free PDS /FPS will reduce food inflation.

52. The Difference in Inflation based under WPI and CPI(AL) increased to 30.83% December 2010. Difference in Inflation based under WPI and CPI(AL) averaged 17.50% during the period June 2009 to December 2010, reaching an all-time high of 30.83% in December 2010 and a record low in June 2010. The difference between the Inflation based on WPI and CPI for Agriculture labour is in increased trend and WPI inflation is higher than CPI(AL). Manufactured Products, Food Articles, Fuel and Power are the major Variants for inflation. Credit controls measures of Repo Rate (0.75%), Reverse Repo Rate (1.50%) are increased, and Statutory Liquid Ratio (1%) reduced to control the inflation. Apart from credit controls measures reduce the cost of production by minimize the Raw Material and labour cost and in Mass agriculture production and Effective corruption free PDS /FPS will reduce inflation.

53. During the period December 2010 to June 2011 difference in Inflation based under WPI and CPI(AL) decreased to -16.02% June 2011. Average Difference in Inflation based under WPI and CPI(AL) -10.38%, reaching an all-time high of 0% in December 2010 and a record low in -19.37% in May 2010. The difference between the inflation rates under WPI and CPI(AL) is in Decreasing trend. CPI(AL) based inflation is higher than WPI inflation. Manufactured Product, Fuel and Power are the major Variants for inflation. Credit controls measures of Repo Rate
(1.25%), Reverse Repo Rate (1.25%), and Marginal Standing Facilities (0.50%) are raised for the purpose of reduce the inflation. Apart from credit control measures Mass production, reduction in cost and Effective corruption free PDS /FPS will reduce food inflation.

54. During the period June 2011 to December 2011 the Difference in Inflation based under WPI and CPI(AL) increased to 13.04% December 2011. Difference in Inflation based under WPI and CPI(AL) averaged 3.72%, reaching an all-time high of 13.04% in December 2011 and a record low in June 2011. CPI inflation is higher than WPI inflation. Manufactured Product, Fuel, Power and Clothing, Bedding and Footwear are the major Variants for inflation. Credit controls measures of Repo Rate (1%), Reverse Repo Rate (1%), and Marginal Standing Facilities (0.25% increased in the month November and reduced to 8%) are raised for the purpose of reduce the inflation. Apart from credit control measures Mass production, reduction in cost will reduce inflation.

55. Difference in Inflation based under WPI and CPI(AL) decreased to -28.13% June 2012. Difference in Inflation based under WPI and CPI(AL) averaged -10.35% during the period December of 2011 to June of 2012, reaching an all-time high of 16.17% in January 2012 and a record low in -28.13% in June 2012. The difference between the inflation rates under WPI and CPI(AL) is in Decreasing trend. CPI(AL) based inflation is higher than WPI inflation, in the month January 2012 only WPI higher than CPI. Primary articles especially food articles and fuel & power are the major Variants for inflation. Credit controls measures of Bank Rate (increased by 3.5% in February and March and reduced by 0.50% in April), Repo Rate and Reverse Repo Rate reduced by (0.50%), Cash reserve Ratio (1.25%) and Marginal Standing Facilities (0.50%) are reduced for the purpose to control the inflation.

56. During the period June 2012 to December 2012 the Difference in Inflation based under WPI and CPI(AL) decreased to -44.66% December 2011. Difference in Inflation based under WPI and CPI(AL) averaged -18.75%, reaching an all-time high of 0% in
June 2012 and a record low -44.66% in December 2012. CPI inflation is higher than WPI inflation. Difference between WPI Inflation and CPI(AL) inflation is in Decreasing Trend. CPI(AL) inflation is higher than WPI base inflation. Manufactured Product, Primary Articles Fuel, and Power and miscellaneous, are the major Variants for inflation. Cash Reverse Ratio (1%) and statutory liquidity ratio Marginal Standing Facilities (7%) are reduced to control the inflation. Apart from credit control measures Mass production, reduction in cost will reduce inflation.

57. Difference in Inflation based under WPI and CPI(AL) decreased to -42.83% June 2013. Difference in Inflation based under WPI and CPI(AL) averaged -27.32% during the period December of 2012 to June of 2013, reaching an all-time high of 0% in December 2012 and a record low in -49.44% in May 2013. The difference between the inflation rates under WPI and CPI(AL) is in Decreasing trend. CPI(AL) based inflation is higher than WPI inflation. Primary articles especially Fuel & power and Manufactured Products, Fuel and Light and Food; beverages and tobacco are the major Variants for inflation. Credit controls measures of Bank Rate (0.75%), Repo Rate and Reverse Repo Rate reduced by (0.75%), Cash reserve Ratio (1%) and Marginal Standing Facilities (0.75%) are reduced for the purpose of control the inflation.

58. During the period June 2013 to December 2013 the Difference in Inflation based under WPI and CPI(AL) increased to 36.95% December 2011. Difference in Inflation based under WPI and CPI(AL) averaged 29.09%, reaching an all-time high of 41.87% in June 2012 and a record low 0% in June 2012. WPI inflation is higher than CPI inflation. Difference between WPI Inflation and CPI(AL) inflation is in increasing Trend upto October 2013. Fuel, Power, Manufactured Product and Food; beverages and tobacco are the major Variants for inflation. Bank Rate, Repo Rate, Reverse Repo Rate are increased by 0.50% to control the inflation. Apart from credit control measures Mass production, reduction in Production cost will reduce inflation.
59. Difference in Inflation based under WPI and CPI(AL) increased to 19.81% June 2014. Difference in Inflation based under WPI and CPI(AL) averaged 11.28% during the period December of 2013 to June of 2014, reaching an all-time high of 24.44% in May 2014 and a record low in -1.30% in January 2014. The trend in the difference between the inflation rates under WPI and CPI(AL) is fluctuated. CPI(AL) based inflation is higher than WPI inflation. Primary articles especially Manufactured Products, Fuel & power, and miscellaneous, are the major Variants for inflation. Credit controls measures of Bank Rate, Repo Rate, Reverse Repo Rate and Marginal Standing Facilities are increased by 0.50% are reduced the inflation.

60. During the period June 2014 to December 2014 the Difference in Inflation based under WPI and CPI(AL) decreased to -80.31% December 2014. Difference in Inflation based under WPI and CPI(AL) averaged -39.25%, reaching an all-time high of 0% in June 2014 and a record low -80.31% in December 2014. CPI inflation is higher than WPI inflation. Difference between WPI Inflation and CPI(AL) inflation is in decreasing Trend. Manufactured Products, Primary articles especially, Food; beverages and tobacco and Miscellaneous are the major Variants for inflation. Credit controls measures of Marginal Standing Facilities reduced by 0.50%to control the inflation.

61. Difference between inflation rate under WPI and CPI for Agricultural Labours increased to 67.28% in June of 2010. Difference between inflation rate under WPI and CPI for Rural Labours averaged 45.42% from December of 2009 until June of 2010. From December of 2009 to June of 2010 difference in inflation rate is in increasing trend. There is variation between WPI and CPI (RL) inflation with WPI being higher. Food Articles, Fuel and Power are the major Variants for inflation. Credit controls measures of Repo Rate (1%), Reverse Repo Rate (0.50%), and Cash Reserve Rate (0.75%) are raised to reduce the inflation. Apart from credit control measures Mass agriculture production and Effective corruption free PDS /FPS will reduce food inflation.
62. The difference between the inflation rates is in increasing trend. The difference percentage is increased to 31.52% from June 2010 to December 2010. Difference between inflation rate under WPI and CPI for Rural labour averaged 17.98% from June 2010 to December 2010. The Rural labour are purchased the commodities in the retail shops. Small changes in the WPI will lead the big changes in the retail prices. In the period June 2010 to December 2010 the difference between the Inflation based on WPI and CPI for Rural labour is in increased trend and WPI inflation is higher. Manufactured Products, Food Articles, Fuel and Power are the major Variants for inflation. Credit controls measures of Repo Rate (0.75%), Reverse Repo Rate (1.50%) are increased, and Statutory Liquid Ratio (1%) reduced to control the inflation.

63. The difference between the inflation rate is in decreasing trend. The difference percentage is decreased to -13.48% from December 2010 to June 2011. Difference between inflation rate under WPI and CPI for Rural labour averaged -9.53% from December 2010 to June 2011. The Agriculture labour are purchased the commodities in the retail shops. Small changes in the WPI will lead the big changes in the retail prices. In the period of December 2010 to June 2011 the difference between the Inflation based on WPI and CPI for Rural labour is in decreased trend and WPI inflation is lower. Manufactured Product, Fuel and Power are the major Variants for inflation. Credit controls measures of Repo Rate (1.25%), Reverse Repo Rate (1.25%), and Marginal Standing Facilities (0.50%) are raised for the purpose of reduce the inflation. Apart from credit control measures Mass production, reduction in cost and Effective corruption free PDS /FPS will reduce food inflation.

64. The difference between the inflation rates is fluctuated. The difference percentage is increased to 7.87% from June 2011 to December 2011. Difference between inflation rate under WPI and CPI for Rural labour averaged 0.69% from June 2011 to December 2011. Small changes in the WPI will lead the big changes in the retail prices. In the period of June 2011 to
December 2011. The difference between the Inflation based on WPI and CPI for Rural labour is in increased trend and CPI (RL) inflation is higher. Manufactured Product, Fuel, Power and Clothing, Bedding and Footwear are the major Variants for inflation. Credit controls measures of Repo Rate (1%), Reverse Repo Rate (1%), and Marginal Standing Facilities (0.25% increased in the month November and reduced to 8%) are raised for the purpose of reduce the inflation.

65. Difference between inflation rate under WPI and CPI for Rural labours decreased to -29.15% from December of 2011 to June of 2012. In January 2012 difference in inflation rate is increased. But from February 2012 to June 2012 the difference in inflation rate is in negative. Comparatively the WPI inflation rate is low in these five months. It’s seen there are around -9.85% differences in WPI and CPI (RL) inflation. The difference between the Inflation based on WPI and CPI for Rural labour is in increased trend and CPI (RL) inflation is higher. Primary articles especially food articles and fuel & power are the major Variants for inflation. Credit controls measures of Bank Rate (increased by 3.5% in February and March and reduced by 0.50% in April), Repo Rate and Reverse Repo Rate reduced by (0.50%), Cash reserve Ratio (1.25%) and Marginal Standing Facilities (0.50%) are reduced for the purpose to control the inflation.

66. Difference between inflation rate under WPI and CPI for Rural Labours decreased to -36.00% in December of 2012. Difference between inflation rate under WPI and CPI for Rural averaged -14.39% from June of 2012 until December of 2012. From June 2012 to December of 2012 the difference in inflation rate is in decrease and negative. The difference between the Inflation based on WPI and CPI for Rural labour is in decreased trend and CPI (RL) inflation is higher Manufactured Product, Primary Articles Fuel, Power and miscellaneous, are the major Variants for inflation. Cash Reverse Ratio (1%), and statutory liquidity ratio Marginal Standing Facilities (7%) are reduced to control the inflation.
67. Difference between inflation rate under WPI and CPI for Rural Labours decreased to -41.26% in June of 2013. Difference between inflation rate under WPI and CPI for Rural Labours averaged -26.47% from December of 2012 until June of 2013. From December of 2012 to June of 2013 difference in inflation rate is in decreasing trend and negative. There is variation between WPI and CPI(AL) inflation with CPI(AL) being higher. Primary articles especially Fuel & power and Manufactured Products, Fuel and Light and Food; beverages and tobacco are the major Variants for inflation. Credit controls measures of Bank Rate (0.75%), Repo Rate and Reverse Repo Rate reduced by (0.75%), Cash reserve Ratio (1%) and Marginal Standing Facilities (0.75%) are reduced for the purpose of control the inflation.

68. Difference between inflation rate under WPI and CPI for Rural Labours increased to 35.65% in December of 2013. Difference between inflation rate under WPI and CPI for Rural Labours averaged 29.10% from June of 2013 until December of 2013. From June of 2013 to November of 2013 difference in inflation rate is in increasing trend and in December of 2013 and it's sharply decreased to 36.65%. There is variation between WPI and CPI(AL) inflation with WPI being higher. Fuel, Power, Manufactured Product and Food; beverages and tobacco are the major Variants for inflation. Bank Rate, Repo Rate, Reverse Repo Rate are increased by 0.50% to control the inflation. Apart from credit control measures Mass production, reduction in Production cost will reduce inflation.

69. Difference between inflation rate under WPI and CPI for Rural Labours increased to 18.58% in June 2014. Difference between inflation rate under WPI and CPI for Rural Labours averaged 9.87% from December of 2013 until June of 2014. From December of 2013 to March 2014 difference in inflation rate is in increasing trend and suddenly it reduced in June 2014. There is variation between WPI and CPI(RL) inflation with WPI being higher. Primary articles especially Manufactured Products, Fuel & power, and miscellaneous, are the major Variants for inflation.
Credit controls measures of Bank Rate, Repo Rate, Reverse Repo Rate and Marginal Standing Facilities are increased by 0.50% are reduced the inflation.

70. Difference between inflation rate under WPI and CPI for Rural Labours decreased to -82.33% in December 2014. Difference between inflation rate under WPI and CPI for Rural Labours averaged -41.18 from June of 2014 until December of 2014. From June of 2014 to December of 2014 difference in inflation rate is in decreasing trend and negative. There is variation between WPI and CPI(RL) inflation with CPI(RL) being higher. Manufactured Products, Primary articles especially, Food; beverages and tobacco and Miscellaneous are the major Variants for inflation. Credit controls measures of Marginal Standing Facilities reduced by 0.50%to control the inflation.

71. In the period December 2009 to June 2010 the RBI credit control measures are increased. Repo Rate increased by 6.77% and Reverse Repo Rate increased by 7.69%. But the Cash Reserve Rate was reduced by 3.2%. Inflation Based on WPI increased to 134.76%. Inflation based on CPI for Industrial Worker Decreased to 97.22%, inflation based on CPI for Agricultural Labour reduced by 11.36% and inflation based on Rural Labour reduced by 10.64%. Inflation based on CPI is always high when compare with inflation based on WPI. Inflation based on CPI has inverse relationship with RBI credit controlling measures.

72. In the period June 2010 to December 2010 the RBI credit control measures are increased Repo Rate increased by 14.3% and Reverse Repo Rate increased by 40%. But the Statutory Liquidity Ratio Rate was reduced by 4%. Statutory Liquid Ration reduced in the month of December 2010. Inflation Based on WPI decreased by 7.80%. Inflation based on CPI for Industrial Worker decreased by 31.03%, inflation based on CPI for Agricultural Labour reduced by 38.63% and inflation based on Rural Labour reduced by 39.32%. Inflation based on CPI is always high when compare the inflation based on WPI. Inflation based on CPI has inverse relationship with RBI credit controlling measures.
73. In the period December 2010 to June 2011 the RBI credit measures are increased Repo Rate increased by 8.57%, Reverse Repo Rate increased by 10.20% and Marginal Standing Facility Increased by 1.21%. Inflation Based on WPI increased to 101.21%. Inflation based on CPI for Industrial Worker Decreased by 4.72%, inflation based on CPI for Agricultural Labour Increased by 11.59% and inflation based on Rural Labour Increased by 10.74%. This inflation did not controlled by RBI monetary Policy because it is contributed by fuel and miscellaneous. Till June 2010 government was control over the pricing of petrol. The price fixing power is vested in the petroleum companies. Petroleum Company’s fixed the petrol and diesel price based on crude oil price in international market.

74. In the period of Jun-2011 to Dec - 2011 RBI credit control measures are increased. Repo Rate increased by 8.09%, Reverse Repo rate increased by 10.44% and marginal standing facilities increased by 0.45%. The WPI based inflation reduced by 1.28%, CPI(IW) increased by 1.62%, CPI(AL) decreased by 5% and CPI(RL) reduced by 1.97%. The major contribution to WPI inflation in the six month (June-2011 to Dec-2011) was Fuel and power, Manufactured Products and Primary articles. Non food Articles contribution in Primary Articles is high. Fuel and Light was the biggest contributor overall CPI inflation. It cannot reduce or controlled by RBI Fiscal policy. Maintain stability on Oil price and reduction in the cost for raw materials to the factory are being reduced the inflation. Increasing service product also the one of the important variant in CPI based inflation.

75. In the period December 2011 to June 2012 the RBI credit measures of Bank Rate is increased by 50%. Repo Rate reduced by 5.88%, Reverse Repo Rate reduced by 6.67%, Marginal Standing Facility reduced by 5.26% and Cash Reserve ratio decreased by 20.83%. Inflation Based on WPI increased to 100.63%. Inflation based on CPI for Industrial Worker Decreased by 8.88%, inflation based on CPI for Agricultural Labour Increased by 11.59% and inflation based on Rural Labour Increased by 10.74%. Primary articles were the biggest
contributor of the overall WPI inflation. The next largest contributor followed by Manufactured Products. This period inflation is based on food. Rising per capita income and diversification of diet towards high-value food products like milk, eggs, meat, fish, pulses, vegetables and fruits, have been often cited as the reason for increased demand for food commodities.

76. In the period of June 2012 to December 2012 RBI credit control measures of Cash Reserve Ratio and statutory liquidity Ratio are reduced. Bank Rate, Repo Rate, Reverse Repo Rate and marginal standing facilities are unchanged. The WPI based inflation reduced by 0.02%, CPI (IW) decreased by 0.98%, CPI(AL) increased by 18.73% and CPI(RL) increased by 14.37%. The major contribution to WPI inflation in the six month was Manufactured Products and Primary articles. Food; beverages and tobacco, Miscellaneous and Housing are biggest determinates in CPI (IW). Food; beverages and tobacco, Miscellaneous and Clothing, Bedding and Footwear are the inflator in CPI (AL & RL). RBI credit measures and CPI (AL & RL) based inflation has inverse relationship. The above analysis clearly determined Primary Articles, Fuel and power, Housing, Miscellaneous inflation not controlled by RBI credit measures. Increasing food production monitor and the fuel prices will reduce this inflation in future, because the above variants are important and necessary things to the general public. High demand is possible even in higher price.

77. During the period Dec 2012 to June 2013 the RBI controlling measures of Bank Rate (4.76%), Repo Rate (5.36%), Reverse Repo Rate (6.12%), Cash Reserve Ratio (4.20%) and Marginal Standing Facilities (4.76%) are reduced. WPI based inflation only reduced by 7.80%. The other Inflations are increased. Inflation based on CPI for Industrial workers increased by 0.10%, Inflation based on CPI for Agricultural workers are increased by 9.52% and Inflation based on CPI for Rural workers Increased to 8.66%. It’s clearly explained that RBI inflation controlling measures are applicable only Inflation based by CPI. Because the RBI measures and CPI Inflation are have inverse relationship.
78. In the period of June 2013 to December 2013 RBI credit control measures of Bank Rate, Repo Rate, Reverse Repo Rate, and marginal standing Facilities are increased by 0.50% each. The WPI based inflation increased by 27.93%, CPI (IW) decreased by 3.10% and CPI (AL & RL) decreased by 1.16%. RBI credit measures and CPI based inflation has inverse relationship. The above analysis clearly determined Primary Articles, Fuel and power, Housing, Miscellaneous inflation did not controlled by RBI credit measures. Fuel price control, House rent control, provide loan for construction of Houses for industrial Workers and Increasing food production monitor and the fuel prices will reduce this inflation in future, because the above variants are important and necessary things to the general public. High demand is possible even in higher price.

79. During the period Dec 2013 to June 2014 the RBI controlling measures of Bank Rate (2.45%), Repo Rate (2.76%), Reverse Repo Rate (3.17%), and Marginal Standing Facilities (2.45%) are reduced. Cash Reserve Ratio and Statutory Liquidity Ratio are constant. WPI based inflation reduced by 10.87%. Inflation based on CPI for Industrial workers decreased by 21.15%, Inflation based on CPI for Agricultural workers are decreased by 22.15% and Inflation based on CPI for Rural workers Increased to 20.74%. RBI measures and Inflation based on CPI have inverse relationship. Reduce the production cost by reducing Raw martial cost will reduce manufacture Inflation. Rent control Act will reduce Housing inflation in CPI (IW). Improve the ration system and Implement the mass cultivation will reduce Food inflation. Control and monitor Fuel price will reduce food inflation.

80. In the period of June 2014 to December 2014 RBI credit control measure of marginal Standing Facilities is reduced by 0.50%. Bank Rate, Repo Rate, Reverse Repo Rate, Cash Reserve Ratio and Statutory liquidity Ratio are constant. The WPI based inflation decreased by 53.84%, CPI (IW) decreased by 8.14% and CPI (AL) decreased by 14.48% and CPI (RL) decreased by 12.66%. RBI credit measures and CPI based inflation has inverse relationship. Housing, Miscellaneous, Primary Articles, Fuel and
power, did not controlled by RBI credit measures. Fuel price control, House rent control, provide loan for construction of Houses for industrial Workers and Increasing food production monitor and the fuel prices will reduce this inflation in future, because the above variants are important and necessary things to the general public. High demand is possible even in higher price.
TEST OF HYPOTHESES

In this section, the hypotheses formulated are verified and tested using the various statistical techniques and inferences are drawn based on results.

**Karl Pearson’s Correlation Coefficient Test**

The hypothesis given below is tested using Karl Pearson’s Correlation test.

**Hypothesis – 1**

**Research Hypothesis**

H\(_1\): There is no significant relationship between inflation rate based on WPI and CPI in relation to industrial Workers.

**Null Hypothesis**

H\(_0\): There is a significant relationship between inflation rate based on WPI and CPI in relation to industrial Workers.

**Table 5.19**

<table>
<thead>
<tr>
<th>WPI</th>
<th>WPI</th>
<th>CPI_IW</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pearson Correlation</td>
<td>1</td>
<td>-.649</td>
</tr>
<tr>
<td>Sig. (2-tailed)</td>
<td></td>
<td>.115</td>
</tr>
<tr>
<td>N</td>
<td>7</td>
<td>7</td>
</tr>
<tr>
<td>CPI _IW Correlation</td>
<td>Pearson Correlation</td>
<td>.649</td>
</tr>
<tr>
<td>---------------------</td>
<td>---------------------</td>
<td>------</td>
</tr>
<tr>
<td>Sig. (2-tailed)</td>
<td>.115</td>
<td></td>
</tr>
<tr>
<td>N</td>
<td>7</td>
<td>7</td>
</tr>
</tbody>
</table>

* Correlation is significant at the 0.05 level (2-tailed).

**Inference**

The calculated value is (P<0.05). Hence, the calculated value is less than the table value. Therefore null hypothesis is rejected and the research hypothesis is accepted.

**Findings**

The relationship between inflation rate based on WPI and CPI in relation to industrial Workers are significant. The calculated p value is <0.05, reject the null of no relationship and conclude that the relationship is statistically significant. It is further inferred that inflation rate based on WPI and CPI in relation to industrial Workers are significant.
Hypothesis – 2

Research Hypothesis

\( H_1 \): There is no significant relationship between inflation rate based on WPI and CPI in relation to Agricultural Labourers.

Null Hypothesis

\( H_0 \): There is a significant relationship between inflation rate based on WPI and CPI in relation to Agricultural Labourers.

Table 5.20

Karl Pearson’s Correlation Coefficient Test of relationship between inflation rate based on WPI and CPI in relation to Agricultural Labourers.

<table>
<thead>
<tr>
<th></th>
<th>WPI</th>
<th>CPI_AL</th>
</tr>
</thead>
<tbody>
<tr>
<td>WPI</td>
<td>Pearson Correlation</td>
<td>-.824*</td>
</tr>
<tr>
<td></td>
<td>Sig. (2-tailed)</td>
<td>.044</td>
</tr>
<tr>
<td>N</td>
<td>6</td>
<td>6</td>
</tr>
<tr>
<td>CPI_AL</td>
<td>Pearson Correlation</td>
<td>1</td>
</tr>
<tr>
<td></td>
<td>Sig. (2-tailed)</td>
<td>.044</td>
</tr>
<tr>
<td>N</td>
<td>6</td>
<td>6</td>
</tr>
</tbody>
</table>

* Correlation is significant at the 0.05 level (2-tailed).

Inference

The calculated value is \( P<0.05 \). Hence, the calculated value is less than the table value. Therefore null hypothesis is rejected and the research hypothesis is accepted.
Findings

The relationship between inflation rate based on WPI and CPI in relation to Agricultural Labourers are significant. The calculated p value is <0.05, reject the null of no relationship and conclude that the relationship is statistically significant. It is further inferred that inflation rate based on WPI and CPI in relation to Agricultural Labourers are significant.
Hypothesis – 3

Research Hypothesis

H₁: There is no significant relationship between inflation rate based on WPI and CPI in relation to Rural Labourers.

Null Hypothesis

H₀: There is a significant relationship between inflation rate based on WPI and CPI in relation to Rural Labourers.

Table 5.20

Karl Pearson’s Correlation Coefficient Test of relationship between inflation rate based on WPI and CPI in relation to Rural Labourers.

<table>
<thead>
<tr>
<th></th>
<th>WPI</th>
<th>CPI_RL</th>
</tr>
</thead>
<tbody>
<tr>
<td>WPI</td>
<td>Pearson Correlation</td>
<td>1</td>
</tr>
<tr>
<td></td>
<td>Sig. (2-tailed)</td>
<td></td>
</tr>
<tr>
<td></td>
<td>N</td>
<td>7</td>
</tr>
<tr>
<td>CPI_RL</td>
<td>Pearson Correlation</td>
<td>.952**</td>
</tr>
<tr>
<td></td>
<td>Sig. (2-tailed)</td>
<td>.001</td>
</tr>
<tr>
<td></td>
<td>N</td>
<td>7</td>
</tr>
</tbody>
</table>

*Correlation is significant at the 0.05 level (2-tailed).

Inference

The calculated value is (P<0.05). Hence, the calculated value is less than the table value. Therefore null hypothesis is rejected and the research hypothesis is accepted.
Findings

The relationship between inflation rate based on WPI and CPI in relation to Rural Labourers are significant. The calculated p value is <0.05, reject the null of no relationship and conclude that the relationship is statistically significant. It is further inferred that inflation rate based on WPI and CPI in relation to Rural Labourers are significant.
**TWO Way ANOVA TEST**

The hypothesis given below is tested using Two Way ANOVA test. The primary purpose of a two-way ANOVA is to understand if there is an interaction between the two independent variables on the dependent variable.

Common Applications: Comparing means of a single variable at different levels of two conditions (factors) in scientific experiments.

**Hypothesis – 4**

**Research Hypothesis**

$H_1$: Control measures of RBI on inflation have direct bearing when inflation is calculated under WPI.

**Null Hypothesis**

$H_0$: Control measures of RBI on inflation have unable to control WPI inflation comparing CPI method.

**Table 5.23**

| Two-way ANOVA difference between RBI Control measures and WPI based inflations |
|---|---|---|---|---|
| Dependent Variable: wpi | Source | Type III Sum of Squares | df | Mean Square | F | Sig. |
| | Corrected Model | $9.058^a$ | 4 | 2.265 | 3.784 | .220 |
| | Intercept | 582.735 | 1 | 582.735 | 973.740 | .001 |
| | repo | .000 | 0 | . | . | . |
| | reserve | .000 | 0 | . | . | . |
| | cash | 2.007 | 1 | 2.007 | 3.353 | .209 |
repo * reserve  |  .000  |  0  |  .  |  .  |  .  
repo * cash    |  .000  |  0  |  .  |  .  |  .  
reserve * cash |  .000  |  0  |  .  |  .  |  .  
repo * reserve * cash | .000  |  0  |  .  |  .  |  .  
Error          |  1.197 |  2  | .598|    |    |
Total          |  660.184 |  7  |    |    |    |
Corrected Total|  10.255 |  6  |    |    |    |

| a. R Squared = .883 (Adjusted R Squared = .650) |

Source: Computed from Primary Data

**Inference**

The calculated value reveals that there was no statistically significant difference in mean CPI for Industrial workers between repo rate, reverse repo rate, cash reserve ratio ($p = 0.209$), but there were statistically significant differences between RBI control measures is rejected.

**Findings**

The control measures followed by RBI on inflation under WPI are insignificant. It is proved that the RBI control measures are rejected to control WPI based inflation.
Hypothesis – 5

Research Hypothesis

H$_1$: Control measures of RBI on inflation have direct bearing when inflation is calculated on the CPI for Industrial Workers.

Null Hypothesis

H$_0$: Control measures of RBI on inflation have unable to control inflation based on CPI for Industrial Workers.

Table 5.23

Two-way ANOVA difference between RBI Control measures and inflation based on CPI for Industrial Workers

<table>
<thead>
<tr>
<th>Source</th>
<th>Type III Sum of Squares</th>
<th>df</th>
<th>Mean Square</th>
<th>F</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Corrected Model</td>
<td>17.346$^a$</td>
<td>4</td>
<td>4.337</td>
<td>13.201</td>
<td>.072</td>
</tr>
<tr>
<td>Intercept</td>
<td>665.338</td>
<td>1</td>
<td>665.338</td>
<td>2025.381</td>
<td>.000</td>
</tr>
<tr>
<td>repo</td>
<td>.000</td>
<td>0</td>
<td>.329</td>
<td></td>
<td></td>
</tr>
<tr>
<td>reserve</td>
<td>.740</td>
<td>1</td>
<td>.740</td>
<td>2.251</td>
<td>.272</td>
</tr>
<tr>
<td>cash</td>
<td>.000</td>
<td>0</td>
<td>.329</td>
<td></td>
<td></td>
</tr>
<tr>
<td>repo * reserve</td>
<td>.000</td>
<td>0</td>
<td>.329</td>
<td></td>
<td></td>
</tr>
<tr>
<td>repo * cash</td>
<td>.000</td>
<td>0</td>
<td>.329</td>
<td></td>
<td></td>
</tr>
<tr>
<td>reserve * cash</td>
<td>.000</td>
<td>0</td>
<td>.329</td>
<td></td>
<td></td>
</tr>
<tr>
<td>repo * reserve * cash</td>
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<td>.329</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Error</td>
<td>.657</td>
<td>2</td>
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</tr>
<tr>
<td>Total</td>
<td>762.282</td>
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<tr>
<td>Corrected Total</td>
<td>18.003</td>
<td>6</td>
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</tbody>
</table>

a. R Squared = .964 (Adjusted R Squared = .891)
Inference

The calculated value reveals that there was no statistically significant difference in mean CPI for Industrial workers between repo rate, reverse repo rate, cash reserve ratio ($p=0.272$), but there were statistically significant differences between RBI control measures is rejected.

Findings

The control measures followed by RBI on inflation under CPI for Industrial workers are insignificant. It is proved that the RBI control measures are rejected to control inflation based on CPI for Industrial Workers.
Hypothesis – 6

Research Hypothesis

H$_1$: Control measures of RBI on inflation have direct bearing when inflation is calculated on the CPI for Agriculture labourers.

Null Hypothesis

H$_0$: Control measures of RBI on inflation have unable to control inflation based on CPI for Agriculture labourers.

Table 5.23

<table>
<thead>
<tr>
<th>Source</th>
<th>Type III Sum of Squares</th>
<th>df</th>
<th>Mean Square</th>
<th>F</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Corrected Model</td>
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<td>5.812</td>
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<td>Intercept</td>
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<td>589.381</td>
<td>1944.351</td>
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<tr>
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</tr>
<tr>
<td>reserve</td>
<td>1.476</td>
<td>1</td>
<td>1.476</td>
<td>4.870</td>
<td>.158</td>
</tr>
<tr>
<td>cash</td>
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<td>.</td>
<td>.</td>
</tr>
<tr>
<td>repo * reserve</td>
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<td>0</td>
<td>.</td>
<td>.</td>
<td>.</td>
</tr>
<tr>
<td>repo * cash</td>
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<td>0</td>
<td>.</td>
<td>.</td>
<td>.</td>
</tr>
<tr>
<td>reserve * cash</td>
<td>.000</td>
<td>0</td>
<td>.</td>
<td>.</td>
<td>.</td>
</tr>
<tr>
<td>repo * reserve * cash</td>
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<td>0</td>
<td>.</td>
<td>.</td>
<td></td>
</tr>
<tr>
<td>Error</td>
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<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
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<tr>
<td>Corrected Total</td>
<td>23.853</td>
<td>6</td>
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<td></td>
</tr>
</tbody>
</table>

a. R Squared = .975 (Adjusted R Squared = .924)
Inference

The calculated value reveals that there was no statistically significant difference in mean CPI for Agricultural Labourers between repo rate, reverse repo rate, cash reserve ratio ($p = 0.158$), but there were statistically significant differences between RBI control measures is rejected.

Findings

The control measures followed by RBI on inflation under CPI for Agricultural Labourers are insignificant. It is proved that the RBI control measures are rejected to control inflation based on CPI for Agricultural Labourers.
Hypothesis – 7

Research Hypothesis

H₁: Control measure of RBI on inflation has direct bearing when inflation is calculated on the CPI under Rural labourers.

Null Hypothesis

H₀: Control measures of RBI on inflation have unable to control inflation based on CPI for under Rural labourers.

Table 5.23

Two-way ANOVA difference between RBI Control measures and inflation based on CPI for Rural Labourers

<table>
<thead>
<tr>
<th>Source</th>
<th>Type III Sum of Squares</th>
<th>df</th>
<th>Mean Square</th>
<th>F</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Corrected Model</td>
<td>26.576</td>
<td>6</td>
<td>664.994</td>
<td>69.441</td>
<td>.000</td>
</tr>
<tr>
<td>Intercept</td>
<td>26.576</td>
<td>6</td>
<td>664.994</td>
<td>69.441</td>
<td>.000</td>
</tr>
<tr>
<td>repo</td>
<td>.000</td>
<td>0</td>
<td>.000</td>
<td></td>
<td></td>
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<tr>
<td>reserve</td>
<td>2.002</td>
<td>1</td>
<td>2.002</td>
<td>4.181</td>
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</tr>
<tr>
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<td>.000</td>
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<td></td>
</tr>
<tr>
<td>repo * reserve</td>
<td>.000</td>
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<td>.000</td>
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<td></td>
</tr>
<tr>
<td>repo * cash</td>
<td>.000</td>
<td>0</td>
<td>.000</td>
<td></td>
<td></td>
</tr>
<tr>
<td>reserve * cash</td>
<td>.000</td>
<td>0</td>
<td>.000</td>
<td></td>
<td></td>
</tr>
<tr>
<td>repo * reserve * cash</td>
<td>.000</td>
<td>0</td>
<td>.000</td>
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<td></td>
</tr>
<tr>
<td>Error</td>
<td>.958</td>
<td>2</td>
<td>.479</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>26.576</td>
<td>6</td>
<td>664.994</td>
<td>69.441</td>
<td>.000</td>
</tr>
</tbody>
</table>

a. R Squared = .964 (Adjusted R Squared = .892)
Inference

The calculated value reveals that there was no statistically significant difference in mean CPI for Rural Labourers between repo rate, reverse repo rate, cash reserve ratio ($p = 0.178$), but there were statistically significant differences between RBI control measures is rejected.

Findings

The control measures followed by RBI on inflation under CPI for Rural Labourers are insignificant. It is proved that the RBI control measures are rejected to control inflation based on CPI for Rural Labourers.
81. **Results of Test of Hypothesis:**

a. $H_1$: There is no significant relationship between inflation rate based on WPI and CPI in relation to industrial Workers.

   i. **Tool used:** The above hypothesis was tested with the help of Karl Pearson’s Correlation Test.

   ii. **Results:** The relationship between inflation rate based on WPI and CPI in relation to industrial Workers are significant. The calculated p value is $<0.05$, reject the null of no relationship and conclude that the relationship is statistically significant. It is further inferred that inflation rate based on WPI and CPI in relation to industrial Workers are significant.

b. $H_1$: There is no significant relationship between inflation rate based on WPI and CPI in relation to Agricultural Labourers.

   i. **Tool used:** The above hypothesis was tested with the help of Karl Pearson’s Correlation Test.

   ii. **Results:** The relationship between inflation rate based on WPI and CPI in relation to Agricultural Labourers are significant. The calculated p value is $<0.05$, reject the null of no relationship and conclude that the relationship is statistically significant. It is further inferred that inflation rate based on WPI and CPI in relation to Agricultural Labourers are significant.

c. $H_1$: There is no significant relationship between inflation rate based on WPI and CPI in relation to Rural Labourers.

   i. **Tool used:** The above hypothesis was tested with the help of Karl Pearson’s Correlation Test.
ii. **Results:** The relationship between inflation rate based on WPI and CPI in relation to Rural Labourers are significant. The calculated p value is <0.05, reject the null of no relationship and conclude that the relationship is statistically significant. It is further inferred that inflation rate based on WPI and CPI in relation to Rural Labourers are significant.

d. **H$_1$:** Control measures of RBI on inflation have direct bearing when inflation is calculated under WPI.

i. **Tool used:** The above hypothesis was tested with the help of Two Way ANOVA test.

ii. **Results:** The control measures followed by RBI on inflation under WPI are insignificant. It is proved that the RBI control measures are rejected to control WPI based inflation.

e. **H$_1$:** Control measures of RBI on inflation have direct bearing when inflation is calculated on the CPI for Industrial Workers.

i. **Tool used:** The above hypothesis was tested with the help of Two Way ANOVA test.

ii. **Results:** The control measures followed by RBI on inflation under CPI for Industrial workers are insignificant. It is proved that the RBI control measures are rejected to control inflation based on CPI for Industrial Workers.

f. **H$_1$:** Control measures of RBI on inflation have direct bearing when inflation is calculated on the CPI for Agriculture labourers.
i. **Tool used:** The above hypothesis was tested with the help of Two Way ANOVA test.

ii. **Results:** The control measures followed by RBI on inflation under CPI for Agricultural Labourers are insignificant. It is proved that the RBI control measures are rejected to control inflation based on CPI for Agricultural Labourers.

g. **H$_1$:** Control measure of RBI on inflation has direct bearing when inflation is calculated on the CPI under Rural labourers.

i. **Tool used:** The above hypothesis was tested with the help of Two Way ANOVA test.

ii. **Results:** The control measures followed by RBI on inflation under CPI for Rural Labourers are insignificant. It is proved that the RBI control measures are rejected to control inflation based on CPI for Rural Labourers.
Suggestions

5.2.1. For Food inflation

1. To strengthen state intervention in the food economy, both in food distribution and production.

2. As a weak monsoon is being predicted, we must think of the long run. It is about time we gear up toward climate-smart agriculture (drought-resistant crops, conservation agriculture, etc.) to increase yields and income of farmers. This will increase farmers’ productivity while providing the much-needed price stability to consumers.

3. In short term lower import duty especially for demand commodity (food) and allowed import will reduce the inflation.

4. In middle cum long term develop infrastructure, especially cold storages, to save on wastages The Government should move towards a unified national market and allow free movement of fresh produce across the country without any taxes.

5. A special agreement should be signed between India and the neighboring countries - for import and export of perishables.

5.2.2. For Fuel Inflation

1. There are possibilities of under sea pipes (just like the one we were planning with Iran for gas sourcing) from the vendor nation to India to reduce shipping cost. This has a very good long term positive impact though initial cost of incorporation is high.

2. The oil refining companies sourcing and storing mechanism needs to be optimized in a way that when the crude prices are low, they are able to store more.
3. Misusing petroleum products and this kind of abuse needs to be first controlled via price hikes and then by introducing alternate energy options and technologies to optimize the usage.

4. There is a lot of scope for India to take out those old, fuel inefficient vehicles from our roads.

5. Taxation needs to be restructured, for reduced fuel Inflation.

5.2.3. Rise in food inflation will induce labourers to bargain for higher wages, if food constitutes a significant part of their consumption basket. This would raise the cost of production and hence prices of non-food items as well. Control over the food inflation will reduce the manufacture inflation.
Conclusion

In India Inflation calculated under WPI and CPI. CPI data are collected from the retailers which often indicate larger price fluctuations compared to wholesale prices. CPI thus reflects the inflation level for consumers because of the consumer items it considers and the weights given to each item is in accordance with the consumption pattern of consumers. It’s seen there is around 51.64% difference in WPI and CPI(WI) inflation.

As the retail market receives commodities from wholesale market, it is expected that the change in the prices of commodities in wholesale market would normally transmit to the retail market. There is also a long run co integrating relationship between WPI and CPI. Therefore, WPI and CPIs in India may not move away from each other in the long run if this observed relationship continues to hold.

RBI control measures have an inverse relationship with CPIs. Whenever the change in Monitory policy there is correspondent change in CPIs based inflation. The control measures are applicable inflation calculated in the basis of CPIs. WPI based inflation is not effect fully controllable by RBI credit measures.

Implication for Further Research

India used to calculate CPIs for inflation calculation, this situation research can be extended on consumer price index and its Effect in Indian Economy.

Recent inflation spike has been attributed to several factors. With increased liberalization & deregulation, crude oil and other global
commodity price trends as well as exchange rate movements are increasingly playing an important role in defining domestic prices. The further study can be address on the above issues.

Rise in food inflation will induce labourers to bargain for higher wages, if food constitutes a significant part of their consumption basket. This would raise the cost of production and hence prices of non-food items as well. The rise in monthly per capita expenditure was associated with share of expenditure on food in rural areas, and in urban areas. The further research can be extended on inflation impact on other goods and services etc.
BIBLIOGRAPHY

Books


