

Factors responsible for inflation

154. PROF. ANIL KUMAR SAHANI: Will the Minister of FINANCE be pleased to state:

- (a) the factors responsible for the current trend of inflation;
- (b) whether one of the factors attributable to the current trend of inflation is diversion of foodgrains for fuel;
- (c) if so, the details thereof and the quantum of foodgrains diverted for fuel during the last two years;
- (d) the details of measures taken to check further rise in prices and to make available essential items at fair prices; and
- (e) whether there is any proposal to roll back rise in price of petrol and diesel to check rise in price of items and if not, the reasons therefor?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI NAMO NARAIN MEENA):

(a) The WPI based year-on-year inflation in June, 2010 is reported to be 10.55 per cent. Some of the key factors responsible for the current trend in inflation are: (i) rise in inflation in pulses, milk, egg, meat and fish, sugar, iron ore, fibre, coal mining, mineral oil, iron and steel, etc. (ii) low statistical base of last year (iii) hike in fuel prices (iv) demand-supply mismatch in food items.

(b) No Sir.

(c) Does not arise in view of reply to part (b) of the question.

(d) Measures taken to contain prices of essential commodities and to make available essential items at fair prices include selective ban on exports and futures trading in rice, urad and tur; zero import duty on select food items; removal of restrictions on licensing, stock limits and movement of food articles under the Essential Commodities Act of 1955; permitting imports of pulses and sugar by public sector undertakings; distribution of imported pulses and edible oils through the Public Distribution System (PDS) and release of higher quota of non-levy sugar.

(e) There is no proposal to roll back rise in prices of petrol and diesel as it impacts the fiscal situation.

Single Tax Rate structure for GST

155. SHRI N.K.SINGH: Will the Minister of FINANCE be pleased to state:

(a) whether the Central Government is aware that State Governments are demanding dual rate of State Goods and Service Tax (GST) to safeguard their interests;

(b) if so, whether the Central Government has been insisting State Governments to adopt a single tax rate structure for GST;

(c) if so, the reasons therefor;

(d) whether the Central Government has decided to compensate the States in full for any revenue loss that they may incur due to new tax; and

(e) if so, the details of compensation paid to State Governments in this regard?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM):

(a) Yes, Sir.

(b) No, Sir.

(c) Does not arise in view of reply to part (b) above.

(d) and (e) Government has announced its policy intent to compensate States in the event of any losses on account of introduction of Goods and Services tax (GST). The Goods and Services Tax (GST) has not been introduced as yet. Therefore, the question of payment of compensation does not arise.

Performance of ULIPs

156. SHRI M.V. MYSURA REDDY: Will the Minister of FINANCE be pleased to state:

(a) the details of insurance companies providing Unit Linked Insurance Policies (ULIPs) in the country;

(b) the details of number of ULIPs sold during the last three years, year-wise, company-wise and month-wise;

(c) the details of ULIPs surrendered during the last three years, year-wise, state-wise and company-wise;

(d) the details of premium collected against the surrendered policies during the last three years, year-wise and company-wise; and

(e) the details of claim amount paid for the surrendered policies during the last three years, year-wise and company-wise?