

(b) if so, the details thereof and the reasons therefor?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI NAMO NARAIN MEENA): (a) and (b) On average there is a marginal difference between inflation rates measured in terms of Wholesale Price Index vis-a-vis Consumer Price Indices, with the exception of 2009-10. This is mainly on account of high food inflation in 2009-10 on the back of crop damage due to severe drought in 2009. Since food items have larger weight of 46.20 to 69.15 per cent in CPI-IW/AL/RL than WPI, any sudden jump in food items will have greater impact on CPI compared to 24.31 per cent weight of WPI-food. The food inflation has decelerated after reaching its peak in February 2010. As a result the gap between the two indices has narrowed in current financial year. The WPI based provisional inflation stood at 9.44 per cent in June 2011 as compared to lower inflation of 8.63 per cent in CPI-IW for June 2011. This is similar to what happened in 2004-05. The year wise inflation details in WPI and CPIs since 2004-05 to 2009-10 are given in table below:

Average Inflation (y-o-y)

Year	WPI	CPI-IW	CPI-AL	CPI-RL
2004-05	6.47	3.83	2.59	2.58
2005-06	4.44	4.41	3.85	3.85
2006-07	6.59	6.70	7.85	7.52
2007-08	4.74	6.20	7.45	7.19
2008-09	8.05	9.10	10.24	10.19
2009-10	3.81	12.37	13.91	13.76
2010-11	9.56	10.45	10.00	10.01
2011-12 (Apr-Jun)	9.41	8.91	9.35	9.29

Measures for curbing income tax offences

206. SHRI SANJAY RAUT:

SHRI SHYAMAL CHAKRABORTY:

Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that Government has established a Directorate of Income Tax (Criminal Investigation) as a wing of the Central Board of Direct Taxes (CBDT);

(b) if so, the details thereof; and

(c) the measures taken to curb income tax related offences by the Directorate?

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

(a) to (c) Yes, Sir. The Government has created the Directorate of Income Tax (Criminal Investigation) in the Central Board of Direct Taxes (CBDT). The Directorate of Income Tax (Criminal Investigation) is mandated to perform functions in respect of criminal matters having any financial implication punishable as an offence under any direct tax law.

The Directorate of Income Tax (Criminal Investigation) is mandated to perform the following functions *inter alia* to curb income tax related offences:

- (1) To seek and collect information about persons and transactions suspected to be involved in criminal activities having cross-border, inter-state or international ramifications, that pose a threat to national security and are punishable under the direct tax laws;
- (2) To investigate the source and use of funds involved in such criminal activities;
- (3) To enter into agreements for sharing of information and other cooperation with any central or state agency in India or agencies of foreign states as may be permissible under any international agreement.

Merger of SBI and its associate banks

207. SHRI D. RAJA:

SHRI M.P. ACHUTHAN:

Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that Government has decided to move towards merger of all associated banks of State Bank of India (SBI) with itself; and

(b) if so, the details and objectives thereof?