

(CPC) of the Income Tax Department had issued communications regarding arrear demand to tax-payers under the provisions of Section 245 of the Income-tax Act, 1961 as such a communication is required before adjusting any refund arising to a tax-payer. This fact had also been clarified through a Press Note issued on 5th January, 2012 by the Ministry.

**Comments of RBI for manipulated figures of NPA**

1279. SHRI BHARATSINH PRABHATSINH PARMAR:

SHRI PARSHOTTAM KHODABHAI RUPALA:

Will the Minister of FINANCE be pleased to state:

- (a) whether Government is aware about the comments of RBI about their fact findings for manipulated figures of non-performing assets by various banks;
- (b) whether SEBI has conducted any investigation in this regard;
- (c) if so, by when this investigation report will be completed; and
- (d) if not, whether SEBI is going to conduct any investigation, if so, the time-frame thereof?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI NAMO NARAIN MEENA): (a) Reserve Bank of India (RBI), the regulator for banks in India, has not reported any specific case to the Government regarding manipulated figures of non-performing assets of banks.

(b) to (d) Do not arise.

**Effect of inflation on growth rate of economy**

1280. DR. JANARDHAN WAGHMARE: Will the Minister of FINANCE be pleased to state:

- (a) the details inflation rate during the last one year along with its effect on the growth of the economy;
- (b) the effect of inflation on demand and prices in the market;
- (c) whether retail prices of food items are increasing at a higher rate than inflation rate; and
- (d) the efforts made by Government to check price rise?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI NAMO NARAIN MEENA): (a) and (b) The headline inflation in terms of Wholesale Price Index (WPI) for last one year is given in Table below:

	WPI-All Commodities
August-11	9.78
September-11	10.00
October-11	9.87
November-11	9.46
December-11	7.74
January-12	7.23
February-12	7.56
March-12	7.69
April-12	7.50
May-12	7.55
June-12	7.25
July-12	6.87

Continued high inflation as well as other adverse global and domestic macro-economic factors have affected demand and resulted in a slower growth of economy. The rate of growth of Gross Domestic Product (GDP) witnessed a sequential slowdown from 9.2 per cent in Q4 (Jan.-Mar.) of 2010-11 to 5.3 per cent in Q4 (Jan.-Mar.) of 2011-12.

(c) The headline and food inflation as per WPI and the CPI-New series, which reflects the inflation at retail price level, is given below:

*Table 2: WPI and CPI-NS- Food and Non-Food Inflation (Per cent)*

Areas Groups	WPI			CPI- New Series		
	Headline	Food	Non-food	Headline	Food	Non-food
1	2	3	4	5	6	7
Weight	100.0	24.31	75.69	100.0	47.6	52.4
January-12	7.23	1.45	9.52	7.65	4.06	11.02

1	2	3	4	5	6	7
February-12	7.56	5.93	8.18	8.83	6.65	10.83
March-12	7.69	8.70	7.32	9.38	8.10	10.54
April-12	7.50	9.31	6.82	10.26	10.11	10.40
May-12	7.55	8.93	7.03	10.36	10.52	10.22
June-12	7.25	9.03	6.58	9.93	10.78	9.16
July-12	6.87	8.72	6.17	9.86	11.53	8.37

During January, 2012, food inflation was lower than the overall CPI inflation. However, since May, 2012, the food inflation is higher than the overall CPI inflation.

(d) Government has taken necessary fiscal and administrative measures to contain inflation. Reserve Bank of India has also raised the policy rates to contain inflation and anchor inflationary expectations. To overcome supply side constraints, particularly in protein foods, following supply side measures have also been taken:

- **National Mission for Protein Supplement:** To improve productivity in the dairy sector, a Rs. 2,242 crore project is being launched with World Bank assistance. To broaden the scope of production of fish to coastal aquaculture, apart from fresh water aquaculture, the outlay in 2012-13 is being stepped up to Rs. 500 crore. Suitable allocations are also being made for poultry, piggery and goat rearing.
- **Provision to add storage capacity for food grains:** 5 million tonnes capacity is proposed to be added during 2012-13.
- The allocations for the scheme Bringing Green Revolution to Eastern India (BGREI) has been increased from Rs. 400 crore in 2011-12 to Rs. 1000 crore in 2012-13 as the scheme has resulted in additional paddy production of seven million tonnes in Kharif 2011.
- A 18 per cent higher budgetary allocation for agriculture, besides an increase in targeted credit for agriculture credit by Rs. 100,000 crore should also help from the supply side.