

(b) if so, whether instructions have been issued to give significant attention to continuous growth trends in semi-urban and rural markets; and

(c) whether targets fixed for 2011 for exclusive insurance business in Rural areas achieved?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI NAMO NARAIN MEENA): (a) and (b) The Insurance Regulatory and Development Authority (IRDA) has reported that it has mandated regulations for both life and non-life insurers and fixed targets for insurers business in 'Rural Areas'. There is no such mandated regulation for Semi-Urban Areas. The authority takes regulatory action for non-compliance of the Insurance Regulatory and Development Authority (Obligations of Insurers to Rural or Social Sectors) Regulations, 2002 and amended from time to time, by the State-owned insurers in the rural sector. As per the regulations, the target for exclusive business in rural area fixed for State-owned life and non-life insurers is 25% of the total number of policies and 7% of gross premium income written direct in that year, respectively.

(c) Yes, Sir. The performance of the State-owned life insurer in the rural area was 32.74% against target of 25% of the total number of policies whereas for non-life insurers, it was 10.15 % against target of 7% of gross direct premium income for the financial year 2010-11.

Detection of undisclosed income in France by income tax

1276. SHRI M.P. ACHUTHAN: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that the income tax authorities have detected undisclosed income totalling Rs. 565 crore in France and taxes amounting to Rs. 181 crore have already been realized; and

(b) if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM): (a) No, Sir. However, investigations conducted on the basis of information received from the Government of France have led to detection of undisclosed income of Rs. 565 crore and taxes amounting to Rs. 181 have already been realized.

(b) The information received is covered by the confidentiality clause under the DTAA's and can only be used for the tax purposes specified therein. Thus, the contents of the information received under DTAA cannot be disclosed to persons other than those involved in the assessment or collection of, the enforcement or prosecution in respect of, or the determination of appeals in relation to, the taxes covered by the Agreement.

Unbearable inflation level

†1277. SHRI SHIVANAND TIWARI: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that the rate of inflation in the country in the current financial year is at unbearable level;

(b) if so, the reaction of Government thereto;

(c) is it also a fact that Government is unable to control this price rise; and

(d) if so, whether the main reason of it is increasing gap between demand and supply?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI NAMO NARAIN MEENA): (a) Inflation measured in terms of Wholesale Price Index (WPI) and the all India Consumer Price Index-New Series (CPI-NS) during the current financial year is given in Table 1 below:

Table 1. Headline inflation in WPI and CPI-New Series (%)

	WPI All commodities	All India CPI-New Series
April-12	7.50	10.26
May-12	7.55	10.36
June-12	7.25	9.93
July-12	6.87	9.86

(b) to (d) Persistence of inflation in food products particularly protein-rich items like milk, eggs, meat & fish, pulses and non-consumer food products has been due to both structural demand-supply imbalances and input cost pressures.

†Original notice of the Question was received in Hindi.