

**GOVERNMENT OF INDIA  
MINISTRY OF FINANCE  
DEPARTMENT OF ECONOMIC AFFAIRS**

**RAJYA SABHA  
UNSTARRED QUESTION NO. 389  
TO BE ANSWERED ON 03.02.2026/ Magha 14, 1947 (Saka)**

**Wholesale inflation**

389. Shri AYODHYA RAMI REDDY ALLA:

Will the Minister of FINANCE be pleased to state:

- (a) the manner in which the Ministry's recent measures to control inflation, such as the Price Stabilization Fund, impact the Wholesale Price Index (WPI) in the coming quarters, considering the current trends of rising food and manufacturing prices; and
- (b) the strategies the Ministry would employ to balance economic growth with inflation control, especially considering the RBI's flexible inflation targeting framework, given the recent data showing wholesale inflation turning positive in December 2025, driven by food and manufactured goods?

**ANSWER**

**MINISTER OF STATE IN THE MINISTRY OF FINANCE  
(SHRI PANKAJ CHAUDHARY)**

(a) and (b): The Government of India undertakes a variety of administrative measures, including a Price Stabilisation Fund (PSF) administered by the Department of Consumer Affairs, to control inflation and mitigate its impact on the common citizen. These measures include, inter alia, augmentation of buffer stocks for essential food items, strategic sales of procured grains in the open market, facilitation of imports and export curbs during periods of short supply, implementation of stock limits to push more supplies of select commodities into the market, retail sales of select food items under the Bharat brand at subsidised rates, market intervention for perishable horticultural and agricultural commodities, creation of scientific storage capacity and by varying the various tax rates applicable on production, income and on transaction of commodities.

Price Stabilisation Fund (PSF) – a component of the integrated Pradhan Mantri Annadata Aay Sanrakshan Abhiyan (PM-AASHA) - plays a stabilising role by enabling the Government to build buffer stocks of pulses (Tur, Urad, Moong, Masur and Gram) and onion, which is released during supply shortfalls or price spikes. By augmenting market supply at critical junctures, the PSF helps moderate excessive price movements. Consequent to various measures undertaken by the Government, including PSF, the Wholesale Price Index (WPI)-based inflation declined from 2.3 per cent in 2024-25 to 0.04 per cent in 2025-26 (Apr-Dec). In the same period, the inflation in the food component eased from 7.3 to (-) 0.8 per cent. The marginal rise observed in December 2025 is still below 1 per cent. The Economic Survey 2025-26 has assessed inflation to remain benign in the coming quarters. The Reserve Bank of India (RBI) uses the Consumer Price Index (CPI) for their inflation targeting. The CPI-based inflation has also declined from 4.6 per cent in 2024-25 to 1.7 per cent in 2025-26 (Apr-Dec) while real GDP growth is projected at 7.4 per cent for the full year, indicating a well-anchored inflation environment, supportive of economic growth.

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