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Title: Further discussion on the Supplementary Demands for Grants in respect of Budget (General) for 2009-10 (Discussion concluded).

MADAM SPEAKER: Now, we will take up Item No.17. The hon. Minister is to reply on the Discussion on the Supplementary Demands for Grants (General) for 2009-2010.

THE MINISTER OF FINANCE (SHRI PRANAB MUKHERJEE): Thank you, Madam, Speaker. First of all, I would like to express my gratitude to all the distinguished Members who have participated in the discussion on the first batch of the Supplementary Demands for Grants. I am, particularly, grateful to my distinguished colleague and predecessor Shri Yashwant Sinha because I, as a political activist, know how crucial his home-State election is. He was totally in the midst of the elections, but despite that and the election process is not yet over, still he has come here. He had also mentioned yesterday that it was his first appearance in this Winter Session itself. Naturally, as an experienced Finance Minister he managed the finance of this great country for such a long period of time and in a very difficult time also as it was not a very easy time. Unfortunately, in this Ministry, no Finance Minister can say that he is quite happy because after all the responsibility and complexity of this Ministry, particularly, in the context of our level of development, it is always difficult to maintain balance and keep every side in the proper perspective.

Before I come to the specific points that Shri Yashwant Sinha and other distinguished Members -- who have participated -- made, I would just like to give the broad features of the Supplementary Demands and the major items of expenditure for which I owe an explanation to the hon. Members and to the House, and through this House to the people of this country.

As the hon. Members are aware that in order to minimize the adverse impact of the global meltdown on the Indian economy, the Government took a conscious decision of continuing with the policy of providing the fiscal stimulus, and presented the Budget in 2009-2010 with a fiscal deficit of 6.8 per cent of GDP. The overall financial performance in the first half of the fiscal year 2009-2010 is in line with the Budget. I would not say that it is in line with the total satisfaction, but it is in line with the Budget estimates presented in July 2009. The impact of the stimuli have also started showing results with the economy as it has been noticed that in the first half of the fiscal year, the GDP growth in the first quarter has been 6.1 per cent, and in the second quarter it has been 7.9 per cent.

So, taken together, it would be around seven per cent. I do not know what would be the figure of the third quarter because we have noticed in the basket of GDP, in the first quarter, the contribution of agriculture was 2.5 per cent, but in the second quarter, the contribution of agriculture has come down to 0.9 per cent, and the full impact of the adverse monsoon might not have been totally reflected in that quarter. So, there may be layover in the remaining period, we will have to see.

We had to reduce the rates of taxes and duties which were continued in the Budget of 2009-10, to counter the adverse effects of economic slowdown, along with new Budget proposals in Direct and Indirect Taxes. The Gross Tax to GDP ratio was estimated at 10.9 per cent in the BE of 2009-10 as against the Gross Tax to GDP ratio of 11.5 per cent in 2008-09; that is of course a provisional account. In absolute terms, the Gross Tax revenue in BE in 2009-10 was estimated at Rs. 6,41,079.34 crore. This reflects a growth of 5.1 per cent over Gross Tax receipts of 2008-09. However, the Gross Tax revenue collection up to October, 2009, shows a decline of 7.5 per cent over the same period in 2008. This is primarily attributed to the steep decline in the Indirect Tax components, namely, the Union Excise Duties and Customs. It has to be noted here that in 2008-09, the Indirect Tax rates were much higher during this period. However, the likely shortfall in the Indirect Tax components is expected to be compensated with the higher collection in the Direct Tax components in 2009-10.

The hon. Members will recollect, I am just giving the approximate figures, Rs. 3,70,000 crore is the Direct Tax, and Rs. 2,69,000 crore is the Indirect Tax. That was the component of the tax revenues. Taken together, it would be roughly about Rs. 6,39,000 crore. We will be reaching around that figure; maybe, a little plus or minus. But the component of the Indirect Taxes' share would be substantially reduced, as I have explained.

Plan expenditure during 2009-10 is estimated at Rs. 3,25,149 crore reflecting a growth of 18 per cent over the provisional actuals of 2008-09. This is 33.6 per cent over BE of 2008-09. Plan expenditure of Rs. 1,48,024 crore during April to October, in the first seven months, of current fiscal year account for 45.5 per cent of the BE 2009-10 and reflects a growth of 23.6 per cent over the previous year Plan expenditure during the same period. Considering the fact that Budget was presented only in July, 2009, and Plan outlay is at a historical high of 5.6 per cent of GDP, this shows good pace of the Plan expenditure.

However, non-Plan expenditure is estimated in BE 2009-10 at Rs. 6,95,689 crore which constitutes 68.1 per cent of the total expenditure during 2009-10, and reflects the growth of 14.8 per cent over the non-Plan expenditure of 2008-09. The non-Plan expenditure for the period of April to October has increased from Rs. 2,88,657 crore in 2008 to Rs. 3,88,837 crore in 2009, reflecting the growth of 34.7 per cent. This accounts for 55.9 per cent of the estimated non-Plan expenditure in BE 2009-10. The higher rate of growth in non-Plan expenditure is primarily on account of increase in salary and pension-related expenditure due to the implementation of the Sixth Central Pay Commission recommendations, increase in food and fertilizer subsidy and expenditure on account of agricultural debt waiver and debt-relief schemes to the farmers.

Major subsidy accounted for under the non-Plan expenditure have shown higher outgo during April-October of the current fiscal year when compared to the same period during the previous fiscal year. The outgo on the food subsidy for example has increased from Rs.28,673 crore to Rs. 44,550 crore reflecting a growth of 55.4 per cent. Another non-discretionary item, namely, pension has also shown higher outgo of Rs.25,402 crore during this period of the current financial year showing an increase of 67.7 per cent over the corresponding period of the previous year. Similarly, the increase in salary related expenditure is of the order of 51.2 per cent. This is on account of the implementation of the Sixth Central Pay Commission's recommendations. In the latter half of the current fiscal year, rate of growth of salary and pension related expenditure would moderate due to the base effect because substantially we had to pay in that period and it was front loading and not evenly distributed.

Now I am coming to the borrowings. The net market borrowing requirement of the Government for the fiscal year 2009-10 through market loans is budgeted at Rs.3,97,957 crore inclusive of repayments amounting to Rs.53,136 crore. The gross issuance of dated securities for the fiscal year works out to Rs.4,51,093 crore. After adjusting the Budgeted de-sequestering of MSS cash balance amounting to Rs.33,000 crore, the budgeted issuance of dated securities to the market through auctions for the fiscal 2009-10, accordingly works out to Rs.4,18,000 crore. As against the above, dated securities amounting to Rs. 3,64,000 crore have been issued till December 4, 2009 accounting for 87 per cent of the gross borrowings. Even though the gross borrowings have increased by about 65 per cent over last year's actuals, this has been done in a non-disruptive manner. The Government borrowings are front loaded in the first half of fiscal year to ensure that there was adequate space for the private sector in the second half where their demand would pick up. The weighted average cost of the borrowings is also lower at 7.19 per cent as against 8.51 per cent in the corresponding period of the previous year. Despite the higher market borrowings of the Government in the current year, there is ample liquidity in the system and RBI has been absorbing around Rs.1,16,000 crore per day on average in the current fiscal year through reverse repo transactions.

In the above background, I have presented before the House the Demands for the first batch of Supplementary Grants in 2009-10. This supplementary proposal includes 61 Grants and two Appropriations. Authorisation is being sought for the gross additional expenditure of Rs.30,942.62 crore of which cash outgo is proposed for Rs.25,725.22 crore including a provision of Rs.3139.90 crore for transfer of the disinvestment receipts already received in the Consolidated Fund of India as Non Debt Capital receipt to the National Investment Fund. Apart from this, the other proposals involve Technical Supplementaries of Rs.5,216.67 crore and Token Supplementaries of Rs.0.73 crore. The proposals involving Token and Technical Supplementaries are to be met from savings or enhanced receipts/recoveries and will not result in cash additionality.

The main items or the purposes for which I have provided cash additionality in the First Batch of Supplementary Demands 2009-10 include:

â€¢ Rs.242.10 crore for the purchase of Uranium for the Nuclear Fuel Complex and purchase of raw materials by Bhabha Atomic Research Centre and other units;

â€¢ Rs.249.70 crore for equity investment in Bharatiya Nabhikiya Vidyut Nigam Limited;

â€¢ Rs.3,000 crore for additional subsidy requirements relating to imported decontrolled fertilisers and indigenous Urea;

â€¢ Rs.800 crore for equity infusion in the National Aviation Company of India Limited (the old Air India);

â€¢ Rs.249.24 crore for meeting additional requirement towards payment of pensions in the Department of Telecommunications;

â€¢ Rs.171.75 crore for meeting additional requirements for Optical Fibre Cable based Network for Defence Services;

â€¢ Rs.3458.98 crore for food subsidies including payment of bonus on minimum support price and payment to State Governments on decentralised procurement of food grains;

â€¢ Rs.2,210 crore for additional requirements relating to Defence Pensions;

â€¢ Rs.1200 crore as additional provision for the National Calamity Contingency Fund;

â€¢ Rs.4533.33 crore towards additional expenditure on Civil Pensions and Family Pensions and other retirement benefits;

â€¢ Rs.3139.90 crore for transfer of disinvestment receipts to National Investment Fund for expenditure in respect of identified social sector schemes (An equivalent amount has been received as disinvestment proceeds on the receipts side);

â€¢ Rs.499.91 crore for reimbursement of losses to Cotton Corporation of India on account of minimum support price operation on cotton;

â€¢ Rs.404.55 crore for meeting the additional expenditure on projects undertaken by Delhi Development Authority in connection with the Commonwealth Games 2010;

â€¢ Rs.350 crore for equity contribution to Delhi Metro Rail Corporation (DMRC);

â€¢ Rs.1675 crore for providing loan as Pass Through Assistance to (i) DMRC (Rs.1500 crore), (ii) Bangalore Metro (Rs.135 crore), (iii) Chennai Metro (Rs.40 crore);

â€¢ Rs.1200 crore for meeting additional requirements under Integrated Child Development Services Scheme;

â€¢ Rs.350.58 crore for Loans and Advances to Organising Committee for the Commonwealth Games 2010;

â€¢ Rs.268 crore for other Commonwealth Games related expenditure, that is, re-creation of playing facilities, preparation of teams, upgradation/creation of venue for Commonwealth Games, incremental infrastructure in MTNL for providing connectivity to High Definition TV and Integrated Security Solutions;

â€¢ Rs.135 crore for carrying out BPL survey including the administrative expenditure.

If cash additionality of Rs.3139.90 crore sought to transfer to the National Investment Fund is excluded, for which an equivalent amount has already been received as Non Debt Capital Receipt, the proposals involving net cash outgo will amount to Rs.22,585.92 crore, or 2.21 per cent of the total Plan and Non-Plan expenditure provision in the BE 2009-10. Even this additionality is not expected to result in any significant variation from the Budget Estimates of Plan and Non-Plan expenditure in 2009-10, as there would be equivalent overall savings in other grants. The total expenditure for 2009-10 (including Railways) is, therefore, expected to remain within the Budget estimates 2009-10 of Rs.10,20,838 crore. With the prevailing trends in receipts and expenditures, coupled with the 'better than expected performance' in the economy during the second quarter of 2009-10, it is expected that the fiscal deficit will remain within the estimates of 6.8 per cent presented in the Budget in July 2009.

Madam, a question legitimately may be asked by the hon. Members, that when I am injecting cash outflow of Rs.25,000 crore, which will naturally exclude the amount of Rs.3,000 crore which has been deposited to NIF, how can I say that the total budgetary expenditures including Railways will remain the same? These are technical issues. Of course, my colleague Shri Sinha is fully aware of it; he does not require any explanations, but others may require.

It is because of the savings that will take place in other Grants for which I am not providing supplementary, there is no occasion that I will take into account and give the details of how much savings will take place under which Grant and under which account. But we have internally made the calculations and on the basis of that, I found out that there would be no net outgo, and the additionality of the expenditure compared to be 2009-10 of Rs.10,20,838 crore would not be more, because of the savings in some other areas and the demands are not synchronizing and that is why, this is taking place.

I would also like to respond to certain other points that the hon. Members have raised, particularly, my distinguished predecessor, Shri Yashwant Sinha, who has very correctly pointed out that the basic issue of the Indian economy currently with which we are confronted today is, to what extent we can manage inflation and to what extent we can achieve fiscal consolidation.

I have indicated the figures in the FRBM – I had projected in the Budget. I do believe that this is absolutely necessary because without that, it would not be possible for having any credibility about the economy. The situation which we had to face in 1989-90 and 1990-91 was, we went on merrily borrowing, without taking note of how we are going to maintain equilibrium, and it created a situation where we found an extremely awkward position and it was not easy for any Finance Minister to go and get money from outside sources, whether it is multi-lateral agencies or any other bilateral donors. It is not expected.

Therefore, keeping that in view, in the year, with which we started, that is, 2008-09, the fiscal deficit was 6.2 per cent, in 2009-10, the Budget that I presented, I left with a fiscal deficit of 6.8 per cent. I could not venture to take the risk of reducing it within the year; it was not possible because I could not withdraw the stimulus packages which amounted to Rs.1,86,000 crore in three instalments, and which have provided certain reliefs. But the commitment that we have made in the Budget document in July 2009, which I presented, is that we must come back to the fiscal deficit of 5.5 per cent by 2010-11 and 4 per cent in 2011-12.

I will have the additional advantage of the recommendations of the 13th Finance Commission whose reports are likely to be available before the end of the year; we should see what prescriptions they make for further fiscal consolidation; that will guide us.

Madam Speaker, it has been very correctly pointed out by Shri Yashwant Sinha that whether some of the expenditures which I have provided in the Supplementary Demands could have been anticipated. He gave the example of the Air India saying as to why I am providing Rs.800 crore for it in the Supplementary Demands. The health of Air India was known to everybody. It was also known that it would require the Government support. We could not do it at the time of presentation of the Budget because the revival scheme of the Air India was not visible or available at that time. Thereafter, a Group of Ministers was appointed. The GoM sat, discussed and deliberated and after having interactions with the management of the Air India - I am using the old name not the new nomenclature, NACIL - gave certain recommendations. These recommendations include that we may have to provide Rs.2000 crore to it. In the first two months I am providing Rs.800 crore. After that they have promised to take certain deliverable steps which may improve the situation. I hope so. After all, we can only hope and we cannot predict in precise terms what is going to be the outcome.

Similarly, in respect of the Defence expenditure, particularly Defence pension expenditure, I agree with him that we knew what would be our expenditure on the pension accounts. As you know, the bulk of the enhancement made in the pay scales as per the recommendations of the Sixth Pay Commission was paid in 2008-09 but there were residues which we had to pay in the first half of 2009-10. That is why, in my written observations I have stated that the non-plan expenditure has increased substantially because we had to pay some of the residues of the debt-waiver scheme, some of the residues of the implementation of the Sixth Pay Commission's recommendations and the pensionary benefits, particularly to the large number of ex-Servicemen. Particularly PBOR, Persons Below officer Ranks, were to be provided the larger pensionary benefits which were not predicted in the Sixth Pay Commission as it was an improvement made after the negotiations. When it was finalised, I had to make the provisions for that.

Therefore, there are certain areas where certain expenditures were not anticipated. I am admitting it very frankly because after all, on money matter this House is the master of the whole thing. I cannot spend a naya paisa or even withdraw a naya paisa from the Consolidated Fund of India without the approval of my masters who are sitting around this House. Therefore, they should know the inherent difficulty that any and every Finance Minister while presenting the Budget will have to face because he has to depend considerably on the estimate. Actual numbers are available to us maximum up to the month of December. Therefore, for three months of the current fiscal year, January, February and March, it will always be an estimate. With regard to the expenditure also there are estimates only. We expect that there may be some savings somewhere. It is difficult to identify. With that hope, sometimes on some occasions, it is not always, the actual requirement is little bit under-funded.

During 1999-2004, the average fiscal deficit was 5.5 per cent of GDP and the average fiscal deficit during 2004-08 was 3.58 per cent of GDP. Shri Yashwant Sinhaji, I am taking the same calculation. The bonds and other things which have been done earlier, I am not including them in it. As I mentioned earlier, the fiscal deficit during 2008-09 was 6.2 per cent and in the current year it is 6.8 per cent. But if we go year-wise, then we will find that there has been noticeable improvement. During 1999-2000, it was 5.3; 2000-01 – 5.6; 2001-02 – 6.2; 2002-03 – 5.9; 2003-04 – 4.5; 2004-05 – 4.0; 2005-06 – 4.1; 2006-07 – 3.5; 2007-08 – 2.7; and 2008-09 provisional account - 6.2.

Now, I do not know actually how much I will be able to save but due to the austerity measures on the non-plan side, there is five per cent and ten per cent cut on certain items. If it provides some savings and the trends which we have and as per the meeting which I had with the Financial Advisers of all the Ministries, who are the eyes and ears of the Finance Minister, I found up to September, there is some reduction in the non-plan expenditure. But I do not know to what extent it would be possible.

We are also trying to find out how to control the subsidies on fertilizer and petrol. As regards petroleum subsidy, we have appointed a Committee which is looking into it and they will give a report. Similarly, with regard to fertilizer subsidy, the Government is working on the nutrient based subsidy and direct subsidy transfer to the farmers. Here too, I am waiting for the other inputs which may be available to us.

Two other initiatives which we have taken are the direct tax code for the reforms of direct taxes. This initiative was taken earlier but I am also carrying it on. I mentioned it in the other forum and in this House also I would like to assure the hon. Members that I do not have a closed mind. I have an open mind. I have laid certain proposals in the form of Direct Tax Code but that is not *Bhagwat Geeta*. It cannot be said that it cannot be changed. If the system does not accept it and if the people and the stake holders say that it is not acceptable to them, we will like to arrive at a consensus among all the stake holders on this issue and after that we will proceed to finalise it.

Similarly, on the GST, the initiative was taken during Shri Yashwant Sinha's time through the institution of Empowered Committee of the State Finance Ministers. We are also working on it. Still there are divergent views but I am not trying to iron them out by inflicting or imposing any decisions on them. I am allowing them to have discussions. I will also have discussions with them in other connections. Therefore, I do hope that these measures will help in fiscal management. I also do hope that the recommendations of the Thirteenth Finance Commission would also be helpful to us for the fiscal management. It would be prudent and we are looking forward to that.

Another issue was raised and legitimately concerns were expressed about the Central Government debt and debt-GDP ratio. It is true that at one point of time, the debt-GDP ratio reached as high as 63.5 per cent and for quite some time, the debt-GDP ratio was at that level. In 2002-03, it was 63.5; 2003-04, it was 63.0; 2004-05 – 63.3; and 2005-06 – 63.0. Then it has started coming down slightly and in the current year, in 2009-10, as per Budget Estimates, it would be 59.7 per cent.

Another issue has been raised. So far as the Revenue Deficit in the seven months is concerned, it is 73.1 per cent of BE. No doubt it is a matter of concern. But as the hon. Members are aware, sometimes we have to do frontloading of expenditure as in this case we had to do it to meet the commitments of the Pay Commission; to meet the pensionary commitments and to meet the commitments in respect of certain other expenditures. But the revenue realisation is not frontloaded. It is more or less even. Sometimes revenue comes in the later part of the year. Therefore, the figure which is being shown in the first seven months of the year is not actually reflective figures. When we will reach the figure at the end of the year that will give the correct position.

Madam, there are some big ticket items, as I mentioned, like payment of increased salaries and pensions. I had to pay 60 per cent of the arrears, then increased expenditure on food and fertilizer subsidy, part payment under agricultural debt waiver and debt relief schemes. Therefore, one need not worry over it.

Another area of concern and this also is related to the overall economy – exports are still not picking up. Almost 13 months now starting from October 2008 till October, 2009, in all these 13 months there has been a negative growth. I am afraid that it will continue for some more time. My colleague, the Minister in charge of Commerce and Industrial Development has expressed some optimism and I would like to share his optimism and if it happens it will help us. But one factor remains and that is unless we diversify our export markets and if it is uni-directional which is currently now, nearly 62 per cent of the exports are directed towards North America, Europe and Japan and when there is an economic slowdown in these countries, naturally there is less demand and it gets reflected in our less export performance, poor export performance. It is happening like this. It is not possible to switch over to other markets. We should make conscious efforts so that it can be evenly spread and I do hope the various instrumentalities and trade agreements including CECA which we have with the ASEAN and other countries that will help diversify the export markets.

Madam, I would now refer to the last but not the least point, perhaps the most important point and that is pricing. No doubt, rising prices is a matter of great concern. But this time unfortunately it has happened. It is not substantial because of the demand management. It is mainly because of the shortage of supply. There is an imbalance between demand and availability. Take the case of essential items like pulses, edible oil and sugar. There is always a perennial shortage of edible oil in this country. At one point of time we had to import two million tonnes of edible oil. Now we have reduced that substantially but still it is there. If the international commodity prices go up, then naturally our prices will also go up. There is a short supply of sugar. Yesterday there was an exhaustive discussion on it. When the requirement is 250 lakh tonnes or 25 million tonnes and if in the production there is a shortfall of four to five million tonnes, then naturally the prices will go up. There is also a cost-push factor which has to be kept in mind. Now, let us shut our eyes and keep in mind that if one quintal of sugarcane is sold at Rs. 200 plus, with 8 or 8.5 per cent recovery – then you add the conversion and other costs

– what would be the final price of sugar? This is the ground reality.

Similar is the case with other essential commodities, like wheat and rice. We jack up the Minimum Support Price. The Minimum Support Price mechanism has undergone a major change. Originally the scheme was that if the market prices fall below a certain level, then the Government will intervene and buy at that price. Today, it is not relevant. Nobody can take a risk with regard to food grains, like wheat and rice. Therefore, the Government has to go in for a massive procurement. Currently, the wheat procurement price is Rs. 1,100 per quintal and the rice procurement price is Rs. 950 plus a bonus of Rs. 50 per quintal. By whatever name you call it, money is money. For one quintal of paddy, you have to pay Rs. 1,000 per quintal. When you procure 32 to 33 per cent of the total production and when you fix the benchmark price, how do you expect that the market prices will be less than that?

The third imbalance which is taking place is that the actual shortage. Take the case of pulse. Somehow or the other, even in the late eighties and early nineties, we made a mission mode exercise to have a programme to improve our pulse production. But farmers did not buy it. I have suggested to the experts, in consultation with the Minister of Agriculture, to come out with another package which can induce the farmers to go in for larger production of pulses. With greater varieties of seeds and with some technological inputs, if we can make a break-through in the case of pulses, four to five million tonnes of shortage can be made up. Our total requirement is about 15 to 18 million tonnes, and our production is 14 million tonnes. So, there is a shortage of four million tonnes. Except Myanmar, Argentina, and Turkey, no other country has exportable surplus. See the dichotomy! We have put it under the OGL and there is zero duty for import. Still the private importers are not importing because they are making their own calculations. If they import, their landed cost would be more than the prevailing prices. We have put a large number of items, including sugar, under the OGL. But these are not coming because the international prices are ruling higher. When we have to calculate the international prices, we will also have to add the transportation cost and we have to take into account the landed cost at which the actual importers will import. We are trying to do it by providing subsidies, at least to protect the vulnerable sections of the society.

Therefore, to insulate the adverse impact of the price rise, particularly to the weaker sections, the biggest effective instrument is the Public Distribution System (PDS). If we can improve the Public Distribution System and improve the delivery mechanism --I have just stated that how much subsidies I am providing on foodgrains and other commodities and the benefit of providing subsidies we can get --if the Public Distribution System improves and its delivery capacity improves substantially so that, at least, the targeted group for which the Public Distribution System is meant, targeted Public Distribution System which is in operation, then it will be good. All these schemes which were mentioned yesterday like the *Antyodaya* Scheme, 35 kgs of rice for the BPL etc., - we are providing it. We are inducing the State Governments to have more off-takes, but the State Governments are also calculating whether they will make profit or loss by taking that. But I do agree that price is an important issue which is to be tackled. This time there has been delayed impact of the seasonal factor. Normally, what we notice is that the prices of fruits, vegetables and milk, etc. go up at a particular season. But after the festive season in October is over, there is a tendency of coming down, but this year it has not taken place.

Somebody has suggested that why do you not ban the forward trading. On all the essential foodgrains items, ban has been put. Those items are banned for forward trading, but import is also not adequately taking place. Public Sector organizations are trying to import as much as they can. We have told them to at least ensure, to the extent it is possible. The latest figures which we got day-before-yesterday show some moderate trend, but I am not quoting it. I am keeping my fingers crossed and for another week or ten days I shall have to see that whether it has been set in or not. Otherwise, on 14 essential items, we are monitoring on a daily basis, but price is an important factor. There are certain elements as I mentioned earlier and one factor is cost-push. Another is, of course, the demand is increasing everyday and demand will increase. Production, marketing and the demand ought to be matched.

Madam, I would like to address the last point because some concern has been expressed about the actual quantum of the shortfall of foodgrains. Various figures are being quoted like 10 million tonnes, 15 million tonnes and at one point of time, it was thought of 20 million to 25 million tonnes. Even if I assume that it is 15 million tonnes, we have calculated the buffer which we are having including the strategic reserves and there will be adequate foodgrains availability. In the wheat season which will start from 1st of April, 2010, we will have nearly 7.7 million tonnes of surplus, and in the rice season which we have begun from 1st October, we had started the season with 66 lakh tonnes, which means 6.6 million tonnes. Keeping aside the normal buffer stock, the strategic reserve of 5 million tonnes, taking all these things into account, I am quite confident that there will be no shortage of the foodgrains, but we shall have to see that the foodgrains are made available through the Public Distribution System, at least, for the targeted group at the affordable cost.

Shri Bishnu Pada Ray raised specific issues relating to Andaman and Nicobar Islands. Necessary allocations have been made for the UT of Anandman and Nicobar Islands for payment of arrears on account of the Sixth Central Pay Commission to the employees of the UT Administration. Provision for payment of the salaries and arrears is made in respect of the employees of the UT of the Andaman and Nicobar Islands and not for the employees of the local bodies. This is meant for the Central Government employees. UT employees are Central Government employees but the local body employees are not.

For the Andaman and Nicobar Islands Forest and Plantation Development Corporation Limited, a sum of Rs.11 crore has been provided as Non-Plan loan in the BE 2009-10. Pending approval of the restructuring of this Company, the amount has been approved for release in order to meet the salary and the statutory dues of the Company. These few specific issues were raised by the hon. Member who represent that Island Territory. So, I thought that I should respond to them.

Once again, I express my gratitude to the hon. Members for their very valuable suggestions, each one of which, I have noted. Thank you Madam Speaker.

MADAM SPEAKER: Thank you, hon. Minister.

...(*Interruptions*)

MADAM SPEAKER: I shall now put the Supplementary Demands for Grants (General) for 2009-10 to the vote of the House.

The question is:

> "That the respective supplementary sums not exceeding the amounts on Revenue Account and Capital Account shown in the third column of the Order Paper be granted to the President of India, out of the Consolidated Fund of India, to defray the charges that will come in course of payment during the year ending the 31st day of March, 2010, in respect of the heads of Demands entered in the second column thereof against Demand Nos. 1, 2, 4 to 7, 9, 11, 12, 14, 17 to 21, 28 to 33, 35, 38, 39, 41, 44, 46, 49, 51, 53 to 55, 57 to 62, 64, 65, 67, 71, 74, 79, 80, 84, 86 to 88, 90 to 93, 100, 101 and 103 to 105."

The motion was adopted.

MADAM SPEAKER: The Supplementary Demands for Grants (General) for 2009-10 are passed.