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Title: Further discussion on the Supplementary Demands for Grants in respect of Budget (General) for 2011-12 (Discussion concluded).

THE MINISTER OF FINANCE (SHRI PRANAB MUKHERJEE): Mr. Deputy-Speaker, Sir, I would like to start by thanking the 19 honourable, distinguished colleagues who spoke in the discussion on the first Supplementary Demands for Grants, 2011-12. The 2011-12 Budget was presented with a total expenditure estimates of Rs. 12,57,729 crore, comprising Rs. 8,16,182 crore on Non-Plan expenditure and Rs. 4,41,547 crore on Plan expenditure. It was estimated that with this level of expenditure, fiscal deficit during the financial year 2011-12 will be 4.6 per cent of GDP.

During the current Session of Parliament in pursuance of sub-clause (a) of clause (1) of article 115 of the Constitution, Supplementary Demands-for-Grants are sought from the Lok Sabha for certain items of expenditure. The first batch of Supplementary Demands-for-Grants for 2011-12 include 53 grants out of 106 grants. The salient features of the first Supplementary Demands for which an authorisation is being sought to the gross additional expenditure of Rs. 34,724.50 crore. This gross amount of Rs. 34,724.50 crore includes technical supplementaries with expenditure being matched by savings in other sectors or enhanced receipts or recoveries of Rs. 25,707.84 crore and token provision for enabling re-appropriation of savings involving items of the new service or new instruments of service of Rs. 0.6 crore. As a result of that, the net cash outgo would be, if the technical Supplementaries are excluded from the gross Supplementaries, Rs. 9,016.06 crore. The major heads under which this Rs. 9,016 crore are distributed are: Rs. 1,066.46 crore for transfer of the National Clean Energy Fund for financing various new projects relating to clean energy; Rs. 2,300 crore for BPL survey; and Rs. 2,370 crore for MPLADS; Rs. 1,500 crore for Integrated Child Development Scheme to meet the additional expenditure on enhanced rate of honorarium to anganwadi workers and anganwadi helpers; Rs.705 crore for settlement of pending claims of the Air India and maintenance cost of aircraft for VVIP travel; Rs. 500 crore for modernisation of the police force and assistance to the States for raising India Reserve Battalion; and Rs. 410.73 crore towards *ex gratia* to victims of the Bhopal Gas Tragedy.

Now, hon. Members may legitimately ask me that while presenting the Budget, why I did not take into consideration all these expenditures which I am projecting after six months of the presentation of the Budget. This is a legitimate query of the hon. Members because this House is the master and supreme master in respect of money and finance. Without the approval of the House, the Executive cannot raise a single paise in the form of taxation, cannot spend a single penny on any account and cannot even withdraw a single naya paise from the Consolidated Fund of India. In these three ways, the House is supreme and master. Therefore, I owe an explanation to the hon. Members.

First of all, the hon. Members will recollect that I had to concede to the demand of a section of the hon. Members to increase the MPLADS Fund from rupees two crore to rupees five crore per year and naturally, when I presented the Budget, I could not anticipate that. That accounts for Rs. 2,370 crore.

In respect of the funds from the clean energy, I announced the amount, but I wanted to have the various Ministries identify the projects and place their demand. They have done so, and I am having Rs. 1,066 crore for it. The Indian Registrars also indicated that there would be a requirement for additional Rs. 2,000 crore for the BPL survey. So, that amount has also been provided.

I had announced in the Budget for increasing the Anganwadi workers and their helpers remuneration from Rs. 1,500 to Rs. 3,000, and Rs. 750 to Rs. 1,500. But it was not possible at that state to estimate what would be the total outgo. So, when the information came, we calculated and for this year we will require about Rs. 1,500 crore.

So far as Air India is concerned, as the hon. Members are fully aware that even yesterday or day before yesterday -- I do not exactly remember -- the Prime Minister had to intervene and respond in regard to the payment of salaries and productivity-linked incentives to the employees of Air India. Air India's health is poor. Keeping that in view, we decided and for that revamping, there is a scheme and towards that end we are providing Rs. 705 crore. Of course, this amount is due to the Government. The accounts were not ready by then for the VVIP flights, which is being organised by the Air India. The estimates for the modernisation of the Police force and *ex-gratia* victims of the Bhopal gas leak disasters came later on. Therefore, I have included them.

Now, the second important question that the hon. Members may ask me is this. There is an apprehension, which we must be very careful about and we shall have to handle it effectively that if we want to maintain the fiscal deficit at the projected level, then we cannot allow the expenditure to go beyond a point. Then the fiscal deficit will increase. Fortunately, up to now -- I am saying up to now as I do not know what would happen in future -- the revenue growth is satisfactory. So far as

the indirect taxes are concerned, it is around 30 per cent, and so far as the direct taxes are concerned, it is around 26 per cent. But if the industrial production goes down, then it will have an adverse impact in future. We are trying to maintain this level of buoyancy by enhancing / strengthening the tax collecting machinery; by bringing more people through survey and other information within the tax net; and trying to resolve through dispute settlement mechanism to unlock the money that is being locked in disputes and cases.

So, in this way, I am trying to maintain the tax buoyancy. I am not taking into account that last year I got the benefit of auction from 3G spectrum where I projected Rs. 35,000 crore, but I actually got Rs. 1,06,000 crore. But, every time, luck may not favour me. So, I do not know whether there will be any unexpected source. Keeping that in view, I am keeping the fiscal control over the whole thing.

15.00 hrs.

Regarding the outlook for the year 2011-12, the Prime Minister's Economic Advisory Council have downgraded the growth rate from 9.9 per cent -- my projection in the Budget was 9 per cent plus or minus 0.25 per cent; that means, on the lower side, it was 8.75 per cent – to 8.2 per cent. Even if we maintain that, it may be possible to retain the present momentum which we are having.

Some hon. Members have legitimately expressed the concern about the fuel subsidy. Surely, with the level of increase in the fuel prices, and everyday we are watching the situation, it is almost varying, sometimes, between \$ 116 and \$ 117 per barrel, it is just like a monkey moving on the greased pole. If it moves up by three inches, it comes down by five inches; it is going like that. The average price of Brent Crude is varying between \$ 116 and \$ 117 per barrel, which is extremely high. But at the same time, despite all these problems which are there, we shall have to maintain the process of fiscal consolidation because without fiscal consolidation, it would not be possible for us to achieve the growth, but I am emphasising that this growth must not be at any cost, and this growth must not merely be in statistical terms, but this growth must be such that it will generate employment which will provide jobs, and this must be growth with moderate rate of inflation. I do hope that with the cooperation of all sides concerned, it would be possible to achieve these objectives.

Some of my colleagues have raised some important issues and I will like to clarify the position. My distinguished colleague Shri Harin Pathak raised the issue that about 18 per cent of the total expenditure budget is being spent on the interest payment on the foreign debt. My response to that would be that the total interest payment in the Budget Estimate for the year 2011-12 is Rs. 2,68,000 crore. That is the total interest payment, both domestic and external. Out of this amount, interest payment on external account is only Rs. 3,572 crore. Therefore, it would not come to 18 per cent, but it would come to about 0.3 per cent.

SHRI HARIN PATHAK (AHMEDABAD EAST): The total interest payment comes to Rs. 2,00,000 crore or something.

SHRI PRANAB MUKHERJEE: Out of Rs. 2,68,000 crore which is the total interest, domestic and external taken together ...(*Interruptions*)

SHRI HARIN PATHAK : That is 18 per cent of the total.

SHRI PRANAB MUKHERJEE: That is substantial. Interest payment is one of the substantial expenditures of the Non-Plan expenditure of the Government of India. You can easily imagine that out of Rs. 12,50,000 crore expenditure, if Rs. 2,68,000 crore goes for interest payment, in terms of percentage, it is reasonably a high percentage.

SHRI HARIN PATHAK : That is what I mentioned.

SHRI PRANAB MUKHERJEE: I am just talking about the foreign borrowing component, which is not much.

Dr. Raghuvansh Prasad Singh wanted to know why, at two places, I had given Rs. 15 crore for the 150th Birth Anniversary of Rabindranath Tagore. Out of this Rs. 15 crore, Rs. 10 crore is through the cash supplementary and another Rs. 5 crore is through the technical supplementary because in the same head, there will be some savings and, therefore, there will be no net cash outgo. There will be spending of Rs. 15 crore, but the net cash outgo will be only Rs. 10 crore.

Shri Sivasami has addressed the problem of Tiruppur zero liquid discharge effluent treatment system. I would like to remind him that in my Budget Speech itself in 2010-11, not 2011-12, I assured the Central assistance of Rs. 200 crore towards the zero liquid discharge system in Tiruppur and it was announced. And of this, Rs. 100 crore has already been sanctioned and released.

Shri Tathagata wanted to know whether the AIBP plan is going on as per the schedule. The figure which is with me, clearly indicates that in 2009-10, the actual expenditure was Rs. 8,524 crore and in 2010-2011, actual expenditure is not available but Revised Estimates is available that is Rs. 9,500 crore and in 2011-12, the Budget Estimate which I have given is Rs. 12,624 crore.

Shri Shailender kumar ji wanted to know that there should be monitoring of the MPLAD Scheme. I entirely agree with him and I would like to suggest that there is a Committee consisting of the Members of Parliament itself to look into MPLADS. The Members in the Committee should take more interest and the meetings should take place more frequently so that the various issues coming out of it, can be fully taken care of.

Shri Pandey ji wanted to know about the allocation of the resources for Uttar Pradesh under PMGSY. I do not have the figures for 2011-12, the budgetary allocation that I have made. But 2009-10 and 2010-11 figures are there. It is Rs. 2,845 crore for 2009-10 and for 2010-11, it is rupees 1,309 crore.

Mr. Deputy Speaker, I again express my gratitude for the overwhelming support which the hon. Members have given.

SHRI ADHIR CHOWDHURY (BAHARAMPUR): I had asked for the DVC.

SHRI PRANAB MUKHERJEE: Insofar as DVC is concerned, they are having the problems of cash. I have discussed this issue with them. This is one of the organizations which was established even before we started our Planning process. The Act was passed in 1948, before the constitution of Lok Sabha which was called the Constituent Assembly and Provisional Parliament in those days. They are basically having the problem of infusing cash. They wanted to have additional cash through equity route. But it is not possible for me for the obvious reasons what I have explained to you that I shall have to keep my fiscal deficit at a particular level. To overcome their crisis in cash management, Government will stand guarantee for the bank loan which they will be provided with. That will meet their liquidity problem.

With these words, I commend that the supplementary Demands be approved by the House.

MR. DEPUTY-SPEAKER: I shall now put the Supplementary Demands for Grants (General) for 2011-2012 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, 2012, in respect of the heads of Demands entered in the second column thereof against Demand Nos. 1, 2, 4, 6, 9, 11, 12, 16, 19, 23, 24, 30 to 33, 38, 40, 41, 45 to 48, 50, 52 to 54, 57 to 61, 66, 72 to 75, 82, 85, 87, 90, 91, 93, 94, 96 and 101 to 105 "

The motion was adopted.
