

On the decision that high interest government bonds would be bought back from ban

In order to reduce interest burden of the government this is the usual practice adopted to reduce the high interest bearing debts and or to replace them with low interest rate bearing debts. This is a drastic change with increased liquidity with the banks that the banks were investing in government securities/bonds to increase their own yields. It is actually very thoughtful of the finance minister's measure.

On the steps being taken in the budget to uplift agriculture production rate which could

It is correct that the GDP slipped to 4.4 per cent because of the agriculture. Industry and services have shown buoyancy. But the agricultural growth rate has been affected because of unprecedented conditions which prevailed in more than 3/4th of the states in the country. If these conditions were not there, GDP growth rate would have been quite high. Fortunately, as the stocks of the food grains are high, drought conditions and production would not adversely affect the economy in terms of provisions.

On if VAT (value added tax) will now completely replace ST (sales tax)

This has already been agreed that VAT is to be introduced from April 1, 2003. It will replace states who would be able to implement VAT from April 1.

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