

## Hon'ble Mr. Speaker,

- As I rise to present the Budget Estimates for the year 2007-08, I do so with the confidence of making a positive impact on the destiny of our people and ushering in a new era of prosperity in the State.
- Speaker, Sir, this is the third budget of our Government. While presenting the second Budget on 17th March 2006 in this august House I had assured that Rs.3300 crore proposed for the Annual Plan 2006-07 would be utilized optimally for the all round development of the State. I had also given a commitment that the emphasis would be on performance and quality. What does our report card say, one may legitimately ask?
- Sir, the actual development expenditure under Annual Plan 2006-07 is likely to be Rs.4085 crore, which is Rs. 785 crore more than the approved outlay. Previous Governments used to regularly reduce the outlay for Plan expenditure, as they could neither mobilize the required resources nor curtail unnecessary expenditure. More fundamentally, they lacked a vision of the development needs of a modern Haryana and the aspirations of our people. Today, our fiscal management is reckoned as among the best in the country. It was highly appreciated by none other than the Deputy Chairman of the Planning Commission during the meeting held on 2nd March 2007 for finalization of the outlays for the Annual Plan 2007-08.
- The Planning Commission was so impressed with our prudent fiscal management that it approved an outlay of Rs.35,000 crore for the Eleventh Five Year Plan. It is a matter of immense pleasure and pride for every Haryanavi that this outlay is more than the combined total outlay of all the seven Five Year Plans implemented since the formation of Haryana in 1966. For the year 2007-08, which will be the first year of the Eleventh Plan, our outlay for development expenditure has been approved at Rs.5,300 crore. Again, this is the highest ever Annual Plan in the history of Haryana.
- Thanks to our diligent work in the first two years, we have amply demonstrated our ability to garner whatever financial resources that are needed in the pursuit of our vision of making Haryana the number one State in India. We are determined to ensure that Haryana remains in the forefront of the "India Growth Story" that the rest of the world is talking about. Be it the task of creation of world class infrastructure, introduction of the state-of-the-art technology, turning every inch of cultivable land into irrigated and double cropped area, provision of the best possible medical and educational facilities for all, we shall ensure that adequate funds are allocated to all concerned agencies of the Government of Haryana. I intend to develop an institutional framework for engaging eminent professionals in various fields to help in formulating our long and medium term resource management and development planning. The task ahead is for Government organizations to gear themselves up to perform at much greater speed than they are used to. Having eliminated the perennial problems of shortages and delays in release of funds, the challenge before us now is to ensure execution of all projects in double quick time.

## STATE ECONOMY

- During 2005-06, the State Economy witnessed an excellent growth of 12.6 per cent in Gross State Domestic Product (GSDP) over the last year's level at current prices. When computed at constant prices, on the basis of 1999-2000 levels, this increase was 8.1 per cent. The growth in GSDP during 2006-07 is expected to be above 15 per cent at current prices and nearly 10.5 per cent at constant prices.
- The Per Capita Income increased from Rs.35,044 in 2004-05 to Rs.38,832 in 2005-06 at current prices. At constant prices, it increased from Rs.28,119 in the year 2004-05 to Rs.29,887 in 2005-06. Haryana now has the second highest Per Capita Income among the States in India. This is indeed a highly creditable achievement. Yet, I assure you Sir, this is merely the beginning. We are aiming to substantially accelerate the growth rate in the coming years. My Budget proposals shall lay a solid foundation for our economy to take off.
- The share of primary sector in GSDP during 2005-06 at constant prices (1999-2000 basis) is 23.3 per cent and the secondary and tertiary sectors contribute 32.4 per cent and 44.3 per cent

respectively. The trend of relative shares of these sectors is indicative of sound economic development. However, notwithstanding its relative share in the economy, we are ever conscious of the need to ensure at least four per cent growth in agriculture. I, assure you, Sir, that there shall be no dearth of funds for our earnest efforts to ensure that agriculture becomes an increasingly profitable profession. Farmers who feed the nation need to lead its march to prosperity.

## **Fiscal Management**

- Our Government is committed to derive maximum benefit out of the re-scheduling of loans and debt waiver offered by the Government of India as per recommendations of Twelfth Finance Commission. We are adhering to the fiscal correction path set for the Government in the Fiscal Responsibility and Budget Management Act, 2005. Last year, I had informed the House that our revenue receipts are likely to increase by Rs.600 crore over the Budget Estimates of 2005-06. I am happy to inform the House that the actual revenue receipts for 2005-06 were Rs.1,816 crore more than the Budget Estimates. Similarly, in 2006-07 our revenue receipts are likely to be Rs.2,171 crore more than the Budget Estimates. This has been made possible by close monitoring by the Resource Mobilization Committee chaired by the Chief Minister. I compliment all the employees of our revenue collecting agencies who rose to the occasion and improved the tax collection efficiency. We also need to place on record our thanks to the industrialists and traders of Haryana who by their better tax compliance have become active partners of the Government in the development process.
- Without imposing any new burden on the tax payers, we had, through improved tax collection efficiency and close monitoring of non essential expenditure, achieved a revenue surplus of Rs.1,213 crore in the year 2005-06. We would have repeated this feat in 2006-07 also. The previous Government had made a one time settlement of Rs.2,022 crore towards dues of Power Utilities in the year 2003-04. We had to adjust this amount in the State's accounts for the current year as revenue expenditure. This has led to a revenue deficit of Rs.653 crore, which otherwise would have been a surplus of Rs.1369 crore. However, I expect to end the next year with a revenue surplus of Rs.1,149 crore.

## **SIGNIFICANT NEW INITIATIVES**

- Speaker, Sir, now I would like to recapitulate a few significant new initiatives of our Government during 2006 -2007.
- In the very first year of our Government we had removed the draconian law under which farmers could be arrested for default on dues to the Co-operatives. From 1st April 2006, the rate of interest on crop loan was reduced to seven per cent per annum as compared to eleven per cent in the previous years. More recently, we have announced a debt waiver scheme to benefit almost a million farmers and rural poor. Under this scheme, the entire interest liability of all those farmers, rural artisans and petty shopkeepers who were in default as on 31st March 2006, shall be waived if they repay their principal amount by 30th June 2007. Also an interest rebate of two per cent will be given to those farmers who repay their loans in time. The effective rate of interest charged will be five per cent only for such borrowers.
- We have taken concrete steps to ensure additional generation of power within Haryana. Order has been placed during January 2007 for the construction of a coal based thermal power plant of 1200 MW capacity at Hisar. This project is scheduled for commissioning by March 2010. Further, Aravalli Power Company, a joint venture between the Governments of Haryana, Delhi and the National Thermal Power Corporation has been incorporated for setting up a thermal power project of 1500 MW at Jhajjar. Haryana and Delhi will get 750 MW each from this project, which is scheduled for commissioning during 2010-11. Our policy to encourage renewable sources of energy has paid dividends. We have succeeded in signing Memoranda of Understanding with ten firms for setting up independent renewable energy projects with a total generation capacity of nearly 700 MW.

- We have successfully concluded an agreement with Government of India and Delhi Metro Rail Corporation for extension of the Delhi Metro to Gurgaon. Now we are making efforts to get similar links to other NCR towns of Haryana. We have also paid the State Government's share towards the construction of Rohtak – Jhajjar – Rewari rail link during the year. The cost of this project is being shared equally between the Indian Railways and Haryana Government.
- A new scheme has been launched by the name of “Indira Gandhi Drinking Water Supply Scheme” from November 2006, to provide water connections to all the scheduled caste households in the rural and urban areas, free of cost. This scheme is to be completed in a span of three years at an estimated cost of Rs.340 crore. A concession of 50 per cent would also be extended to the scheduled caste households in the payment of monthly water tariff. Further, to encourage water connections to general category households, connection fee of Rs.500 in the villages and Rs.1,000 in the urban areas has been waived.

## **BRAVE HEARTS OF HARYANA**

- Haryana is truly a Veer Bhumi. It is our duty to duly recognize and honour the contributions and sacrifices made by our brave soldiers and freedom fighters. We have substantially enhanced the amount of cash awards and the annuity being paid to gallantry award winners, both of the pre independence and post independence era irrespective of the ranks held by them in the defence forces. We are developing one more defence colony at Karnal. Excise duty has further been reduced on purchase of liquor by the defence and ex-defence personnel from CSD canteens. Monthly financial assistance being given to disabled ex-service men has been enhanced to Rs.1,000 per month. The Samman Pension to freedom fighters, which we had earlier enhanced to Rs.3,500 from Rs.1,400, has been further increased to Rs 5,125 per month.

## **POWER**

- Considering the importance of electricity for the development of the State, we have given highest priority to the power sector. Despite the severe shortage of power in the northern grid during the year, eight per cent more power was supplied to the consumers this year till December 2006 compared to the corresponding period of last year.
- We expect to bridge the gap between the demand and supply of power through a number of initiatives. The construction work of 600 MW Deen Bandhu Chhotu Ram Thermal Power Project, Yamunanagar is expected to be completed by February 2008. Power Purchase Agreements have also been signed for sourcing 770 MW Power from Independent Power Producers. Haryana has also consented to purchase about 1450 MW power on a long term basis from the four Ultra Mega Power Projects being set up in other parts of the country.
- To strengthen the transmission and distribution system in the State, the State Power Utilities commissioned 36 new substations, augmented 124 existing substations and erected 834 kilometres of transmission lines with an investment of about Rs.300 crore since March 2005. In addition, over 19,719 distribution transformers have been added to the system to improve the quality of supply and more than 33,892 tubewell connections have been released. Construction of 136 new substations and augmentation of 96 existing substations have been planned. Schemes worth Rs.82 crore are being implemented under the “Rajiv Gandhi Grameen Vidyutikaran Yojana” for improving the rural electricity infrastructure and providing connections to rural poor households. To further improve power infrastructure, the State Government is committed to provide the required equity support to the Power Utilities to ensure investment of more than Rs.20,000 crore during the Eleventh Plan period.

## **IRRIGATION**

- To fulfill the promise of ensuring equitable distribution of water, we have enhanced the availability of water to southern Haryana, which was neglected in the previous regime. Construction of the new canal linking Bhakra Main Line with Hansi Branch and Butana Branch has been taken up on a war footing. This 109 kilometer long channel with a carrying capacity of 2000 cusecs would ensure equitable distribution of water in the State.
- Similarly, work on the long awaited Shahbad–Dadupur-Nalvi canal has commenced for creating a head capacity of 590 cusecs. This canal and its distribution system, measuring 375 kilometres, will provide irrigation and recharge facilities to 92,532 hectares in Yamunanagar, Ambala and Kurukshetra districts. Work on the canal is in full swing.
- Central Water Commission has cleared the construction of a dam on Kaushalya River at a cost of Rs.51 crore and the work would be taken up during the year 2007. A project to increase the carrying capacity of Western Jamuna Canal Main Line lower from 14,000 cusecs to 20,000 cusecs at a cost of Rs.30 crore is under implementation. The ground water recharge project at Masani Barrage in Rewari district has been taken up and shall be completed by June 2007. A project costing Rs. 454 crore for construction of watercourses in the Bhakra Canal and Western Jamuna Canal commands is being executed at a rapid pace.
- Sir, we are a water deficit State. But we are determined to take irrigation facilities to every cultivable field across the State so that every farmer is able to take crops in both the kharif and rabi seasons. But I will also call upon our hardworking peasantry to use this precious and scarce natural resource with utmost restraint. Farmers should give up the practice of flood irrigation and make use of the schemes launched by the Government for promotion of micro irrigation systems.

## **DRINKING WATER SUPPLY AND SANITATION**

- As on 1.4.2006, there were 1461 villages identified as having per capita supply of water less than the norm of 40 litres per capita per day. We have taken up the work on augmentation of water supply in 725 of these deficient villages. Further, with the assistance from NABARD and NCR Planning Board, work for augmentation of water supply to 70 litre per capita per day has been taken up in 900 villages in 2006–07 and work in 1100 villages will be initiated in the coming year. Work on sewage treatment plants will be taken up in six towns of the State and the work of laying sewerage system is continuing in 35 towns.
- The work for strengthening the existing water supply and sewerage infrastructure in NCR towns of Sonipat, Rohtak, Jhajjar, Rewari and Gurgaon as well as the counter magnet town of Hisar, implemented with loan assistance of the NCR Planning Board, is likely to be completed in 2007. Government of India has approved Rs. 62.50 crore under Yamuna Action Plan Phase-II, for preparation of Detailed Project Reports, public participation as well as institutional capacity building of Urban Local Bodies for eight towns viz Yamunanagar-Jagadhri, Karnal, Panipat, Sonipat, Faridabad, Gurgaon, Rohtak and Bahadurgarh.

## **ROADS AND BRIDGES**

- Roads and bridges are key infrastructure for socio-economic development of the State. We have taken several steps to strengthen and expand the road network. The State Government has got approved a number of National Highway Projects. These include the four laning of NH 22 from Zirakpur to Parwanoo, NH 71A from Panipat to Rohtak, NH 71 from Rohtak to Bawal and NH 10 from Delhi to Hisar. The National Highway Authority will also be taking up the six laning of NH 1, NH 2 and NH 8 in Haryana.
- With the growth of rural economy, more and more demands are being received from the public for widening of existing roads and for construction of new roads. We have earmarked a sum of Rs.50 crore for the construction of new roads and Rs.202.14 crore for repairs and maintenance of State roads. I am happy to state that we have increased the Plan allocation for roads and bridges from Rs.225 crore in the year 2006-07 to Rs.409 crore during the year 2007-08

# AGRICULTURE AND ALLIED ACTIVITIES

- Our Government has made efforts to tackle the problem of declining farm productivity. Now, there are definite indications of renewal and rejuvenation in the agriculture sector. Despite 40 per cent deficiency in rainfall, an all time high production of 45 lakh tonnes of foodgrains was achieved during kharif 2006. This amounted to 11.4 per cent growth over the foodgrain production of 39.87 lakh tonnes during kharif 2005-06. This achievement is all the more significant in the light of the fact that there was a conscious State sponsored campaign to wean away the farmers from cultivation of water guzzling summer paddy known as saathi. The productivity of rice, bajra and cotton has also increased appreciably. Similarly, we have taken up a campaign to raise the productivity in wheat, which has stagnated over the years, by motivating the farmers to take up early sowing and to treat the seeds before sowing.
- We also want our farmers to get the most remunerative prices for their produce. Our Government has raised the State Advisory Price of sugarcane by Rs.21 per quintal in the last two years. We have also launched a campaign in February 2007 to double the productivity of sugarcane in the next two years. Buoyed by the success of our experiments in enabling our farmers to get better prices through direct marketing, contract farming and future markets, we have begun up-scaling these activities through Haryana State Agricultural Marketing Board, HAFED and Directorate of Agriculture. Last year, our Government had brought mustard and gram crops under the cover of National Agriculture Insurance Scheme for the first time. The benefit of this decision to the farmers of the State is evident from the fact that while the total premium paid by the farmers for these two crops was only Rs.1.90 crore, a sum of Rs.15.28 crore was given as compensation to 24,692 farmers for losses incurred due to frost.
- The Union Finance Minister has stated in his Budget speech of 2007-08 that we must find an alternative to the current way of administering the fertilizer subsidy and see that the farmers are given direct benefit. I welcome his statement. We should not restrict ourselves to the fertilizer subsidy alone. We must identify all the indirect subsidies to the agriculture sector and devise methods to provide all such subsidies directly to the farmers. If the principle of a reasonable profit margin over the actual cost of cultivation is accepted and the market for farm produce is assured, we will be in a position to reduce the indirect subsidies on various inputs by giving a higher procurement or support price.
- After the first green revolution, we have not had any further significant break-through for increasing farm productivity. I call upon our talented pool of agricultural scientists to rise to the occasion and work for another quantum jump in agricultural production. The need of the hour, as the eminent agricultural scientist Dr. M. S. Swaminathan has put it, is to ensure a 'evergreen revolution'. This would involve continued improvements in productivity, economy in the use of water and optimisation of soil health. We also need to provide complete information on the national as well as international market prices and trends for agricultural commodities to our farmers to help them plan their production.
- We are laying emphasis on improvement of genetic stock of our livestock with special attention towards preservation, multiplication and improvement of indigenous species such as Murrah breed of buffaloes and Haryana and Sahiwal breeds of cows. To provide quality veterinary services, selected district hospitals are being upgraded in a phased manner. Opening/upgrading of 60 veterinary institutions is also being taken up.

# RURAL DEVELOPMENT

- Providing civic amenities in all our villages at par with the urban areas is a commitment that we made in our party manifesto. To accelerate the implementation of this promise, our Government has decided to establish a Haryana Rural Development Authority on the pattern of Haryana Urban

Development Authority. This Authority would take up the planning and development of improved residential facilities and civic infrastructure in villages and semi urban areas.

- The Government has released special grant of Rs.75 crore for developing 59 villages as model villages during 2006-07. I propose to increase this ad hoc grant to Rs. 100 crore during 2007-08. We have provided Rs. ten lakh each to 1300 villages during the current year for cement concrete pavement of streets. Under the total sanitation campaign more than four lakh individual toilets, nearly six thousand schools/anganwari toilets and 392 women sanitary complexes have been constructed in the past two years. The HRDF Board has allocated Rs. 170 crore in the current financial year for undertaking various rural development works in the villages. This amount is over and above the budgetary allocation.
- Our Government is conscious of the fact that Panchayati Raj Institutions can play a pivotal role in rural development. We have allowed payment of honorarium of Rs.1,000 per month for Sarpanches and Rs.200 per month for Panches. In order to improve transparency, accountability and quality in rural development works, the Gram Panchayats have been empowered to execute works up to Rs. three lakh themselves and works above Rs.three lakh shall be executed through contractors appointed by resorting to proper tendering process.

## **URBAN DEVELOPMENT**

- To meet the infrastructural and civic services requirements of the urban areas in the State, our Government is committed to make higher budgetary allocation to the Urban Local Bodies. During 2006-07, Rs.198 crore was released for development works to municipalities on account of LADT collections, grants recommended by 12th Finance Commission and other ad hoc grants.
- The State Government has signed a memorandum of agreement with Government of India under the Jawaharlal Nehru National Urban Renewal Mission. During 2007-08, major infrastructure development works will be taken up in the mission identified town of Faridabad, under this programme. City Development Plans have been prepared for all the major towns in Haryana by commissioning consultants. These plans will help to channelise and optimize our development effort and expenditure in these towns.
- Our Government has also created a 'Fund for development of major infrastructure' in the State to be utilized for projects related to development of National/State Highways, mass rapid transport projects like Metro, water supply, power etc. The infrastructure development charges levied on private as well as public sector colonizers, Special Economic Zones and other land based development projects will form the corpus and continued source for the Fund.
- HUDA has been asked to implement a scheme called 'Ashiana' for constructing four storey flats in various urban estates to be allotted to persons belonging to economically weaker sections of society. HUDA has also decided to give 90 per cent rebate on payment of extension fee on properties exclusively owned by women. This rebate shall be 100 per cent for properties owned by widows.

## **EDUCATION AND SPORTS**

- Our Government attaches the highest priority to improve the educational facilities as well as the quality of education imparted in the State. In today's competitive world, we wish to equip our youth with such skills and knowledge that would help them benefit from the expanding employment opportunities not only in India but abroad as well. Quality education is the polish that will make our youth sparkle like diamonds. For expanding higher education for women, a Women University has been established. The Private Universities Act passed by the State Legislature will open new avenues for expansion of higher education in the State. The Rajiv Gandhi Education City proposed at Kundli is likely to attract the best names in the field of higher education both at national and international level to establish world-class educational institutions in the State.
- The scheme of semesterisation introduced last year has yielded good results in terms of regularity of studies, as well as for empowering teachers and reducing the 'stress' on children. For improving the

quality of education, as proposed last year, action has been initiated to set up one model school in every district. It is proposed to provide free computer education in the coming year to all students from class six to twelve. Expansion of EDUSAT coverage to primary schools, Arts senior secondary schools and technical institutions will be taken up in the next year to impart quality education.

- Hon'ble Members may be aware that the Union Finance Minister in his budget speech for 2007-08 has announced a massive hike in the allocations to education sector. However the pattern of assistance for Sarv Shiksha Abhiyan has been changed from the existing ratio of 75:25 between Centre and State to 50:50. Consequently, we have enhanced the allocation under SSA for the coming year. The plan allocation of Education Department has been raised by 90 per cent from Rs. 290 crore in 2006-07 to Rs.540 crore for 2007-08.
- The State Govt. has adopted a focused approach towards improving sports infrastructure. It has been proposed to set up a modern sports complex at Rohtak. An indoor hall is being constructed at Motilal Nehru School of Sports, Rai at a cost of Rs.2.40 crore. We propose to construct one rural stadium costing Rs.40 lakh each in every block. It is also proposed to set up a Sports Academy with all modern facilities in the State.

## HEALTH SERVICES

- Improvement of the health infrastructure and health services delivery in the State is given very high priority by our Government. We have added three Community Health Centres, three Primary Health Centres and emergency services in three more hospitals. We have also added 399 delivery huts in the rural areas to support institutional deliveries for women. A project titled Reproductive Child Health-II under National Rural Health Mission, with a total outlay of Rs. 749 crore, has been launched in the State for improving the availability and access to quality health services.
- Our efforts made during the last two years have yielded encouraging results. A recent survey conducted by Government of India shows that Maternal Mortality Rate and Infant Mortality Rate in the State are showing a declining trend. Institutional deliveries have gone up from 23 per cent in 2004 to 46 per cent by the end of 2006. We have extended the 'VIKALP' scheme started as a pilot project in four districts during 2005-06 to all the districts in the State during 2006-07. Memoranda of Understanding have been signed with 96 private health providers for providing health facilities to people living below the poverty line.

## WELFARE OF WEAKER SECTIONS

- The core theme of the Eleventh Five Year plan as mentioned in the approach paper and approved by the National Development Council is inclusive growth. We have taken many new initiatives to ensure that the weaker sections of the society particularly those belonging to scheduled castes and backward classes are given a significant share in the development process. We have increased the scholarship rates given to the scheduled caste students from Rs.30 to Rs.75 per month for students in the 6th to 8th classes and from Rs. 40 to Rs.100 per month for students in the 9th to 12th classes. The grant for the purchase of stationery articles given to the scheduled caste students has also been enhanced from Rs. 80 to Rs.150 per annum for 6th to 8th classes and Rs.120 to Rs. 200 per annum for 9th to 12th classes.
- The financial assistance for providing coaching to SC and BC candidates for the competitive examinations held by the Union Public Service Commission has been enhanced from Rs.4,000 to Rs.10,000 and for all other competitive/entrance examinations, the assistance has been increased to Rs.8,000 as compared to the previous level of Rs.3,000. The income ceiling under this scheme has also been raised from Rs.44,500 to Rs. one lakh per annum. Similarly, the amount of subsidy given for construction of houses to scheduled castes and denotified tribes has been enhanced from Rs.10,000 to Rs.50,000.
- Under "Indira Gandhi Priyadarshani Vivah Shagun Yojana" for the marriage of daughters of persons living below poverty line, a grant of Rs.15,000 is being provided for scheduled caste families and

Rs.5,100 for other sections of society. For all widows living below the poverty line, irrespective of their caste, the financial assistance under the scheme is Rs.15,000. With a view to encourage inter-caste marriages for social integration, we have increased the incentive amount from Rs.25,000 to Rs.50,000.

## **WOMEN AND CHILD DEVELOPMENT**

- Women are the active promoters and facilitators of social transformation. Haryana has often been criticized for the bias against women in general and the girl child in particular. We are determined to change this perception and the situation within a definite time frame. As organization of women with common objectives would inevitably lead to empowerment, a new initiative for setting up committees of women in each village comprising of all women panches, educated adolescent girls, representatives of Mahila Mandals, Self Help Groups, war widows, social activists and key functionaries of the village has been launched. More than 6500 village committees have started functioning and are holding their monthly meetings. Another initiative in this direction is the constitution of 'Sakshar Mahila Samooh' to incorporate educated women and girls in every village to lend support to the Gram Panchayat. Such an organized pool of educated women and girls in the villages would become an important vehicle for generating awareness among women on key women related issues.
- Eradication of malnutrition among children is one of the top priorities of our Government. In a major initiative, we have decided to procure supplementary nutrition through Self Help Groups with effect from 1-1-2007. This would lead to greater acceptance of the items for supplementary nutrition in the Integrated Child Development Services Programme. In addition, this would result in income generation for over 75,000 women in the State. We have increased the norms of nutrition from Rs. two to Rs.three per child beneficiary per day and from Rs.2.50 to Rs.five in the case of pregnant women and nursing mothers. Haryana is the first State to provide such a high increase over the Central Government norms.

## **INDUSTRIAL TRAINING AND TECHNICAL EDUCATION**

- The demand for skilled manpower is growing fast with the rapid growth of industry. To meet this demand the State is imparting industrial training and vocational education through 194 institutes, including 31 institutes for women. In order to establish institute-industry partnership, our Government has so far established Institute Managing Committees in 11 institutions and we propose to extend such collaboration to the remaining institutes in a phased manner. A new scheme titled "Skill training to scheduled caste students" is also proposed to be started exclusively for the scheduled caste students in new emerging areas like mobile phone and computer repair, networking, personal grooming, retailing etc.
- There are 53 polytechnics, two technical universities, 44 engineering colleges and 19 pharmacy institutes operating in the State. There is a plan to add at least three more polytechnics during the Eleventh Five Year Plan. Introduction of new courses based on the emerging industry and technological trends in the engineering colleges will be given priority.

## **INDUSTRIES**

- Haryana is heading towards new horizons of industrial growth. The New Industrial Policy of 2005 has played a prominent role in creating a global platform for industries in Haryana. The State has witnessed an unprecedented flow of investment to the tune of about Rs. 22,000 crore since the



announcement of this Policy. Projects with an investment of more than Rs. 53,000 crore are also in the pipeline.

- The State has received 72 proposals for the setting up of Special Economic Zones. Out of these 49 proposals have received approval, in principle, from Government of India. Four new projects for the setting up of industrial model townships have been initiated at Faridabad, Rohtak, Jagadhri and Kharkhoda. Three new Research and Development projects have been initiated in the State with assistance from Government of India. These are namely the Central Institute of Plastic & Engineering Technology at Panipat, the National Institute of Food Technology, Entrepreneurship and Management at Kundli and the National Automotive Testing and Research and Development Infrastructure Project at Manesar.

## **LABOUR AND EMPLOYMENT**

- Haryana is known for its excellent track record of good industrial relations and industrial safety. We continue to provide a conducive environment through progressive policies and improved facilities for resolving industrial disputes. We have recently simplified the procedure for registration, licensing and approval of factory building plans under the Factories Act, 1948. Two more Labour Courts have been added to the existing seven such courts to expedite resolution of labour related disputes. New posts of Additional Labour Commissioner and Deputy Labour Commissioner have been created at Gurgaon for effective implementation of labour laws. Recently we have revised the minimum wages of unskilled workers to Rs.3,510 per month, which is the highest in the country.
- In the last budget speech, I had announced the establishment of Overseas Placement Bureau to facilitate employment of Haryana youth in foreign countries. This Bureau has started its operations and an Overseas Placement Committee has been constituted to strengthen its functioning. Any person can make use of its services free on the web also. Similarly, we have also started on-line services for facilitating placement in the private sector. Any applicant or employer can make use of these services free of charge. A Private Placement Cell has been established at Gurgaon for such facilities.

## **WELFARE OF GOVERNMENT EMPLOYEES**

- I am happy to announce that we have fulfilled our promise of taking back the Group C and D employees retrenched by the previous Government. We have also initiated the process to absorb the retrenched Group A and B employees. We have restored the facility of Leave Travel Concession to State Government employees, which has been a long pending demand. We are also committed to revise the pay scales of our employees on the pattern of the Central Government whenever the recommendations of the Sixth Central Pay Commission are implemented. We will also constitute a Commission to examine and settle within a definite time frame, all grievances relating to perceived anomalies that may arise on the revision of pay scales.

## **TAX REFORMS**

- Tax structure has been rationalized in the overall interest of consumers, manufactures, traders and farmers. All goods sold to parents of deceased unmarried servicemen and widows of servicemen have been exempted from levy of VAT. Similarly, gur, shakkar, crudely tanned leather, hawan samgri, papad and small dhabas etc. have also been totally exempted from VAT. Rates of VAT have been reduced from 12.5 per cent to four per cent in case of pump sets below five horse power, honey, buttons, fly ash made bricks, katha, paper & plastic cups, paper pulp moulded trays, toys, desi ghee, candle, industrial tools and wood and timber etc.
- These benefits by way of exemption/reduction to the public amounts to Rs.135 crore per annum. Despite wide ranging relief granted to various segments of society, our VAT collection efforts have

recorded an increase of 21 per cent up to January, 2007 when compared to collections during the corresponding period of the last year.

- The concept of Nega Watts – the saving of power through more efficient devices and other techniques – is gaining currency in developed countries. To encourage conservation of power in the State, I propose to give tax relief on Compact Fluorescent Lamps and other energy saving devices in consultation with the Empowered Committee of State Finance Ministers constituted by the Government of India.
- The high incidence of passenger tax of 60 per cent on the basic fare levied in Haryana has been drawing protests from all our neighboring States. This is an obstacle in getting more inter-state operations for Haryana Roadways. We have, therefore, decided to rationalize the passenger fare-passenger tax ratio. I propose to reduce the passenger tax to 25 per cent and increase the basic fare proportionately without any change in the total fare payable by the passengers.
- It is observed that a large number of banquet halls/lawns and marriage palaces have come up in the State. Events organized in these places lead to conspicuous consumption of electricity and place extra burden on all civic services. It is proposed to levy a cess on all such premises. The cess will be based in the total area of such premises and will be utilized towards development of civic amenities.
- The Union Government has reduced the CST rate from four per cent to three per cent for the coming financial year. This is likely to entail a revenue loss of Rs. 550 crore to the State exchequer. However the Government of India has assured that this revenue loss will be compensated through monetary and non- monetary measures.

## **BUDGET ESTIMATES 2007-08**

- Hon'ble Speaker, I now present before this august House the budget estimates for the year 2007-08.
- As I had mentioned in the beginning of my speech, allocation for the Annual Plan 2007-08 is proposed at Rs.5,300 crore. Power sector would get Rs.844 crore, Irrigation sector would get Rs.718 crore, Water Supply and Sanitation would get Rs.632 crore, Roads and Transport sector would get Rs.505 crore. For other social sector programmes, the allocation would be Rs.1,963 crore which would include Rs.730 crore for Education including Industrial Training and Technical Education, Rs.580 crore for Social Justice & Empowerment, Rs.155 crore for Women and Child Development, Rs.116 crore for Health Services and Rs.100 crore for Welfare of SCs/BCs.
- The year 2006-07 opened with a deficit of Rs.236.61 crore as per RBI books and is likely to be closed with a deficit of Rs.33.48 crore, with surplus transactions of Rs.203.13 crore on year's account.
- The financial year 2007-08 is likely to open with a deficit of Rs.33.48 crore and to close with a deficit of Rs.6.86 crore. The transactions on year's account, thus, show a surplus of Rs.26.62 crore.
- The Consolidated Fund of the State shows total receipts of Rs.21,930.89 crore in Budget Estimates 2007-08 as against Rs.20,074.31 crore in Revised Estimates 2006-07. The Budget proposals indicate an expenditure of Rs.21,967.95 crore as against Rs.19,801.72 crore in Revised Estimates of 2006-07. The Budget Estimates provide for State Plan outlay of Rs.5,300 crore in addition to an outlay of Rs.698.76 crore for Centrally Sponsored Schemes and other development plan schemes.
- The revenue receipts in Budget Estimates 2007-08 are likely to increase by Rs.1,999.24 crore to Rs.17,917.35 crore from Rs.15,918.11 crore in Revised Estimates of 2006-07. The revenue expenditure in Budget Estimates is estimated at Rs.16,768.55 crore, which is higher by Rs.197.30 crore over the Revised Estimates of Rs.16,571.25 crore in 2006-07. The Budget Estimates for 2007-08 show a revenue surplus of Rs.1,148.80 crore.
- The budget deficit is within manageable limits and the measures proposed for financial discipline are likely to help in eliminating the deficit. It is hoped that the share in central taxes and other devolutions would also go up as a result of higher expected growth in national economy. Similarly, the State tax revenue is also expected to increase substantially. I am confident that we will be able to implement all our programmes successfully by full utilization of plan outlay with the cooperation and assistance of Hon'ble Members of this House and the people of Haryana.

- Before I conclude, I acknowledge the untiring efforts of officers and employees of the Finance Department and the National Informatics Centre who worked hard to help me prepare the Budget proposals.
- Sir, now I commend the Budget Estimates 2007-08 for the consideration and approval of this august House.

**JAI HIND!**