

**Hon'ble Mr. Speaker,**

1. I rise to present the Budget Estimates of 2002-03 before this august House. This is the third budget of this Government after it was returned in the 2000 elections with a massive popular mandate. I have the pleasure to note the continued public support for the Government's policies and actions, as manifest in the result of the recently held bye-election to Yamunanagar Assembly Constituency.

2. While presenting the last budget, I had outlined the financial challenges that confronted us. I had expressed the hope that the country would get out of the recession that we faced and that the economic scenario would change for the better.

3. However, the global and national economic turnaround has been slower than we expected. In the geo-political context, we saw international terrorism rear its ugly head twice in the recent past. The ghastly incidents of September 11 last year in the USA brought the horrors of terrorism live to our drawing rooms via satellite television. The terrorist attack of 13 December 2001 on the Indian Parliament was intended as an onslaught on the spirit of democracy and on Indian nationalism. But we have come out stronger from the experience. The world at large has come to share our views on the subject of world terrorism and the need to stamp it out. These disturbing developments had a definite damaging impact on the world economy and affected our State in many ways.

4. Now, coming to the subject of the State finances. As you know, the year 2001-02 is the terminal year of the 9<sup>th</sup> Five-year Plan, and the year 2002-03 will be the first year of the 10<sup>th</sup> Five-year Plan. It is, therefore, essential to look back at and evaluate our performance in the 9<sup>th</sup> plan period, so that we can shape a correct strategy for the ensuing five-year plan.

5. Haryana had set itself a financial target of Rs. 11,600 crore for the 9<sup>th</sup> Plan period of 1997-02. The 9<sup>th</sup> Plan focused primarily on development of economic infrastructure. We had started some ambitious projects of physical infrastructure development in this period. The Water Resources Consolidation Project and power reform project with World Bank assistance were the two prominent projects of this kind. The Haryana Highway Upgradation Project, initially conceived as a World Bank-aided road development project, was taken up in phases with loans from HUDCO. In the Annual Plans, physical infrastructure development was given a high priority. The annual outlay for this averaged about

Rs. 726 crore during the 9<sup>th</sup> Plan period. However, though the task of creating quality physical and economic infrastructure is accomplished to a great extent, it will continue as a focus in the coming years too.

6. We had set ourselves a target of Rs. 11,600 crore in the 9<sup>th</sup> Plan. However, some developments affected our revenue projections. The overall recession reduced the devolutions from the Central Government. State tax collections were also affected during the period of prohibition. The pay revision in 1998 also led to significant increase in expenditure on salaries. Keeping these in view, the Annual Plans in the 9<sup>th</sup> Plan period were revised to realistic levels. For the current year also, the Annual Plan outlay has been revised to Rs. 1838.68 crore. The total revised plan target for 1997-02, thus, came to be Rs. 8638.68 crore. We are set to achieve a total plan expenditure of Rs. 8052.31 crore, which is 93.2 percent of the target of the revised estimates.

7. Against this backdrop, our Government has proposed an outlay of Rs. 11,250 crore for the 10<sup>th</sup> Plan period. This is based on a realistic assessment of our resources and has factored in several fiscal correction assumptions that are either in place or are in the offing.

## **STATE OF ECONOMY**

8. During 2000-01, the State economy grew at the rate of 6.0 percent at constant prices (1993-94) with the Gross State Domestic Product (GSDP) rising from Rs. 31,045 crore in 1999-2000 to Rs. 32,921 crore. At current prices, the growth was 11.4 percent with the GSDP rising from Rs. 48,270 crore to Rs. 53,787 crore. The sectoral analysis reveals that in 2000-01, the primary sector grew at a rate of 1.7 percent, the secondary sector at 5.2 percent and the tertiary sector at 10.7 percent. The contribution of primary sector to the GSDP was 33 percent in 2000-01 as compared to 42.5 percent in 1993-94. The contribution of secondary sector has increased from 26.2 percent in 1993-94 to 28.1 percent during 2001-02. Likewise, the contribution of tertiary sector has increased to 38.9 percent during 2001-02 as compared to 31.3 percent during 1993-94. These figures show that the growth of State's economy is moving in the right direction. Per capita income increased to Rs. 14,331 in 2000-01 from Rs. 13,709 in 1999-2000 at constant prices.

9. The contribution of State's own revenue, especially State's tax revenue, has been quite impressive during the 9<sup>th</sup> Plan, while the devolutions from central taxes have been much less than projected. Our non-tax revenues, especially receipts from user charges for public services rendered by various Government departments, have also shown improvement in the 9<sup>th</sup> Plan period.

10. The draft approach paper to the 10<sup>th</sup> Five-year Plan seeks to achieve 8 percent growth in the Gross Domestic Product. It has sought to define growth in terms of enhanced human well-being. Accordingly, there is an added focus on poverty reduction, elementary education and health. While implementing the 10<sup>th</sup> Plan, our strategy will be to balance our investment choices between the creation of physical infrastructure for economic growth and an environment of social well-being. We will, of course, continue to accord priority to the agriculture sector.

11. The size of Annual Plan 2002-03 has been fixed at Rs. 1922.50 crore, projecting a growth of 4.5 percent over the revised outlay of Rs.1838.68 crore of the current year. This outlay will be funded by State's own resources to the extent of Rs. 1466.44 crore and through central assistance of Rs. 456.06 crore.

12. The infrastructure sectors of irrigation, power, roads and road transport account for 42.13 percent of this plan allocation. The outlay provision for irrigation is Rs. 300 crore, Rs. 335.20 crore for roads and road transport sectors and Rs. 166.56 crore for the power sector. An outlay of Rs. 710.90 crore has been provided for social services. Out of this, Rs. 308 crore are meant for pension for the aged, widows and the destitute women. A significantly high allocation of Rs. 96.55 crore is meant for expansion of education. Rs. 77.00 crore will go for augmentation and upgradation of drinking water supply and Rs. 69.30 crore for healthcare. Special area development programmes for the Mewat and the Shivalik regions are allocated Rs. 27.94 crore and women and child development will be allocated Rs. 12.70 crore. There is an allocation of Rs. 18.79 crore under the PMGY for expansion of primarily healthcare, rural drinking water, rural housing and electrification. Agriculture gets direct funding of Rs. 50.76 crore, besides indirect investment through other sectors like irrigation and power.

## **POWER**

13. It will be no exaggeration to say that water and electrical energy are the lifelines of the State's economy. The energy sector continues to be our priority. Power supply situation has substantially improved in 2001-02 with an average supply of 481 lakh units per day. Of these, 247 lakh units have been given to the rural areas. The State-owned thermal stations have improved their Plant Load Factor (PLF) to 59.78 percent during the current year and generated 3383 million units during April – November 2001.

14. In order to meet the increasing demand in future, efforts are being made to acquire several generation assets. Two new units of 250 MW each are to be set up at Tau Devi Lal Thermal Power Station, Panipat. The Government is also pursuing for early commissioning of the second phase of 432 MW gas-based project at Faridabad and the thermal projects at Hisar and Yamunanagar. Negotiations are on

for purchasing power from the proposed 360 MW petroleum-residue based power plant of IOC at Panipat. We are also looking at procurement options in upcoming power projects in central sector and in neighbouring States.

15. The transmission and distribution system has been upgraded substantially. Since our Government came to power, 20 new substations have been commissioned and 102 substations have been augmented at a cost of Rs. 185 crore. Works of about Rs. 700 crore are in progress now, to be completed in next 18 months. Distribution system improvement measures like bifurcation of overloaded 11 KV feeders, erection of additional transformers, augmenting the size of conductors and replacement of worn out LT cables have been taken. Karnal, Sonipat, Faridabad and Hisar circles have been covered under the Accelerated Power Development Programme (APDP) of Government of India, with encouraging results. More circles will be covered under this programme in future. As a result, the transformer burnout rate came down by 7 percent in 2000-01 and is expected to reduce further by 4 percent during the current year. Transformer and meter banks have been set up at all field offices of distribution companies for the convenience of consumers.

16. Stepping up the release of agricultural tubewell connection to farmers, over 10,000 connections were released during 2000-01 and another 10,000 are to be released during the current year. The backlog of domestic and non-domestic connections has been cleared, and it is now possible for new applicants to get connections within a fortnight.

17. On the commercial front, innovative efforts like surcharge waiver scheme have helped recover outstanding electricity dues of Rs. 820.40 crore during July 1999–December 2001. Revenue assessment in 2000-01 increased by Rs. 260 crore and in the first six months of the current year by Rs. 394 crore. The revenue realization has also increased by Rs. 389 crore in 2000-01 and by Rs. 266.04 crore in the first half of the current financial year. Commercial losses of the power utilities are on the decline from Rs. 633.34 crore in 1999-2000 to about Rs. 226.90 crore in 2000-01. The utilities are looking to further consolidate their commercial performance during the current year.

The total outlay, both plan and non-plan, for power sector is Rs.1144.10 crore in the BE 2002-03.

## **WATER RESOURCES**

18. The key to the prosperity and growth in Haryana lies in availability of sufficient water for irrigation. Unfortunate denial of our due share through the SYL canal has made the people of Haryana suffer. However, our stand has been vindicated by the decision of the Hon'ble Supreme Court on 15<sup>th</sup> January 2002. The Court has

directed the Punjab Government to complete the construction of the SYL canal within its territory within a year. We appeal to Punjab Government to complete the canal, so that a new era of productivity starts in Haryana.

19. Hon'ble Members, the WRCP assisted by the World Bank came to a close in December 2001. Under this programme, substantial work has been done to rehabilitate our irrigation system, especially in the area of lining of watercourses, replacement of regulators and construction of important structures like Hathnikund barrage, Pathrala dam and the Ottu weir. Construction of 305 new watercourses and rehabilitation of 213 existing watercourses at a cost of Rs. 50 crore have helped irrigate 20,500 acres of additional land.

20. The focus of water resources management has now shifted to optimal use of the available resources with active participation of farmers in the command area. To consolidate the gains of WRCP, our Government proposes to work towards further rehabilitation of the system. A concept paper has been posed to the World Bank to explore the possibility of financing the second phase of WRCP.

21. Recognizing the need for faster rehabilitation and expansion of the irrigation system, the State Government is also drawing on the Rural Infrastructure Development Fund (RIDF) of NABARD. Irrigation projects worth Rs. 394.43 crore have been sanctioned under RIDF so far.

A total outlay of Rs. 767.20 crore has been made on plan and non-plan account for irrigation sector in BE 2002-03.

## **ROADS AND BRIDGES**

22. Roads constitute a key infrastructure for economic development. Compared to only 5100 km of roads in 1966, we now have a substantial network of 22,960 km of PWD roads and 6000 km of roads constructed by Haryana State Agricultural Marketing Board. In the 9<sup>th</sup> Plan period, till December 2001, 327 km of new roads were added to the network and 4118 km of roads were improved.

23. HUDCO assisted programme for upgradation of major district roads and other district roads is being implemented in two phases at a cost of about Rs. 300 crore. Works worth Rs. 100 crore are in progress and the balance are to be taken up soon. Besides, upgradation and periodic maintenance of 1155 km of State highways has been taken up in the first two phases at a cost of Rs. 219.92 crore. Third and fourth phases of the programme will cover 853 more km of State highways at a cost of Rs. 198.10 crore. Under RIDF-III and IV assistance, 54 out of 62 works have been completed so far with a total expenditure of Rs. 30.18 crore, of which Rs. 4.18 crore were utilized during the current year. A new

proposal of Rs. 35 crore has been posed to NABARD for construction of 23 key bridge links.

24. The 11<sup>th</sup> Finance Commission has allocated an amount of Rs. 5.00 crore for development of roads in NCR region within Haryana State. Four road works, including the Sonipat bye-pass, will be constructed with this funding. Another proposal for Rs. 63.08 crore is also to be posed to NCR Planning Board for improvement of roads in the NCR region.

25. Under the Central Road Fund scheme, the State is being given Rs.31.40 crore every year from the cess collected on petrol and diesel. 35 works of State highways and major district roads have been sanctioned under the scheme at a cost of Rs. 71.37 crore. During the current year, 500 km of roads will be improved at a cost of Rs. 35 crore. The Sohna-Nuh-Ferozpur Jhirka-Alwar stretch is to be covered in this scheme. Under the PMGSY for rural connectivity, we are getting Rs. 25 crore every year and a shelf of works for improvement of 1116 km of rural roads has been approved and is under implementation.

26. The four-laning of the National Highway no.1 between Karnal and Ambala, involving construction of new two-lane carriageways, strengthening the existing carriages and construction of 89 bridges has been substantially completed and the road has been opened for traffic. The elevated highway and grade separator at Ambala are two notable structures in this work. In order to improve the riding quality of existing highways, 160 Km of National Highway stretches are being improved during the current year at a cost of Rs. 29.00 crore. Land is being acquired during the current year for the four-laning of National Highway no.10 from Bahadurgarh to Rohtak and for the Rohtak bye-pass at an estimated cost of about Rs. 26.80 crore.

27. The Haryana State Agricultural Marketing Board has been investing substantial off-budget funds for rural roads. In the current year, it has spent Rs. 39.69 crore so far for repair of rural roads and Rs. 73.23 crore for construction of new link roads.

The total outlay, both plan and non-plan, for buildings and roads sector is Rs. 551.13 crore in BE 2002-03.

## **PUBLIC TRANSPORT**

28. Our Government has taken several effective measures to ensure improvement in the Haryana Roadways, which transports about 11 lakh passengers every day in its fleet of 3500 buses. In the last two years, 1100 buses were replaced in the fleet, with plans to replace 407 more buses during the current financial year and 593 in the next year. An amount of Rs. 50.00 crore has been

allocated for the purpose in the current year as well as in BE 2002-03. Our Government has rationalized the operation of existing private bus routes, and allowed their extension by upto 29 km. A more comprehensive private transport policy is in the offing, which will help provide better transport services to the people, make private transport operations viable and augment the Government resources.

29. As a result of concrete efforts, the profit before tax of Haryana Roadways is the highest among the State Transport Undertakings. From Rs. 26.14 crore in 1999-2000, it increased to Rs. 65.80 crore in 2000-01. During April-December, 2001, Haryana Roadways has contributed about Rs.87.00 crore to the State resources.

30. The construction of Rohtak bus stand will be completed and new stands at Kalka and Thanesar will be taken up in the current financial year. In order to facilitate rural commuters, a large number of bus queue shelters are also being constructed. An amount of Rs. 3.00 crore has been allocated in the current as well as the next financial year for land and building programme. Modern workshops are being set up at Rohtak, Ballabgarh and Jhajjar and other existing workshops are also being renovated to provide a better backup service to the fleet.

31. Our Government is keen to provide safe commuting environment to road users in the State. A new organization called Haryana Highway Patrol has been set up for regulation and management of traffic on the four National Highways passing through the State. It is a matter of satisfaction that the accident rate on the National Highways has reduced by 15 percent in April-December 2001 due to these efforts.

## **PUBLIC HEALTH**

32. In the area of provision of drinking water, our Government is committed to upgrade the availability of water in villages to 40 litres, 55 litres and 70 litres per capita per day, depending on the need of people.

33. The level of supply of water has been upgraded in 340 villages up to December 2002 in the current financial year. A total expenditure of Rs. 73.89 crore will be incurred for this during the year to upgrade the 550 targeted villages. The target for the next year is to upgrade supplies in 650 villages.

34. We are taking steps to augment water supply by using State resources as well as the funds available under Government of India programmes like Accelerated Rural Water Supply Programme, Desert Development Programme and Prime Minister Gramodaya Yojana. The Tenth Plan projects an outlay of Rs. 186.50 crore for upgrading water supply to 1400 deficient villages.

35. All the towns in Haryana have facilities of piped drinking water. In order to augment water supply in urban areas, Rs. 34.44 crore have been allocated in the current year under State and Central programmes.

36. Under the Yamuna Action Plan, sewage treatment plants and allied works have been completed at a cost of Rs. 191.39 crore in Yamunanagar, Jagadhri, Karnal, Panipat, Sonapat, Gurgaon and Faridabad which were taken up initially. Some remaining works are being done in these towns at a cost of Rs. 25.54 crore. Subsequently, six other towns namely, Indri, Radaur, Chhachhrauli, Gharaunda, Gohana and Palwal were covered under the YAP and works in these towns are also under progress.

37. For the coverage of 18 other towns under the YAP phase-II, a pre-feasibility report has been sent to the Central Government for the second phase of the programme with an outlay of Rs. 349.34 crore. Similarly, in order to prevent pollution in Ghaggar river, a project of Rs. 354.35 crore for sewage treatment plants and allied works in 21 towns along Ghaggar has been formulated and posed to the Central Government for incorporation in the National River Conservation Plan.

38. Hon'ble Members, it is my pleasure to inform that as a result of the implementation of the Yamuna Action Plan, the pollution level of wastewater flow to Yamuna has been effectively controlled to acceptable levels.

The total outlay in BE 2002-03, both plan and non-plan, for Public Health Department is Rs. 449.73 crore.

## **AGRICULTURE AND ALLIED ACTIVITIES**

39. Agriculture continues to be the foundation of the socio-economic growth in the State. Therefore, this sector continues to be the area of highest priority for us.

40. The State received fairly good rainfall during the Kharif, 2001 and our Government also supplied sufficient water and electricity to the farmers. As a result, the Kharif 2001 foodgrains production reached a high of 37.19 lakh tonnes, including 27.10 lakh tonnes of rice. In spite of the reverse due to unfavorable weather conditions, the cotton production will be about 7.13 lakh bales. Sugarcane looks promising with estimated production of 9 lakh tonnes of gur.

41. The dry spell during the current Rabi sowing season has marginally affected sowing of Rabi crops, especially of gram and rapeseed mustard. However, wheat coverage of 23.30 lakh hectares has exceeded the target, as have barley and other Rabi pulses. The recent spells of rains have brightened our Rabi prospects. We expect a harvest of 97 lakh tonnes of wheat, 1.00 lakh tonnes of gram, 1.40 lakh tonnes of barley and 0.10 lakh tonnes of Rabi pulses. The rapeseed mustard

production will be about 6.50 lakh tonnes. This sustained productivity is the result of our industrious farmers who deserve congratulations.

42. It is now a consensus that our cropping pattern is in urgent need of diversification. We should get out of the foodgrains cycle and look to other high-value farming to cater to internal markets and to seek markets abroad. Concerted efforts in this regard have helped reduce Kharif 2001 summer paddy (Sathi) coverage to 25,000 hectares. Area under main paddy was also brought down to 10.24 lakh hectares from the previous year's figure of 10.49 lakh hectares. The area under cotton, sugarcane, maize, kharif pulses, guar and high value crops like basmati rice, vegetables and fruits has also increased. In order to provide a better marketing access to perishable agro-products, a proposal has been submitted to the Central Government for setting up food parks at Saha, Dabwali, Narwana, Rai and Jhajjar. The State Government is also promoting organic farming as it has good income potential.

43. In this context, the macro management mode adopted by Government of India for implementation of centrally sponsored schemes has helped the State Government tailor the agricultural development planning to our state specific needs. An allocation of Rs. 20.00 crore is available under this programme in the current financial year, which will be Rs. 22.70 crore in the year 2002-03.

44. Several innovative extension services like toll-free helpline by HAU, promotion of kisan clubs at village level and of zero-till drill technology have been started to help farming community to face the new challenges effectively.

45. Our Government is alive to the challenges posed by the post- WTO international trade regime. We have impressed upon the Central Government to consult State Governments before finalizing the strategy for fresh WTO negotiations, and have lobbied for suitable tariff barriers on agro-imports. The increased import tariffs of 60 percent on milk and milk products, 100 percent on wheat and 80 percent on rice provide a cushion to our farmers in the national market.

46. Our Government has made proper arrangements for availability of key agricultural inputs. In the current year, certified seeds of paddy, wheat and barley were subsidized by Rs. 200 per quintal, cottonseed and pulses by Rs.1000 and Rs. 800 per quintal respectively. About 5.20 lakh quintals of certified seeds of various crops were supplied to the farmers this year. The Government is providing subsidy of Rs. 200 crore on phosphates and potassic fertilizers. As a result, the consumption of fertilizers has increased to 9.86 lakh tonnes from 9.30 lakh tonnes of last year. The crop loan disbursement of this year will be of the order of Rs. 2647.86 crore and it fully meets the credit requirement of our farmers.

47. The State Government is promoting sprinkler irrigation as an irrigation-optimizing device. 4000 new sprinkler sets are being added to the 78,840 sets that

were operational in the last financial year. 50 percent subsidy is being given on the sale of gypsum and about 8000 hectares of alkali-affected land will be reclaimed this year by using gypsum. Pilot projects are being run by the Government for reclamation of saline lands at Gohana and Kalayat, and in Bhiwani and Jhajjar districts. Very encouraging results have come from these projects and so far, 1278 hectares of land has been reclaimed for farming.

48. Our agro-marketing network of 105 principal yards, 179 sub-yards and 158 purchase units ensures an effective market access to the farmers of the State. This network provides efficient marketing outlet for farmers within 6 to 8 km from their villages. The Haryana Agricultural Marketing Board has a target to collect Rs. 150 crore as market fees this year, of which it has collected Rs. 141.38 crore by January 2002. At present, the State procurement agencies, including FCI, have a total storage capacity of 115.82 lakh tonnes, of which 12.80 lakh tonnes capacity has been added this year.

49. Animal husbandry is a key element of our farm economy and it helps the marginal farmers and even the landless to augment their income. The State has a cattle population of 1.14 crore. The Haryana Livestock Development Board has been instrumental in breeding and genetic development programmes for quality cattle strains. Haryana is the first State to introduce an insurance scheme for animals and the Board pays 50 percent of the premium amount. A scheme has been started for incentivising high milk yield in buffaloes. The State has a network of 2421 veterinary institutions. 33 new hospital-cum-breeding centres and 18 dispensaries have been opened, and 9 other institutions have been upgraded to hospitals in the current year. In 2002-03, we plan to open 20 new veterinary institutions and upgrade 40 dispensaries to hospitals. As a result of Government efforts, the State's per capita milk availability of 637 grams per day is the second highest in the country.

50. The State Government plans to take the livestock production levels to 50.83 lakh tonnes of milk, 8705 lakh eggs and 24.88 lakh kg of wool by the end of the current year. There is a provision of Rs. 8.00 crore in the plan of 2002-03 for animal husbandry sector.

51. The State has a target to produce 35,500 tonnes of fish by the end of the current financial year. By December 2001, 6500 hectares of water bodies have been brought under fisheries, and 404 SC families have been given financial assistance. The fisheries department is conducting pilot projects for production of prawn in sweet as well as saline water.

The total plan and non-plan outlay for 2002-03 on agriculture and allied sector (including Haryana Agriculture University, animal husbandry, fisheries, dairy development, horticulture and forestry) is Rs. 944.61 crore.

## **COOPERATIVES**

52. The entrenched cooperative movement in the State is characterized by 22,969 cooperative societies with 45.17 lakh members and working capital outlay of over Rs. 12,000 crore.

53. The cooperative credit network is slated to disburse over Rs.3000 crore of short-term credit and Rs. 250.00 crore of long-term credit in the current year. The Kisan credit card scheme now has coverage of 5.64 lakh farmers. The new central cooperative Banks of Jhajjar and Fatehabad started functioning since April 2001.

54. The two new cooperative sugar mills at Sirsa and Gohana became operational in record time this year, taking the number of cooperative sugar mills in the State to twelve, and the cane crushing capacity to 25,050 TCD. In 2000-01, the cooperative sugar mills crushed 342.68 lakh tonnes of sugarcane and paid Rs. 363.97 crore as cane price at the end of the crushing season. In the current year, as on 7<sup>th</sup> March, 233.25 lakh quintals of cane has been crushed and 27.87 lakh quintals sugar produced, with a recovery rate of 9.53 percent.

55. Hon'ble Members, it is a pleasure to inform you of two notable achievements in the cooperative sector. The Haryana Apex Cooperative Bank was adjudged the best cooperative Bank in the country. The cooperative sugar mills of Jind and Karnal also bagged national awards for technical efficiency and cane development respectively.

The total outlay, both plan and non-plan, for Cooperation Department is Rs. 39.44 crore in BE 2002-03, which of course does not include the large credit outlay of the cooperative network.

## **ENVIRONMENT OF INDUSTRIAL PROMOTION**

56. The policy of the State Government for industrial promotion has given impressive results. Till December 2001 in the current financial year, 20 large and medium industries and 554 small industries were set up in the State with investments of Rs. 434 crore and creating direct employment for 8469 persons. The industrial base of the State now boasts of 1097 large and medium industries and 74,682 small industries. In order to facilitate foreign investment in the State, our Government has constituted the Foreign Investment Promotion Board.

57. The value of exports from Haryana reached Rs. 7000 crore in 2001. Haryana is now the third largest software exporting State, after Karnataka and Andhra Pradesh. Readymade garments, auto components, cars, motorbikes, chemicals, rice, handloom products and scientific instruments are the major items of export from the State.

58. Recognizing the critical need for policy support for export promotion, the State Government is going to have a focused export policy. Policy initiative is also in the pipeline for the sunrise sector of biotechnology.

59. The Haryana State Industrial Development Corporation has creditably discharged its mandate for industrial infrastructure development by developing industrial estates of quality. The Chaudhary Devi Lal Industrial Model Township at Manesar has attracted the best names of national and multinational business houses because of its world-class infrastructure. The HSIDC as well as the Haryana Financial Corporation have also provided credit support to enterprises to the extent of Rs. 66.10 crore and Rs. 41.74 crore in 2000-01. The cumulative sanctioned credit portfolio of these institutions stood at Rs. 986.29 crore and Rs. 2250.89 crore respectively.

60. The State Government is also implementing the central sector industrial promotion schemes. The Rural Employment Guarantee Programme under the aegis of the Haryana Khadi Board has provided Rs. 24.50 crore of assistance so far to 385 rural industries and will fund a total of Rs. 29.80 crore in this financial year. The Prime Minister Rozgar Yojana will benefit 8800 beneficiaries this year. In order to enable the small industries sector to upgrade their technology and modernize operations, the State Government is providing assistance from the Small and Medium Entrepreneurs Renewal Fund. Another notable initiative in this regard is the ceramic development center being set up at Faridabad with Rs. 13.86 crore assistance from the Italian Government.

61. The Information Technology Policy, 2000 has ushered in an era of dynamism in entrepreneurship as well governmental innovation in this field. The Cyber-city being setup in the private sector is a major achievement in the IT Sector. An earth station, being setup by STPI at Gurgaon is also a key facility for the software industry.

62. Under the 'right of way' policy of the Government for infrastructure providers and basic telecom service providers, agreements have recently been signed with two major service providers in the State. This will lead to creation of statewide optic fiber network for better communications. The State Government will get free bandwidth from these service providers to have its statewide network for e-governance and interactive citizen interface applications. I will dwell on the specific e-governance initiatives a little later.

The total outlay, both plan and non-plan, for industries is Rs. 51.80 crore in the BE 2002-03.

## **ENABLING EMPLOYABILITY**

63. Our Government recognizes the need for synergy between the industrial sector and the human resources development efforts in the State. We aim to provide quality technical manpower that will gain employment in industrial units and start their own service business also.

64. A lot of emphasis has, therefore, been given to vocationalisation of higher education and to introduction and expansion of technical education and industrial training. The number of higher technical education institutions in the State has gone up from 58 in 1999-2000 to 137 in 2001-02. The intake of students has also increased from 9006 to 21,717 during this period. The intake, specifically in IT education, has increased to 13,791 in 2001-02.

65. In order to improve the quality of technical education in the State, curricula have been updated, underscoring increasing use of computers in teaching. Industry-institute interaction cells have been activated to facilitate at least 75 percent placement for students. The State Government has also signed MOUs with Microsoft, IBM and CISCO to collaborate on quality marking in technical education. The Government Polytechnic at Nilokheri and the REC, Kurukshetra getting the ISO-9002 certification is testimony of the assured quality of teaching in these institutions. The REC, Kurukshetra is likely to get the status of a deemed university.

66. A host of new courses in information technology is being introduced and intake capacity of existing courses increased in many technical education institutions in the State. The Government is also going to set up an Indian Information Technology Institute at Manesar. Besides, nine new Government polytechnics are being set up and NOC has been issued for four self-financing technical education institutions.

67. At the base of the pyramid providing technical training are 194 industrial training centers and vocational educational institutes functioning in the State with a student base of 32,000. These institutions impart skills to our young boys and girls for wage employment and self-employment as skilled craftsmen. Women are a focused group for this skill development exercise with 31 institutions exclusively devoted to them. The women trainees, of course, are charged no fees as per the State policy.

68. The trainees of these institutions are given opportunity of apprenticeship to get on the job training in real work conditions. This is a step to orient their training to marketable areas.

69. There are concrete steps taken by the Government to prepare the young men and women to attain employability and vocation in the fast expanding manufacturing and service sectors in the State.

## **UNIVERSAL ELEMENTARY EDUCATION**

70. Our country has accepted the basic need for guaranteeing elementary education to the children, and now offers elementary education as a fundamental right. We are relatively better placed in terms of the expanse of our primary education network of 11,013 primary schools. The total enrolment in the primary level is now 20.17 lakh, of which 9.54 lakh are girls.

71. The year 2002-03 will be the inaugural year of implementation of the Sarva Siksha Abhiyan, a centrally sponsored scheme that aims at universalisation of primary education by 2007 and ensuring 8 years of schooling to all by 2010. The programme has a multi-pronged strategy to achieve this objective, that include infrastructure strengthening, incentive for girl students from SC, BC and weaker sections, use of IT in the Education Department for better planning and decision support and cash awards for the meritorious students. District Primary Education Project, a World Bank-aided programme, was launched in Kaithal, Jind, Hisar and Sirsa in the first phase and in Bhiwani, Gurgaon and Mohindargarh in the second phase. These districts have significantly improved the enrolment status in primary level. The project has also made significant impact on teaching quality by focusing on orientation of teachers.

72. Hon'ble Members, while our Government is fully committed to universalisation of primary education and to provide access to school education for all, we will seek to underscore quality at the college and university level. The Government feels that students should increasingly be given technical and vocational training. A review is under way to make college education qualitatively better and accessible to students of merit only. We also intend to put the aided higher educational institutions on the path of gradual financial self-sufficiency.

73. The ban on private tuition by lecturers is a timely step taken by the Government. Another novel scheme 'Earn While You Learn' has been introduced in colleges, which allows students to earn something by taking up work in the college itself.

74. Total outlay, both plan and non-plan, of Rs. 1765.83 crore has been provided for in the BE 2002-03. Of this, primary education accounts for Rs. 834.00 crore, secondary education Rs. 564.80 crore, higher education Rs. 226.05 crore, technical education Rs. 66.19 crore and industrial training & vocational education Rs. 45.21 crore. Rs. 29.57 crore have been provided for art & culture and youth welfare activities.

## **SOCIAL WELFARE**

75. Hon'ble Speaker, the social security net provided to vulnerable groups in Haryana has been accepted as a model system in the country. This network has provided much needed relief and dignity to the aged, the infirm, the widows and the

destitute women. Allocation for pension for these groups stands at Rs. 318.23 crore in the current year and Rs. 327.03 crore in the BE 2002-03. Tau Devi Lal day care centers are being constructed for the aged at the village level. 265 such centres have been constructed so far and 248 more are under construction.

76. In order to incentivise education among disadvantaged groups, the State Government has this year doubled the rate of scholarship for students of the scheduled castes. Other benefits like free residential facilities for the meritorious students, preparing aspirants for job-related competitive examinations and entrance test for admission to technical institutions have also been introduced for the SC students. The rate of scholarship for students of backward classes has also been increased.

77. The Haryana Scheduled Caste Finance and Development Corporation and the Haryana Backward Classes and Weaker Sections Kalyan Nigam provide financial assistance to persons of these disadvantaged groups for self-employment and income generating activities. In the year 2002-03, the Haryana Scheduled Caste Finance and Development Corporation will have an outlay of Rs. 46.96 crore to assist 12,500 persons. The Backward Classes Nigam will have an allocation of Rs. 9.00 crore next year to assist 2500 persons.

The total outlay, both plan and non-plan, for social welfare sector in 2002-03 is Rs. 503.84 crore, which includes provisions for women & child development, SC & BC welfare and social securities.

## **FOOD & SUPPLIES**

78. Hon'ble Members, I have indicated earlier about the record foodgrains production in the State. The farmers of Haryana have done a great service to the nation by contributing to our foodgrains self-sufficiency. The present system of minimum support price and procurement of foodgrains by State agencies on behalf of the FCI has been instrumental in assuring a return to the farmers. There have been reports that alternative systems of procurement are being considered by the Central Government, especially in view of the large stock of foodgrains already procured. Our Government is firmly opposed to any change in the procurement system at this juncture. On Haryana Government's proposal, the Government of India has started the 'food for work' programme to achieve the objective of producing wage employment to rural poor. This measure will definitely help reduce the stocks. We feel that the farmers should also be helped over a period to diversify gradually to other cash crops.

79. In the Kharif 2001-02, Government procurement agencies and millers purchased 23.18 lakh tonnes of paddy. In the Rabi 2001-02, 64.07 lakh tonnes

of wheat was procured for the central pool. Our Government has made arrangements for procurement of about 65.00 lakh tonnes of wheat.

80. The State has an extensive public distribution network. There are 44.23 lakh ration cards in the State, serviced by 7460 fair price shops. The Antyodaya Anna Yojana was launched in the State in May 2001. Under this programme, 1,08,748 extremely poor families are being provided 25 kg of wheat per month at the rate of Rs. 2.00 per kg. The other families below poverty line, numbering 5.71 lakh, are being provided 25 kg of wheat every month at Rs. 4.65 per kg.

81. Our Government has ensured easy availability of all necessary commodities in the State. Setting up consumer forum at district level and consumer commission at State level under the Consumer Protection Act, 1986 has protected the interests of consumers.

## **HEALTH SERVICES**

82. Haryana boasts of a well-developed health care system. There are 49 general hospitals, 64 community health centers, 402 primary health centres, 2299 sub-centres, 12 district tuberculosis centres, 29 dispensaries, 2 dental dispensaries and 14 mobile dispensaries operating in the State. 2040 doctors, 220 dentists, 1478 staff nurses, 978 pharmacist, 5186 multipurpose health workers, 847 laboratory technicians, 93 ophthalmic assistants and 142 radiographers man these facilities. Besides, we have two medical colleges, namely the Pandit Bhagwat Dayal Sharma Post Graduate Institute of Medical Sciences, Rohtak and the Government-supported Maharaja Agrasen Medical College, Agroha.

83. Our Government is keen to provide proper facilities in our health care centres. At present, new buildings are being constructed for 3 hospitals, 4 community health centres and 10 primary health centres. Accommodation is also being built for the trauma centre in Karnal civil hospital, the blood Bank unit in Fatehabad civil hospital and the burns unit in Hisar civil hospital.

84. For better healthcare, sophisticated instruments like CT scanner, lithotripter, operation theatre tables and allied equipments, X-ray machines, colour doppler ultrasound machines, and foetal monitors etc. have been acquired. A cobalt unit is also being set up for treatment of cancer. During this year, an outlay of Rs. 9.14 crore has been made for health equipments and Rs. 16.13 crores for medicines.

85. The Health Department now focuses on two critical areas of concern. Keeping in view the high incidence of tuberculosis in the State, the Targeted Tuberculosis Control Programme was introduced in Faridabad, Gurgaon

and Sonipat in 2000 and has now been extended to Karnal and Jind. We expect to extend the programme coverage to the entire State by 2004-05.

86. A multi-pronged strategy has been adopted to tackle the menace of AIDS. 28 licensed blood Banks are operational in the State to ensure safe blood transfusion to the needy. The State AIDS Control Society is organizing various awareness initiatives through 3 voluntary counseling and testing centres and 11 STD (sexually transmitted disease) clinics. The family health awareness campaigns organized in the State for identification, treatment and counseling for STD have proved very beneficial. The AIDS awareness campaign targets vulnerable groups like truck and bus drivers, migrant workers, sex workers and jail inmates to make them aware about AIDS and methods for its prevention.

87. Another area of concern is the issue of female foeticide. Haryana's sex ratio (ratio between men and women) is among the lowest in the country. Preference for a male child and resorting to female foeticide indicate a deep-rooted social malaise. The State Government had notified the Pre-Natal Diagnostic Technique Act, 1994 in 1996. Attention is being given to prevent pre-natal sex determination and female foeticide. Diagnostic ultrasound centres in the State have been registered and regulated for the purpose.

88. The Reproductive and Child Health Programme is being implemented in the State since 1997. This programme aims at better pre-natal and post-natal care of the mother and child. It has also undertaken modernization and improvement of health facilities at various levels. The State has done quite well in major national programmes like Malaria Eradication Programme, Pulse Polio Programme, Guinea Worm Eradication Programme and National Blindness Control Programme and Leprosy Elimination Programme etc.

89. The State's health indicators like 65 years of general life expectancy and 56.8 per thousand infant mortality rate are better than the national averages. Though the birthrate has now come down to 26.8 per thousand in 1999, it is an area that needs to be addressed in a more effective manner.

The total outlay, both plan and non-plan for health services in 2002-03 is Rs. 405.16 crore which includes allocations for alternative systems of medicine and for medical education.

## **RURAL DEVELOPMENT AND PANCHAYATI RAJ INSTITUTIONS**

90. Generation of wage employment and self-employment in rural areas is the strategy adopted by Government of India to remove poverty and create infrastructural in rural areas. The State Government is committed to implement all the centrally sponsored rural development programmes. These include

Swarnjayanti Gram Swarozgar Yojana (SGSY), Jawahar Gram Samridhi Yojana (JGSY), Employment Assurance Scheme (EAS), Sampurna Grameen Rozgar Yojana, Indira Awas Yojana, Pradhan Mantri Gramodaya Yojana and Desert Development Programme etc. For 2002-03, the outlay for these programmes has been pegged at Rs. 113.51 crore. The total funds availability for rural development, including central grants to District Rural Development Agencies, will be Rs. 201.45 crore.

The recommendations of the First State Finance Commission were accepted by the State Government. The Second State Finance Commission has been appointed, whose recommendations, once accepted by the Government, will form the basis for transfer of funds for PRIs.

## **SPORTS AND YOUTH WELFARE**

91. The sports scenario in the State has seen resurgence in the last two years due to the positive policies of the Government. Our Government has taken steps to create good quality sports infrastructure in the State. Two astroturf hockey stadia are being built at Ambala and Gurgaon. A multi-discipline coaching centre has been started by the Sports Authority of India at Hisar with facilities to board and train large number of sportspersons. The northern centre of the Sports Authority of India, named after Chaudhary Devi Lal, is being set up at village Joshi Chauhan in Sonipat spread over about 83 acres of land.

92. Apart from the Bhim Awards for sportspersons, our Government introduced an award scheme to grant monetary benefit of Rs. 1.00 crore, Rs.50 lakh and Rs. 25 lakh to Haryanvi sportspersons who bring laurel for the country at Olympic meets. Under the initiative of the Government, some Government Departments and public sector undertakings have adopted specific sports for promotion and for giving appointment to outstanding sportspersons of those disciplines. The Haryana Olympic association is playing a key role in promoting sports activities in the State. Because of the Government's promotion of sports, Haryana's athletes gave a superlative performance in the National Games recently held in Punjab, by winning 17 gold, 20 silver and 28 bronze medals.

93. The 7<sup>th</sup> National Youth Festival was organized at Hisar in January 2002. The Festival was a resounding success with participation of about 2500 delegates from all over the country and underscored our capability to organize large multi-sports events.

94. Ajay Ratra, the young wicketkeeper–batsman, who captains Haryana cricket team, recently found place in the Indian limited over cricket team. Saurabh Singh has also performed well in ITF (International Level) junior circuit tennis in the

country with two recent title wins at Delhi and Chandigarh. I hope, these young men and many others will do us proud with their performance in future.

95. Hon'ble Members, I urge all of you to do your best to promote sports and complement the Government efforts to make our State a sports superpower in the country.

## **GOVERNANCE, TURNING A NEW LEAF**

96. Our Government believes in the maxim that democracy is of the people, by the people and for the people. Our sincere effort has been to make the governance people-oriented and responsive. The 'Sarkar Aap Ke Dwar' programme started by our Government is a unique programme. It has bridged the gap between the State administration and the people and helped prioritize development works on the basis of felt needs of the people. It has also helped make official functionaries more accountable to people in regard to quality of programme implementation. In the 'Sarkar Aap Ke Dwar' programme, 19,919 works worth Rs. 1211.46 crore have been sanctioned in two phases. Of these, 10,089 works have been completed so far, and 9830 works are in progress.

97. Our Government formulated the new mining policy in September last year, under which new mining leases are being given by public auction. This has not only made the system more transparent, it has but also increased Government revenue of the year to Rs. 65.86 crore, an almost four-fold increase over the previous year.

98. The State Government views employee welfare as a key element in the strategy of development. It has been proactive towards the employees' interests and provided a conducive environment for the officers and officials to contribute positively to the development of the State and well-being of the people. Our Government wants to ensure that the employees get their retiral benefits immediately on retirement. Necessary steps have been taken in this regard.

99. The Government is keen to introduce e-governance in the State. More than 40 Departments and PSUs have so far formulated IT action plans, most of which are under implementation. I believe that this technological shift will cut costs, remove delays and make government-citizen interface friendlier. The IT projects in Excise & Taxation Department, power utilities, Finance and Treasury and Accounts Departments are some of the flagship projects of e-governance being implemented now. This will make the administration more efficient.

Since it came to power, our Government has ensured an ideal law and order situation in the State. The industry-labour relations have also been very good. These have contributed to the pace of economic development.

## **CONTINUING FISCAL CORRECTIONS**

100. The State Government has decided to develop a long-term perspective plan for development of the State and formulate concrete strategy to realize the milestones of this plan. A group of reputed consultancy firms have been engaged by the Government to help in developing a perspective plan and designing legal and administrative framework for private participation in the development process, especially in infrastructure development.

101. Hon'ble Members, economists and political observers have commented extensively on the economic conditions prevailing in the country. While the economy continues under industrial and market recession, ballooning revenue expenditure, especially on the service delivery mechanism in most States has stalled development expenditure. It is my sincere belief that managing economy can no longer be subservient to political convenience or opportunism. It is necessary to take steps to consolidate our fiscal situation by targeting non-productive expenditure and high establishment cost and also to discard the notion of free public services.

102. The State Government is reviewing the present organizational structures and staffing pattern of Departments in order to rationalize them. More than 5400 posts have been abolished in the last two years. New posts are being sanctioned only after a rigorous verification of the need for these. In the last year as well as this year, the Government has given advance of Rs. 13.64 crore to some PSUs to meet the severance expenditure of their surplus staff.

103. In my last Budget proposal, I had proposed setting up a Sinking Fund and a State Economic Renewal Fund. While consultation with Reserve Bank of India is in progress to notify these as Public Account Funds, the State Government has imposed, with effect from August 2001, a guarantee fee of two percent on the loans being availed by State PSUs and Boards etc. against State guarantee. These receipts will flow to the Sinking Fund.

104. The Central Government had accepted the 11<sup>th</sup> Finance Commission recommendation to create an incentive fund linked to fiscal corrections by States. The recent budget proposals by Union Finance Minister also indicate provision for more reform-linked incentive funds for States. The desired reforms are mainly in the area of containing revenue deficit, fiscal deficit, annual interest payment and growth of non-plan expenditure. We need to achieve these milestones not only to avail the incentive funds, but also to maintain and improve upon the present trend of development expenditure in the State. Our Government will, therefore, strive to increase its revenue base, contain and reduce expenditure on establishment and limit borrowings only to finance capital expenditure and investment in priority areas.

## **BUDGET ESTIMATES, 2002-03**

105. Hon'ble Speaker, I now present before this august House the Budget Estimates for the year 2002-03.

The year 2001-02, as per the books of RBI, opened with a deficit of Rs. 295.36 crore and is likely to close with a deficit of Rs. 487.06 crore. Thus, the budgetary transactions during the year indicate a deficit of Rs.191.70 crore. The financial year 2002-03 is likely to open with a deficit of Rs. 487.06 crore and to close with a deficit of Rs. 689.26 crore. Thus, the year's net transactions indicate a deficit of Rs. 202.20 crore. The Budget Estimates provide for a State plan outlay of

Rs. 1922.50 crore besides the expected outlay of Rs. 687.35 crore in centrally sponsored schemes and other development plan schemes. The State plan outlay of Rs. 1922.50 crore is proposed to be funded by the State's own resources to the tune of Rs. 1466.44 crore (76.3 percent) and by central assistance of Rs. 456.06 crore (23.7 percent).

106. The Consolidated Fund of the State shows total receipts of Rs.14,033.04 crore in BE 2002-03 as against Rs. 12,648.40 crore in RE 2001-02, and an expenditure of Rs. 15,248.86 crore in BE 2002-03 as against Rs. 13,473.68 crore in RE 2001-02.

107. The revenue receipts in BE 2002-03 are likely to increase by Rs.1002.33 crore from Rs.7922.78 crore in RE 2001-02 to Rs. 8925.11 crore. The revenue expenditure in BE 2002-03 is estimated to be Rs. 9981.34 crore. It will be Rs. 888.08 crore more than Rs. 9093.26 crore of RE 2001-02. The growth in expenditure in BE 2002-03 will be mainly due to increases of Rs. 82.86 crore in salaries, Rs.289.02 crore in interest payments, Rs. 104.35 crore towards financial support to power sector and due to allocations of Rs. 127 crore for decentralized planning and Rs. 170 crore for the Sarva Siksha Abhiyan.

108. As I had said at the outset, the Revenue Account shows some improvement. The revenue deficit in BE 2002-03 is likely to reduce by Rs.114.25 crore to Rs. 1056.23 crore from Rs. 1170.48 crore in RE 2001-02. The measures for fiscal consolidation and policy initiatives discussed earlier are expected to generate additional revenues and savings, which should further improve the deficit.

109. While projecting receipts and expenditure for the year 2002-03, we have followed the guidelines of the Planning Commission and assumed our share in central taxes as per the indications of the Ministry of Finance, Government of India. State taxes have been projected to grow at the rate of 11.5 percent. The non-tax revenue has been projected on the basis of actual trends in different revenue sources. Efforts have been made to contain non-plan expenditure. The Budget

Estimates, 2002-03 provide for Rs. 107.38 crore on account of two DA instalments, due from January and July 2002.

110. Hon'ble Members would appreciate that the deficit in the Budget Estimates of 2002-03 is within a manageable limit and we have proposed measures to contain them further. We also hope that our share in central taxes will increase in the next year as a result of the new economic policy initiatives of the Central Government. I propose to impose tax on online lotteries at the rate of twenty percent, notification for which will be issued separately. Our resource mobilization measures and economizing efforts will help in reducing the deficit. I also hope for an improvement in the economy of the country to generate more resources for us.

111. Before I close my presentation, I take the opportunity to acknowledge the untiring efforts of the officers and employees of the Finance Department who have worked for more than a month to help me prepare the Budget proposals.

112. Sir, now I commend the Budget Estimates, 2002-03 for the consideration and approval of this august House.

***JAI HIND!***