

Hon'ble Mr. Speaker,

I rise to present before this august house the Budget Estimates for the year 2006-07.

2. This is the second budget of this Government which received people's mandate in the election 2005 with a landslide victory. It was a vote for change in favour of rule of law and for good governance. We acknowledge the silent but effective signals emanating from our enlightened electorate. Though one year is too short a time to fulfill all the expectations of the people and to boast much of concrete achievements; nevertheless

the different steps taken by us so far have contributed substantially in bringing about qualitative change in the life of the people. There was a general erosion of authority visible during the regime of the previous Government which had demoralized the law enforcement machinery. In the last budget, I had promised our Government's commitment to provide clean & benevolent governance sans fear, intimidation and insecurity. We have successfully fulfilled this promise and restored the confidence of people in democratic process and the rule of law. The State of Haryana has now embarked upon a new and vigorous pace of development. We have consolidated the gains of economic liberalization and strengthened the State's economic base. Our innovative and progressive policies have been duly endorsed by the people of the State as has been amply reflected in the recent by-elections of Rohtak Parliamentary Constituency, three Assembly Constituencies and the election to Panchayati Raj and Urban Local Bodies.

3. Indian National Congress party had fought the last election in the State with a set of proposals/ promises duly incorporated in our Election Manifesto. These proposals are comprehensive and involve every aspect of economy from agriculture to industry and from social sector to employment. It reflects the concern for common man. Our priorities are in conformity with the economic reforms started in 1991 by the then Union Finance Minister Dr. Manmohan Singh who is now Prime Minister of our country. The reforms have brought qualitative change in the country's economy. However to further accelerate the process, we need to address certain key challenges. It calls for integration of rural

economy and the lower income urban population with the economic mainstream. The holistic development of both the agricultural and non agricultural rural economy would be a key focus area of our Government.

4. The progressive and forward looking policies being followed by UPA Government at the Centre are likely to bring about profound changes in the functioning of the State economy. Considering the fact that majority of the people in the country reside in rural areas and poverty is most visible amongst them, the present Central Government has rightly focused their attention on bringing about radical changes in the rural set up. Lack of employment is a perennial problem in the rural area and to address that, the Central Government has launched a Rural Employment Guarantee Scheme to be substantially funded by them. Haryana is going to be benefited to the extent that two of its districts have been included out of the 200 districts identified at the national level in the first phase. The other flagship programme of Government of India is Bharat Nirman which is again focused on the infrastructure upgradation in the rural area and to unleash its growth potential. Haryana is likely to get substantial financial assistance in improvement of the rural roads under this programme. We are proud that most of the schemes envisaged under the Bharat Nirman programme have already been completed by the State long back through its rural connectivity programme in power, road network, providing drinking water facilities etc. Simultaneously with the rural upliftment, high priority has also been attached for bringing about structural transformation in the urban areas through Jawaharlal Nehru National Urban Renewal Mission. Faridabad in Haryana has been chosen as one of the towns which would be taken up under this programme for which detailed planning is being carried out. Separately we have made a request to Government of India to include entire NCR of Haryana and Panchkula town under this Mission since the problems of these areas are of same nature. In case our request is acceded to, we expect substantial flow of funds in this area for augmentation of urban infrastructure facilities.

5. The national economy has been at a high growth path in the recent years. Naturally the budget announced by the UPA Government a few days back rides on the upbeat economic momentum. It increases spending on social sector, agriculture and infrastructure and at the same time lays emphasis on fiscal consolidation. Spending

restraint is also a key point on which fiscal deficit projection for the new year is based. The budget sends a clear message about the Government priorities of higher investment in the farm and rural sector with a firm commitment to social equity. Haryana State is likely to benefit substantially due to sufficient higher allocations by Government of India during 2006-07 under their flagship Bharat Nirman Programme.

STATE OF ECONOMY

6. The Economic Survey of Haryana, already circulated amongst the Hon'ble members, highlights the overall economic situation of the State. It indicates that the Gross State Domestic Product (GSDP) of Haryana at constant (1993-94) prices has recorded a growth of 8.4 percent from Rs.40131 crore in 2003-04 to Rs.43502 during 2004-05. At current prices the GSDP has recorded a growth of 12.2 percent from Rs.73961 crore in 2003-04 to Rs.83003 crore in 2004-05 as against 11.8 percent at the national level. Further, it reveals that the contribution of primary sector including agriculture has declined to 28.2 percent in 2004-05 from 42.5 percent in 1993-94 whereas secondary and tertiary sector contribute 27.4 percent and 44.4 percent respectively as against 26.2 percent and 31.3 percent in 1993-94. The increase in secondary and tertiary sector is indicative of healthy growth of our economy.

7. The per capita income at constant prices has grown to Rs.16872 in 2004-05 as compared to Rs.15752 in 2003-04, indicating a growth rate of 7.1 percent. The per capita income at current prices is estimated at Rs.32712 in 2004-05 as against Rs.29504 in 2003-04, with growth rate of 10.9 percent. The per capita income of the State is highest in the country only next to Goa. In the current fiscal year also the State's economy has witnessed a steady growth coupled with stability despite complex and challenging national and international environment. The recent economic trend indicates a strong buoyancy with rising industrial growth, a healthy expansion of service sector and improvement in agricultural performance. Rising domestic demand has proved to be a key growth driver as increasing household income has led to demand for a variety of products and services which has accelerated the economic growth and household prosperity.

TWELFTH FINANCE COMMISSION

8. The Hon'ble Members would recall that the recommendations of Twelfth Finance Commission (TFC) are likely to bring about radical change in the financing of the State economy. The recommendations have already been accepted by the Central Government and have become mandatory for the State Government to implement them in order to avail financial incentives mentioned therein. Consequently we have chalked out comprehensive fiscal correction path to achieve the targets mentioned in the TFC report. We would try to increase our revenue base and reorient our expenditure with more focus on social sector and economic infrastructure.

9. TFC has recommended consolidation of all existing loans provided to the States upto March 31, 2004 which are outstanding on March 31, 2005 and rescheduling them for a fresh repayment period of 20 years with an interest rate of 7.5 percent on the precondition of adopting a Fiscal Responsibility legislation. In addition to providing general relief by consolidating and rescheduling of loans, TFC has framed a scheme of debt waiver based on fiscal performance.

10. As per the above recommendations of TFC, our Government has enacted the Fiscal Responsibility & Budget Management (FRBM), Act in July 2005. The State Government is now under an obligation to eliminate the revenue deficit and to contain fiscal deficit to the level of 3 percent of GSDP by 2008-09. Further, the State debt including contingent liabilities of the guarantees is to be brought down to the ratio of 28 percent of GSDP in the next four years from the present level of about 32 percent.

11. The financial management of State Government has been acclaimed both by Government of India and the 12th Finance Commission of India particularly in the areas of revenue growth, expenditure control and reduction of deficit indicators. We are confident that fiscal indicators would further improve in future as per the FRBM targets. We feel that by adhering to the Fiscal Correction Path chalked out by our State, we shall be able to derive maximum benefit out of the fiscal consolidation, reschedulement and debt waiver facility offered by Government of India under TFC recommendations.

COMPLIANCE OF FRBM ACT

12. We have taken a number of measures in compliance of Fiscal Responsibility & Budget Management Act, 2005. It is a composite strategy of revenue augmentation, expenditure curtailment and debt management. I am briefly listing them as under:-

- **Increase in Revenue Receipts:** Due to sustained efforts by various Departments our revenue receipts are likely to increase by Rs.600 crore over the budget estimates (2005-06).
- **Debt Swapping to reduce interest liabilities:** In the past we had resorted to debt swap under a Government of India scheme whereby debts carrying interest rates higher than 13 percent were swapped with lower interest debts which reduced our interest burden by Rs.200 crore per annum. Our efforts in this regard are continuing and we are in the process of debt swapping of all loans carrying interest rate above 10 percent.
- **Reduction of Contingent Liabilities by transferring to hypothecation in lieu of State Guarantees:** We have taken up with Power Utilities, HUDA and HSIDC to discharge the State Government of our liability on account of State guarantee and secure the debt by hypothecation of their assets with lending agency.
- **A Resource Mobilization Committee** has been set up under the chairmanship of Chief Minister. The Committee has taken a number of steps to mop up additional revenue.
- We have introduced **New Contributory Pension Scheme** w.e.f. 01.01.2006 and all employees recruited hereafter will be covered under this scheme. It will reduce our pension liability in future.
- With a view to facilitate quicker decision making, the administrative departments have been delegated vast financial powers to sanction expenditure under approved plan schemes. This will facilitate efficient utilization of funds.

13. Financial management cannot be looked into in isolation as it is an integral part of the over all administration of the State. Any administrative reform and restructuring is bound to improve the financial management as well. In recognition of the need for fiscal restructuring, the present Government has initiated a number of reforms including updating of rules, delegation/decentralization of powers, integration of different Departments and rationalization of staffing pattern in Government and public sector undertakings. These, apart from improving administrative efficiency, are likely to bring substantial savings for the Government.

ANNUAL PLAN 2006-07

14. Speaker Sir, to adhere to our Government's commitment to usher in an all round development of the State, the State Plan outlay for 2006-07 has been kept still higher at Rs.3300 crore. It has already been approved by the Planning Commission of India in its meeting held with Chief Minister on 13th February, 2006. This indicates the capability of the State Government to generate such high level of resources for plan after meeting all our non plan commitments. Through judicious allocation of resources to different sectors of economy, we have tried to achieve a balanced growth with equity and social justice.

15. It would be relevant to mention here that in the Annual Plan 2006-07, 35 old schemes have been dropped and in their place 41 new schemes have been taken up keeping in view the changing economic scenario and the necessity of introducing new schemes/ideas for all round development.

16. Our Government has maintained its highest priority to the development of social services and physical infrastructure. Accordingly, Rs.1568.92 crore, which constitute 47.54 percent of Plan outlay, have been allocated towards social sector. It includes Rs.490 crore for social welfare with special focus on allowance for the aged, handicapped, widows and destitute towards whom we owe a special responsibility. Further, a sum of Rs.290 crore has been allocated for education which is 27 percent more than the last year's plan. There is a provision of Rs.60 crore for improving technical education which is 20 percent higher than last year's allocation. Similarly for health sector, the outlay is Rs.114.5 crore which is 12 percent higher than last year's

allocation. A sum of Rs.330 crore has been proposed for augmenting the drinking water supply & improvement of sanitation, which is 35 percent greater than the last year's allocation.

17. Due attention has continued to be given to the improvement of physical infrastructure in the State with an outlay of Rs.1250 crore which constitutes 37.88 percent of the total plan outlay. Adequate allocations have been made for irrigation with an outlay of Rs.498 crore, followed by Rs.449 crore for generation, transmission & distribution of power and Rs.303.2 crore for the improvement of roads and transport. An allocation of Rs.42.5 crore has been made for housing sector which also includes police housing. There is a provision of Rs.90.89 crore for urban development.

18. The year 2006-07 is the last year of the Tenth Five Plan which was approved at Rs.12000 crore for the State with highest priority to the expansion of social services followed by improvement in economic infrastructure. With the finalization of our annual plan 2006-07 at Rs.3300 crore we shall be able to achieve our targets as envisaged under the Tenth Five Year Plan.

19. Speaker Sir, the outlay for the Annual Plan 2006-07 is resource based and our Government is fully committed to optimally utilize these funds for the all round development of the State in the best interest of its citizens. Our emphasis would be on performance and quality.

MAJOR INITIATIVES

20. Our Government took a very bold initiative to settle the long pending issue of arrears of power bills of farmers and rural domestic consumers. This problem is more than a decade old. This issue was politically exploited from time to time to misguide the farmers by promising free supply of water and electricity. It goes to the credit of the present Government for launching an innovative scheme to benefit all those farmers who are keen to pay the current power bills by remitting their arrears to the tune of Rs.1600 crore. The scheme has received encouraging response. The consumers who had been chronic defaulters have been brought within the mainstream and a sense of discipline was introduced in the power sector. This has brought about much needed changes in the country side and would usher in an era of prosperity in the

long run. By waving off the unpaid bills, the Government has neither paid a dole to the farmers nor set up a bad precedent of distribution of free electricity.

21. Another bold initiative, which has benefited the farmers, is fixing a floor rate for land acquisition keeping in view the economic potential of the area. It would not only give a just price to the land owners but would also reduce numerous litigations arising out of inadequate land compensation in the past.

22. Our Government has revised the State Advised Price of Sugarcane to Rs.135 per quintal which is highest in the country. It will give much needed relief to farmers who were shifting away from sugarcane production. This will also generate an extra income of Rs.90 crore per year to them.

23. The norms of compensation to farmers on account of failure of crops due to natural calamities fixed by Government of India were quite low. Our Government has revised them upward to compensate substantially in the event of loss of crop under circumstances beyond their control.

24. Equitable and fair distribution of canal water to all the regions of the State is one of the priorities of our Government. A new irrigation project viz BML-Hansi-Butana Multi Purpose Link Channel at an investment of Rs.259 crore is being taken up for this purpose. Our Government has supplied 25 percent more canal water in the year 2005-06 to southern Haryana than what was given in the earlier year.

25. Our Government is keen on utilizing the excess water of Yamuna which goes waste in the peak season. During rainy season, huge quantity of water flows down the river causing floods in the region whereas in lean season the water availability is very meagre. To tackle this problem, there is a dire need of constructing 3 dams at Renuka, Kishau and Lakhwar-Wyasi in the upper reaches of river Yamuna. These projects require huge investment for which we have taken up the matter with Government of India.

26. The new Industrial Policy 2005 announced by our Government has started yielding rich dividends and the investors have

started to look at Haryana as a favourable destination. The policy primarily aims at providing time bound clearance to prospective investors for setting up of industries through a single window approach. The policy also facilitates spatial dispersal of economic activities particularly in economically and socially backward regions of the State.

27. The recently passed Haryana Industrial Promotion Act, 2005 provides the much needed mandate for expeditious grants of approvals and sanctions. The Government of India has already granted its approval in principle for establishing ten Special Economic Zones (SEZs) in the State and ten more are in the process to be approved. Some more mega SEZ proposals are likely to come up in near future. The main objective of this policy is to generate maximum employment by inviting investment, both domestic well as foreign and achieve balanced development by focusing on backward areas of the State.

28. We have come up with State Labour Policy announced on 12.1.2006 which is first of its kind in the country. The Labour Policy aims at evolving a mutually & increasingly beneficial partnership between employers and workers, to create conducive conditions at workplace for increasing productivity, prevention of exploitation of workers and protection of their rights, resolution of industrial disputes through social dialogue, fostering peaceful and in-house settlement of disputes etc. The endeavor is to maximize the welfare of labour without compromising industrial productivity.

29. Unemployment is a threat to our social fabric. My Government is committed for creating employment opportunities within the State and facilitate overseas job seekers. As per my announcement in the last budget, Haryana Overseas Placement Assistance Society has been set up. The Society shall provide information, guidance and assistance in respect of opportunities available for overseas studies & placements, facilities for skill improvement and obtaining passport, visa etc. All the employment exchanges of the State shall function as facilitation centres. The Society shall also obtain certificate of registration under the Emigration Act from Government of India and thereafter an Overseas Placement Bureau shall be set up under the aegis of the Society to function as recruiting agency for the purpose of overseas placements.

30. We have also come up with a forward looking Excise Policy which aims at curbing monopolistic tendencies and formation of cartels in the allotment of liquor vends. Under this policy, the system of auction of retail liquor outlets has been discontinued and instead, the same will be allotted by inviting applications and draw of lots if there are more than one applicants for a particular vend. At the same time we have reduced the excise duty rates on country and Indian made foreign liquor (IMFL) to prevent malpractices like smuggling, adulteration etc. The revenue on account of reduction of excise duty is to be recovered in the form of license fee. We anticipate excise revenue of Rs.1200 crore during 2006-07 as against budget provision of Rs.967 crore of 2005-06.

2006 THE YEAR OF GIRL CHILD

31. Haryana has witnessed a sharp decline in the sex ratio over the years. Our Government is very conscious of this and has taken steps to remedy the situation. A number of decisions have been taken by our Government to raise the status of girl children. An new scheme namely 'Ladli' has been launched under which an incentive of Rs.5000 per year for five years shall be provided to the family on the birth of a second girl child. The panchayats shall be granted incentives for ensuring 100 percent enrolment of girls in the age group of 6-14 years in schools. Health card would be provided to all girl children upto the age of 18 years. Girl students will receive 50 percent additional concession on their bus passes. To attract more girls to technical education, 25 percent seats in technical institutes and engineering colleges have been reserved for them.

32. Similarly for raising the status of women, our Government has taken effective steps. Transfer of property in the name of a woman will invite 2 percent lower stamp duty than men. Housing Board Haryana has reserved 33 percent of houses for women applicants in their housing schemes. In the recruitment of school teachers, 33 percent posts have been reserved for women. Under the "Ladli Samajik Suraksha Pension Yojana", the parents who have only girl children will receive an allowance of Rs.300 per month from the age of 55 years instead of 60 years in other cases. The "Indira Gandhi Priyadarshini Vivah Shagun Yojana" is being implemented to provide financial assistance of Rs.15000 to scheduled caste and denotified tribe families and Rs.5100 to other

families living below poverty line for the marriage of their daughter. Thus, the financial burden on the marriage of girl would no longer make the poor families consider girls as unwanted.

SALUTE TO THE BRAVE SOLDIERS OF HARYANA

33. In recognition of the services and the supreme sacrifices being made by our brave soldiers in safeguarding the border of the country, our Government has decided to substantially enhance the amount of cash awards and 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. A four fold increase has been made in the annuity of gallantry prizes like Param Vir Chakra, Mahavir Chakra etc. Separate reservation for defence personnel and ex-servicemen in Group Housing Societies has been made. Besides, Defence Colonies will be developed at Rohtak, Rewari, Jhajjar and Jind. Items purchased from CSD canteens have also been made tax free for parents of deceased un-married service officers and widows of service officers. Ex-servicemen Contributory Health Scheme has been introduced under which they can avail free medical facility in Government Hospitals besides Army Hospitals. A War Museum will be constructed at Rewari.

34. We have also not forgotten the heroes of our independence movement and enhanced the amount of 'Samman Pension' to freedom fighters from Rs.1400 to Rs.3500 per month. We have also decided that the personnel of all ranks in the para military forces will get ex-gratia payment at par with Army personnel.

RATIONALIZATION OF SURCHARGE ON DELAYED PAYMENTS

35. The Departments of Irrigation, Public Health and Power are presently levying heavy surcharge on the principal amount of user charges paid after the due date. For every subsequent month of delay a further surcharge is levied on the outstanding amount of the consumers. The surcharge levied at present is excessively punitive and acts as a disincentive for the consumers who want to make the delayed payments. It is felt that there is a strong case for rationalizing the rate of surcharge on such services to improve recoveries and to provide relief to the consumer in future.

36. I propose that consumers who make payment of their dues within one month from the date of the bill may be given discount on the billed amount. The existing rate of surcharge will be suitably modified for every subsequent month of delay. Comprehensive guidelines on the subject would be issued shortly.

37. Now, I would briefly discuss the budgetary allocation made in some of the key sectors which form a part of our Government's development agenda for the year 2006-07.

POWER SECTOR

38. Electricity is a critical input for the development of the State. Our Government is laying highest priority to maximize power availability in the State and to improve the quality of its supply. In spite of insufficient rains during kharif season and severe shortage of power in the northern grid, 7 percent more power was supplied upto December, 2005 during 2005-06 as compared to corresponding period of the previous year.

39. Speaker Sir, the demand for power is increasing at a rapid pace and our Government is taking all possible steps to narrow the gap between demand & supply. The Government has embarked on an ambitious plan to add over 4000 MW of generation capacity during 11th Five Year Plan both in the State sector as well as through private sector participation. The 600 MW Yamunanagar Thermal Power Project is expected to be commissioned by March 2008. In addition, arrangements are being made for facilitating generation of 1065 MW at Faridabad, 1080 MW each at Hisar and Jhajjar and 1000 MW at Panipat preferably through gas based plants. Steps are also being taken to set up 1000 MW coal-based plants at Hisar and Faridabad.

40. Besides increasing power generation, our Government is constantly endeavoring to strengthen the transmission & distribution network not only to supply quality power to consumers but also to cut down transmission & distribution losses. Since March 2005, 17 new sub-stations have been commissioned, 83 existing sub-stations augmented and 396 KM of new transmission lines erected with a total investment of Rs.111 crore. In the next two years, 63 new sub-stations will be constructed and 58 existing sub-stations will be augmented and

109 km of transmission lines would be constructed with an investment of Rs.700 crore. Similarly, power utilities have prepared plans for investment of Rs.1000 crore in transmission and distribution network in the next two years in order to provide quality power to consumers.

41. Proposals worth Rs.252 crore have been submitted to Government of India under 'Rajiv Gandhi Grameen Vidyutikaran Yojana' for the expansion and improvement of power infrastructure to provide electricity to all rural households.

42. While the present power shortage is being tackled through purchase of power even at high cost from all possible sources, the State Government is committed to stabilize the power situation and the financial health of the power utilities in the near future. Steps to improve transmission and distribution efficiency and for ensuring availability of power at reasonable rates have been initiated. Future availability of sufficient power is being ensured through signing of long-term Power Purchase Agreements for the projects coming up in various parts of the country. Simultaneously, our own generation capacity is being augmented through additional coal-based generation. Efforts are also being made to have a plant based on petroleum coke being produced as a by-product at Panipat Refinery and for making sufficient gas available for gas-based generation.

43. Our Government is also attaching due importance to renewable sources of energy for sustainable growth. We have formulated a policy on power generation through non-conventional sources under which incentives would be provided for private investment in this sector. This policy aims to add at least 500 MW of power to be generated through renewable energy power projects by 2012.

A total outlay of Rs.2104.93 crore has been kept for power sector including renewable energy in 2006-07.

IRRIGATION AND DRAINAGE

44. Our Government is committed to provide equitable distribution of water to all regions in the State and in accordance with our assurance, we have already enhanced the availability of irrigation water to southern Haryana which had received a raw deal during the previous

regime. We have made available 25 percent more canal water during Kharif 2005 and 59 percent more in the Rabi season as compared to corresponding periods in the previous year.

45. We have undertaken two prestigious irrigation projects since coming to power. The first project is BML-Hansi-Butana multipurpose link channel of 2000 cusecs costing Rs.259 crore, which will augment the availability of irrigation water of southern Haryana besides improving the availability of sub-soil water level in its command area. The other project is Dadupur-Shabad-Nalvi canal, which will help to utilize the surplus water of Yamuna river during monsoon season and also recharge ground water of Yamunanagar, Ambala & Kurukshetra Districts. In addition, a ground water recharge project for Masani Barrage in Rewari District has been commenced costing Rs.6.7 crore.

46. The State Government is determined to realize our full share of Ravi-Beas waters through SYL canal at the earliest. We have demanded early completion of SYL and will strongly defend legitimate right of our State in the case before the Hon'ble Supreme Court of India. SYL is the life line of Haryana and our endeavor would be to see that it becomes a reality.

47. During the current year, 48 flood control schemes have been completed and 45 are in progress. Recently the Flood Control Board has sanctioned 134 new and 45 ongoing schemes involving an estimated cost of Rs.140 crore.

There is an allocation of Rs.1059.03 crore for irrigation & drainage works during 2006-07.

ROADS & BRIDGES

48. The State Government attaches great importance to rail, road and bridge infrastructure of the State and are taking all possible steps to strengthen as well as expand it. For a long time, no new rail line was laid in the State though there has been considerable talk about it. Within a year of the present Government, a new rail line from Rohtak to Rewari at a cost of Rs.215 crore has been got sanctioned from the Ministry of Railways on 50:50 cost sharing basis.

49. With the efforts of the State Government, a few more crucial National Highway projects are being taken up. The Government of India has agreed to four lane the National Highway No.10 from Delhi to Rohtak and Zirakpur-Panchkula-Kalka portion of NH-22. The work for construction of 10 km long highway including 3.408 km elevated portion at Panipat has begun this year. In addition, Ambala-Zirakpur section of National Highway No.22 is likely to start soon.

50. The State Government has realized the importance of bridges, especially Rail Over Bridges (ROBs). The PWD has prepared a master of plan of constructing 88 ROBs to be taken up in a phased manner. The construction on 9 ROBs has already commenced and the work on 9 more ROBs at a cost of Rs.140 crore would start very soon. The construction work on 13 bridges on canals and roads has been completed during this year.

51. In order to tap resources and expertise available with the private sector, the State Government has also decided to take up five State roads on build, operate and transfer (BOT) basis.

52. For improving quality, design and introducing cost effective technologies of roads, bridges and buildings, the State Government has decided to upgrade the existing Laboratory of the PWD located at Hisar and convert it into an autonomous society. It has also been decided to revise and update age old PWD Code incorporating the latest construction technologies and management practices.

53. Village roads and municipal roads are also proposed to be strengthened/improved with LADT funds passed on by State Government to Rural & Urban Local Bodies. We are engaging consultants for introducing new trends in design, construction and management of works.

Total outlay for Roads & Bridges has been provided at Rs.739.76 crore in 2006-07.

MODERNIZING THE TRANSPORT NETWORK

54. Our Government has been attaching high priority for providing safe, efficient, reliable and adequate transport services. Haryana Roadways is performing a pivotal role by transporting over 11

lakh passengers every day by deploying a fleet of 3500 buses. An amount of Rs.78 crore was allocated in the current year for acquisition of new fleet, construction of new buildings, modernization of workshops and strengthening of Drivers Training Institutes. A similar provision of Rs.78 crore has been made in the next year out of which Rs.58.85 crore are proposed for acquisition of new fleet.

55. Raen Baseras (Night Shelters) have been set up at important bus stands. About 500 buses are being replaced in the current year and more than 300 buses are proposed to be replaced in the next year. It is also proposed to include CNG, AC & Deluxe buses in the fleet. For renovation & upgradation of bus stands & workshops, a special provision of Rs.10 crore was made for the first time in the current year and the same amount has been earmarked next year also. Improved training & health check up of drivers and better maintenance of fleet has resulted in reduction of accident rate from 0.14 per lakh KM in 1999-2000 to 0.08 per lakh KM in 2004-05 which is half of the national average of all the State Transport Undertakings.

56. The spiraling price of oil in the recent past has had its effect on the sustainability of transport sector. The expenditure on diesel of Haryana Roadways which was Rs.150 crore in 2002-03 has increased to Rs.252 crore during 2005-06. The staff expenses have also gone up considerably. The last fare revision had taken place in August 2003. In order to partially offset the extra burden on Haryana Roadways, I propose a modest increase of 5 paise per kilometer in the fare to be charged from the passengers. This is likely to generate an additional revenue of Rs.40 crore for the State during the next year.

A provision of Rs.754.96 crore has been made for transport sector for the year 2006-07.

AUGMENTATION OF DRINKING WATER SUPPLY

57. Drinking water supply facilities had been extended to all the villages in the State by 31st March, 1992. However survey carried out in December 2004 revealed that there are 1971 villages in the State where the per capita availability of drinking water was less than 40 lpcd. During the current year, work on augmentation in 680 such

villages has been taken up and work on 1100 villages will be initiated in next financial year.

58. In order to augment drinking water supply in 503 villages of Mewat, which is a chronic water deficit area, a Ranney wells based project sanctioned by NCR Planning Board at a total project cost of Rs.425 crore is under implementation. The NCR Planning Board has also approved an augmentation project for rural areas falling in the districts of Faridabad, Gurgaon, Panipat, Rewari, Rohtak, Jhajjar & Sonipat at an estimated cost of Rs.162.10 crore covering 652 villages.

59. A special campaign was launched during 2005-06 to ensure adequate drinking, water supply in Scheduled Caste Bastis for which Rs.6 crore were allocated. So far 414 Scheduled Caste Bastis have been benefited as a result of this project. A similar provision has been made in the current year as well.

There is a total provision of Rs.759.63 crore for improving water supply and sewerage in 2006-07.

AGRICULTURE AND ALLIED ACTIVITIES

60. Agriculture continues to be the mainstay of 75 percent of our population although its contribution to Gross State Domestic Product is declining over the years. Our Government intends to tackle the problem of declining farm productivity by adopting a composite strategy of improved practices, diversification of cropping pattern and support services including insurance and market intervention.

61. To protect the interests of farmers growing sensitive crops like mustard and gram, the scope of National Agriculture Insurance Scheme has been extended to cover these crops also along with the crops already covered under the scheme. We have recently brought out an amendment in the State Agriculture produce Marketing Act for providing an enabling provision to support contract farming in the State. Efficient marketing is as good as increasing production for the benefit of farmers. The use of Information Technology is being encouraged, especially with a view to harness the potential thrown up by creation of agriculture commodity markets in India. A new scheme "Support to State Extension

for Extension Reforms" is being implemented in order to make extension delivery system more broad based and holistic in content & scope.

62. For the integrated development in horticulture, Haryana State Horticulture Development Agency has been set up under the aegis of National Horticulture Mission. An end to end approach covering production, post harvest management, processing and marketing has been adopted to ensure increased returns to the growers.

63. Our Government has taken up a comprehensive programme for the control of 'Foot & Mouth Disease' amongst our livestock. An ambitious programme for preservation, multiplication & improvement of indigenous germplasm of Murrah buffalo, Haryana and Sahiwal cow is under implementation in the State. To provide veterinary services at the farmers doorsteps, 198 veterinary institutions have been opened or upgraded during last year. We have planned to open/upgrade 60 more veterinary institutions in the current financial year.

64. Keeping in view the vast potential of fish farming in the State, technical & financial assistance is being imparted to fish farmers through Fish Farmers' Development Agencies. The fish production in the State has gone upto 48000 tonnes in the current year and it is envisaged to raise it further to 55000 tonnes by the end of next year. Fish markets at Bahadurgarh & Gurgaon will be made operational during 2006-07 to benefit the fish farmers. Two new schemes of "Development of Ornamental Fisheries" and "Strengthening of Post Harvest Infrastructure" are being introduced this year.

A total provision of Rs.480.46 crore has been made during 2006-07 for Agriculture & allied activities.

RURAL DEVELOPMENT

65. Our Government is keen to involve Panchayati Raj Institutions in our endeavor to achieve all round development in rural areas. We have abolished the post of Gram Vikas Sahayak and Village Development Committees put in place by previous Government to encroach upon the autonomy of PRIs provided under the Constitution. The finalization of activity mapping as a follow up on MOU signed

between our Chief Minister and the Union Panchayati Raj Minister in August last year demonstrates our intention to strengthen the grass root democratic institutions in Haryana.

66. A number of rural development schemes are being implemented in the State with the support of Government of India. Haryana Rural Employment Guarantee Scheme has been launched in Mahendergarh and Sirsa Districts from 2nd February 2006. The scheme has been formulated under the National Rural Employment Act, 2005. The primary objective of the scheme is to enhance livelihood security in rural areas by providing round the year employment with minimum guarantee of 100 days of wage employment in a financial year to every household volunteering to do unskilled manual work. There is a provision of Rs.5.50 crore as 10 percent State share under the scheme for next year and 90 percent funds will be provided by Government of India.

67. During current year, with the funds provided by HRDF Administration Board, rural development works especially for rural streets, drainage, sanitation and other purposes have been taken up with an allocation of Rs.195 crore. On the recommendations of 2nd State Finance Commission, which was received in the current year only, a sum of Rs.50 crore has been released to PRIs for various development works suited to the local needs. In addition Rs.116 crore have been released by our Government to PRIs as a share in LADT for taking up creation and upgradation of rural infrastructure.

A total provision of Rs.282.95 crore has been made for Rural Development and Panchayats Department in 2006-07.

MUNICIPAL ADMINISTRATION AND URBAN DEVELOPMENT

68. Speaker Sir, municipal institutions play a key role in providing civic amenities in urban areas and local governance. Our Government is taking significant steps for integrated development of urban areas particularly those falling in National Capital Region.

69. We are conscious of the fact that without adequate funds, civic bodies cannot function properly. During 2005-06, a sum of Rs.50 crore on recommendations of 2nd State Finance Commission, Rs.116 crore as LADT share and Rs.18.20 crore on the recommendations of

12th Finance Commission has been provided to Urban Local Bodies in addition to normal budget allocation of the State. We propose to release more funds during the next year also. A sum of Rs.57.77 crore has been provided for development of urban infrastructure including slum areas.

70. Our Government is also giving the much needed attention on expanding and strengthening the sewerage system in urban areas in the State. Out of 68 towns in the State, there are 15 towns where there are no sewerage facilities. A special project to strengthen the sewerage system covering 11 towns in the State will be taken up during 2006-07.

71. Significant steps have been taken for development of National Capital Region. A global corridor has been planned on both sides of KMP expressway which would become the focus of futuristic development activities. The proposed expressway is likely to generate huge potential for setting up of industrial model townships and new urban centres. Keeping in view the rapid trend in urbanization, we have reversed the decision of the previous Government and reconstituted eight abolished municipal bodies.

72. In the recent past distinct upward swing has become visible in the real estate and housing sector. This is primarily because of the improved infrastructure facilities provided by the Government and the strategic location of the State. However, excess liquidity in this sector is causing concern and there is likelihood of situation getting out of hand. Hence, some discipline needs to be infused in this sector. To start with I suggest that the persons dealing with land properties should be compulsorily registered with the local authority for which the State Government is examining the possibility of bringing out comprehensive guidelines. We also propose to periodically revise the Collector rates of land with a view to bridge the gap between the prevailing market rates and the actual rate at which the land transactions are being registered.

A total provision of Rs.168.87 crore has been made during 2006-07 for Urban Development.

EDUCATION & SPORTS

73. Our Government accords high priority on expansion of educational infrastructure in the State along with improving its quality.

We intend to achieve universalization of Primary education by the year 2007-08 through mission mode under the Sarv Siksha Abhiyan by opening new schools, providing teachers, alternate school facilities & strengthening of school infrastructure. In order to encourage brilliant students & promote girl education 'Rajiv Gandhi Scholarship for Excellence in Education' scheme has been launched by the State Government.

74. Our Government plans to raise the quality of educational input through EDUSAT. A central studio and a hub is being established at Panchkula for broadcasting EDUSAT programmes.

75. For improving quality of science education in High/Senior Secondary schools, equipments would be provided to strengthen the laboratories. To develop reading habits among students 'Vidyalaya Nehru Pustkalyas' would be opened in all the schools. Selection of books will be made by involving eminent persons from the field of education, literature, administration etc.

76. The State Government has decided to set up a 'Rajiv Gandhi Education City' at Kundli where educational institutions of international repute will be invited to set up 'Centres of Excellence'. With a view to promoting women's higher education, a women's university is proposed to be established and a women's college has been set up in Jind. A National Law Institute at IMT Manesar is also proposed to be set up by the Central Government.

77. For upgradation of sports and youth welfare activities in the State, the Government has adopted focused approach towards creating infrastructure for games and mass participation of players in sports. Our Government proposes to set up a 'Sports Academy' at Rohtak with the help of Government of India. A multipurpose hall would be constructed in Moti Lal Nehru Sports School at Rai (Sonipat).

A total provision of Rs.2432.89 crore has been proposed for Education and Sports in 2006-07.

HEALTH SERVICES

78. Speaker Sir, providing good and affordable health services to the people of State is one of the priorities of our Government.

We are conscious of the fact that per capita expenditure on health coverage must go up along with education, in order to ensure better human development in this State.

79. During the year 2005-06, a provision of Rs.102 crore was made in the Annual Plan for health sector which was 76 percent higher than the previous year (2004-05). For the next year (2006-07), this provision has been further enhanced by 12 percent to Rs.114.5 crore. The emphasis is on improvement of health infrastructure which includes addition of bed capacity, purchase of modern medical equipments, provision of basic and life saving medicines and maintenance and upgradation of hospital buildings to provide more congenial environment for patients.

80. A number of innovative health schemes have been initiated to increase the coverage of health services especially in rural areas. To facilitate institutional delivery system to rural women, 300 delivery huts have been planned to be constructed out of which 160 of such delivery huts have already been established. In order to improve health coverage in Mewat, multi specialty health camps are being organized at suitable intervals. To make available the services of specialists to poor people, an innovative scheme called 'Vikalp' has been launched on pilot basis in four districts under which the services of private medical practitioners would be made available free of cost. The Government will pay suitable remuneration to such private medical specialists on the basis of services rendered by them.

81. Under the National Rural Health Mission Phase-II, a number of schemes are being implemented with a view to reduce infant and maternal mortality. 'Janani Suraksha Yojana' is one of such innovative schemes which integrates the cash assistance with antenatal care, institutional care during delivery under the care of the field level health workers. A similar scheme called 'Janani Suvidha Yojana' has been launched recently to enable poor women living in urban slums to avail of free ante-natal, delivery and post-natal services from selected nursing homes.

A provision of Rs.565.78 crore has been made for Health sector during 2006-07.

WELFARE OF WEAKER SECTIONS

82. Speaker Sir, our Government is in the forefront of taking welfare measures for all sections of society particularly the weaker and disadvantaged social groups. Major emphasis is given to promote education amongst scheduled caste & backward class students. A new scheme known as "Dr. Ambedkar Medhavi Chhatar Yojana" has been started under which 2000 scheduled caste and 1000 backward class (Block 'A') students scoring 60 percent or above marks in matriculation will be given scholarship @ Rs.1000 p.m. in 10+1 and 10+2 classes.

83. Our Government has decided to enhance the amount of grant for the construction of houses of scheduled castes and de-notified tribes from Rs.10000 to Rs.50000. We have also strengthened the social security net for the aged, widows and disable persons for which Rs.479.7 crore have been earmarked during next year.

A total provision of Rs.811.82 crore has been made for the various social welfare measures in 2006-07

EMPLOYMENT AND VOCATIONAL EDUCATION

84. Technical manpower is an essential input for industrialization, modernization and promotion of trade and business. It has vital contribution for research and development. Our Government has planned to set up ITIs, VEIs, and Technical institutes at different places of the State where such institutions do not exist. During the next 4 years 20 more ITIs, including 5 ITIs for women will be upgraded. Five ITIs, would be upgraded into Centers of Excellence during the year 2006-07.

85. Some private industries have agreed to have partnership with Government ITIs in technical training and management to produce highly skilled manpower. Under this industry-institution collaboration programme, ITIs at Gurgaon, Faridabad, Nagina and Karnal will be covered. I would like to make it very clear at the stage that this scheme is not going to lead in any way to privatization of ITIs in Haryana.

86. The payment of unemployment allowance has been rationalized through the new scheme known as "Unemployment Allowance for the Educated Unemployed Scheme, 2005". Under this scheme, 10+2 pass and two year certificate diploma holders are getting allowance of Rs.300 per month against earlier allowance of Rs.100 while graduates and others having passed three year certificate/diploma course after 10+2 are getting allowance @ Rs.500 per month against earlier allowance of Rs.200, registering an increase of up to 200 percent.

E-GOVERNANCE FOR TRANSPARENT & EFFECTIVE PUBLIC DELIVERY SYSTEM

87. Speaker Sir, our State is an aspiring leader in E-Governance as per the E-Governance readiness index of the country. Haryana not only wishes to attain leadership position but is also going ahead with E-Governance initiatives by establishing State Wide Area Network (SWAN). The SWAN is being set up connecting the State Headquarters and District Headquarters and all Block Headquarters. SWAN also envisages village connectivity through wireless. A comprehensive E-Governance road map has been prepared and submitted to Government of India for approval. This will enable transparency, efficiency and accountable governance that shall throw up opportunities and provide access to the citizen centric services. E-Disha, a single point multi service delivery system for providing citizen-centric services is being launched across the State. One District Level E-Disha Centre will be established by 31st March, 2006 at each District Headquarter.

TAX-REFORMS

88. Our Government is committed to provide a friendly tax structure in the State in the overall interest of consumers, manufacturers, trading community and the farmers. To integrate the economy of the State with the rest of the country, the Government has aligned rates of taxes on various commodities with the recommendations of the Empowered Committee set up by the Central Government. As a consequence thereof, rates of taxes on a large number of commodities of common use have been reduced. Tax on medicines and other articles of medical care has been further reduced from 10 percent to

4 percent. Even though Empowered Committee favoured taxing fertilizer at 4 percent and diesel at 20 percent, considering that fertilizers and diesel constitute important inputs for crop production, our Government has decided to exempt fertilizers from VAT and also to maintain the present 12 percent rate of tax on diesel. Charging of lower tax on diesel shows our commitment to the farmers and encouragement that we are providing for increase of agriculture production in the State. Further, certain items of general use by common man have been exempted from the payment of VAT.

89. In order to give boost to entertainment industry in the State, the Government has decided to reduce rate of entertainment duty from 50 percent to 30 percent. The State Government has constituted a State Level Consultative Committee for addressing the genuine grievances of trade and industry through a consultative mechanism between the Government and the tax payers.

BUDGET ESTIMATES 2006-07

90. Hon'ble Speaker, now I present before this august house the budget estimates for the year 2006-07.

91. The year 2005-06 opened with a deficit of Rs.48.15 crore as per RBI books and is likely to be closed with a deficit of Rs.53.91 crore.

92. The financial year 2006-07 is likely to open with a deficit of Rs.53.91 crore and to close with a deficit of Rs.65.47 crore. The transactions on year's account, thus, show a deficit of Rs.11.56 crore.

93. The Consolidated Fund of the State shows total receipts of Rs.17666.48 crore in Budget Estimates 2006-07 as against Rs.16097.85 crore in Revised Estimates 2005-06. The budget proposals indicate an expenditure of Rs.17576.56 crore as against Rs.15922.54 crore in Revised Estimates of 2005-06. The budget estimates provide for State Plan outlay of Rs.3300 crore in addition to an outlay of Rs.602.33 crore for Centrally Sponsored Schemes and other development plan schemes.

94. The revenue receipts in Budget Estimates 2006-07 are likely to increase by Rs.1100.85 crore to Rs.13746.65 crore from

Rs.12645.80 crore in Revised Estimates of 2005-06. The revenue expenditure in Budget Estimates is estimated at Rs.14066.66 crore, which is higher by Rs.817.53 crore over the Revised Estimates of Rs.13249.13 crore of 2005-06.

95. The budget deficit of Rs.65.47 crore is within manageable limits and the measures proposed for financial discipline are likely to help containing 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 give substantial increase. 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.

96. Before I conclude, I acknowledge the un-tiring efforts of officers and employees of Finance Department and NIC who worked hard to help me prepare the budget proposals.

97. Sir, now I commend the budget estimates 2006-07 for the consideration and approval of this august house.

JAI HIND!