



**GOVERNMENT OF HARYANA**

# **SPEECH**

OF

**MANGE RAM GUPTA**  
FINANCE MINISTER

ON

**BUDGET ESTIMATES 1995-96**

HARYANA VIDHAN SABHA, CHANDIGARH

13th March, 1995

**Hon'ble Mr. Speaker,**

I rise to present before this august House the Budget Estimates for the year 1995-96.

2. The Congress Government had initiated a process of major structural and economic reforms in the country immediately after it came into power at the Center in 1991. Initially there was resistance to these reforms, but they have by now been widely accepted in the country and appreciated by the international community. An element of rejuvenation and resurgence has been infused into the economy by revamping of public sector, greater role of private initiative, and virtual turn around in the balance of payments of the country. Foreign investors have shown keen interest in India and industry has come out of recession. The Central Government has been able to maintain a proper balance between measures to stimulate economic growth and others to control inflation. During the last year, the country has acquired new economic strength and stability.

### **ECONOMIC SURVEY OF HARYANA 1994-95**

3. The State's economy has emerged decisively from the setbacks of the past year. A copy of the "Economic Survey of Haryana 1994-95" has already been circulated among the Hon'ble members. It highlights the overall economic situation of the State during the last year. According to quick estimates, State income of Haryana grew by 4.2 percent in 1993-94, at constant (1980-81) prices, from Rs. 5818 crore in 1992-93 to Rs. 6065 crore in 1993-94. At current prices, it grew by 15.4 percent, from Rs. 15644 crore in 1992-93 to Rs. 18057 crore in 1993-94. The sectoral analysis reveals that the contribution of primary sector towards net State Domestic Product registered an increase of 3.8 percent in 1993-94 whereas the contribution of secondary and tertiary sectors increased by 1.9 and 6.5 percent respectively. This is an indication of further maturing of the economy of Haryana.

4. The per capita income, at constant (1980-81) prices, is estimated at Rs. 3479 in 1993-94, as against Rs. 3411 in 1992-93. At current prices, it was Rs. 10359 in 1993-94, as against Rs. 9171 in 1992-93.
5. As a result of efforts of the Union Government, it has been possible to control inflation. The All India Working Class Consumer Price Index (Base 1982=100) increased by 9.9 percent from 243 in March, 1993 to 267 in March, 1994. It further rose by 9 percent to 291 in November, 1994. Similarly, the Haryana State Working Class Consumer Price Index (Base 1982=100) increased from 229 to 250 between March, 1993 and March, 1994, thus recording a rise of 9.2 percent. It further rose to 272 in November, 1994 recording a rise of 8.8 percent.
6. The Public Distribution System in the State has been further streamlined and re-organised during 1994-95. Controlled commodities such as wheat, flour, rice, sugar, kerosene oil, cloth and edible oils are being distributed through a network of 4728 rural and 2488 urban fair price shops. Pursuant to the Prime Minister's announcement on 15th August, 1994, subsidised foodgrains are being supplied to hostels for the Scheduled Castes and Tribes and Other Backward Classes through the Public Distribution System.
7. The Economic and Functional classification of the State Budget Estimates for 1994-95 reveals estimated direct capital formation of Rs. 294 crore, and additional capital formation of Rs. 426 crore as the State's contribution towards the private and public sector

#### **STATE FINANCE COMMISSION & STATE ELECTION COMMISSION**

8. The Hon'ble members are aware that consequent upon the 73rd and 74th amendment in the Constitution, a State Finance Commission and a State Election Commission have been set up by the State Government. The State Finance Commission will review

the financial position of the Panchayat Raj Institutions and Municipal Committees and make recommendations for devolution of funds from the State to these bodies. The State Finance Commission has started functioning. The State Election Commission was also set up to conduct and supervise elections of Panchayat Raj Institutions and Municipal Committees in the State. The State Election Commission has successfully conducted elections of Panchayats, Block Samitis, Zila Parishads and Municipal Committees. Due representation has been given to Backward Classes and Scheduled Castes. One third of the total seats and offices of Chairpersons in each Gram Panchayat, Panchayat Samiti, Zila Parishad and Municipal Committee have been reserved for women including those belonging to the Scheduled Castes. Hon'ble members would agree with me that this step will ensure adequate participation of women and the weaker sections of society in the management of these institutions and will further strengthen the process of democratic decentralisation. Photo identity cards have been issued to a majority of voters in the State, as required by the Election Commission. Remaining voters would be covered shortly. Haryana was the first State in the country to do so.

### **CENTRAL ASSISTANCE**

9. Financial assistance from the Government of India and some financial institutions is one of the major sources of plan financing. The devolution of central taxes is governed by the recommendations of the Finance Commission. In the Revised Estimates for the current year, State's share in central taxes has been provided at Rs. 312.03 crore which is based on the recommendations of the Ninth Finance Commission. The recommendations of the Ninth Finance Commission were biased in favour of the deficit and backward States as compared to revenue surplus States like Haryana. The State Government had protested against the treatment meted by the Ninth Finance Commission to Haryana in its memorandum submitted to the Tenth Finance Commission and also at the time of the visit of the Commission to the State capital on 22nd June,

1994. The recommendations of Tenth Finance Commission will cover the period from 1995-96 to 1999-2000. The Commission has submitted its report to the Central Government, but the recommendations made by it have not yet been made public. Meanwhile, as per indication of the Union Ministry of Finance, a provision of Rs. 356.74 crore has been made as State's share in central taxes in the Budget Estimates 1995-96.

10. The level of normal state plan assistance is governed by the Mukherjee Formula. Changes in the formula are made by the National Development Council from time to time. The present formula has important determinant factors such as population, per capita income, and quality of fiscal management. Subventions under fiscal management are determined by the State's performance in tax effort, timely execution of externally aided projects and fulfilment of defined national objectives. The net normal state plan assistance for the current year, allocated on the basis of above formula, is Rs. 187.02 crore. The Hon'ble members would be happy to note that the Central Government has sanctioned special additional assistance of Rs. 10.34 crore during the current year, raising the level of Central assistance from Rs. 187.02 crore to Rs. 197.36 crore. This additional assistance includes Rs. 5 crore for Mewat Development Board, Rs. 2.09 crore for pilot project of Gram Vikas Samitis in 21 villages, Rs. 2 crore for Modern High-Tech Agricultural Research and Development Demonstration Farm and Rs. 1.25 crore for Shivalik Development Board. A provision of Rs. 208.37 crore has been made for normal state plan assistance for the year 1995-96.

11. In order to contain fiscal deficit, market borrowings had been frozen by the Centre uniformly for all States at 1992-93 level. Haryana has been managing its finances very well and is in a position to raise larger loans. Therefore, the Planning Commission has agreed to increase the level of market borrowings from Rs. 108.89 crore in 1994-95 to Rs. 133.89 crore in 1995-96. Hon'ble members would be glad to know that the State's efforts in Small Savings collections have been commendable, as a result of which we are likely to receive Small Savings loans of Rs. 225 crore during the

current year, against the budget estimates of Rs. 175 crore. A provision of Rs. 250 crore is being made on this account for the year 1995-96.

### **ANNUAL PLAN 1994-95**

12. The finances of the State witnessed a marked improvement during the current year over last year. Unforeseen and unavoidable additional expenditure on some items, such as calamity relief and elections of local bodies, substantially depleted our resources and cast a severe burden on the State exchequer. However, we exercised the utmost economy with special emphasis on non-plan revenue expenditure. Substantial additional resources became available on account of buoyancy in some taxes and duties, remarkable performance of lotteries and higher investments in small savings. As I have mentioned earlier, additional Central assistance was also provided by the Government of India. As a result of these factors, Hon'ble members would be happy to know that, in spite of the additional strains on our resources, we have been able to provide for an enhanced budgeted outlay of Rs. 1030.33 crore for revised Annual Plan 1994-95 as against the original outlay of Rs. 1025.50 crore approved by the Planning Commission. This outlay is 27.8 percent higher than the actual expenditure of Rs. 805.93 crore for the Annual Plan 1993-94.

### **ANNUAL PLAN 1995-96**

13. The basic strategy of the State Government has been to accelerate the pace of development and to create greater employment opportunities for uplift of all sections of the society. Keeping in view the objectives enunciated in the Eighth Five Year Plan, an outlay of Rs. 1250 crore has been approved for State Annual Plan 1995-96. It shows an increase of about 21.3 percent over the current year's revised outlay. The State Government continues to accord a high priority to social and community services. An amount of Rs. 456.38 crore has been approved for this sector which forms 36.5 percent of the total outlay of the State. In view of the shortage of power, and the need to make substantial

investments in this area, an outlay of Rs. 261.85 crore, that is, 20.9 percent of total outlay has been earmarked for Power sector. The outlay for Irrigation and Flood control is Rs. 248.36 crore which is 19.9 percent of the total outlay. Agriculture and Allied activities account for 7.2 percent of the outlay with a provision of Rs. 89.64 crore. The allocations for other sectors are: Rs. 66.94 crore for Transport (5.4 percent), Rs. 56.29 crore for Industries and Minerals (4.5 percent) and Rs. 70.54 crore for others (5.6 percent). About 70 percent of the total plan expenditure will be incurred in rural areas. We hope that planned investment of this magnitude will provide the necessary impetus for increasing the growth rate of the economy and also sustain the pace of economic development.

## **POWER**

14. Our Government fully realizes that power is one of the basic inputs for the economic development of the State. Serious efforts are being made to improve the availability of power in the State by creating additional generation capacity as well as effecting efficiency in generation and distribution of power. An agreement was signed on 25.1.95 with M/s U.D.I., a member of Eisenberg Group of Companies, Israel for setting up a Thermal Plant at Yamuna Nagar. The State has also invited offers from independent power producers to participate in the execution of 210 M.W. Unit-6 at Panipat and setting up of a new Thermal Power Plant at Hisar. Offers have also been invited from private parties for setting up diesel-based generating plants of 70-100 MW at each of the major nodal industrial townships in the State. National Thermal Power Corporation is also establishing a 400 MW gas-based power plant at Faridabad.

15. HSEB has taken a number of steps for increasing generation of electricity from its own plants, reducing line losses and preventing pilferage. The HSEB's own generating plants at Faridabad and Panipat have shown considerable improvement. Extensive checking of consumer premises has been undertaken for prevention of theft. A special drive has been launched for recovery of arrears of electricity bills and it is proposed to install pilfer-proof electronic

meters at consumer premises. The Board has a target of energising 11,000 tubewells during 1995-96.

16. The power situation during the current year remained critical. However, to meet the growing requirements of agriculture and other sectors of the economy, the board is purchasing power at substantially high cost from outside. Another 300 MW power has been allocated to Haryana out of the un-allocated central pool. About 50 percent of the total available power is supplied to the agricultural sector at highly subsidised rates. Consequently, the Board has to suffer heavy losses. The total commercial losses of the Board for the current year have been assessed at Rs. 234.84 crore. In view of the rising cost of basic inputs such as coal and oil, and to partially meet the commercial losses, it had become unavoidable to increase power rates, which are likely to generate additional revenue of Rs. 170 crore annually. However, we have taken care to ensure that the minimum possible burden of the tariff increase is imposed on the agriculture sector.

17. The State Government has taken a number of measures to improve the financial viability of the Board. Rural electrification subsidy of Rs. 105 crore and Rs. 110 crore is proposed to be paid in cash to the Board during 1994-95 and 1995-96 respectively. Arrears of departmental energy charges amounting to Rs. 373.13 crore have been cleared during the current year. It would enable the Board to earn statutory return on investment and would make it eligible for securing loans from Power Finance Corporation and other financial institutions for execution of various power projects.

18. A plan outlay of Rs. 261.85 crore has been earmarked for the power sector for the year 1995-96.

### **ROAD INFRASTRUCTURE**

19. Road infrastructure plays a vital role in the over-all development and growth of the economy. Road network has to be wide-spread and reliable. We are, therefore, determined to provide a better and more efficient road network throughout the State.



After our Government came into power in June 1991, we laid greater emphasis on repair and maintenance of roads, four-laning of National Highways and construction of new roads. This emphasis has continued with renewed vigour during the current year. As a result, the road network in the State is amongst the best in the country. In the last three and a half years, a length of 484 kilometers of new roads has been added, renewal coats have been laid on 7538 kilometers of existing roads, and 831 kilometers of roads have been improved.

20. The work on National Highway-1 from Murthal to Karnal has made substantial progress and 64 kilometers length of road is likely to be opened to traffic by the end of the current year. On the portion of this National Highway from Karnal to Ambala, the work is likely to be completed by June, 1998. Four-laning of National Highway-2 between Ballabgarh and Hodal is likely to be completed by June, 1996. Four-laning of National Highway-8 between Gurgaon and Rajasthan Border has been approved by the Asian Development Bank at a cost of Rs. 177 crore. The project estimates for four-laning of National Highway-10 from Bahadurgarh to Rohtak have been submitted to the Ministry of Surface Transport. The World Bank has accepted, in principle, a State Road Project for constructing 811 kilometers length of roads at a cost of Rs.450 crore and the preparation and appraisal of the project is in progress. A memorandum of understanding has been signed with M/s Renong of Malaysia to prepare viability study for construction of Delhi-Ambala Express way on 'Build, Operate and Transfer' basis.

21. In the last three and a half years, 25 bridges including two road over-bridges have been completed. Sixteen bridges including road over-bridges at Faridabad, Hisar and Sonapat, bridge on river Ghaggar at Jalla road and on river Markanda at Naraingarh Sadhaura road are in progress. Two more road over-bridges at Rewari and Ballabgarh are likely to be undertaken during 1995-96.

## IRRIGATION

22. Availability of adequate water for irrigation is a basic pre-requisite for sustained growth of agricultural production. Haryana has almost completely exhausted its sub-soil water potential. Further extension of irrigation now mainly depends upon the completion of Satluj Yamuna Link Canal which is the lifeline of the State. We have been continuously pressing the Central Government as well as the Punjab Government for expeditious completion of Punjab portion of SYL Canal. We hope that the work on the Punjab portion of SYL Canal will start early.

23. The World Bank has sanctioned a new project called 'Water Resources Consolidation Project' at a total cost of Rs. 1858 crore, to be implemented over a period of six years. The plan provision for this project is Rs. 105.87 crore for 1994-95 and Rs. 180.50 crore for 1995-96. This project covers a wide range of activities such as rehabilitation of old structures, modernisation of canal system, construction of Hathni Kund Barrage and pilot schemes for sub-surface drainage systems. An additional area of about 1.4 lac hectares will be brought under irrigation on the completion of this project. The Department of Irrigation has been re-organised on functional lines with the creation of two water service units at Rohtak and Hisar.

24. The issue of distribution of Yamuna waters among the basin States, which was hanging fire since last over 20 years, was amicably resolved in May, 1994 with the signing of a Memorandum Of Understanding by the Chief Ministers of 5 States. We have fully protected the interests of Haryana. Hon'ble members are aware that the century old Tajewala headworks are not strong enough to withstand the onslaught of high floods, and pose a great risk to the entire WJC irrigation system in the State and to the people of Haryana. The process for construction of Hathni Kund Barrage has been started with the financial assistance of World Bank and will be completed within 3 to 4 years. It would also help in utilisation of extra water in Yamuna during floods which is presently going waste.

25. To augment available water resources, large scale lining of canals and water courses has been undertaken under the World Bank Project. Lining of canals has been completed in a length of 7066 kilometres upto 31.3.1994, resulting in a saving of 2440 cusecs of water and creation of additional irrigation potential of 226 lac hectares. During the year 1994-95, an area of 15.8 Msft of canal is expected to be lined at a cost of Rs. 33.40 crore, resulting in saving of 85 cusecs of water to provide additional irrigation of over 9300 hectares.
26. Under Minor Irrigation, during the year 1994-95, lining of a length of 366 kilometres of 100 water courses will be completed at a cost of Rs. 20 crore, thus creating additional irrigation potential of 3800 hectares. During the year 1995-96, it is proposed to brick line kutchha water courses in a length of 915 kilometres at a cost of Rs. 44.51 crore. An independent water carrier channel for supplying drinking water to Gurgaon Town costing Rs. 36.43 crore was completed in June, 1994.
27. In order to make adequate water available to farmers at the tail end of various water-courses and channels, the work of silt clearance/de-weeding of channels has been effectively carried out.
28. During the monsoons of 1994, flood waters from Punjab were diverted to SYL canal causing damage to the Haryana portion of the canal and flooding areas in the districts of Ambala and Kurukshetra. Damage to SYL canal in Haryana was contained by taking prompt precautionary measures. Adequate dewatering arrangements were made to provide relief to farmers. Rs. 6.38 crore were provided from Calamity Relief Fund during 1994-95 for repair and restoration of damaged works.
29. For the year 1995-96, a plan outlay of Rs. 178.95 crore has been provided for major and medium irrigation, Rs. 10 crore for flood control and drainage, Rs. 44.51 crore for Minor Irrigation and Tubewells Corporation and Rs. 13.90 crore for Command Area Development Authority.

## AGRICULTURE

30. Agriculture occupies a key position in the development of the State because of its contribution to over-all economic growth. It is a source of livelihood for a majority of our people.
31. Haryana has made spectacular progress in the field of agriculture production. Any further growth in agriculture production is possible only by scientific use of more fertilizers, crop protection measures, optimum utilisation of water resources, appropriate changes in the cropping pattern, providing better incentives to the farmers by way of remunerative prices, provision of larger and more timely credit facilities and application of better scientific techniques in general.
32. As a result of green revolution, which ushered in an era of plenty and prosperity, the State has become the 'grain bowl' of the country. It is a matter of pride for me to inform the Hon'ble members that, for the last four years, Haryana has been continuously contributing foodgrains to the central pool in excess of the targets fixed by Government of India. During 1994-95, the State Government contributed 30.46 lac tonnes of wheat to the central pool against a target of 27 lac tonnes. For the current Kharif season, against a target of 9.50 lac tonnes of rice, the State is likely to contribute over 12 lac tonnes by the end of the year.
33. The foodgrain production touched 102.83 lac tonnes during 1993-94. The target of 107 lac tonnes of foodgrains production fixed for the year 1994-95 is likely to be over-achieved. The production targets of 109.40 lac tonnes of foodgrains, 9.00 lac tonnes of sugarcane (gur), 15.00 lac bales of cotton and 9.00 lac tonnes of oilseeds have been fixed for the year 1995-96.
34. During 1994-95, adequate arrangements were made for supply of crucial agricultural inputs. About 3.00 lac quintals of certified seeds have been distributed. Consumption of chemical fertilizers is likely to be of the order of 6.90 lac tonnes, and 5250 metric tonnes of plant protection material is likely to be applied during 1994-95. Subsidy is being given on a wide variety of

agricultural inputs such as certified seeds, weedicides, pesticides, sprinklers and gypsum. These subsidies will continue during the next year.

35. Due emphasis is being laid on diversification of crops for providing better returns and ameliorating the economic status of the farmers. The cultivation of cash crops like sugarcane, cotton and oilseeds is increasing rapidly. Sunflower is cultivated widely in the State. Efforts are being made to popularise cultivation of soybean and rajmah.

36. Upgradation of technology of agricultural inputs has to be supplemented by adequate human resources development for effective growth in agriculture sector. Agricultural Human Resources Development Project is proposed to be implemented in the State with the assistance of World Bank in the next financial year. This is a 5 year project and Rs. 12.17 crore will be spent during the year 1995-96.

37. Several agencies in the State are engaged in on-farm land reform programmes. A Pilot Project for reclamation of 2000 hectares of saline lands has been cleared by Government of the Netherlands and is being implemented from December, 1994 with an allocation of Rs. 25 lac each during 1994-95 and 1995-96. The aim of the project is to transfer technology of mechanised installation of horizontal sub-surface drainage system in the water logged and saline areas of Jawahar Lal Nehru Feeder canal in Sonapat District and of Bhakra canal in Kalayat in Kaithal District. Integrated Watershed Development (hills) Project, Kandi Area is also under implementation for integrated development of area falling in the foothills of the Shivaliks in Ambala and Yamuna Nagar Districts. The outlay during 1994-95 for this project is Rs. 5.30 crore and that during 1995-96 is Rs. 6.10 crore. Similarly, National Watershed Project for Rainfed Agriculture and Integrated Watershed Management Project in the catchment of flood-prone river Ghaggar are being implemented respectively with outlays of Rs. 1.61 crore and Rs. 0.97 crore during 1994-95, and Rs. 2 crore and Rs. 1.50 crore during 1995-96. The Haryana Land Reclamation and

Development Corporation is undertaking reclamation of land by distribution of subsidized gypsum and land-levelling .

38. Haryana Warehousing Corporation is operating 105 Warehouses with a total storage capacity of 11.50 lac MT. Additional covered storage capacity of 15000 MT will be added by the end of current year and another 15000 MT during 1995-96. The Central Government has approved setting up of an Inland Container Depot and Container Freight Station at Rewari to provide single window clearance to the importers of Haryana. The project, with a total cost Rs. 26 crores, will start in 1995-96 .

39. Haryana State Agricultural Marketing Board is providing basic agro-marketing infrastructure through 100 principal yards, 175 sub-yards and 135 purchasing centres. Six more Mandis are likely to be added during 1994-95. The construction work for 17 Mandis will be started shortly. The Board is developing a modern fruit and vegetable marketing and processing complex over an area of 550 acres at Rai near Sonipat at an estimated cost of Rs.100 crore. This complex will encourage marketing of fruit and vegetable by providing modern facilities of warehousing, grading, packing and processing at one place.

40. For 1995-96, a State Plan outlay of Rs. 25.60 crore has been envisaged for Agriculture sector against the revised outlay of Rs. 23.99 crore for 1994-95.

## **HORTICULTURE**

41. To supplement the incomes of farmers, generate additional employment, and improve the quality of nutrition and the environment, special emphasis and thrust is being laid on development of horticulture, especially in the areas of fruits, vegetables, mushrooms, flowers and introduction of new techniques such as drip irrigation and polygreen houses. A separate Directorate of Horticulture has been set up for providing better technical knowhow to the farmers. Consequently, the area under fruit and vegetable cultivation has grown to 18,261 hectares and 80,000 hectares, respectively, while the respective production has grown to 1,35,000 tonnes and 12,30,000 tonnes. Substantial increase in

production of mushrooms and flowers for commercial use has also been registered. A State Plan Outlay of Rs. 2.45 crores has been approved for development of horticulture for the year 1995-96.

### **LIVESTOCK DEVELOPMENT**

42. It is our belief that livestock development is crucial for integrating and strengthening agrarian economy. A number of programmes such as breed improvement, balanced feed and effective health cover through an extensive network of veterinary hospitals and dispensaries. An Intensive Cattle Development Project is being implemented in seven districts. Adequate attention is also being paid to improvement of stock of piggery, sheep and poultry. Haryana has been identified as one of the States by Government of India for eradicating Rinderpest by 1995. The existing animal health care network of 546 veterinary hospitals, 808 veterinary dispensaries, 60 regional artificial insemination centres and 752 stockmen centres is being strengthened by addition of 50 new veterinary dispensaries, upgradation of 30 existing veterinary dispensaries into veterinary hospitals, and opening of one poly-clinic during the current year. We propose to upgrade 30 more veterinary dispensaries and to set up 50 new dispensaries and a poly-clinic during the coming year. A plan outlay of Rs 7.43 crore has been provided for development of Animal Husbandry during 1995-96.

### **COOPERATION AND CREDIT**

43. The Hon'ble members are aware of the crucial role played by the growth of cooperative movement in promoting agriculture and allied activities. Credit requirements of farmers and rural artisans are being met by the State Cooperative Institutions. During the current financial year, by 31st December, 1994, crop loans of Rs. 718.27 crore and non-farm loans of Rs.54 crore for setting up of small and tiny industrial and business units have been advanced. In addition, loans of Rs.50.19 crore to rural artisans and petty shopkeepers and long-term loans of Rs.82.95 crore for agriculture development have been advanced during 1994-95 by State

Cooperative Institutions. The Hon'ble members would appreciate that Haryana is the only State where Cooperative Transport Societies have been set up to provide employment to unemployed educated youth. Loans of Rs.34.60 crore have been advanced to 753 Cooperative Transport Societies by the Central Cooperative Bank for purchase of vehicles. About 4.39 lac metric tonnes of fertilizer have been distributed during 1994-95 through the cooperative network. An outlay of Rs. 7 crore has been provided in 1995-96 plan for development of cooperatives.

## **INDUSTRIES**

44. Hon'ble members are aware that Industry is a mainstay of the economy and a sine qua non of economic development. After making rapid strides in the field of agriculture, Haryana has also made significant progress in the development of industries.

45. It is a matter of great pride for me to inform this august Assembly that achievements of Haryana in the field of industrialization were lauded by the President of India, Dr. Shankar Dayal Sharma, on the occasion of inauguration of the 11th Indian Engineering Trade Fair at Delhi on Feb 12, 1995. He said that Haryana has been a success story in industrial development, particularly in the engineering sector. He further said that Haryana has taken a lead in creating an industrial climate which has encouraged the inflow of investment and growth of production.

46. Liberalised industrial policy, economic reforms initiated by the Government of India and new industrial policy of the State have made a significant impact on the industrialization of the State. Today, Haryana has 679 large and medium industrial units and 1,24,472 small scale industrial units giving employment to 9,14,000 persons. In the last three years, 1028 Industrial Entrepreneur Memoranda, 177 Letters of Intent and 18 industrial licences were issued, envisaging direct investment of Rs. 8665 crore. About 80 large and medium units are likely to go into production by the end of the current year.



47. To promote rapid industrialization, a number of incentives are being given to new industrial units, especially in the Industrially Backward Blocks. The State Government has adopted a number of measures to reform the process of providing various clearances, incentives, loans and other services/benefits simpler and easier. Hon'ble members would be happy to know that the bold, pioneering step taken by our Government in removing all road barriers in the State has been widely welcomed and acclaimed by the trade and industry. An "Empowered Group" has been constituted to examine and suggest reforms in labour laws, change of land use procedure and the environment laws.

48. For the development of industrial infrastructure, a number of projects are being implemented. Two growth centres at Bawal and Saha have been approved by the Government of India with an investment of about Rs. 50 crore each. An Industrial Model Township is being set up at Manesar in Gurgaon with Japanese assistance. Several other innovative projects such as an Indo-German Industrial Park at Faridabad, Electronic Hardware Technology park, Singapore Technology Park at Gurgaon, and an Export Promotion Industrial Park at Kundli have also been formulated in the State. The State Government is developing a number of Udyog Kunj clusters in rural areas of the State for the development of tiny industry in villages.

49. A plan outlay of Rs.56.29 crore has been provided for industrial sector for Annual Plan 1995-96.

### **INDUSTRIAL FINANCIAL INSTITUTIONS**

50. It is our belief that industries can thrive only in a hospitable climate of strong industrial infrastructure and easy availability of financial support. Four Government-owned corporations, namely, Haryana State Industrial Development Corporation, Haryana State Financial Corporation, Haryana State Electronics Development Corporation and Haryana Agro-Industries Corporation are providing financial assistance to industries in the shape of equity participation and medium and long-term loans. HSIDC has so far set up 41 projects in the public/joint/assisted sector, catalysing an investment of Rs. 466.94 crore. Financial collaboration

agreements have been signed for 22 projects with an investment of Rs.240 crore. Loan of Rs. 124.62 crore for 169 projects has been disbursed. HSIDC is a Category-I Merchant Bank and is also engaged in the activities of equipment leasing and development of new Industrial Estates and industrial infrastructure.

51. Haryana Financial Corporation is catering to the financial needs of the small scale and medium industries. This corporation has disbursed loan amounting to Rs. 575 crore since its inception. The target for disbursement during 1995-96 is Rs. 224 crore.

### **PUBLIC ENTERPRISES**

52. Public Enterprises play an important role in the development of a State's economy. At present there are 46 enterprises in the State engaged in various manufacturing, trading, service, welfare and financial activities. Haryana Bureau of Public Enterprises is the nodal agency for monitoring and reviewing the performance of these undertakings. The Bureau has played an important role in improving the financial viability of public enterprises and has prepared a data base of important financial parameters.

### **INSTITUTIONAL FINANCE AND STATE CREDIT PLAN**

53. Institutional Finance plays a prominent role in providing funds to various sectors. During the year 1993-94, the banks and other financial institutions in Haryana advanced credit of Rs. 1538.48 crore, out of which 71.5 per cent have been given to the primary sector, 21.4 per cent to the secondary sector and 7.1 per cent to the tertiary sector of the economy. The total outstanding advances stood at Rs.3027 crore against deposits of Rs.5945 crore as on 31st March, 1994. Thus, the credit-deposit ratio works out to 51 per cent. The annual credit plan of the State for the year 1994-95 is of the order of Rs.1517.63 crore, which is 26 per cent higher than that of the previous year. We are confident that the Banks and other financial institutions will continue to lend support to the State Government in accelerating the pace of development in the State.

## **TOURISM**

54. Haryana has acquired a prominent place on the tourist map of the country. At present 45 tourist complexes are operating in the State for promotion of tourism and are providing direct employment to about 2500 persons. The process of further expansion and upgradation of the existing tourist amenities is continuing so as to keep pace with the trends in the tourism industry. Five new complexes at Dabwali, Tohana, Mallah, Hathnikund and Morni are proposed to be developed during 1995-96. It is also proposed to provide Yatrika Niwas at Pehowa and Mansa Devi. Entrepreneurs in the private sector are also being encouraged to promote tourism in the State. 41 tourism projects involving an investment of Rs. 241 crore have been approved in the private sector, out of which 18 have already come into operation. An amount of Rs. 3.52 crore has been allocated for promotion of tourism in the State Plan for the year 1995-96.

## **ROAD TRANSPORT**

55. Haryana Roadways has earned the distinction of being one of the best transport undertakings in the country. I am happy to inform this august House that Haryana Roadways has won a trophy, for the second consecutive year, for having the lowest operation cost for 1993-94. This trophy is instituted by the Union Ministry of Transport and presented by the Association of State Roadways Transport Undertakings. The Petroleum Conservation and Research Institute has also awarded Haryana Roadways a trophy, instituted by Union Ministry of Petroleum and Natural Gas, for the highest improvement in the number of kilometres run per liter of fuel during 1993-94. We propose to further improve the functioning of the State transport service by taking several measures such as computerisation of depot operations, setting up of centralised engine over-hauling workshop, provision of automatic bus washing machines and pollution control equipment in workshops. These measures have resulted in substantial

improvement in fuel efficiency, load factor and earnings. At present a fleet of about 3800 buses is operating on more than 2000 routes covering a distance of about 11.99 lakh kilometres and carrying about 11.79 lakh passengers everyday. An amount of Rs.37.75 crore has been provided for replacement of 450 old buses during 1995-96. To cater to the increasing demand of public on link routes, 1177 bus permits have been given to cooperative societies of un-employed educated youth upto December, 1994.

### **RURAL DEVELOPMENT**

56. Various Programmes aimed at poverty amelioration and generation of employment opportunities are being implemented in rural areas. These include Integrated Rural Development Programme, Jawahar Rojgar Yojna and Employment Assurance Scheme. We are also implementing Drought Prone Area Programme and Desert Development Programme in the geographically disadvantageous areas. Under IRDP, 15,197 families have been assisted so far during the current year, including 7312 scheduled caste families. 3167 rural youth were imparted training under TRYSEM for self employment. To further accelerate the rural development programmes, a provision of Rs. 34.27 crore has been made during 1995-96.

### **URBAN DEVELOPMENT**

57. Haryana Urban Development Authority is engaged in integrated development of urban areas. During the current financial year, HUDA has floated 5 new residential sectors, one institutional and two industrial Sectors. A provision of Rs.9.66 crore is being made in State Plan 1995-96 for giving financial assistance to municipal committees. Special attention is being given to the implementation of the Slum Improvement Scheme. The Low Cost Sanitation Programme is under implementation in 60 towns and it is proposed to cover the remaining 20 towns to achieve the objective of making the State of Haryana "Scavenging Free" by the end of March, 1996. An expenditure of Rs.258 lac and Rs. 38 lac is proposed to be incurred during 1995-96 on the schemes

of "Integrated Development of Small and Medium Towns" and "Urban Basic Service for Poor" respectively. Nehru Rozgar Yojna is being implemented for alleviation of urban poverty. Under Nehru Rozgar Yojana, 3623 urban poor have been trained in different trades and 15.35 lac mandays of gainful employment generated during the first nine months of the current year.

### **BACKWARD AREA DEVELOPMENT**

58. Mewat Development Board was set up in 1980 to accelerate the pace of development in the backward areas of Mewat. High priority has been assigned to promotion of education, public health, agriculture and housing in the area. A provision of Rs. 3 crore was made for MDB in Budget Estimates 1994-95. It has now been increased to Rs. 8 crore as a result of special additional central assistance sanctioned by the Planning Commission. For the year 1995-96, a provision of Rs. 4.11 crore has been made for development of Mewat. A new project "Mewat Area Development Project" has been formulated for the overall development of this area at a cost of 20 to 25 million U.S. dollars, which will be financed mainly with aid from International Fund for Agricultural Development, Rome. The project is likely to be launched by the middle of the next financial year.

59. Shivalik Development Board has been constituted for integrated development of the hilly and semi-hilly areas of Morni, Pinjore, Barwala, Raipur Rani and Naraingarh Blocks of Ambala district and Chhachhrauli, Sadhaura and Bilaspur Blocks of Yamuna Nagar district. A provision of Rs. 3.50 crore has been made for the year 1995-96.

### **DECENTRALISED PLANNING**

60. Under decentralised planning programme, small development projects of local importance are financed on the recommendation of the District Planning and Development Boards. However, care is taken to maximise people's participation in the formulation of development schemes at district level. An outlay

of Rs. 15.63 crore has been proposed for this programme for the Annual Plan 1995-96.

61. A new centrally sponsored scheme, known as, "MPs' Local Area Development Scheme", for undertaking works of capital nature as per choice of MPs in their respective parliamentary constituencies, has been launched during the current year. Under this scheme, each MP will have the choice to suggest works worth Rs. 1 crore per year to be taken up in his constituency. Likewise "MLAs' Local Area Development Scheme" has also been launched by the State Government during the current year. Under this scheme, each MLA has been given the choice to suggest capital works to the tune of Rs.20 lac per year to be taken up in his respective constituency. It is proposed to continue this scheme during 1995-96. I am confident that this scheme will help the Hon'ble members in meeting the most urgent development requirements of their constituencies.

### **EMPLOYMENT**

62. Generation of more employment opportunities, especially for the socially and economically backwards sections of the society, is one of the objectives of development and one of the main priorities of our Government. We have launched an ambitious scheme of "one family one job" with the objective of creating 5 lac employment opportunities, during Eighth plan period, for persons living below poverty line. Employment has been provided to 2,59,391 persons upto 30.9.94, including 1300 in public sector, 62126 in private sector, 110289 in self employment and 85676 in wage employment. The Government has launched a special campaign to motivate unemployed youth to adopt self employment as a career. 22 Vocational Guidance Units have been set up in the State to provide career guidance to the youth. Four new sub-office employment exchanges have been set up during the current year at Naggal Chaudhary, Narnaund, Bilaspur and Bapoli. A provision of Rs.8.80 crore has been made for the "Employment Assurance Scheme" during 1995-96 under which assured

employment of at least 100 days is provided to persons between the age group of 18 to 60 years during the lean agricultural season.

### **INDUSTRIAL TRAINING**

63. Trained industrial work force is a pre-requisite for reaping full benefits of employment opportunities being created by rapid industrialisation. The Industrial Training and Vocational Education Department is imparting training to improve skills of our youth through a network of 70 Industrial Training Institutes and 78 Vocational Education Institutes in various trades. Ten new Vocational Education Institutes have been established during 1994-95 and 20 new institutes are proposed to be set up during 1995-96. A World Bank Project is being implemented for modernising and improving the quality of training in the existing ITI's at a total cost of Rs.27.66 crore, with a provision of Rs.4.30 crore for 1994-95 and Rs 5.28 crore for 1995-96. A memorandum of understanding has been signed by the department of Industrial Training and some individual ITI's with the Confederation of Indian Industries and some industrial units, for improving the quality of training and upgradation of skills, and 866 students and 89 Instructors have been given on-the-job training by various industrial establishments. An outlay of Rs.5.68 crore has been provided for Craftsmen Training Scheme, and Rs.4.88 crore for Vocational Education in the Annual Plan 1995-96.

### **TECHNICAL EDUCATION**

64. Technical Education is one of the most important components of human resource development. The Government, therefore, continues to lay emphasis on developing, expanding and improving the quality and standard of Technical Education in the State. The Second Technical Education Project being implemented with assistance of World Bank will be completed by 1996-97. Under this project, 8 Government and 4 private polytechnics are proposed to be strengthened and modernized, and four new polytechnics established at Hisar, Faridabad, Uttawar and Narnaul. During 1995-96, a plan outlay of

Rs.30.99 crore has been provided for this project. The construction of the third engineering college in the State at Hisar is proposed to be started during 1995-96, for which 200 acre land has been acquired. A plan outlay of Rs.38.54 crore has been provided for Technical Education during the year 1995-96.

## **EDUCATION**

65. The State Govt is committed to provide quality education to its children and youth as an instrument for effective development of human resources. We have, therefore, fixed for ourselves an ambitious target of universalization of primary education and total literacy by the end of Eighth Five Year Plan. A special drive for enrolment of children in primary schools has been launched by involving Gram Panchayats at village level. 124 Panchayats and schools were given cash awards of Rs.2500 each in 1993-94 and of Rs.4000 each in 1994-95. This incentive will also continue during 1995-96. As a result of this drive, the enrolment of children in the age-group of 6-11 years went upto 23.44 lacs as on 30.9.94. The enrolment target for 1995-96 has been fixed at 23.92 lac children. 500 additional posts of JBT teachers were created. About 5160 vacant posts of JBT teachers have been advertised. All possible incentives/facilities are being provided to children, particularly those belonging to Scheduled Castes/Tribes, through various schemes for increasing enrolment.

66. Total Literacy Projects are being implemented in 10 districts. Four Districts are proposed to be covered during 1995-96 at an outlay of Rs. 100 lac. A World Bank District Primary Education Programme has been formulated for 4 districts, namely, Jind, Hisar, Kaithal and Sirsa, having low female literacy. Moral education is being introduced as a compulsory subject from the next academic session from Class I to XII to make our children grow into better citizens.

67. A number of steps have been taken to encourage education of girls. 100 new primary schools have been opened in 1994-95.



125 primary schools for girls are proposed to be opened in connection with the celebration of 125th birth anniversary of Mahatma Gandhi. 200 Government primary schools for girls are proposed to be opened during 1995-96. Free education is being provided to girls upto graduation level.

68. To meet the growing demand for educational facilities within easy access, 110 primary schools, 102 middle schools and 46 high schools have been upgraded to middle, high and senior secondary level, respectively, during 1994-95.

69. To improve the quality of teachers through in-service training, 4 more District Institutes of Education and Training have been established, bringing the total number of such institutes to 12.

70. The State Government is making strenuous efforts to bring about qualitative improvement in the field of higher education through 145 colleges in the State including 102 private colleges. No objection certificates have been issued for starting 5 new colleges in the year 1994-95. The Teachers Training Programmes have been thoroughly revamped for effective implementation of national policy on education. Various workshops and seminars have been held for lecturers as well as administrators. To ensure induction of qualified lecturers into higher education, national level eligibility tests, accredited to UGC, are conducted for recruitment of lecturers. A "Women Cell" has been set up in the Directorate of Higher Education to give impetus to female education.

71. An outlay of Rs.86.02 crore has been provided during 1995-96 for general education.

## **HEALTH SERVICES**

72. The State Government is committed to attain the goal of "Health For All by 2000 A.D." Per capita expenditure on health has consequently increased from Rs.1.92 in 1966-67 to Rs 84.52 in 1993-94. The health network is continuously expanding with emphasis on child and maternal health. The health services are being provided through existing 47 Hospitals, 60 Community

Health Centres, 398 Primary Health Centres, 26 Dispensaries and 2299 Sub Centres. During 1994-95, one CHC, 3 PHCs and 2 urban Dispensaries have been established. 4 Community Health Centres and one dispensary are proposed to be set up during 1995-96. This would make medical and health care available to everyone within a radius of 5 to 6 kilometers in the State. To provide medical and health services to the community in rural areas at their doorsteps, a scheme of "Mobile Medical Vans" has been launched. In the first stage, sixteen fully equipped Mobile Medical Vans and two Mobile Dental Vans have been introduced. Family Welfare and population control programmes have succeeded in reducing birth rate and infant mortality rate, respectively, from 42.1 and 114 per thousand in 1975 to 30.6 and 65 per thousand during 1993, and are further likely to be brought down to 21 and 60 per thousand by 2000 AD. Pre-natal, natal and post-natal services to women and immunisation of children are proposed to be strengthened. In order to generate awareness of health and family welfare, a scheme "Mahila Swasth Sangh" has been launched by involving rural women. Polio Eradication Programme has been taken up as a "Thrust Area Programme" under which 86.3 per cent infants have been immunised by December, 1994. The problem of blindness and cataract is also being given special attention. All precautionary measures have been taken to counter the menace of AIDS with a special focus on the susceptible groups. One Surveillance Centre has been set up in Medical College, Rohtak to examine the HIV cases, besides four existing regional blood testing centres at Karnal, Hisar, Rohtak and Faridabad. Under a World Bank Project, a Health and Family welfare Institute has been set up at Panchkula to impart necessary in-service training to medical and para-medical staff to update their skills.

73. ESI Scheme is a social security scheme providing medical care to industrial workers. This scheme is being implemented in 13 districts through four hospitals and 69 dispensaries, providing services to 2,29,000 workers insured

under it. During 1995-96, it is proposed to complete a 50 bed hospital at Bhiwani, establish a new dispensary in Rozka Meo, Sohna and to increase the bed strength of ESI Hospital, Faridabad from 50 to 100 beds.

74. A plan provision of Rs.30.20 crore has been made for the year 1995-96 for Medical and Health Services.

### **WATER SUPPLY AND SANITATION**

75. Haryana, after becoming the first State in the country to supply safe drinking water to all the villages in the State, plans to augment the level of water supply in 2723 drinking water deficient villages to an approved service level of 40 litres per capita per day. This scheme will be implemented in 700 villages at a cost of about Rs. 24 crore during the current year and another 800 villages at a cost of about Rs.30 crore during the next year.

76. We have started a new programme to increase the rate of water supply upto 110 litres per day in big villages and to provide individual house connections. Three villages during 1994-95 and three more villages during 1995-96 are likely to be covered under this scheme.

77. A large number of Dhanies still remain devoid of drinking water facilities. We propose to provide drinking water facility to all the Dhanies by the end of Eighth Five Year Plan. 200 Dhanies are being covered during 1994-95 at a cost of Rs.2 crore and 220 dhanies will be covered during 1995-96 at a cost of Rs.2.20 crore.

78. Under the Desert Development Programme, in the drought-prone districts of Hisar, Sirsa, Bhiwani, Rohtak, Mohindergarh and Rewari, water supply in 2406 villages is proposed to be augmented from 40 litres to 70 litres per capita per day, at a cost of about Rs. 300 crore. 212 villages so far have been covered at a cost of Rs.29.59 crore.

79. An ambitious programme envisaging full sanitation coverage and providing sewage treatment facilities in Yamuna Nagar, Jagadhari, Karnal, Panipat, Sonipat, Gurgaon and Faridabad towns

at a cost of Rs.133.47 crore, has been launched during 1994-95 with the help of Government of India and bilateral assistance from OECF, Japan on 50 per cent cost-sharing basis.

### **WELFARE OF WEAKER SECTIONS**

80. Our Government accords a very high priority to the uplift of Scheduled Castes, Backward Classes and Vimukt Jatis and is implementing a number of schemes for their educational, economic and social development.
81. Various incentive schemes for promoting literacy among the weaker sections are being implemented, with an outlay of Rs. 3.23 crore during 1995-96. In order to prepare students belonging to the Scheduled Castes for various competitive examinations, six Pre-Training Centres have been opened.
82. Our endeavour is to provide a congenial environment and to improve the living conditions of the Scheduled Castes. A sum of Rs.95 lac has been earmarked for construction of houses during 1995-96. Under the scheme "Environment Improvement of Scheduled Castes Bastis", Rs. 80 lac are proposed to be spent during 1995-96.
83. Upto 31st December, 1994, Harijan Kalayan Nigam provided financial assistance to 5885 Scheduled Castes families for starting various trades. For the economic development of Backward Classes in the State, Haryana Backward Classes and Economically Weaker Sections Kalayan Nigam provided financial assistance to 1690 Backward classes persons upto December, 1994. Under the 20 Point Programme, financial assistance has been provided to 21214 Scheduled Castes families upto December, 1994.
84. The Second Haryana Backward Classes Commission was set up in 1993-94 to prepare a truly representative and comprehensive list of Other Backward Classes in the State. The Commission has recently submitted an interim report, which is being processed.
85. During 1995-96, an amount of Rs.25.57 crore will be spent on schemes for welfare of Schedule Castes, Backward classes and Vimukt Jatis in the State.

### **WELFARE OF EX-SERVICEMEN**

86. Hon'ble members are well aware of the contribution of our State in defending the borders of the country. One out of nine persons in Haryana belongs to the family of an exserviceman. In recognition of their services, our Government has extended a large number of concessions to the ex-servicemen and serving members of the armed forces.

87. The schemes include financial assistance to widows, allowance for rearing of orphan children, financial assistance to aged, ill and disabled ex-servicemen, grants for marriage of daughters of widows, grants for repairs of houses of warwidows, soft loans and facilities for training for self-employment. A sum of over Rs.9 crore is being spent on the welfare of exservicemen and their families during the current year.

### **WOMEN, CHILDREN AND SOCIAL WELFARE**

88. An integrated approach for development of women and child, with emphasis on raising the social status of women, providing a healthy environment for children to grow up, and involving women in the process of development, has been adopted to ensure a bright future for our society.

89. The status of the girl child in our patriarchal society has remained unenviable, in spite of concerted efforts in the past. Problems of female foeticide, malnutrition and illtreatment of girls, low female literacy rates and child marriage still remain. To make a frontal attack on all these problems, a unique and highly commendable scheme named 'Apni Beti Apna Dhan' has been launched during 1994-95. The scheme covers most of the Scheduled Caste families and all families living below the poverty line. Under this scheme, for every eligible girl child, investment is made, in her name, in Indira Vikas Patras worth Rs.2500. This amount, after periodic reinvestment, will be given to the girl at the age of 18 years and can be used by her for higher studies, an income generating venture, her marriage or for any other purpose. In addition, the

mother is also given Rs.500 for her nutrition within 15 days of birth of the child. A budget provision of Rs.9.85 crore has been made for 1994-95 and that of Rs.19.69 crore for the year 1995-96 for this scheme.

90. The Hon'ble members will be happy to know that the ICDS scheme has now been extended to all the 110 blocks. The approved outlay for ICDS, including Supplementary Nutrition, is Rs.38.25 crore for the year 1995-96. The "Integrated Women's Empowerment and Development Project", an externally aided project with a budget provision of Rs.3.76 crore, has been started during 1994-95. The main object of this project is to mobilize women in groups for direct intervention in health care, awareness generation, education and economic activities, which is, in the long run, likely to lower fertility.

### **SOCIAL DEFENCE AND SECURITY**

91. The Government will continue to accord priority to the schemes of social defence and security. Old age pension, widow pension and handicapped pension schemes will continue during the year 1995-96 at a cost of Rs.134.84 crore. Scholarships to the physically handicapped students will also be provided to give them equal opportunity of acquiring formal education. A provision of Rs.121.70 lac has been made during 1995-96 for grant-in-aid to voluntary organisations engaged in welfare activities.

### **HOUSING**

92. The State Government is conscious of the housing needs of the community, particularly of the weaker sections. The Housing Board has constructed 44722 houses upto 31st March, 1994 including 29393 houses for economically weaker sections and low income groups. The Board has launched 'Mahatma Gandhi Awas Yojana' on the occasion of the 125th birth anniversary of Mahatma Gandhi on 2nd October, 1994. Under this scheme, 4000 LIG houses will be constructed at a cost of Rs. 32 crore at Panchkula, Yamuna Nagar, Panipat, Sonapat, Faridabad, Gurgaon

and Hisar. 3000 more houses of various categories are proposed to be constructed during 1995-96 at a cost of Rs. 30 crore. The State Government provides soft housing loans to rural and urban poor. Under the Rural Housing Scheme, a sum of Rs.5.13 crore has been provided during 1994-95, and a provision of Rs.23.69 crore has been made for 1995-96. A plan outlay of Rs.56.70 crore has been provided for Housing during 1995-96.

### **REVENUE ADMINISTRATION**

93. Maintenance of land records is one of the important functions of the State Government. To modernise land and revenue administration, computerisation of land records is being implemented as a pilot project in Rewari District. The Government of India has also approved installation of computers in four other districts, namely Sirsa, Ambala, Rohtak and Gurgaon, and has released an amount of Rs.74 lac for this purpose.

94. There are 472 patwarkhanas in the State. Thirty more patwarkhanas will be constructed during the current year. It is proposed to construct 41 patwarkhanas during 1995-96 at a cost of Rs.55 lac. Ten record rooms are also proposed to be constructed during the current year at a cost of Rs.10 lac each.

### **STATE LOTTERY**

95. The lottery trade was introduced in the State more than two decades ago to generate additional resources for development. Operators of private lotteries had indulged in unscrupulous practices of cheating and defrauding the general public. To stop their malpractices, the State Government had put a ban on the sale of all lotteries by private organisers in the territory of Haryana, by enacting the 'Haryana Prohibition of Private Lotteries Act, 1993'. Now, as per judgement of the Supreme Court, only such lotteries as are organised by the State Governments can be sold. A net profit of Rs.74.57 crore is expected from state lotteries during the current year. Although the Lottery department is

generating substantial resources for development in the State, it was felt that the growth of lottery trade has assumed alarming proportions, and the growing addiction of some sections of our populace to lottery became a cause for serious concern. By sacrificing appreciable State revenues, our Government has decided to stop the sale of the State run lottery in the State and to impose a sale tax at the rate of 20 per cent on the lotteries of all other States sold in Haryana w.e.f. 1.4.1995.

### **CONCESSIONS TO GOVERNMENT SERVANTS**

96. Our Government recognises the role of employees in development of the State. We also consider it our duty to give the best possible facilities to our employees within the constraints of our resources. Several concessions have been given to the government employees during the current year to boost their morale. The State Government has granted two instalments of additional dearness allowance to its employees with effect from 1st January, 1994 and 1st July, 1994, costing Rs.68.61 crore. Bonus relating to the years 1991-92 and 1992-93, as per central pattern, has also been given during the current year at an estimated cost of Rs.54.80 crore. The State Government has revised pay scales of a large number of categories of employees during the current year. The minimum rate of family pension has been increased from Rs 300 per month to Rs.375 per month. The Hon'ble members are aware that we have already granted interim relief of Rs. 100 per month to all our employees, as per the recommendations of the 5th Pay Commission set up by the Central Government. The group 'C' and 'D' employees are getting higher standard pay scales on completion of 10 and 20 years of regular service. Fixed medical allowance has been increased to Rs.60 per month. Employees, pensioners and family pensioners can now revise their option for the reimbursement of medical expenses for chronic diseases in the month of April every year.



97. Hon'ble members would be happy to know that our Government has decided to constitute a State Pay Commission, which would make recommendations on various service issues. The Commission would soon start functioning. We have also decided to grant bonus to Government employees for the year 1993-94 on the central pattern. 25 percent of this bonus will be paid in cash.

98. We felt that the provision of funds for House Building Advance and Conveyance Advance had been inadequate in the past, resulting in long waiting periods. We have provided Rs.8.30 crore for House Building Advance during the year 1995-96 as against a provision of Rs. 6.30 crore in the current year. Similarly, the provision of conveyance advance has been increased to Rs.7.35 crore in 1995-96 from Rs.6.50 crore in the current year.

99. We have decided to grant pension and related retiral benefits to teachers and other employees of universities and aided colleges to meet their long standing demand. A State Level Committee for Teachers' Welfare is also being set up to examine the Chattopadhaya Committee Report.

#### **REVISED ESTIMATES, 1994-95**

100. I have mentioned earlier that, during the current year, the financial position of the State notably improved as compared to the previous year. The power situation remained critical during the year and the State suffered extensive damage due to floods. A number of unforeseen contingencies arose requiring additional expenditure. The expenditure on Haryana roadways increased by Rs. 20.06 crore due to hike in cost of fuel and other spare parts. Additional Rs. 8 crore had to be provided for proper maintenance of water supply schemes. Establishment of State Election Commission and conduct of elections to various local bodies cost the exchequer another Rs. 5.41 crore. Additional grant of Rs. 2.97 crore was given to cooperative institutions for repayment to NABARD on account of the loan waiver scheme. Increase of family pension for ex-servicemen has imposed a liability of Rs. 2.43 crore. An expenditure of Rs. 1.27 crore is likely to be incurred

on providing additional staff and cars for subordinate judiciary to implement the judgement of the Hon'ble Supreme Court. Rs. 1 crore has been provided as award to panchayats which have been elected unanimously.

101. All these factors caused severe strains on our finances. Efforts were made to raise more revenue from existing resources. Consequently, our tax revenue increased from Rs.2106.50 crore in the Budget Estimates, 1994-95 to Rs. 2133.16 crore in the Revised Estimates. The major increase in tax revenue is in the tax on Goods and Passengers (Rs.13.15 crore), collections under Stamp and Registration (Rs. 9.89 crore), and vehicle tax (Rs. 4.40 crore). Lottery trade is expected to earn additional net profit of Rs. 59.04 crore during the current year as compared to the Budget Estimates. There is, however, a shortfall of Rs. 36.81 crore in the irrigation water charges on account of non-implementation of proposed increase in irrigation water rates. The critical situation of the power sector necessitated tariff revision which is expected to yield additional resources of Rs. 170 crore per annum for the HSEB.

102. By now, Haryana has earned a name for good financial management. A number of measures were taken to control non-plan expenditure on items such as staff, office expenditure, conveyance and petrol. Effective enforcement of these economy measures has led to a reduction of Rs. 31.70 crore in our non-plan revenue expenditure, (net of lotteries), from Rs. 3237.63 crore in Budget Estimates, 1994-95 to Rs. 3205.93 crore in the Revised Estimates. We have taken care to ensure that adequate funds are made available for development. After a number of years, we have been able to maintain the annual plan size at the budgeted level. The Revised Estimates provide for an outlay of Rs. 1030.33 crore for Annual Plan, 1994-95 as against the original approved outlay of Rs. 1025.50 crore.

103. It would be seen that the Revenue Account, in the Revised Estimates for the year 1994-95, indicates a deficit of Rs. 452.82 crores compared to the deficit of Rs. 512.27 crore in the Budget

Estimates. This does not reflect the true picture of the transactions under Revenue Account. We have provided Rural Electrification subsidy of Rs. 350 crore to the Electricity Board, adjustable towards interest payments by the Board to the State Government, to improve the financial viability of the Board. The arrears of energy charges against government departments, earlier estimated at Rs. 425 crore, have now been re-assessed at Rs. 373.13 crore. These transactions are contra-entries under Revenue and Capital Accounts. After excluding contra-entries, on net basis, the Revenue Account in the Revised Estimates, 1994-95 would show a deficit of Rs. 24.89 crore against a Revenue deficit of Rs. 32.47 crore in the Budget Estimates 1994-95, showing an improvement of Rs. 7.58 crore.

104. For the current year, our Fiscal Deficit, as percentage of the State Domestic Product, is about 3.3 percent, which is well within the permissible limits.

105. The Financial Year, 1994-95 opened with a deficit of Rs. 90.98 crore as per the books of RBI. As a result of our constant efforts at exercising economy and making judicious use of resources, the current year is likely to close with a deficit of Rs. 55.20 crore as against the budget deficit of Rs. 71.11 crore. Thus the current year's transactions indicate an overall surplus balance of Rs. 35.78 crore in Revised Estimates, 1994-95, compared to the overall surplus balance of Rs. 3.37 crore in Budget Estimates, 1994-95, on year's account.

### **BUDGET ESTIMATES, 1995-96**

106. Hon'ble Speaker Sir, I now proceed to present before this august House the Budget Estimates for the year 1995-96. The following table gives an account of the financial position of the State Government emerging as a result of the Revised Estimates, 1994-95 and Budget Estimates, 1995-96 :-

Components	(Rs. in Crore)				
	Revised Estimates 1993-94	Accounts 1993-94	Budget Estimates 1994-95	Revised Estimates 1994-95	Budget Estimates 1995-96
	2	3	4	5	6
<b>I. Opening Balance</b>					
(a) According to Books of A.G.	(-57.59)	(-57.59)	(-77.80)	(-91.88)	(-56.10)
(b) According to Books of RBI	(-54.27)	(-54.27)	(-74.48)	(-90.98)	(-55.20)
(c) Investment in Treasury Bills	17.42	17.42	17.42	106.18	66.18
<b>II. Revenue Account</b>					
Receipts	3541.43	3481.45	4305.82	6836.56	5004.11
Expenditure	3533.22	3401.00	4818.09	7289.38	5048.50
Surplus/Deficit	(+8.21)	(+80.45)	(-512.27)	(-452.82)	(-44.39)
<b>III. Capital</b>	314.46	302.92	214.57	256.82	474.73
Expenditure					
<b>IV. Public Debt</b>					
Debt incurred	789.31	668.21	1157.61	923.56	1332.33
Repayment	400.62	287.88	813.67	485.02	794.88
Net	(+388.69)	(+380.33)	(+343.94)	(+438.54)	(+537.45)
<b>V. Loans &amp; Advances</b>					
Advances	282.05	289.36	322.79	360.16	362.94
Recoveries	34.90	31.96	457.02	395.45	33.44
Net	(-247.15)	(-257.40)	(+134.23)	(+35.29)	(-329.50)
<b>VI. Small Savings</b>					
Provident Fund etc.	(+162.98)	170.27	215.08	233.20	242.58
<b>VII. Deposits &amp; Advances, Reserve Funds &amp; Suspense and Misc.(Net)</b>	(-18.48)	(-90.01)	(+36.96)	(+38.39)	(+54.08)
<b>VIII. Remittances (Net)</b>	—	(-15.01)	—	—	—
<b>IX. Year's Closing Balance</b>					
(a) According to Books of A.G.	(-77.80)	(-91.88)	(-74.43)	(-56.10)	(-70.61)
(b) According to Books of RBI	(-74.48)	(-90.98)	(-71.11)	(-55.20)	(-69.71)
(c) Investment in Treasury Bills	17.42	106.18	17.42	66.18	10.18

107. As per the books of the Reserve Bank of India, the financial year, 1995-96 is likely to open with a deficit of Rs. 55.20 crore and is likely to close with a deficit of Rs. 69.71 crore. Thus, on the year's account, the year 1995-96 is likely to have a deficit of Rs. 14.51 crore as against a surplus of Rs.35.78 crore in the Revised Estimates for the current year. The Budget Estimates provide for a total plan outlay of Rs.1472.29 crore, including State plan outlay of Rs.1250 crore, and an outlay of Rs.222.29 crore for centrally sponsored and other development schemes.

108. The receipt and expenditure on account of lottery are in the nature of contra-entries, leaving a net revenue of Rs. 74.57 crore during 1994-95 and Rs. 30.15 crore during 1995-96. A provision of Rs. 100 crore has been made in the Budget Estimates for 1995-96, on adjustment basis, to clear arrears on account of subsidy for supply of power to the agriculture sector by the HSEB. Hon'ble members would recall that a similar provision of Rs. 350 crore had been made in the Budget Estimates for 1994-95. On gross basis, the Revenue Receipts of the State are expected to be Rs.5004.11crore and the Revenue Expenditure is expected to be Rs.5048.50 crore in Budget Estimates, 1995-96. The gross figures, however, do not reflect the true picture of Revenue Account of the State, both for 1994-95 and 1995-96. After taking into account the figures in respect of contra-entries, such as lotteries and subsidy for rural electrification, on net basis, Revenue Receipts register a growth of Rs. 326.19 crore in the Budget Estimates, 1995-96 over the Revised Estimates, 1994-95, while the net revenue deficit shows a decline from Rs. 24.89 crore in Revised Estimates, 1994-95 to Rs. 18.39 in Budget Estimates, 1995-96.

109. The tax revenue is projected to grow at 15.2 per cent in Budget Estimates, 1995-96 over the Revised Estimates, 1994-95. However, different growth rates have been assumed for different taxes. The devolution of central taxes has been projected as per indications of the Ministry of Finance, Government of India. These devolutions are expected to increase substantially after the decision of Government of India on the recommendations of the

10th Finance Commission. The revenue receipts, both tax and non-tax, have been assessed on trend basis and different yard-sticks have been adopted for different receipts. The inherent resilience and expected buoyancy in the economy are likely to yield still higher revenue. Collections from State taxes are also expected to register substantial growth as a result of enforcement of anti-evasion and rationalisation measures.

110. The projection of non-plan expenditure is largely based on the guidelines of the Planning Commission and the recommendations of the 9th Finance Commission. We would have preferred to base our projections on the recommendations of the 10th Finance Commission, as the award of that Commission is to cover the period from 1995-96 to 1999-2000. But the recommendations of that Commission have not so far been accepted by the Parliament. An effort has, however, been made to contain the non-plan revenue expenditure to the bare minimum after meeting the committed liabilities. On account of larger loan receipts obtained for capital formation, the interest payment have increased by 22.6 percent from Rs. 509.86 crore in the Revised Estimates, 1994-95 to Rs. 625.03 crore in the Budget Estimates, 1995-96. A provision of Rs. 60.20 crore has been made in Budget Estimates, 1995-96 for normal maintenance of plan schemes completed by the end of Seventh Five Year Plan. A provision of cash subsidy of Rs. 110 crore has been made for payment to HSEB on account of losses due to subsidy on power supplied to agriculture sector. This is in addition to a provision of Rs. 100 crore for payment to HSEB on the same account on adjustment basis. For payment of current energy charges by the Government engineering departments, a separate provision of Rs.59.60 crore has been made. Pending the adoption of a new scheme by Government of India to replace the Natural Calamity Relief Fund, a provision of Rs. 10 crore has been made for meeting expenditure on account of relief measures. The new scheme will be based upon the recommendations of the 10th Finance Commission and will be effective from the financial year 1995-96. A lumpsum provision of Rs. 112.17 crore has also been made in the Budget Estimates, 1995-96 to cover the liability on account of

A.D.A. instalments becoming due from January 1995 and July 1995, and for grant of bonus to Government employees for the financial year 1993-94.

111. Hon'ble members would notice that the State is likely to incur public debt of Rs. 1332.33 crore, including market borrowings of Rs. 133.89 crore, as per Budget Estimates of 1995-96. After making repayments of Rs. 794.88 crore, the net public debt would increase by Rs. 537.45 crores. I would like to inform this august House that, unlike some other States in the country, only a part of the State plan is financed through loans. However, our total debt liability is increasing. The total outstanding debt of the State, as on 31.3.94, as per the books of A.G., Haryana, is Rs. 4373.01 crores. As per the Revised Estimates being presented, the debt liability of the State is likely to increase by Rs. 642.35 crore. Hence, on 31.3.95, the total debt liability of the State is likely to be Rs. 5015.36 crore, which will be 14.7 percent higher than the debt liability on 31.3.94. This liability is likely, as per Budget Estimates, 1995-96, to further increase by 16 percent to Rs. 5816.83 crore by 31.3.96. These funds are essentially used for capital investment and asset creation, as they carry heavy costs in terms of interest liability.

112. I would like to remind the Hon'ble members that the fiscal deficit of a number of States is quite high. The awareness about the importance of containing the fiscal deficit within reasonable limits is now growing all over the country. The terms of reference of 10th Finance Commission also required the Commission to recommend effective measures for containing fiscal deficit both of the Union and the States. The Union Government has taken a series of corrective measures to reduce the fiscal deficit in a gradual manner. The fiscal deficit of Haryana, as a proportion of State Domestic Product, is estimated to be 3.6 percent during 1995-96.

113. The Government is acutely conscious of the problems faced by the trade and industry and has been constantly interacting with their representatives. We are ever willing to

reform procedures which act as bottlenecks or irritants and cause harassment. During the current year, the process of inspections and examination has been streamlined. Now such inspections can be carried out only by a team of officials, and have been restricted to once or twice a year. These measures will go a long way in providing relief to traders and entrepreneurs from the Inspector Raj syndrome. Rates of sales tax have been reduced for various items such as non-ferrous metal products and some forms of glass, while Gram churi, and churi and chhilka of all pulses have been exempted from sales tax w.e.f. 1.4.94. For the benefit of petty traders, the taxable quantum for the purpose of registration has been enhanced, for general category of dealers, from Rs. 2 lac to Rs. 3 lac. A new programme called "Aamne-Saamne" has been started to improve the procedures in administration of sales tax and for redressing the grievances of the trading community on the spot.

114. I would like to state here that the objective of our Government is to collect more revenue by strict, impartial and effective implementation of the existing tax laws rather than levying new taxes or raising the rates of taxes. I propose to exempt some items from payment of sales tax in this budget, while rationalising rates of sales tax on certain other items. To provide relief to women, I propose to exempt improved Chulhas, Sindoor, and Mangal Sutra from payment of sales tax. I also propose to exempt, from payment of sales tax, the coarse foodgrains, namely Bajra, Maize and Jawar, which are the staple diet of the poor. I also propose to provide relief to the student community, who are our hope for the future, by exempting some stationary items such as pens, ballpens and writing ink, upto the maximum retail price of Rs. 25, from payment of sales tax. Braille typewriters, slates and stationary used by the blind for reading and writing, are also proposed to be exempted from sales tax. To fulfil our promise made earlier, I propose to exempt tent dealers from payment of sales tax. The tax on inter State transfer of Sunflower seed oil is proposed to be reduced from the existing rate of 4 per cent to 1 per cent to bring it at par with the tax on oils of Sarson, Toria and Til. Last year, we had imposed luxury tax on



tabacco products, but it has resulted in large scale diversion of trade into unregulated market channels, and to other States, as there is no such tax in the neighbouring States. Therefore, I propose to abolish the levy of luxury tax on tobacco products.

115. It has been our effort to keep the deficit in the Budget at the bare minimum, and the deficit is well within reasonable limits. This deficit will be covered through better realisation of revenue from existing resources, larger devolution of central taxes, and larger grants-in-aid expected on the basis of the recommendations of the 10th Finance Commission, and by exercising strict control on non-plan expenditure. I am confident that we will be able to fully implement all the development programmes envisaged in the Annual Plan for the year 1995-96. This, of course, would only be possible with the cooperation and help from all the Hon'ble members of the House and the people of Haryana.

Sir, I now commend the Budget Estimates, 1995-96 for consideration and approval of this august House.

JAI HIND !