



GOVERNMENT OF RAJASTHAN

# **SPEECH**

OF

**SHRI HARIDEO JOSHI**

CHIEF MINISTER

ON

# **BUDGET**

# **1986-87**

**ENGLISH VERSION**

THURSDAY THE 6th MARCH, 1986

Mr. Speaker, Sir,

With your permission, I am presenting the Budget Estimates for the financial year 1986-87.

2. At the time of the presentation of the Modified Budget Estimates for 1985-86 on July 2, 1985 there was no apprehension whatsoever that we would have to face a situation of drought and famine again this year, and, that the famine condition would be more intense and widespread as compared to earlier years. Today almost the entire State is in the grip of famine. 26856 villages in 170 tehsils of 26 districts in the State are affected by the severity of drought and famine conditions.

3. Before I dwell upon matters relating to famine conditions, I would seek your permission to briefly analyse our financial condition in the context of the economic development of the State, and, pose some basic questions for the consideration of this House in the hope of receiving guidance on these issues. It is possible that much of what I have to say in this regard may not be palatable, but there is no doubt that most of it is based on hard facts.

4. The total revenue expenditure of the State was estimated at Rs. 1510.36 crores during 1985-86. The main items of expenditure and their percentages to the total are as under:—

(Rupees in crores)

Items	Amount	Percentage
1. Pay and allowances	603.32	39.9
2. Pension	54.85	3.6
3. Interest Payments	273.52	18.1
4. Grant-in-aid and subsidy	262.63	17.4
5. Maintenance	71.37	4.7
6. Other items	244.67	16.3
Total	1510.36	100.0

5. Out of a total of 4.02 lac employees of the State Government, 2.44 lacs are in Education, Police and Medical Departments; these account for more than 60% of the total State employees. The estimated expenditure on Pay and allowances of these Departments is Rs. 367.34 crores. Education, Medical and Law and Order are the very basic needs. No curtailment of expenditure is, therefore, possible in these departments. The same is true of the expenditure on pension, grants-in-aid & subsidy, and, maintenance of roads, buildings and irrigation works.

6. With reference to the expenditure on salaries, allowances and pension in the State, I have obtained some information about expenditure on these items by neighbouring States. In 1983-84 the percentage of expenditure on these items in Rajasthan was 44.2% whereas in Uttar Pradesh it was 28.19%, in Gujrat 20.06% and Hariyana 41.4%. It has been observed from the headwise analysis of this expenditure that our State is spending more on Education in comparison to these States because most of the Educational Institutions in these States are in the private sector and receive grants-in-aid from the State Governments.

7. The debt servicing obligations of the State are mounting year after year. As the Hon'ble Members are aware, the general pattern of Central financial assistance to the States is 70% loan and 30% grant. For the period 1983-84 to 1985-86, the position of receipt of loans from the Central Government and re-payments by the State on account of principal and interest is as under :—

(Rs. in crores)

Year	Loan received	Repayment of loan			Net
		Principal	Interest	Total	
1983-84	242.82	90.32	72.64	162.96	(+)79.86
1984-85	220.11	138.89	102.20	241.09	(-)20.98
1985-86	269.11	161.86	116.35	278.21	(-)9.10

It will be observed from the above that except in the year 1983-84, the net receipts from the Government of India under this head have been negative. It does not look as if this position will materially change during the Seventh plan period.

8. There is, therefore, no possibility of any significant reduction in revenue expenditure. Even so, unproductive and avoidable expenditure is being strictly controlled.

9. Central financial assistance for the Plan expenditure to the State is made available on the basis of the Gadgil formula. In addition, some assistance is also available under Centrally sponsored and Central Sector Schemes. Beyond this, the States have to raise their own resources for their development. The plan size is, therefore, directly related to the willingness and the ability of a State to raise resources of its own.

10. There are mainly three different means of raising financial resources-first, by raising taxes, second, by borrowings, and third, return on investments. Hon'ble Members are aware that in our Federal system, the scope for raising taxes by the States is extremely limited.

11. So far as the question of raising resources through loans is concerned, States do not have much freedom in this regard either, as market borrowings are controlled by the Government of India. Even otherwise, the scope of market borrowings would be limited by the already heavy debt servicing burden of the State to which reference has been made by me earlier.

12. That leaves the option of raising resources from return on capital employed. The State Government has invested a very large part of the available capital in the power and irrigation projects. At present Rs. 700 crores stand invested in Rajasthan State Electricity Board, but the State is not getting any return on this investment. Today

the cost of power per unit works out to 75 paise, but the same is being sold at 28 paise per unit to agricultural consumers. R. S. E. B. is thus losing 47 paise on every unit of power supplied to this sector. This heavy capital investment has been made possible due to the sacrifice of the entire population of Rajasthan, and this sacrifice includes the contribution made by those who are deprived of this facility today.

13. Likewise, Rs. 1243.57 crores have been invested so far on various irrigation projects. During 1984-85 the revenue receipts from water rates were Rs. 14.35 crores only, whereas, the expenditure on operation and maintenance of these works was Rs. 35.90 crores. The position today is that we are not even able to recover the cost of maintenance of these projects, not to speak of any return on the investment.

14. The position is no different in respect of water supply schemes. An amount of Rs. 452.50 crores has been invested so far on these projects. For 1985-86 revenue receipts from these schemes is estimated at Rs. 31.88 crores, whereas, the estimated expenditure on their maintenance and operation is Rs. 53.47 crores.

15. Today we are at the cross roads of planned economic development where, on the one hand there are haves, and have nots, on the other. The question before us is whether or not the persons who have enjoyed the fruits of the first phase of development have any moral duty and responsibility towards such sections of the society who are lagging behind and are still waiting to share the fruits of development. Is it not our duty to ensure reasonable return on the capital invested in the process of development and re-invest the same for widening the scope of development to cover those who are needy and waiting ? How long shall we go on evading the difficult option of recovering the

current economic and present day cost of services from the beneficiaries of facilities created by planned economic development, and, how long will they evade their responsibilities in this regard ?

16. If investments on various projects start yielding returns, the process of development can be further accelerated by reinvesting the same and the benefit of these facilities can be extended to more and more people.

17. The intention behind my saying all this is that the Hon'ble Members may after due deliberations on all aspects of the issue, in the light of facts and a proper perspective, give us their advice and guidance.

18. In this background, it has been our endeavour that on the one hand, we raise our own resources, and, on the other, seek additional financial assistance from the Government of India for accelerating the pace of development.

19. I have pleasure in informing you that we have met with a measure of success on both counts. In the current year, with the permission of the House, we have raised additional resources of about Rs. 100 crores. We have also succeeded to a large extent in getting additional assistance from the Government of India. Before highlighting certain salient aspects in this regard, I consider it appropriate to apprise the House of the steps taken to deal with the famine situation.

### **Famine Relief :**

20. Looking to the severe famine conditions, the State Government has in anticipation of an indication about expenditure ceilings on relief by the Central Government, started famine relief works in October, 1985 itself. By the end of December, 1985, 61 lac mandays of employment were generated. During January and February, 1986, on an average, 2.5 lac and 3.5 lac persons respectively were

given employment. For the month of March, a target of giving employment to 6 lac people has been fixed.

21. For adequate arrangements of drinking water, 100 new tankers are proposed to be purchased. An additional amount of Rs. 35.35 crores has been made available to Public Health Engineering Department for early completion of water supply schemes. Adequate arrangements have been made for drinking water and fodder for cattle.

22. The Famine Relief works started this year have two special features. First, is that the payment of wages is being made in the form of foodgrains, and, the assistance received from the Government of India is being utilised towards meeting the cost of material component. As a result thereof, the amount of Rs. 13.31 crores sanctioned by the Government of India both for wages and material is available to us for expenditure on material component only. As the Hon'ble Members are aware the ratio of labour to material is 60:40. The payment of wages is being made in the form of wheat, and, for that purpose the Government of India has allotted wheat worth Rs. 22.50 crores for the period ending March, 1986. Thus we shall be able to execute works worth Rs. 35.81 crores, in place of Rs. 13.31 crores, the sanctioned amount, and, generate 223 lac mandays instead of 83 lac mandays. The second special feature is that priority has been given to Plan works of permanent and productive nature under Irrigation, Soil Conservation, Forest and Roads sectors.

23. Famine relief works of Rs. 125 crores have been sanctioned so far. On completion of 1800 Irrigation works estimated to cost Rs. 65 crores, additional irrigation potential of 25,000 hectare would be available. Similarly, about 4000 Kms. of road length will be constructed on completion of 548 works with the estimated total cost of Rs. 45 crores. With the various works sanctioned for soil conservation, at

an estimated cost of Rs. 8 crores, land development in 18,000 hectare will be undertaken. A sum of Rs. 4.70 crores has been sanctioned for the development of forests and a programme of plantation of 1 crore plants on 50,000 hectare has also been taken in hand.

24. Relief Works are being carried out under the National Rural Employment Programme. In giving employment, priority has been given to land-less labour, small and marginal farmers and persons belonging to Scheduled Caste and Scheduled Tribes.

25. Thus, apart from providing employment, the pace of economic development of the State is being accelerated and permanent and durable assets are being created.

26. For the purpose mentioned above large scale construction programme has been taken up through Panchayati Raj Institutions. This programme is being funded by the contribution of Rs. 5.24 crores by Panchayats/ Panchayat Samitis out of their per capita grants, in addition to Rs. 74 lacs from the Education Department for school buildings, and, another contribution of Rs. 5.31 crores under R.L.E.G.P. for construction of primary school buildings. A sum of Rs. 61 lacs has been made available to the Panchayat Samitis by the Tribal Area Development Department for execution of public works in the tribal sub plan area.

27. The objective of this programme is to provide at least one work in each Panchayat area. So far 6740 works have been sanctioned out of which more than 4000 have been taken in hand by February, 1986. On these works more than 84,000 labour is employed and over 16 lac mandays have been generated.

28. The estimated cost of the aforesaid sanctioned works is more than Rs. 20 crores. More than 3,500 works are related to construction of new school buildings or



additions to existing ones. Other works include construction of Patwar Ghars, Panchayat Ghars, Dispensaries, Panchayat Shops, Drinking water wells, deepening of wells Pucca drains and construction of link roads, community building and tanks, repairs and deepening of Nadis. It is worth mentioning that these works being undertaken through Panchayats and Panchayat Samitis are in addition to the works being carried out under N.R.E.P. and Famine Relief operations.

29. The Central Government has fixed a ceiling of Rs. 40.42 crores from October, 1985 to March, 1986, and of Rs. 36.59 crores from April, 1986 to July, 1986 for famine relief operation. Looking to our requirements, this expenditure ceiling is inadequate. We are constantly in touch with the Central Government for getting this ceiling enhanced, and, are hopeful that additional funds would be made available by Government of India to meet these requirements.

30. I shall now come to those programmes under which additional central assistance from the Government of India is expected.

#### **Desert Development Programme:**

31. In my speech on the modified Budget estimates for 1985-86, I had mentioned that we would expect the Government of India to adopt the same funding pattern for desert development as is applicable to hill areas. At present this programme is being implemented in 85 blocks of 11 desert districts and 50% of the expenditure is being met by the Central Government. I had discussed this issue at length in August, 1985 with the Government of India and the Planning Commission. Our constant efforts have at last borne fruit and I am glad to say that henceforth total expenditure on this programme shall be financed by the Central Government. The Government of India has provided for a sum of Rs. 244 crores in the Seventh Five Year Plan for this pro-

programme and it is expected that over the next four years Rajasthan would get approximately Rs. 180 crores out of the same as its share.

#### **Arawali Regional Development Programme :**

32. As a consequence of denudation and soil erosion, the Arawalis are no longer capable of acting as a natural barrier to the eastward march of the desert. There is thus a pressing need to rejuvenate the Arawalis and maintain the ecological balance. Looking to the existing financial resources of the State, we are not in a position to provide adequate resources for its development. We had forcefully presented this issue before the National Development Council and the Planning Commission, and, our plea was that the Arawalis should also be included in the Hill Area Development Programme of the Government of India under which 90 percent expenditure is met by the Central Government. I am very happy to inform the House that the Planning Commission has accepted our request in principle and it is hoped that the development of many hilly areas of Rajasthan would be possible under this Programme.

#### **Dacoit Affected Regional Development Programme :**

33. Under the Dacoit affected regional development Programme, which includes reclamation of ravine lands, construction of roads and bridges, and electrification of villages, a sum of Rs. 50 crores is expected to be received from the Central Government during the 7th Five Year Plan period.

#### **Border Regional Development Programme :**

34. Having felt the need to develop the areas located on the international boundaries in various States, the Government of India have decided to implement a special programme for these areas in the Seventh Plan period for which they have made a provision of Rs. 200 crores.

Rajasthan also hopes to obtain a share of these funds, which would enable accelerated economic development of the area as well as provide it with basic infrastructural facilities.

35. Almost all the regions of Rajasthan shall be additionally benefitted with the assistance that would be received under the aforesaid Programmes.

**Economic Review :**

36. The Economic Review which is being distributed separately to the Hon'ble Members outlines the progress and development achieved in various spheres of the economy of the State and contains economic indices related therewith.

37. The last five years, barring one, were marked by a continuous state of drought, and this year's position has been even more severe than in earlier years. However, the economy as a whole has continued to register improvement on account of the strengthening of the basic economic structure of the State through planned development and the creation of infrastructural facilities by making investment in the power and irrigation sectors. State income at current prices during 1980-81 was Rs. 4121 crores which is estimated to have increased to Rs. 6954 crores in 1984-85, and, the per capita income at current prices has increased from Rs. 1220 to Rs. 1838 over the same period. Also, during this period the production of foodgrains increased from 64 lac tons to 78 lac tons. The installed capacity for generation of power which was 1201 M.W. in 1980-81 increased to 1803 M.W. by 1985-86. Likewise, the pace of economic development and progress in other fields is being maintained. The winter rains have improved the prospect for a good Rabi crop and I am hopeful that the coming year will bring prosperity to the State.

**Plan Outlay for 1986-87 :**

38. I am happy to inform you that after discussions with the Planning Commission the outlay for the Annual Plan for

1986-87 has been fixed at Rs. 525 crores which is higher by Rs. 95 crores in comparison to the plan size of Rs. 430 crores for 1985-86. This is an increase of more than 22%. The percentage of increase this year has been the highest in many years. The size of the annual plans of the last three years from 1983-84 to 1985-86 was Rs. 416 crores, Rs. 430 crores and Rs. 430 crores respectively.

39. The sectorwise allocation of the Annual Plan for 1986-87 and the percentage of the same to the total Plan outlay is as under :—

Sr. No.	Sector	Amount (Rs. in crores)	Percentage
1.	Power	180.35	34.36
2.	Irrigation and Flood control	125.00	23.81
3.	Social and Community Services	100.44	19.13
4.	Rural Development	33.57	6.39
5.	Agriculture and allied programme	27.00	5.14
6.	Industries and Mines	24.50	4.67
7.	Transport and Communications	22.04	4.20
8.	Cooperation	7.65	1.46
9.	Other Services	4.45	0.84
	Total:	525.00	100.00

40. Central Assistance of Rs. 226.08 crores will be available for financing the Annual Plan of 1986-87. The remaining amount of Rs. 298.92 crores will have to be provided by the State Government mainly from its own resources.

41. The assistance of Rs. 9.88 crores sanctioned by the 8th Finance Commission for Capital works and the expenditure of Rs. 5.80 crores approved for border and strategic roads are also parts of plan expenditure. The Government of India has sanctioned advance plan assistance for relief works amounting to Rs. 34.80 crores

during 1986-87. Including all these items, the size of the annual plan would be Rs. 575.48 crores.

**Main achievements and future programmes :**

42. Hon'ble Governor in his address to this House on 20th January, 1986 had mentioned about the achievements of our Government in various spheres. In addition, concerned departments would also list out the details of their activities, achievements and future programmes in their Administrative Reports. Therefore, I shall only touch upon the achievements of the current year and programme for the next year in brief.

**Electricity :**

43. Electricity is the basic infrastructure for economic development. One of the main reasons for the economic backwardness of the State is the continuing gap between the supply and demand situation in the Energy sector. Keeping in view its importance, a sum of Rs. 927.48 crores has been provided for power sector in the Seventh Plan, which accounts for 30.9% of the total plan expenditure. During 1986-87, it is proposed to spend Rs. 180.35 crores on the generation and distribution of power. This is 34.36% of total annual plan outlay.

44. Hon'ble Members know that except Kota Thermal, Rana Pratap Sagar, Jawahar Sagar and the recently commissioned Mahi Hydel Projects, we have no power generation sources of our own. It is well known that Rajasthan Atomic Power Station has not been functioning properly, and, is not a dependable source of electricity supply. It is, therefore, imperative that maximum possible investment is made in the State for generation of electricity, so that there is no shortage of power in coming years. In view of this pressing need for investment in generation, a sum of Rs. 29.08 crores has been provided for Mahi Hydel Project Rs. 85.17 crores for Kota Thermal Project,

Rs. 5.03 crores for Anoopgarh and other Mini Hydel Projects, Rs. 1.00 crore for Palana and 0.25 crores for Ramgarh (Jaisalmer) Gas-based Thermal Unit, out of the total outlay of Rs. 180.35 crores for the power sector.

45. I am happy to mention that two units of 25 MW each of Mahi Hydel Project Phase-I have been commissioned in the month of February, 1986. The installed capacity has thus gone upto 1803 MW from 1753 MW. The overall availability of electricity during this year has been 10% higher as compared to last year. In the current year, 7,209 wells have been energised upto January, 1986. A target of electrification of 1000 villages and energisation of 10,000 wells has been fixed for the year 1986-87.

46. A Gas-based Thermal Plant of 425 MW capacity is proposed to be set up in the central sector near Anta town of Kota district. It is hoped that the entire generation of this plant would be made available to Rajasthan.

47. Palana Lignite Project has been included in the Seventh Five year Plan. Negotiations are under way with several countries for obtaining long term financial assistance for this Project.

#### **Irrigation facilities :**

48. Another basic prerequisite for the economic development is the expansion and development of irrigation facilities. An outlay of Rs. 681.07 crores has been kept during Seventh Plan period for this purpose, which works out to 22.7% of the total plan provision. An expenditure of Rs. 125 crores is proposed for the year 1986-87. This is 23.81% of total annual plan outlay. An additional irrigation potential of 64,500 hectares would be created by the end of March, 1987.

#### **Agriculture :**

49. Due to severe drought condition this year, most of the Kharif crops were destroyed, but on account of some

rains in the last few months, there are prospects of a comparatively better Rabi crop.

50. Rajasthan has now become one of the leading producers of Oil Seeds. Earlier, Mustard was being cultivated only in few districts—Alwar, Bharatpur, Jaipur and Sriganganagar but now, as a result of extension effort, the cultivation of Mustard has also spread to other districts—Jalore, Sirohi, Udaipur, Chittorgarh, Kota and Bundi. Last year, 65000 Metric tonnes of Mustard had to be purchased through RAJFED as a support price measure.

51. It is proposed to spend a sum of Rs. 27.00 crores on agriculture and allied programmes during 1986-87. It is hoped that in the next year the total area under cultivation would rise to 180 lac hectares. As a result, production of foodgrains would be about 94 lac tonnes, that of Oil Seeds about 13 lac tonnes, of Sugarcane 18.50 lac tonnes and Cotton 6.20 lac bales. It is estimated that 1.5 lac M. T. of fertilizers would be used in the current Rabi season.

52. The Crop Insurance Scheme sponsored by Government of India has been implemented by the State Government during Rabi 85-86. This Scheme is applicable to Wheat, Gram and Mustard in notified areas. Small and Marginal Farmers are required to pay premium at half the rates. The Balance is payable as subsidy to be equally shared by the State Govt. and the Central Govt.

#### **Agriculture Marketing :**

53. At Present, 136 Regulated Mandi Samitis are functioning in the State. This year, effective measures have been taken to tone up and streamline the administration and to check pilferage and loss of revenue. As a result of these measures, the income of Agricultural Marketing Board is likely to increase to Rs. 18 crores from Rs. 15.82 crores. Roads of 400 K.Ms. length have already been constructed and about 200 K.Ms. roads are under construction.

### **Animal Husbandry and Dairy Development :**

54. In Rajasthan animal husbandry and dairying are not merely supplementary adjuncts to agriculture, but due to geographical factors, they constitute a major means of livelihood for a large segment of the population. An ambitious programme of dairy development in the co-operative sector is being implemented in the State by the Rajasthan Co-operative Dairy Federation. At present 8.25 lac litres milk is being collected daily by the Federation. Of this, about 3.20 lac litres are sent to Delhi and about 1 lac litre is supplied to various cities in the State. The rest is converted into various milk products viz. Ghee, Cheese, Toned milk, flavoured milk, curd etc. Despite losses in the Federation, we have increased the purchase price of milk by 10 paise per litre in order to ensure reasonable price to the milk producers. The rates being paid to the milk producers in the state are the highest in Northern India.

55. In the year 1985-86 a private dairy located at Raniwara which has been lying closed, has been acquired by negotiations under the aegis of the National Dairy Development Board at the cost of Rs. 2.78 crores. The Plant has also been commissioned recently.

56. With a view to making available cattle feed at reasonable rates to milk producers, five cattle feed manufacturing plants are operating in the State. 33400 M. tonnes cattle feed has been distributed so far during the current year. Apart from this, 52 Mobile Medical Units and 19 Emergency Units are in operation.

57. It is proposed to incur an expenditure of Rs. 4.30 crores on Animal Husbandry and Rs. 2.20 crores on Dairy Development during 86-87. Diagnostic facilities and other necessary equipment are proposed to be provided in all the Veterinary Hospitals of the State. It is proposed to organise 600 new milk cooperative societies during this year. Besides



this, two new Dairy Plants and three chilling centres would also be established. Under the Cattle Development Programme, 75000 tonnes of cattle feed would be distributed.

### **Cooperation :**

58. It is proposed to provide an outlay of Rs. 7.65 cr. during 1986-87 for various programmes and projects in the Cooperative Sector. Soya Bean Project in Kota and Integrated Cotton Development Project in Sriganaganagar have been sanctioned under the NCDC-World Bank approved Schemes. Soya bean Project will be implemented through RAJFED, and, a sum of Rs. 27.57 crores would be invested in the same. Under Integrated Cotton development Project, two Cotton Ginning & Processing Units, one Spinning Mill & one Oil Mill shall be established. The investment cost of these units is Rs. 48.45 crores. In addition, provision has been made in the VIIth Plan for setting up of Six Oil Mills based on mustard. These six Oil Mills will be established in Jalore, Sriganaganagar, Jhunjhunu, Sawaimadhopur & Nagaur.

59. With the assistance of world Bank, a godown construction project has been taken up in order to increase the storage capacity in the Cooperative Sector. Under the project, 298 Godowns with a total storage capacity of 22750 M.T. is proposed to be taken up for construction during 1986-87.

60. During 1986-87, the target of short term cooperative credit is Rs. 125.00 crores, of medium-term credit Rs. 12.00 crores, and of long-term credit, Rs. 25.00 crores.

### **20 Point Programme :**

61. By January, 1986 the targets under the 20-Point programme in respect of N.R.E.P., House site allotment,

Slum Improvement Programme, Tree-Plantation, I.C.D.S. and opening of Fair-Price Shops had been fully achieved. The annual target in respect of I.R.D.P., R.L.E.G.P., Programme for Bonded Labour rehabilitation, assistance to Tribal families and setting up of small-scale industries had been achieved to the extent of 75%. We are confident that we shall be able to achieve the annual targets under all points of the 20-Point Programme.

### **National Rural Employment Programme :**

62. The National Rural Employment Programme has been initiated with the twin objectives of providing employment opportunities in rural areas and thereby strengthening the basic economic structure and creating durable assets in these areas. In the budget estimates for 1985-86 a provision of Rs. 15.5 crores was made for this programme, in which the share of the Government of India was Rs. 5.5 crores. However, as a result of our efforts, the Government of India have so far released an additional amount of Rs. 5.5 crores, thereby increasing the outlay under this programme to Rs. 21 crores. In addition, the Central Government has allotted 48,000 M. Ts. of foodgrains, worth Rs. 7.20 crores for the implementation of this programme. By January, 1986, 105.22 lac man days of employment has been generated against the target of 45 lac man days. Under this programme, 10,699 works had been sanctioned by the end of January, 1986, out of which 3195 works have been completed. These works include School buildings, Panchayat Bhawan, Ayurved dispensary buildings, Drinking water wells, Village ponds, Roads etc.

63. For 1986-87, a provision of Rs. 20.32 crores is proposed with a target of employment generation of 81 lac man days. In addition, the Government of India has also kept a provision of allotting 39,200 M.Ts of foodgrains. This allotment is in keeping with Government of India's policy of payment of 40% wages in the form of food grains. As

Hon'ble Members are aware, the State Government is making payment of wages entirely in the form of food grains so that maximum possible numbers are provided employment under this programme. For this reason we shall request the Government of India for allotment of 1 lac M. Ts. of wheat. We are confident that we will get this allotment.

**Rural Landless Employment Guarantee Programme :**

64. The main object of Rural Landless Employment Guarantee Programme is to so expand employment opportunities that one member of each landless family is provided assured employment for atleast 100 days in a year. Government of India have sanctioned a sum of Rs. 9.31 crores during 1985-86 for this programme. The target was to generate employment for 43 lac mandays. In November, 1985, 48,000 M. Ts. of foodgrains were received from the Government of India and now wages are being paid in the form of foodgrains under this programme. The Government of India have also sanctioned an amount of Rs. 3.57 crores for construction of dwelling units for Scheduled Caste/ Scheduled Tribe beneficiaries in rural areas during 1985-86 and 1986-87. For the various programmes during 1986-87, a sum of Rs. 19.65 crores is proposed to be provided. In addition, the Government of India will make available about 40,000 M. Ts. wheat.

**Integrated Rural Development Programme :**

65. The I.R.D.P. has a crucial role to play in taking the benefits of development to the weaker sections of the community in the rural areas. A provision of Rs. 24.88 crores has been made under this programme for the year 1986-87. It is proposed to benefit approximately 82,000 new families and 35,000 old families during the year.

**Forest :**

66. In order to encourage increased public participation in the task of tree plantation, a World Bank assisted

National Social Forestry Project has been initiated in the State from the beginning of the 7th Five Year Plan. Under this Project a sum of Rs. 35 crores will be spent during 7th Plan period and plantation will be carried out in 36,500 hectare area and 1200 lac plants will be distributed to the agriculturists free of cost. During the current year, plantation has been carried out in 300 hectares under this Project and for 1986 rainy season, advance action is being taken for plantation in 6360 hectares. 275 lac plants are being prepared in the nurseries for distribution to farmers and the general public.

67. The plantation target for 1986-87 has been fixed at 11 crore plants and 250 new nurseries are also proposed to be established. For the year 1986-87 a sum of Rs. 8.51 crores is proposed to be provided as Plan expenditure.

68. In order to attract institutional finance for the forestry sector, a Forest Development Corporation has been established. For the development of waste-land in the State, a Plan of Rs. 42 crores has been prepared and sent to the Central Government. Under this scheme plantation is proposed to be undertaken in 2 lac hectare area over a period of two years.

### **Education :**

69. Efforts to strengthen the existing structural frame work of the the education sector will continue and new programmes will also be taken in hand looking to the educational developmental needs of different areas of the State. During 1986-87 it is proposed to create 1000 posts of teachers Grade-III to meet the shortage of teachers in the State. In addition 937 posts of teachers are proposed to be created based on the recommendations of 8th Finance Commission which will result in the conversion of 937 single teacher schools in-to two teacher schools. It is also proposed to create 2325 posts of teachers for the 1550

Higher Secondary Schools which were upgraded in 1984-85. Additionally, opening of 500 new Primary Schools, upgradation of 200 Primary Schools into Upper Primary Schools and upgradation of 50 Upper Primary Schools to Secondary Schools is also proposed.

70. Like other States of the country, it is proposed to start 10+2 Scheme in all the Secondary and Higher Secondary Schools of Rajasthan from 9th class during 1986-87. It is further proposed to open 100 new subjects/sections in Secondary/Higher Secondary Schools.

71. In the field of higher education, it is proposed to open two new Colleges on the basis of regional need in two districts where buildings for housings them are offered by public cooperation. In Arts, Commerce and Science faculties in Post Graduate Colleges, it is proposed to open 15 new subjects/sections.

### **Medical and Health :**

72. Medical and Health services occupy an important place in public welfare. During 1985-86, 50 Dispensaries have been converted into Primary Health Centres against the original target of conversion of 10 such dispensaries. Apart from this, 500 new sub centres have also been established. With a view to overcome the shortage of nurses and compounders, 9 A.N.M. Training Centres have been set up. Every district Headquarter will now have one such Training Centre. Maternity and Child Welfare services have been extended to Katchi Bastis and slum areas of cities with more than one lac population. In some selected areas a special vaccination campaign to immunise pregnant women and children was organised in November, 1985.

73. In various Medical Colleges of the State, additional medical facilities have been made available. In Jaipur post-Doctoral M.C.H. Courses in Plastic Surgery and Neuro Surgery have been started. Specialities in Neurology,

Cardiology and Nephrology have also been set-up. At Jodhpur 50 new beds have been added for Orthopaedics and facility of Spinal Surgery has also been introduced. In Ajmer and Bikaner medical colleges dialysis units have been set up. For the treatment of cancer, a Cobalt unit is being established at Udaipur.

74. Four Satellite Hospitals (one each at Jodhpur and Udaipur and two at Jaipur) which were sanctioned in 1984-85, have now been made fully functional. In these hospitals, there is a provision for 50 beds and specialists of all disciplines have been appointed.

75. It is proposed to incur an expenditure of Rs. 18.38 crores during 1986-87 for medical and health services. Under this it is proposed to convert 50 Rural Dispensaries into Primary Health Centres and establish 50 new Primary Health Centres. It is further proposed to upgrade 10 Primary Health Centres to 30 bedded community health centres. Besides, 700 sub-centres would also be established.

76. It is also proposed to provide operation theatres in all the Primary Health Centres in a phased manner so that persons from rural areas can avail of these facilities locally.

77. It is proposed to establish four new multipurpose workers training centres. Efforts are being made to get necessary financial assistance from the Government of India for this purpose. It is also proposed to start diploma courses in Forensic Medicine and Child Health and Administration in S.M.S. Medical College, Jaipur.

78. It is proposed to establish a new Kidney Transplant Unit, a Special Burn Unit, and a Coma Unit for immediate treatment of accident cases at Jaipur. With a view to providing improved medical facilities, it is proposed to purchase new equipment for various colleges in the State.

79. Bangur Research Centre, Jaipur would start functioning during 1986-87. It is proposed to start a new Women's Hospital in Old Mayo Hospital Building, Jaipur. As a result, the pressure of work at the main Zenana Hospital would be considerably reduced. It would also provide medical facilities to women nearer to their place of residence.

80. The current year's target for sterilization was 2.85 lacs. Against this 2.30 lac operations have so far been performed. At present, nearly 2,000 operations are being carried out everyday and at this rate it is expected that the annual target would be achieved by 31st March, 1986. Jhunjhunu, Sriganganagar, Jalore, Udaipur, Dungarpur and Banswara districts have already exceeded their targets. At the All India level, Rajasthan is now at the 5th place whereas in the past the State had never ranked above the 12th place.

81. With a view to encourage persons belonging to Scheduled Castes, identified families living in Katchi Basties and Slum areas to adopt family planning measures, an additional incentive of Rs. 150/- per case is being provided to them. A green card is issued to families having two children which entitles them to claim priority in the grant of various facilities.

82. it is proposed to establish 30 new Ayurvedic Dispensaries of 'B' Grade in 1986-87.

### **Drinking Water Supply:**

83. Our aim is to make appropriate arrangements for the supply of potable drinking water to all villages of the State by the end of Seventh Five Year Plan. Drinking water facilities have been made for 23,752 villages out of the total number of 34,968 villages in State by January, 1986. The target for the year 1985-86 is to provide drinking water facility to 1600 villages. As against this target, 1489 villages

were covered upto January, 1986. This year the State Government has taken an important decision to recommission 1250 traditional sources of water supply, lying closed for a number of years. In April, 1985 the State Government have sanctioned a water supply scheme of 3.42 crores for the revitalisation of the water supply system to Beawar city. Work on this project is in progress.

84. In order to effectively deal with drought conditions prevailing in the State, an additional amount of Rs. 35.35 crores has been allotted for drinking water supply. Rigs are also being purchased under this sanction. The availabilities of these Rigs will greatly facilitate digging of the wells upto the required depth in rocky as well as sandy soil structures. In view of the famine conditions, the State Government has also sanctioned a separate scheme for tackling the drinking water problem in respect of 3280 villages. 7,000 hand-pumps and 440 tubewells would be installed under this scheme. Two campaigns-one in May, 1985 and other in December, 1985 were organised for repairing defective and out of order hand-pumps. 11769 hand-pumps were set right in December, 1985.

85. The State Government have issued directions to the Electricity Board that wherever water sources for drinking water are already developed and ready for use, and it has not been possible to put them to use for want of electric connection, electric connection should be released on a high priority in order to ensure that all such water sources are commissioned before the coming summer months and maximum relief to the public is given. Electricity Board had released 489 connections upto December, 1985.

86. It is proposed to spend a sum of Rs. 84.05 crores on various water supply schemes during 1986-87. This includes the amount to be made available by the Government of India for rural water supply schemes. It is estimated



that a sum of Rs. 13.45 crores would be spent on urban water supply schemes and Rs. 70.60 crores on rural water supply schemes. Out of the expenditure on urban and rural water supply schemes, Rs. 7.41 crores would be utilised for providing drinking water facilities to Scheduled Castes, Scheduled Tribes and economically weaker sections of society.

### **Industry :**

87. In the absence of infrastructural facilities our State is somewhat backward in the field of industrialization. We have taken several measures to overcome this backwardness. Rajasthan Industrial Investment and Development Corporation has developed 171 industrial estates and has extended financial assistance to 190 new industrial units as a result of which an investment of Rs. 600 crores has taken place in this State. During 1986-87 Rajasthan Financial Corporation has a target of loaning Rs. 75 crores to various industrial units. With a view to providing facilities to handloom weavers, Rajasthan Handloom Board is planning to establish a Processing House at Jaipur.

88. Government of India recently announced a new policy for the promotion of electronics industry. Keeping in view its employment potential and low energy requirements, the State Government has granted a number of facilities and concessions for the establishment of this industry. All the electronic industrial units which are established during the 7th Plan have been exempted from the payment of sales tax for a period of five years from the date they go into commercial production. This concession would also be admissible to such units which expand their licensed capacity by 50% or more. The sales tax on the existing units has also been reduced from 8% to 4%. After the announcement of the concessions, RIICO had recently organised a camp at New Delhi in which 190 entrepreneurs participated. This has given rise to the hope that an investment of the order of

Rs. 170 crores would be made in near future. We are confident that a large number of electronics units would be established in the State during this plan period.

**Mines :**

89. Rajasthan abounds in mineral resources. It is only by scientific methods of exploitation that the State can derive benefit from this resource. Surveying and Prospecting work is of great importance in this Department. At present such work is under progress in 60 projects. Reserves of copper in Anjali area of Udaipur district and tungsten in Pali district have been found. With a view to determine the quantity and grade of lime-stone, prospecting operations are being carried out in Jaisalmer, Udaipur, Banswara, Bhilwara, Chittorgarh, Sirohi and Pali districts. When the quality of these reserves and their quantum is finally assessed, a number of cement plants are likely to be established at these places. In Guda area of Bikaner district, the estimated deposits of lignite are of the order of 1.50 crore tonnes.

90. With a view to scientifically exploit the tungsten mineral, a beneficiation plant, in collaboration with the Atomic Energy Department of Government of India, has been set up. This plant is the first of its kind in the country. Tungsten is a valuable mineral and is very useful for the manufacture of various machinery and equipment under the Ministry of Defence. It would be our endeavour to increase production capacity by introducing technological changes in the traditional production methods.

91. The sale of rock phosphate has been a major source of revenue to the State Government. For the purpose of beneficiation of the low grade rock phosphate, a detailed feasibility report has been received from foreign consultants and is presently under consideration.

92. A sum of Rs. 4.85 crores has been provided in the annual plan 1986-87 for the development of mineral wealth in the State.

**Transport :**

93. For the timely solution of problems, in the transport sector, being faced by vehicle owners and various other sections of the society, it is proposed to set up a Development Council at the State level and to constitute Advisory Committees at regional levels. The Government have issued orders reducing the compounding fee, making its rates more practicable, in respect of offences where compounding is permissible, under provisions of the Motor Vehicle Act. In order to reduce un-necessary hurdles in the operation of vehicles, the procedure for checking is being rationalised.

94. It is proposed to re-organise all the offices right from Head Office to District offices with a view to increasing administrative efficiency, and for making the Transport Department more effective and responsive. Counter system is being introduced in the office of R.T.O. Jaipur City from the next year. The State Government is also considering to delegate the powers of hearing appeals to regional officers as also the delegation of other legal and administrative powers.

95. The policy of the State Government relating to increase in the number of buses in order to provide adequate transport facilities in the State, is being made more liberal.

96. As a result of removal of ban on the number of permits under the National Permit Scheme by the Government of India, the State Government is further simplifying its procedure for issuing such permits whereafter it will be possible to complete all formalities relating to these permits in the regional offices.

97. The transport problem of Jaipur City has always been a subject of concern to the State Government. Some years ago we had tried to operate the transport system of the city by introducing mini-buses, but there are some practical problems in their operations. These operations are not remunerative enough to earn an economic return for the

operators. The State Government have therefore taken, certain decisions to enable the mini-bus operators to carry on their operations in a more balanced and economically viable manner until such time as some alternative arrangement for public transport in Jaipur City has been made. Accordingly, the State Government, on the one hand, would negotiate with banks and other financial institutions to waive the penal rate of interest and negotiate with Government of India and Reserve Bank of India for reduction in the rate of interest; on the other hand, it has been decided to allow rebate under Special Road Tax. During the next year, the State Government would charge Rs. 100 per seat per annum instead of Rs. 360 per seat per annum from the mini-bus operators of Jaipur City. This would give a relief of Rs. 5200 per annum in respect of 21 seater vehicles. As regards the old dues of such operators, appropriate decisions have also been taken for the same having regard to their economic conditions.

### **Housing ;**

98. The housing problem is becoming increasingly difficult in various cities of the State. Considerable difficulty with regard to housing at Jaipur is also experienced by the Hon'ble Members. With a view to ensuring proper housing facilities to the Hon'ble Members and facility of stay for their constituents during their visit to Jaipur, a scheme has been formulated for the construction of 150 houses. Of this, 50 houses at an estimated cost of Rs. 1.00 crore are proposed to be constructed during 1986-87.

99. Keeping in view the over all scarcity of Government accommodation, it is proposed to construct 1794 houses at an estimated cost of Rs. 13.32 crores at district headquarters, sub-division headquarters, tehsil headquarters and Panchayat Samiti headquarters during the 7th Plan period. Institutional finance would also be availed of for this purpose. Out of this, it is proposed to construct 456 houses at an estimated cost of Rs. 3.76 crores during 1986-87.

100. For resolving the problem of urban housing, the State Government has adopted a twin policy. Firstly, the Housing Board should construct as many houses as possible at various places for allotment to the people and secondly, Jaipur Development Authority, Urban Improvement Trusts and Municipalities should allot maximum possible number of plots to the public for construction of houses, and, as far as possible, construct houses for the weaker sections of the society.

101. During 1985-86 Housing Board has constructed 11,785 houses. The Board has also started a new scheme to settle those labourers who were associated with the construction of Mansarovar Housing Scheme, at the work site itself. For the year 1986-87 the Housing Board has a programme of constructing 11,500 houses, out of which 5000 houses would be constructed for the economically weaker sections of society.

102. Apart from Urban Improvement Trust, some selected Municipal Councils have also started the work of construction of houses. During this year, 55 lac rupees have been allotted to 15 Municipalities for the improvement of Kutchi Basties in their respective areas under environmental improvement programme.

#### **Development of Small and Medium Towns :**

103. Under this scheme, 11 towns of the State have been selected. During the current financial year, Government of India has given a loan of Rs. 60 lacs for the development of Jalore, Sirohi and Mount Abu. It is hoped that during 1986-87 a loan of Rs. 100 lacs would be received from the Government of India for this purpose.

#### **National Capital Region Development Project :**

104. Six tehsils of Alwar district have been included under National Capital Region Development Project. With a view to effectively implementing this project, the territorial

jurisdiction of Urban Improvement Trust, Alwar has been extended upto the Municipal area of Khairthal and Behror and Bhiwadi and Shahjahanpur Panchayats. The Government of India has also sanctioned a loan of Rs. 75 lacs for the development of Bhiwadi area.

### **Social Welfare :**

105. The State Government is implementing a number of schemes for accelerated social and economic upliftment of Scheduled Castes & Scheduled Tribes and other backward classes. The financial assistance being given to the students for their educational development has been increased by 25% from October, 1985. This has resulted in an additional burden of Rs. 64 lacs on the State Exchequer. In addition, 35 new hostels were opened by which residential accommodation has been made available for 875 students. Under 20 Point Programme a target of benefiting 1.20 lac families of Scheduled Caste and to bring them above the poverty line was fixed. As against this, by January, 1986, 84,290 families were benefitted, which constitutes 70.24% of the target.

106. The policy relating to the development of Scheduled Tribes has been re-evaluated and many schemes have been readjusted to suit the needs of individual beneficiaries. In order to increase the irrigation potential, a large-scale and ambitious programme of deepening of irrigation wells of Scheduled Casts & Scheduled Tribes farmers in the tribal area has been taken up under the National Rural Employment programme. This programme will continue in the next year also. Under this programme 10,000 wells are to be deepened.

107. In all the tribal districts, Industrial Training Centres have been opened to make for employment oriented education, and at the Panchayat Samiti level Training Centres are also being opened.

108. For the control of guineaworm disease in the Southern parts of State, the State Government have prepared an important scheme costing Rs. 12 crores with the assistance of Swedish International Development Agency and UNICEF. It is proposed to implement this scheme from the next year. Under this scheme, a sum of Rs. 7 crores would be received through SIDA & UNICEF and the remaining amount will be provided by the State Government from its own budget.

109. It is proposed to undertake an intensive programme to propagate high yielding crops in selected 10 villages in each Panchayat Samiti in the tribal area.

110. The endeavour to propagate sericulture in the tribal area has been a success. It is proposed to extend this programme to Dungarpur & Banswara districts.

### **Women, Children and Nutrition Programme :**

111. With a view to bring the rural women, especially women of backward classes, into the mainstream of development, a women's development programme has been taken up in seven districts—Ajmer, Bhilwara, Jaipur, Jodhpur, Kota and Udaipur. During the year 1986-87, it is proposed to extend this programme to four more districts.

112. During 1985-86, 10 children development projects are also being implemented. During 1986-87, the target is to start 10 new projects. Thus, the number of such development projects would increase to 65. It is proposed to incur an expenditure of Rs. 5.17 crores during 1986-87 on these projects.

113. The State Government has been seized of the problems of the farmers for the last one year. We have all along been making efforts for strengthening and modernisation of the Revenue Administration in the interest of the farmers. For the expeditious disposal of revenue cases, 11 new courts of Assistant Collectors were opened in 1985-86 besides creation of a new sub-division (Shahbad in district Kota). 1076 hamlets have been given the status of revenue village. Wherever area and population justify the same, new revenue village and courts of Assistant Collectors will be set up during 1986-87.

114. Administrative Reforms are being undertaken with a view to making the district administration more responsive and progressive. Arrangements are being devised so as to ensure the disposal of certain types of matters on presentation and the remaining within a prescribed time-limit. It is proposed to implement this experimental administrative reforms in 13 districts in the first 6 months of 1986-87.

115. My colleagues and I have studied in depth certain other specific problem of farmers, and have had detailed discussions on the same at official and non-official levels. The Revenue Minister has undertaken extensive tours in order to comprehend the real nature of these problems. I have myself visited several places and have discussed these problems both with members of the public and people's representatives. After considerable reflection and deliberation, we have taken certain decisions with a view to removing certain specific difficulties being faced by cultivators. I propose to apprise the House of the details of these decisions :

- (1) Flow irrigation facility shall not be denied for standing crops for the purpose of recovering



Government dues from farmers. If dues are outstanding and recoverable from a farmer, irrigation facility will be denied to him at the time of sowing. Likewise, electricity connection will also not be disconnected when crops are standing. If after the harvesting of crops, outstanding amount is not deposited, electricity connection will be disconnected before the next crop season starts.

- (2) If a cultivator has dug a well on Government land, Gochar land etc., proceedings for its regularisation shall be initiated in order to enable him to have necessary facility for irrigating his fields.
- (3) The period of limitation for reopening decided cases prescribed under section 15 of the Rajasthan Land Ceiling Act shall not be enhanced.
- (4) The period for making application for khatedari rights under section 15-AAA of Rajasthan Tenancy Act is proposed to be extended upto 30th June, 1986.
- (5) Farm forestry is proposed to be included in the definition of agricultural land in terms of Sector 5 (2) of the Rajasthan Tenancy Act. Lands which are not fit for cultivation but can sustain tree plantation and can thereby become a means of income, can be allotted under Allotment Rules for the purpose. Allotment can be made to individuals, committees, companies etc. under these rules. It is proposed to include religious and charitable trusts as a category eligible for allotment under these rules. Provision to permit

exploitation from time to time of the tree plantation developed in a planned manner under these rules is also proposed to be made.

- (6) The State Government is considering deletion of the provisions containing restriction on fragmentation of agricultural holdings for agriculture purposes.
- (7) Such villages of the Indira Gandhi Nahar Project as are never likely to receive irrigation will be excluded from the colonization area.
- (8) Measures will be taken to check the increasing menace of water-logging caused by inundation of the Gagghar Depression and efforts will be made to allot suitable land to the affected cultivators.
- (9) Prompt action is being taken for the rehabilitation and allotment of land (upto the ceiling limit subject to actual holding) in addition to the compensation under law to the farmers displaced from the Mahajan Firing Range. Arrangements for drinking water, medical facility, schools, fair price shops etc. shall be made in the new habitation of these displaced farmers.
- (10) Suitable instructions shall be issued for expeditious disposal of cases of allotment, regularisation and mutation. Directions will be issued to dispose of the pending cases on a campaign basis by 30th September, 1986.
- (11) State Government have decided to introduce a Bill for adoption of Central Land Acquisition Act.

- (12) Land allotment in colonization areas shall not be cancelled provided over due instalments are paid along with interest by 30th September, 1986.
- (13) It has been decided to incorporate all revenue laws into a new Revenue Code.

**Decisions connected with Supply of Electricity :**

- (14) Farmers will be given supply of electricity for 10 hours a day. Regional officers of the Electricity Board shall maintain necessary record in this regard.
- (15) Electricity will be supplied by rotation on lines which are over-loaded. Adequate publicity will be given to this new arrangement.
- (16) No penalty shall be imposed on agricultural consumers for non-payment of electricity bills in the last few months provided the amount of the bills in question is paid in 3 instalments.
- (17) The provision requiring the installation of capacitors shall be kept in abeyance for one year. However, where cost of capacitor has been already recovered from a cultivator, the Electricity Board shall instal the capacitor in such cases.
- (18) If an agricultural consumer has installed a meter of his own, no meter rent shall be recovered from him. When recovery has been made, the amount so recovered will be adjusted over the next 6 months.
- (19) In case of a meter being out of order the farmer will not be charged average charges. Recovery in

such cases shall be made on the basis of bills relating to the corresponding month of the previous year.

- (20) If a cultivator does not pay his next regular bill for two months, R. S. E. B. would be free to disconnect power supply to him.
- (21) if the death of a consumer is caused on account of the negligence of Electricity Board and compensation has been determined in accordance with rules, Electricity Board shall pay the compensation amount.
- (22) Farmers may operate their threshers and fodder-cutting machines on electric connection given to the agricultural well. This permission will be availed on machines upto the same horse power as the electric connection for the pumping set.
- (23) Grant of representation on the Electricity Board to farmers and other consumers is under consideration.

### **Establishment of Lok Adalat :**

116. With a view to providing speedy justice to the common people, a new system of administration of justice known as 'Lok Adalat' has been established in the State with effect from November 30, 1985. 'Lok Adalats' have so far disposed of 35,139 cases in 11 districts. Out of these, 1419 are civil cases, 5773 criminal cases, 8873 revenue cases, 8031 cases under Motor Vehicles Act, 2823 under the Municipal Act and the remaining of miscellaneous nature. In road accident cases, compensation to the tune of Rs. 102.52 lacs has been awarded and the claims paid on the spot in most of the cases.

### **Establishment of Family Court :**

117. The State Government have established a Family Court at Jaipur under the Family Court Act, 1985 for speedy disposal of family disputes. The Court became functional from 1-1-1986. So far, 600 cases have been filed in this Court, out of which 80 cases have been finally disposed of.

118. The State has taken a lead in establishing a Family Court under this Act.

### **Small Savings :**

119. The State Government receives two-thirds of the amount of total collections under the small savings as loan from the Government of India. The target for collection under this Scheme for 1986-87 has been fixed at Rs. 168.00 crores. The State Government would receive 112 crores on this account from the Government of India.

### **Assistance to Ex-service men :**

120. The State Government has all along adopted a sympathetic and liberal attitude towards the ex-servicemen and their families. Priority is being given to the ex-servicemen in the matter of allotment of agricultural land. During 1985-86, 1177 ex-servicemen were allotted land in Indira Gandhi Nahar Project area. It is proposed to enhance the amount of grant to the recipients of Param Veer Chakra and Ashok Chakra from Rs. 10,000/- to Rs. 15,000/-; Mahavir Chakra and Kirti Chakra from Rs. 5,000/- to Rs. 7,500/- and Veer Chakra and Shaurya Chakra from Rs. 2,000/- to Rs. 2,500/-.

### **Employees Welfare :**

#### **Release of 3 instalments of Dearness Allowance**

121. The State Government has decided to grant 3 instalments of Dearness Allowance to its employees. First of these from August 1, 1985, second from November 1, 1985 and the third from January 1, 1986. The amount

will be payable in cash alongwith the salary for the month of March 1986. Arrears upto February 28, 1986 will be deposited in the General Provident Fund accounts of the employees. It has also been decided to grant three instalments of 'increase in pension' to retired government servants. As a result of these concessions, additional financial liability to the State Government will be of the order of Rs. 27.60 crores annually.

#### **Facilities to retiring government servants :**

122. Government of India has recently allowed certain concessions to its retiring employees. It is proposed to extend these concessions to the retiring employees of the State Government also. As a result thereof, the D.A. admissible upto Consumer Price Index 568 would be computed for purposes of pension and gratuity. The ceiling on gratuity would also be enhanced from the existing limit of Rs. 36,000/- to Rs. 50,000/-. The annual expenditure on providing these concessions would be about Rs. 3.24 crores. The incidence on account of commutation due to the proposed increase in pension would be Rs. 2.72 crores per annum.

#### **General Provident Fund :**

123. It is proposed to increase the existing rate of interest on G.P.F. for government employees from 10.5% to 12% with effect from 1-4-1986 with a view to providing them a higher return on their savings.

#### **Old Age Pension :**

124. It is proposed to increase the rate of pension payable to old persons, widows and handicapped persons from Rs. 40/- to Rs. 50/- and from Rs. 60/- to Rs. 80/- per month. About 80,000 pensioners would be benefited by this increase in their pensions. The additional expenditure on this account would be around Rs. 1.00 crore per annum.

**Revised Estimates 1985-86 :**

125. In the modified budget estimates of 1985-86, I had estimated a deficit of Rs. 23.88 crores at the end of the year. Subsequently, with the announcement of concessions amounting to Rs. 3.37 crores in power tariff, Rs. 0.30 crores in electricity duty and with the estimated reduction of Rs. 5.65 crores in the receipts from tax on mineral bearing land, the net deficit at the end of the year was estimated at Rs. 33.20 crores. However, on account of additional devolution of Central taxes amounting to Rs. 35.48 crores, and savings of Rs. 3.25 crores as a result of variations in receipt and expenditure in certain heads, the deficit of Rs. 33.20 crores is likely to be converted into an opening surplus of Rs. 5.53 crores.

**Budget Estimates 1986-87 :**

126. The Budget Estimates for the year 1986-87 are summarised as under :-

	(Rs. in crores)
1. Revenue Receipts	1637.60
2. Revenue Expenditure	1707.63
3. Deficit in Revenue Account	(-)70.03
4. Capital Receipts	628.66
5. Total (3+4)	(+ )558.63
6. Capital Expenditure	636.04
7. Net Deficit (5-6)	(-)77.41

127. After accounting for the estimated opening surplus of Rs. 5.53 crores, the aggregate deficit at the end of the year is estimated at Rs. 71.88 crores.

128. In order to finance substantially enhanced outlay for Annual Plan 1986-87, it is inevitable that additional resources are mobilised. However, while identifying specific additional resource measures, I have taken care to see that the least possible burden is placed on the common-man. I make the following proposals for raising additional resources.

## TAX PROPOSALS

### Land Tax

129. You may recall that in my last Budget Speech I had proposed the introduction of legislation to provide for imposition of a tax on land in non-urban areas excluding land held and used by Government or a local authority or by educational institutions, or for agricultural and residential purposes, and the Land Tax Act, 1985 had been subsequently passed during last year's Budget Session. Now, I propose to amend sub-clause (i) of clause (a) of section 2 of the said Act. This amendment will change the definition of "annual value" in respect of mineral-bearing lands. At present the term "annual value" in the context of mineral bearing lands denotes a sum equal to the annual dead-rent or half the amount of royalty payable for the year, whichever is higher. After the proposed amendment this "annual value" will become four times the amount of annual dead-rent or twice the amount of royalty payable for the year, whichever is higher. This measure is estimated to yield an additional revenue of Rs. 5.00 crores in one year.

### Registration Fees

130. The last general revision of the rates of registration fees took place in 1976. Since then the cost of providing this service has gone up considerably. I, therefore, propose to double the rates of registration fees. This measure is estimated to yield an additional revenue of Rs. 2 crores.

### Motor Vehicles Tax

131. Looking to the rapidly increasing number of privately owned vehicles in the State and the inconvenience and harassment to the owners of such vehicles resulting from annual payments of road tax, I propose to replace the existing provisions of annual payment of road tax by a system of one-time lump-sum payment of tax in respect of such vehicles. Suitable rebate will be given on vehicles already registered, depending upon the number of years for which the tax has already been paid. A provision for refunds would also be made for vehicles taken out of the State or completely destroyed in accidents etc.

132. The rates for different categories of vehicles under this proposed scheme of one time lump-sum payment of road tax are proposed to be



fixed as under:

S.No. Category and brief description of vehicle.	Present and proposed rates of tax, proposed rate of rebate and proposed ceiling of rebate.
1	2
(a) Mopeds upto 80 C.C. and power driven cycles	The present rate of road tax on this category of vehicles is Rs. 38.50 per annum. In lieu of this annual liability of tax, a one-time lump-sum tax of Rs. 300.00 is proposed to be levied. A rebate of Rs. 37.50 per year of past use shall be admissible subject to a ceiling of a maximum of 7 years in respect of already registered vehicles.
(b) Motor cycles, Scooters, Motor Tri-cycles etc.	The present rate of road tax on this category of vehicles is Rs. 38.50 per annum. In lieu of this annual liability of tax, a one-time lump-sum tax of Rs. 380.00 is proposed to be levied. A rebate of Rs. 38.00 per year of past use shall be admissible subject to a ceiling of a maximum of 9 years in respect of already registered vehicles.
(c) Motor vehicles with seating capacity of:	
(i) Upto four including driver	The present rate of road tax on this category of vehicles is Rs. 176.00 per annum. In lieu of this annual liability of tax, a one-time lump-sum tax of Rs. 2,100.00 is proposed to be levied. A rebate of Rs. 175.00 per year of past use shall be admissible subject to a ceiling of a maximum of 11 years in respect of already registered vehicles.
(ii) Five including driver	The present rate of road tax on this category of vehicles is Rs. 220.00 per

annum. In lieu of this annual liability of tax, a one-time lump-sum tax of Rs. 2,600.00 is proposed to be levied. A rebate of Rs. 216.50 per year of past use shall be admissible subject to a ceiling of a maximum of 11 years in respect of already registered vehicles.

(iii) Six including driver

The present rate of road tax on this category of vehicles is Rs. 264.00 per annum. In lieu of this annual liability of tax, a one-time lump-sum tax of Rs. 3,100.00 is proposed to be levied. A rebate of Rs. 258.50 per year of past use shall be admissible subject to a ceiling of a maximum of 11 years in respect of already registered vehicles.

(d) Pick-ups:

(i) With R.L.W. upto  
1,000 Kg.

The present rate of road tax on this category of vehicles is Rs.220.00 per annum. In lieu of this annual liability of tax, a one-time lump-sum tax of Rs. 2,600.00 is proposed to be levied. A rebate of Rs. 216.50 per year of past use shall be admissible subject to a ceiling of a maximum of 11 years in respect of already registered vehicles.

(ii) With R.L.W. more  
than 1,000 Kg.

The present rate of road tax on this category of vehicles is Rs. 302.50 per annum. In lieu of this annual liability of tax, a one-time lump-sum tax of Rs.3,600.00 is proposed to be levied. A rebate of Rs. 300.00 per year of past use shall be admissible subject to a ceiling of a maximum of 11 years in respect of already registered vehicles.

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(e) (i) Tractor

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The present rate of road tax on this category of vehicles is Rs.55.00 per annum. In lieu of this annual liability of tax, a one-time lump-sum tax of Rs.600.00 is proposed to be levied. A rebate of Rs. 50.00 shall be admissible subject to a ceiling of a maximum of 11 years in respect of already registered vehicles.

(ii) Tractor drawn by  
Tractor

The present rate of road tax on this category of vehicles is Rs. 110.00 per annum. In lieu of this annual liability of tax, a one-time lump-sum tax of Rs.1,300.00 is proposed to be levied. A rebate of Rs. 108.00 per year of past use shall be admissible subject to a ceiling of a maximum of 11 years in respect of already registered vehicles.

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133. However, subject to the provisions of rebate applicable to different categories of vehicles mentioned above, in 1986-87 owners of all already registered vehicles shall be required to make a one-time lump-sum payment of road tax of an amount which shall in no case be less than the amount of rebate admissible for one year of past use, regardless of the age of the vehicles.

134. This measure is likely to yield an additional revenue of Rs.10 crores.

135. I have already announced some measures in the nature of reforms in the Transport Department. In continuation of the same I propose the amendment of the provisions of the Motor Vehicles Taxation Act relating to penalty for late payment of due tax for reducing the rate of penalty from 5% per month to 1.5% per month.

#### Entertainment Tax :

136. At present there is a differential rate of entertainment tax which is linked to the price of the admission ticket. It is proposed to levy tax at a uniform rate of hundred percent on the face value of an admission ticket. This measure is expected to yield an additional revenue of Rs. 50. lacs per annum.

**Sales Tax**

137. Sales tax being the mainstay of State's tax revenues, no additional resource mobilization effort can overlook this source. I have, therefore, had to look into the possibilities in this regard. As a result, I propose the following measures of revision, restructuring and rationalization of sales tax rates.

138. At present some items are exempted from the payment of sales tax. Some of these exemptions have lent themselves to misuse resulting in considerable evasion and consequent loss of revenue to the State. I propose to withdraw the exemption in respect of the following items:

1. Indian style seats of Flush latrines.
2. Articles made of Marble when sold by the person making the article himself or by any member of his family, provided the maker does not employ any paid labour and does not use power at any stage in making the articles.
3. Images and idols made of stone or marble.

139. I also propose to enhance the rates of tax of the following items to the extent shown against each:

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|--|------------|
| 1. Opium<br>Lanced Poppy Heads<br>Bhang  | 20% to 30% |
| 2. Cement and articles made of cement including pipes and pipe fittings  | 12% to 13% |
| 3. Motor Bodies of all shapes and designs (including those of motor vans, motor tankers, motor caravans, motor trucks and motor buses) whether built on chassis or separately. | 10% to 12% |
| 4. Readymade garments including all kinds of hosiery products excluding hosiery products made of wool, synthetic wool and pure silk.   | 3% to 5%   |

140. There was some doubt in the past whether lottery tickets were a taxable commodity. The Supreme Court in a recent case has held them to be so. I now propose to levy sales tax on the sale of lottery tickets at the rate of 25%.

141. I also propose to reduce the rates of RST/CST of a few ~~man-made~~ fibres and yarns as under:—

1. All kinds of man-made fibres whether cellulose or non-cellulose, or waste thereof. From 3% to 1.5% in R.S.T.
2. All kinds of yarns or waste thereof, whether spun of filament, made from man-made fibres, whether cellulose or non-cellulose, including blended yarn thereof but excluding acrylic yarn, that is yarn made of non-cellulose acrylic fibre, whether blended or not with cellulose fibre. From 3% to 1.5% in R.S.T.
3. Acrylic yarn, i.e., yarn made of non-cellulose acrylic fibre whether blended or not with cellulose fibre, or waste thereof. From 1.5% to 1% in C.S.T.

142. All these measures in the Sales Tax sector are likely to yield an estimated revenue of Rs. 4 crores annually.

143. In order to neutralise the impact of inflation and to provide some relief to the trading community, I propose to amend the provisions of section 3 of the Rajasthan Sales Tax Act to increase the limits of turnover for various categories of dealers for registration with the Commercial Taxes Department as follows:—

1. In the case of an Importer From Rs. 10,000 to Rs. 15,000.
2. In the case of a dealer who manufactures any goods other than cooked food excluding bakery products. From Rs. 25,000 to Rs. 35,000.
3. For Co-operative Societies From Rs. 50,000 to Rs. 70,000
4. For other dealers From Rs. 75,000 to Rs. 1,00,000.

144. In order to implement some of the tax proposals mentioned above amendments would have to be carried out in various Acts for which I shall, immediately after conclusion of this Speech, bring before you the Rajasthan Finance Bill, 1986.

145. The above mentioned measures are estimated to yield an additional revenue of Rs. 21.50 crores. After taking this into account, a deficit of Rs. 50.38 crores is anticipated at the end of 1986-87. For the present, I propose to leave this deficit uncovered. However, I hope that this deficit would be covered, to some extent, by additional Central Assistance, buoyancy in the State revenues, small saving collections etc.

146. We are committed to the development and all-around progress of the State. Under the able and dynamic leadership of our Prime Minister, Shri Rajiv Gandhi, our nation has ushered in an era of political stability and speed/ economic growth. The peaceful settlement of Punjab and Assam problems and formulation of the long term economic and fiscal policies have created an atmosphere conducive to all-round development of the country. Successful implementation of the Seventh Five Year plan will enable us to reach the take-off-stage of self-sustained economic growth. I solicit the cooperation of Hon'ble Members of this House and all sections of the society to join us in our common endeavour of all-round development of the State.

147. Mr. Speaker, Sir, with these words and a prayer for a bright and prosperous future for Rajasthan, I present the Budget Estimates for the year 1986-87 for consideration and approval of this august House.

Jai Hind