

Sir,

I rise to present to the House the additional Budget Estimates for the year 2004-05.

2. As the Honorable Members are aware, I had presented an interim budget in the State Legislature on the 16th March 2004 when the country was about to go to the polls to elect a new Lok Sabha. The Government of India had also gone in for a vote on account and is yet to present a full budget before the Houses of Parliament. It is my privilege to present the additional budget to the House, which includes new items for both Plan and Non-Plan expenditure, for the current financial year.

3. A new Government has recently taken power at the Centre under the leadership of Dr. Man Mohan Singh. The Hon. Members of this House are aware that Dr. Man Mohan Singh is a successful economist of international repute. I am confident that the present Democratic Front Government will receive excellent guidance and cooperation from the Centre in its financial management. The Government will endeavour to suitably resolve the financial difficulties of the State through consultation with the Centre and under the guidance and cooperation of Prime Minister Dr. Man Mohan Singh.

4. State Income.

The Economic Survey of Maharashtra 2003-04 has been made available to the Hon'ble Members. The State Income that is the Net State Domestic Product at current prices for the year 2002-03 is estimated at Rs.2,63,225 crore, which is 11 per cent higher than that for the year 2001-02. The per capita State Income for the year 2002-03 is estimated at Rs.26,386 as against the per capita National Income of Rs.18,912.

5. Annual Plan 2004-05.

The size of the Annual Plan 2004-05 for Maharashtra has been fixed at Rs. 19,983.90 crore. This Plan is remarkable in many ways. It addresses the traditional priority sectors of Agriculture, Irrigation, Power Generation and Social and Community Services. A sizable outlay has also been provided for different Development Packages, for Project Unite and for the Swabhiman Yojana. The plan aims at the all-round growth of Maharashtra. This Plan is being sent to the Planning Commission for its approval.

6. The Vidarbha Development Package.

The Hon'ble Chief Minister had discussions with people's representatives in various parts of the State and pursuant to these discussions, Government has declared development packages for different parts of the State. As a part of the Vidarbha development package, it was decided to make provision for sectors such as Irrigation, Road development, Public

Health, Medical Education, Urban development and Cargo Hub at Nagpur and to incur expenditure accordingly. An amount of Rs.459 crore has been spent on these works so far. In 2004-05 an outlay of Rs.318.30 crore has been proposed. In 2003-04, an expenditure of Rs.350 crore has been provided for irrigation projects and related land acquisition and so far Rs.246 crore has been spent. An outlay for the remaining amount is proposed in the year 2004-05. This includes important schemes such as work of Rs.5 crore for construction of Maharashtra Animal Husbandry and Fisheries University, 11 crore for implementing the Integrated Milk Development Project in all districts of Vidarbha and Rs.40 crore for the air cargo hub and Rs.9.94 crore share capital for spinning mills for completing the projects.

6.1 The Marath-wada Development Package.

The package includes an outlay of Rs.26.95 crore for land acquisition for irrigation projects, Rs.172.90 crore for irrigation projects, Rs.88.70 crore for agricultural development, Rs.91.50 crore for urban and rural drinking water supply scheme, Rs.2 crore each for construction and equipment for Nanded Ambajogai and Latur Medical College, Rs.5.37 crore for construction of Tahsil and Panchayat Samiti offices in the newly created talukas of Marathwada, Rs.4.29 crore grant for Aurangabad Municipal Corporation, Rs.4 crore grant for Nanded city, Rs. 6.39 crore for Jalna, Beed, Hingoli, Osmanabad and Latur, Rs.38 crore to remove the backlog of incentives for small scale industries in Marathwada, Rs.81.51 crore for paid pending connections of agricultural pumps and Rs.12 crore for completion of 10 incomplete spinning mills. So far an expenditure of Rs.30 crore has been incurred on Marathwada Package. An outlay of Rs.535.86 crore and a non-Plan provision of Rs.22 crore has been proposed for the year 2004-05.

6.2 The Konkan Development Package.

An outlay of Rs. 300 crore has been proposed for the Konkan Development Package. On this outlays of Rs.80 crore for irrigation projects, Rs.40 crore for road development, Rs.35 crore for tourism, Rs.10 crore for aid to fishermen for fish drought and Rs.30 crore for drinking water have been proposed. An outlay of Rs.272.75 crore and a non-Plan provision of Rs.20 crore has been proposed for the year 2004-05.

6.3 The Khandesh Development Package.

In the Khandesh Development Package, outlays of Rs.202 crore for irrigation projects, Rs.20 crore for road development, Rs.15 crore for drinking water and Rs.20 crore for urban development have been proposed. An outlay of Rs.287.96 crore has been proposed for the year 2004-05.

7. The Drought Prone Areas, Hilly Areas and Western Ghat Development Package.

The Drought Prone Areas, Hilly Areas and Western Ghat Development Package includes the sectors of Irrigation, Soil and Water Conservation, Road Development, Forest and Social Forestry, Public Health, Water Supply, Education, Animal Husbandry and Horticulture. An outlay of Rs. 452.56 crore has been proposed for this package during the year 2004-05.

8. Drought in Maharashtra.

The State has been facing a severe drought in a number of Districts. It has affected more than two crore of people in the State. The failure of crops has denied the farmers and agricultural workers their income and livelihood opportunities. With every passing day the scarcity of drinking water and fodder has become more acute. The fiscal burden of massive relief operations that the Government has undertaken is enormous. The drought has made a serious impact on the State's economy.

8.1 It is with a feeling of pride and satisfaction we wish to report that the State has been able to help the drought-affected people in the midst of all the fiscal constraints. The Government has organized large-scale relief operations in 71 Talukas of 11 Districts where the people are struggling to cope with the drought. The Government has started more than 14,000 development works on which around 10.5 lakh people are getting employment under the employment guarantee scheme at present. Around 4,700 tankers are providing drinking water to a large number of towns and villages in these districts. The Government has set up around 700 cattle camps in which fodder and water are being provided to more than 7.5 lakh cattle. The Government has spent more than Rs. 1,400 crore on relief programmes ever since the State has come under the impact of drought. The Government is determined to do everything within its means to alleviate the misery of the people and bring their life and economy back on course.

9. Drought in Maharashtra.

In the year 2003, 11 districts from the State were experiencing scanty rains. The Government therefore decided to carry out an artificial cloud seeding experiment. This experiment benefitted 286 villages from the drought affected area. Considering the benefits of this experiment the Government has decided to repeat the experiment for the entire State. Accordingly at Baramati in Pune and Shegaon in Buldhana a Radar and Control room will be erected. Two aeroplanes will be deployed for this experiment. The experiment would be carried out during the four months of the monsoon. A provision of Rs. 18.12 crore has been

proposed for this scheme in the year 2004-05. The tenders for this experiment were invited at the International level and offers have been recently approved by Government.

10. Hydro Electric Projects.

The 750 Kilo Watt Shahanur Hydro Electric Project has been completed during the year 2003-04. The 250 Mega Watt installed capacity Ghatghar Hydro Electric Project is nearing completion. The Government has approved the policy for privatisation of Hydro Electric Projects upto 25 Mega Watt capacity for captive generation. An additional 148.65 million units will be generated during peak hours by the 80 Mega Watt Koyana foot left bank powerhouse when completed.

11. The Mahara-shtra State Water Policy.

In pursuance of a directive contained in the National Water Policy 2002 and the recommendations of the Maharashtra Water and Irrigation Commission, the Government announced the Maharashtra State Water Policy in July 2003. Maharashtra is the first state in the country to have introduced a formal water policy. The manner in which the planning, development and management of water resources are going to be carried out during the coming 20 years will be determined by this path breaking policy.

12. Success of reforms in the irrigation sector.

As a result of the reforms undertaken by the Government in the irrigation sector, the recovery of water charges could attain the record mark of Rs. 377 crore during the year 2002-03. The maintenance and repairs expenditure on irrigation projects has been met fully from water charges. Maharashtra has become the first State in India to cover the expenditure on irrigation management through water charges.

13. Irrigation potential created in the year 2003-04.

During the last 4 years of the Democratic Font Government an additional irrigation potential of 3.63 lakh hectares has been created and in the year 2002-03 alone the irrigation potential created was of the order of 51,000 hectares with an investment of Rs.1,884 crore.

14. Demand driven and community participatory water supply policy.

The Government in the last 4 years has radically changed the Rural Drinking Water Supply Policy, with emphasis on decentralized decision making through a village level and community-led democratic process. Consequently, the World Bank has recently sanctioned

the Rural Water Supply and Sanitation Project called Jalaswarajya at a cost of Rs. 1,343 crore for 26 rural districts. The project will benefit 70 lakh people in 2,800 village panchayats including 1,700 tribal padas. In addition, special components for womens' empowerment and a village development incentive fund for villages successfully implementing the water supply and sanitation schemes and community based integrated aquifer management have been specifically included. Integrated aquifer management by the community will lead to water literacy, thereby facilitating water conservation, integrated water use and source sustainability.

15. Physical and financial achievement of water supply schemes.

The Democratic Front Government has paid special attention to the severe drinking water scarcity in the State. I am proud to state that the drinking water problem of 13,902 villages and wadis and 85 cities has been solved by the Democratic Front Government during the last four and a half years. The Government has spent Rs. 4,561 crore since October 1999 as against a meager amount of Rs.1,489 crore in the preceding four and a half years of the then Government. During the year 2004-05 the expenditure on drinking water schemes is likely to be of the order of Rs. 1,479.85 crore.

16. Swajal-dhara.

Due to the overwhelming response to all the programmes based on the principles of community participation by the rural masses in the State, over 3000 villages have also collected community contribution for the Centrally sponsored Swajaldhara Programme. So far, 1,332 schemes have been sanctioned. The credit for the same goes to the people.

17. Mitigation of drinking water scarcity.

Various relief measures to tackle the drinking water scarcity caused by the continuous drought of the last three years have been taken by the Government during the period from October 2002 to September 2003 in 32,779 villages and wadies and 96 towns. An expenditure of Rs.161.80 crore has been incurred on such measures. The Government is taking every possible step to mitigate the drinking water scarcity, especially in the 71 drought affected talukas of 11 Districts. During the period from October 2003 to April 2004 the drinking water problem of 19,858 villages and wadies and 45 towns has been addressed by undertaking schemes worth Rs. 108.74 crore on various scarcity measures.

18. The expansion of the Parali and Paras thermal power plants.

The Government has accorded sanction to the Maharashtra State Electricity Board for the

expansion of the Parali and Paras thermal power plants by 250 Mega Watt each. The cost of the expansion scheme is Rs. 1,920 crore. Of this, 80 per cent will be raised by the Maharashtra State Electricity Board by way of a loan from the Power Finance Corporation. The Government has to make available the balance 20 per cent amount during next 3 years by way of loans. An outlay of Rs. 47.82 crore has been proposed for the year 2004-05 for these projects.

19. **Krishi Sanjivani.**

The State Government had declared the Krishi Sanjivani Scheme with a view to give respite to the farmers having arrears. An amount of Rs. 479 crore of the total arrears has been recovered through this scheme and an equivalent amount will be made available by the Government to the Maharashtra State Electricity Board during the current year for this purpose. Those farmers who are paying their bills regularly will be given electricity at a concessional rate of 25 paise per unit in the current year. This concession will put an additional financial burden of Rs. 16 crore on the State.

20. **Green energy.**

As declared by me in my budget speech for the year 2003-04 a green energy cess of 4 paise per unit has been levied on the energy consumed in the industrial and commercial sectors. The amount received from this cess will be utilised to give financial assistance to the Maharashtra Electricity Development Authority and to the Maharashtra State Electricity Board for implementation of the schemes regarding renewable and non-conventional energy sources in the State. A scheme will be drawn up shortly to give 20 per cent equity capital from this fund to the co-operative sugar mills to set up bagasse based power plants. Bagasse based power plants of 73.5 Mega Watt capacity have already commenced operations.

21. **Agriculture.**

The Government believes that development of the State can be achieved only by giving the highest priority to the agricultural sector for both farm and off farm activities. This inter alia requires effective co-ordination not only amongst the various departments of the Government, but also amongst others, with other stake-holders including industrial and business houses, seed and fertilizer production companies, other agriculture produce companies, research institutions, farmer associations or organisations and individual farmers. The Government therefore proposes to setup under the chairpersonship of the Hon. Chief Minister, a State Agriculture Commission which will enable a holistic conversion to promote the required growth in the agriculture sector. The Commission shall periodically discuss problems relating to agriculture and make required policy and programmatic

interventions from time to time.

21.1. Though the Government of India sponsored National Crop Insurance Scheme is being implemented in the state since 1999, the Government feels that the true benefits as expected have not reached the farmers because of certain inherent drawbacks in the said scheme. The Government has therefore submitted a revised proposal for a Crop Insurance Scheme to the Central Government for its consideration. I am sure that once the scheme is approved by the Government of India, it will definitely help the poor farmers, especially the farmers in the dry land areas who are caught in the debt trap. Meanwhile, the Government has decided to restore the subsidy on the premium for the small and marginal farmers to 10 percent to the earlier 50 percent commencing from the current kharif season. This will give direct benefits to about 20 lakh small and marginal farmers.

21.2. Realizing the importance of conserving scarce water resources and their proper utilization, Government. feels that importance should be given to micro irrigation systems such as, drip and sprinkler irrigation. An ambitious project of bringing an additional 7 lakh hectares of land under micro irrigation at an estimated cost of Rs. 2,100 crore during the next 3 years at 50 per cent subsidy under Lokanayak Jayaprakash Narayan Fund has been submitted to NABARD for its approval. A provision of Rs. 163 crore has been proposed for the year 2004-05 for the said project.

21.3. During the year 2003-04, assistance has been given to farmers affected by drought and other natural calamities. An amount of Rs. 51.59 crore has been disbursed under the crop insurance scheme, Rs. 93 crore for cotton, Rs. 80.18 crore for oranges and Rs. 22 crore for those farmers who have suffered on account of drought or excessive rainfall. The loans of beneficiaries of the Employment Guarantee Scheme linked horticulture programme amounting to Rs. 162 crore have been waived. Further, assistance is being given at Rs. 45.25 crore for the woolly aphid affected sugarcane crop, Rs. 34 crore for the unsworn area in the drought affected region. A provision of Rs. 20 crore has been proposed for the paddy growers which will be released immediately after budget is passed.

22. Agriculture development.

The Government shall implement the following new programmes during the year 2004-05.

22.1. For studying the advanced technologies being adopted in agriculture sector in the foreign countries, assistance will be given for farmers, one from each taluka for study tours abroad. A provision of Rs. 5 crore has been proposed for this purpose during the year 2004-05.

22.2. Since 80 per cent of agriculture is rain dependent, it is proposed to establish a

Technology Mission for Dry Land Farm Development. Similarly two more Technology Missions will be set up, one for Agro Processing, Marketing and Certification and the other for Integrated Development of major fruit crops. A provision of Rs. 3.25 crore has been proposed during the year 2004-05 for this scheme.

22.3. Shetmazur Samruddhi Yojana is proposed to be implemented to convert farm labourers into farm entrepreneurs. Training, financial assistance and marketing support shall be provided in this scheme to groups of farm labourers. A provision of Rs. 5 crore has been during the year 2004-05 for this scheme.

22.4. For effective convergence of agriculture related extension activities of Agriculture Universities, line departments and voluntary organizations, an institution of Agriculture Technology Management Agency is proposed to be established in each district. Strategic Research and Extension Plan is proposed to be prepared for each district. This will ensure agricultural planning from the roots up in each district based on the agro climatic strengths and opportunities available in the Districts. A provision of Rs. 1 crore is proposed during the year 2004-05.

22.5 Realizing the role which new emerging sciences such as Biotechnology and Tissue Culture are likely to play in future, it is proposed to strengthen these activities by establishing a State level Biotechnology Center at the Mahatma Phule Krishi Vidyapeeth, Rahuri. A provision of Rs. 4 crore is proposed during the year 2004-05.

23. Stocking of fish and prawn seed in irrigation tanks in Vidarbha.

The Government has taken a decision to stock fish and prawn seed in irrigation tanks in Vidarbha, under the Vidarbha Vikas Package for increasing fish production in the region. For implementation of this scheme an amount of Rs.5.50 crore has been proposed for the year 2004-05.

24. The Mahara-shtra Machhimar Samruddhi Yojana 2004.

The Government has decided to implement the 100 percent State assisted Maharashtra Machhimar Samruddhi Yojana 2004 for the Scheduled Castes, Scheduled Tribes and below poverty line members of the Fisheries Co-operative Societies with "B" audit classification. Under this scheme 4,755 individual beneficiaries will get assistance for membership of Fisheries Co-operative Societies, marketing facilities and fisheries infrastructure. 190 Fisheries Cooperative Societies will get financial assistance for fish seed stocking and management subsidy. An amount of Rs. 2.90 crore has been proposed for this scheme in the year 2004-05.

25. **Assis-tance to the Coopera-tive Sugar Factories.**

In the interest of sugarcane growers, the Government has given default guarantee to the 51 co-operative sugar factories pre-seasonal loan amounting to Rs. 39.57 crore during the crushing season 2003-2004 and also gave guarantee for the working capital term loan of Rs. 786.50 crore to 31 Cooperative Sugar Factories. Because of this, approximately 60 lakh metric tonnes sugarcane of 5 lakh farmers was crushed and they got price of their crop amounting to Rs. 480 crore approximately. During the year 2002-03, State has exported 9 lakh metric tonnes of sugar and the Government rendered financial assistance of Rs. 75.28 crore to Cooperative Sugar factories in the State. The Government has also taken a decision to reimburse the difference between export price and domestic price to the Cooperative Sugar factories for the export of Sugar from 1st November 2003 to 30th October, 2004. Government has also sanctioned Rs. 299.13 crore as a medium term loan for the period of 10 years at the interest rate of 2 per cent per annum to enable the sugar factories to pay the statutory minimum price to the sugarcane growers. Considering the drought conditions in the State and with a view to help the sugar industry Government proposes to send a comprehensive package for sanction to the Union Government.

26. **Budgeting for human development.**

While presenting the budget for the year 2003-04, I had stated that the Government accepted the core responsibility of delivering social justice. The Government had launched Project Unite as a part of the new process of budgeting for human development. The emphasis is on attacking the vulnerabilities of the deprived sections and enabling them to realise their full potential.

26.1 In pursuance of this policy the following initiatives have been taken.

27. **The Rajarshi Shahu Maharaj Award for excellence.**

The Rajarshi Shahu Maharaj Award for excellence scheme has been implemented for the students of the Scheduled Caste community ranking first in the general merit list of the Secondary and Higher Secondary Examinations of the 10th and 12th Standards respectively at the Board and the State levels. A provision of Rs. 4 crore has been proposed for this purpose during the year 2004-05.

28. Incentive scheme for education of girls of Scheduled Castes and the VJNT Community.

With the intention of promoting education of girls belonging to the Scheduled Castes and the VJNT Community of standards VIIIth, IXth and Xth Standard and preventing the usual dropping out of school education, the Government has granted scholarships of Rs. 100 per month for a period of ten months to every girl student. There has been an expenditure of Rs. 23.88 crore on this scheme during the year 2003-04 and 1,38,929 girls have been benefited thereunder.

29. Higher and Technical Education for the students of Scheduled Castes and the Nav- Bauddha Community in foreign countries.

As decided by the Government, 10 students of the Scheduled Castes and the Nav Bauddha Community have been sponsored for Higher and Technical Education in foreign countries. Similarly 34 students of the Scheduled Castes and the Nav-Bauddha Community have been sponsored to various institutions of technology and business management in the country.

30. Technical education to the students of Backward classes.

With the intention of implement the policy of imparting technical knowledge to the student of Backward classes, the Government has decided to upgrade Industrial Training Institutions at the six divisions places. Accordingly administrative approval has been given to the Industrial Training Institutions situated in Nasik, Amaravati and Nagpur 100 boys and girls will take technical education in each of said Industrial Training Institutions.

31. Separate Ashram schools for the students of VJNT.

With a view to provide good facilities of residential education to the students of the VJNT the Government has sanctioned 129 secondary ashram schools. Similarly the matter of sanctioning 269 primary ashram schools is in progress. Necessary provision for this purpose has been proposed during the year 2004-05.

32. Swabhiman Yojana for scheduled castes and Nav- Bauddha communities.

The Government has decided to sanction four acres of dry land or two acres of irrigated land costing Rs. 80,000 to families of scheduled castes and the Nav-Bauddha community who are below the poverty line and are land less labourers. Out of said amount 50 percent would be sanctioned as an interest free loan and 50 percent would be given as grant-in-aid. For the

year 2004-05 an outlay of Rs. 20 crore has been proposed for this scheme.

33. Loans to Backward Classes with minimum interest.

With a view to provide the unemployed youths of the Scheduled Castes, Scheduled Tribes and Other Backward Communities with self employment opportunity, the Government will assist the Mahatma Phule Backward Class Corporation, Annabhau Sathe Development Corporation, Vasantnao Naik V.J.N.T. Development Corporation, Maharashtra State Other Backward Classes Financial Development Corporation and Sant Rohidas Charmakar Vikas Mahamandal.

For this purpose a budget provision of Rs. 50 crore has been proposed for the year 2004-05 and will benefit 24,000 unemployed youths.

34. The establishment of Kunbi Arthik Vikas Mahamandal.

There is a large number of people belonging to the Kunbi Samaj and mainly dependent on marginal farming in the Thane, Raigad, Ratnagiri and Sindhudurg Districts. The Late Shamrao Peje has contributed greatly to this community through social action over a long period of time. The Government has taken a decision to establish the Late Shamrao Peje Kunbi Arthik Vikas Mahamandal for the upliftment of this community.

35. The Thakkar Bappa Adivasi Vasti Sudhar Ekatmik Karyakram.

The Government has decided to implement the Thakkar Bappa Adivasi Vasti Sudhar Ekatmik Karyakram on the lines of the Dalit Vasti Sudhar Programme. This scheme will be implemented in the proposed Modified Area Development Approach and Mini- Modified Area Development Approach pockets in the 15 districts of Akola, Wardha, Bhandara, Raigad, Jalgaon, Dhule, Nandurbar, Pune, Nagpur, Ahmednagar, Yeotmal, Nanded, Buldhana, Amravati and Gondia and other outside tribal sub-plan villages on the basis of the tribal population. This programme will be implemented on the basis of an integrated project approach and will take up 300 works in the year 2004-05. An outlay of Rs. 4.40 crore has been proposed for this scheme in the year 2004-05.

36. New Anganwadis in tribal areas.

The Government of India had stopped the sanction of new anganwadis. In the tribal areas there are large number of villages and children yet to be covered under the anganwadi programme. With a view to cover such areas and to provide the benefits of supplementary

nutrition and health care to the deprived tribal children, Government has decided to open anganwadis with State funds under the tribal sub plan. In the first phase 600 anganwadis will be started in 8 tribal districts. An outlay of Rs. 1 crore has been proposed for this purpose for the year 2004-05.

37. Opening of new ashram schools and hostels.

Government has sanctioned 165 new ashram schools in the year 2003-04. In the current year the Government proposes to open 114 new primary ashram schools and to upgrade 120 primary ashram schools. These will provide access to education to 11,700 tribal students. Government also proposes to sanction 31 junior colleges and 54 new hostels benefiting 1,550 and 4,050 tribal students respectively. An outlay of Rs. 11.80 crore has been proposed for this purpose for the year 2004-05.

38. Construction of Sanskrutik Bhavans.

To encourage cultural activities among tribals, Government has sanctioned a scheme of construction of Sanskrutik Bhavans in all tribal talukas at a unit cost of Rs. 25 lakh. An outlay of Rs. 3.85 crore has been proposed for this purpose during the year 2004-05

39. Tribal girl drop outs from primary schools.

To reduce the gender gap in literacy and taking due cognizance of the significant percentage of drop outs among tribal girls, the Government has started implementing an ambitious scheme of providing an incentive of Rs. 50 per month for girls studying in the 5th to 7th standard and Rs. 100 per month for girls studying in the 8th to 10th standard. During the year 2004-05 a provision of Rs. 11.04 crore has been proposed for this purpose.

40. The Establishment of Gondwana museum in Nagpur.

For the conservation and development of tribal arts and the Gondwana culture of Vidarbha, the Government has decided to establish a Gondwana Museum and Research Centre in Nagpur. The establishment of this centre will include the collection of information relating to the economic lifestyle of tribals, research in specific areas, museum library and an art gallery for tribal handicrafts, village art centre for the production, exhibition, and sale of handicrafts and workshop for the training of tribal artists and exhibitions of handicrafts, an auditorium and pre-entrance training to the tribal youths for recruitment in several services. 8 hectares of land at Nagpur have been provided for this museum by the Government. A

provision of Rs. 1.10 crore has been proposed for this scheme during the year 2004-05.

41. Adult education through ashram schools.

The Government is running ashram schools and aided ashram schools run by voluntary agencies in tribal sub plan and outside tribal sub plan areas. However adult tribal villagers in the vicinity of these ashram schools are deprived of education. Taking this fact into consideration it has been decided to provide adult education in remote tribal areas. At the outset a total 100 ashram schools have been selected for the implementation of this programme. Each adult education class will include 30 to 40 tribal adults. It has been decided that adult beneficiaries will include 75 per cent of tribal women.

42. Universal-isation of vocational education for tribal youths through Industrial Training Institutes.

For universalisation of vocational education for tribal youths, a comprehensive programme has been prepared which includes, inter alia, conversion of Government ashram schools into residential vocational training ashram schools, increasing the maintenance allowance of scheduled tribe students in hostels and outside hostels from Rs. 60 per month to Rs. 600 and Rs. 500 per month respectively, imparting pre-vocational education to tribal students studying in VIIIth to Xth standards starting new courses, provision of hostel facilities, undertaking construction of hostels for Industrial Training Institutes in tribal sub-plan area, provision of maintenance allowance of Rs. 1,000 per month to tribal apprentice candidates under the apprentice scheme and empowerment of tribal women by vocational training.

- 42.1** These programmes will be implemented in a time bound manner in three years at a cost of Rs. 65.15 crore. An outlay of Rs. 22.67 crore has been proposed for this purpose during the year 2004-05.

43. Road Development Programme.

A programme to connect villages with population of 500 and above in hilly and tribal areas and 1,000 and above in other areas, by all-weather roads is being implemented on a priority basis. Out of a total of 40,412 villages in Maharashtra, 37,928 villages have been connected by the end of March 2004. The number of villages connected by the all weather roads during the incumbency of the Democratic Front Government is 5,563.

43.1 A massive programme of black topping of 15,446 kilo meters of rural roads and construction of 1,242 bridges has been taken up 11,725 kilo meters of black topping and 899 bridges have been completed so far. An outlay of Rs.136 crore has been proposed for the year

2004-05 for this programme.

43.2 The State has so far undertaken the works of 4,494 kilo meters of roads and 669 bridges of Rs. 352 crore during previous three years .

43.3 A further programme of improvement of 6,622 kilo meters of State highways and major district roads estimated at a cost Rs.501 crore is being taken up with HUDCO assistance.

44. Raod development through privatisation.

For the effective implementation of the State highways and district roads development programme, the Government has taken up some important projects through private financing. Out of 513 works amounting Rs. 20,252 crore proposed to be taken up under private financing, 141 works amounting Rs. 3,534 crore have been completed and 108 works amounting to Rs. 2,203 crore are in progress. The remaining 264 works amounting to Rs. 14,515 crore are at different stages of planning. The four laning of the Pune to Shirur section of 54 Kilometers amounting to Rs. 109 crore of the Pune- Ahmednagar-Aurangabad road project is in progress. The cities of Nandurbar, Kolhapur, Nanded and Baramati have been included in the Integrated Road Development Programme to be implemented at a cost of Rs. 17 crore, 165 crore, 77.65 crore and 25 crore respectively.

45. The Yashwant Gram Samruddhi Yojana.

Under the innovative Yashwant Gram Samruddhi Yojana, the people have been encouraged to select development works which they need and contribute their financial share. In the year 2003-04, about 2,983 Gram Panchayats have taken part in this scheme. An amount of Rs. 141.92 crore has been released as Government's share.

45.1 Taking into consideration the tremendous response to this scheme an outlay of Rs. 100 crore has been proposed for the year 2004-05 in addition to the budget provision of Rs. 50 crore made earlier.

45.2 For obtaining World Bank's financial support to this scheme, discussions have been held between the Government and World Bank officials and a revised project report is being submitted to the World Bank as early as possible.

46. Gramdoot citizen faciliatation centres.

In order to provide public utility information and important certificates to rural people in

minimum time at the rural level, Government has taken a decision to establish Gramdoot citizen facilitation centers at the rural level through public private entrepreneurship. This scheme aims at taking information technology to the rural level and ending the digital divide.

- 46.1** Rural people in the state will get important certificates within 24 hours with the commencement of this scheme. The Gramdoot scheme will prove doubly beneficial as it will create employment opportunities for rural youth as well.

47. The Swarna-jayanti Gram Swaroz-gar Yojana.

The Swarnajayanti Gram Swarozgar Yojana is a poverty alleviation programme. The objective of the scheme is to bring the assisted poor Swarozgaris above the poverty line by providing them with income generating assets through a mix of bank credit and Government subsidy.

47.1 Stress has been laid on the organization of the rural poor into Self Help Groups and their capacity building, planning of activity clusters, infrastructure build up, technology, credit and marketing. Till the end of March 2004 in all 88,015 self help groups have been formed out of which 56,573 groups been formed by women. In all 12,095 including 8,117 women Self Help Groups have started their own ventures.

47.2 For the year 2004-05 an outlay of Rs. 24.25 crore has been proposed for this scheme.

48. Construc-ting commercial com-plexes and office buildings for local self govern-memnt bodies on unused open lands.

Government has decided to allow the commercial use of excess land with the Z.P., Panchayat Samitis and Gram Panchayats and make available a new source of income for them. This will help to make these institutions financially stronger.

49. Develop-ment of piligri-mage places.

An outlay of Rs.10.68 crore has been proposed in the year 2004-05 for provision of basic amenities under the "Teerth Kshetra" development Programme. It has been proposed to develop 5 new pilgrimages places at Ter in Osmanabad District, Malegaon in Nanded District, Tridhara in Parbhani District, Puntambe in Ahmednagar District and Pusegaon in Satara District.

50. The Indira Awaas Yojana.

The objective of the Indira Awaas Yojana is primarily to help construction and upgradation of dwelling units in the rural areas of the below poverty line members of Scheduled Castes, Scheduled Tribes, Freed bonded labourers and also non Scheduled Castes and Scheduled Tribes by providing them with grant-in-aid. Under this scheme, 87,347 units have been completed in the year 2003-04 and the construction of 57,704 units is in progress. The expenditure incurred in the year 2003-04 on this scheme was Rs. 191.90 crore. An outlay of Rs. 98.86 crore has been proposed for the year 2004-05 for this purpose.

51. Family Welfare Progra-mme.

In order to curb the growing population problem the family welfare programme is being effectively implemented. Sterilization operations are an important component of the programme. A compensation of Rs. 351 in addition to the Central Government's compensation of Rs. 150 is being offered to encourage vasectomy operations. The number of vasectomy cases has increased from 4,499 in 1999-2000 to 38,160 in 2002-03. An outlay of Rs. 1 crore has been proposed for the year 2004-05 to conduct one lakh vasectomy operations.

52. The Savitribai Phule Kanya Kalyan Award Scheme.

The Savitribai Phule Kanya Kalyan Award Scheme helps to boost the social status of the girl children born to a below poverty line family if one of the parents goes in for sterilisation operation after either one or two girl children. The girl children are being awarded Rs. 10,000 in the form of a long term fixed deposit maturing by the time the girls attain the age of 18 years. In case the girls pass the Secondary School Certificate examination they are awarded a further amount of Rs. 5,000 in the form of a five year fixed deposit. The deposit is payable only if they do not marry till the age of 20 years. An outlay of Rs. 1 crore has been proposed for this scheme for the year 2004-05.

53. Reimbursement of fees.

To enable the Government quota students belonging to Backward Classes to get the benefit of medical education in private medical institutions, the Government has decided to give full refund upto about Rs.17 crore to the students belonging to Scheduled Castes, Scheduled Tribes, VJNT and Special Backward Classes.

54. The Rajiv Gandhi Vidyarthi Suraksha Yojana.

The Rajiv Gandhi Vidarthi Suraksha Yojana, accident insurance scheme was introduced last year for students of all schools, colleges and educational institutions in the State. An amount of Rs. 2.85 crore has been spent on this scheme during the year 2003-04. Under this scheme, about 2.18 crore students are covered.

55. **Sarva Shikshan Mohim.**

Universalisation of Primary Education and improving its quality is internationally recognised as a pre-requisite for rapid economic growth. In line with this, the Government has decided to provide the requisite matching grant under the Sarva Shikshan Abhiyan. A provision of Rs. 234 crore has accordingly been proposed in the year 2004-05 under the scheme. The Government proposes to construct 16,000 new school buildings, carryout repairs to all school buildings and provide one week's training to five lakh teachers. It is proposed to provide aids and appliances to nearly 4 lakh children suffering from disabilities. In spite of odds, students studying in the night schools are showing enormous grit and determination to pursue an education. Government will come out with a comprehensive programme of assistance for these students.

56. **Grant-in-aid to Secondary and higher secondary schools.**

During the year 2003-04 a total of 49 unaided secondary schools as well as 1,391 divisions of the secondary schools and 1,127 divisions of higher secondary schools have been brought on grant-in-aid. An amount of Rs. 4.62 crore has been spent on this scheme. For the year 2004-05 a provision of Rs. 25.59 crore has been proposed for this scheme.

57. **Revised norms for bringing unaided Secondary schools on grant in aid basis.**

Existing norms and criteria for bringing unaided Secondary schools on grant-in-aid basis have been relaxed from 90 marks to 75 marks in general area and 70 marks in Tribal Sub Plan area and educationally backward blocks. Due to relaxation of norms, out of the inspected unaided secondary schools, 180 schools are held eligible for grant in aid.

58. **Free text books for boys and girls Standard Ist to Xth.**

In the academic year 2003-04 textbooks have been distributed free of cost to the all girl students and all students from backward categories studying in Standard Ist to VIIIth under the Sarva Shiksha Mohim. Under this scheme textbooks have been distributed to about one crore students. In the year 2004-05, 68 lakhs students who were not covered under the above

scheme and all students studying in Std. IX and X are being given textbooks free of cost. For this purpose, a provision of Rs. 20 crore is proposed.

59. **Sainiki Schools.**

In the year 2003-04, six new Sainiki Schools have been sanctioned.

60. **Vastishala.**

Vastishala which have been running for past number of years in remote places, has been contributing a lot in primary education in Maharashtra. It is necessary to encourage Vastishala teachers. The State Government has decided to increase honorarium from Rs. 1,000 to Rs. 1,500 for those Vastishala teachers who have completed 3 years of continuous service.

61. **Technical Education Quality Improvement Programme.**

For the implementation of the Central Government's World Bank assisted Technical Education Quality Improvement Programme the Ministry of Human Resource Development has selected 10 Engineering Colleges from the State in the first phase. Approval to the tune of Rs.14 to 15 crore to the lead institutes and Rs. 5 to 6 crore for network institutes totalling Rs. 84 crore has been accorded. 5 Engineering Colleges and 3 Polytechnics are expected to be selected in the second phase of the project.

61.1 An outlay of Rs.38.66 crore has been proposed for the implementation of this project during year 2004-05 at 10 selected institutes in the first phase and 5 Engineering Colleges and 3 Polytechnics in the second phase.

62. **Public Libraries.**

The scheme of development of public libraries under Raja Rammohan Roy Library Foundation are implemented on a 50:50 basis by the Foundation and the State Government. The State has increased its contribution to the foundation from Rs.40 lakh to Rs. 75 lakh from the year 2003-04.

63. **Enhancement in Dr. Babasaheb Ambedkar Best Library Awards.**

The State Government has doubled the amount of Dr.Babasaheb Ambedkar Best Library

Award for the A, B, C and D class public libraries in rural and urban areas in the State to Rs.50,000, Rs.30,000, Rs.20,000 and Rs.10,000 respectively.

64. Dr. S.R. Ranganathan Grantha Mitra Award

Under the scheme Dr.S.R. Ranganathan Grantha Mitra Award the State Government has enhanced the amount of award at the State level for the best librarians and library workers in the field of public library movement from Rs.5,000 to Rs.25,000. The State Government has also introduced 12 new divisionwise Dr.S.R. Ranganathan Grantha Mitra Awards for the best library worker and librarian of Rs.15,000 each from the year 2003-04.

65. Establish-ment of new university at Solapur.

The Government has taken a decision to establish a new university at Solapur for the convenience of students. The jurisdiction of the new Solapur University will be Solapur District. A provision of Rs. 1 crore has been proposed for this scheme for the year 2004-05.

66. Establishment of self- financing universi-ties.

In the light of globalization and liberalization the Government has approved an Act to start self-financing universities. It is expected that this Act will provide the framework for private universities and foreign universities to introduce new courses of International Standards of higher education in the State.

67. The establishment of a National Law University.

The necessity of good governance in Public Administration and in Corporate Management calls for comprehensive legal services, legal theory, legal education with a new outlook specially in the context of present day development in Industry ,trade and commerce. In order to cater to these needs the Government has decided to establish a National Law University in the State.

68. Tool kits after vocational training.

The scope of vocational training guarantee scheme will be expanded to cover poor unemployed youths belonging to Other Backward Classes and Open Categories. Under this

scheme, the students will be provided tool kits after completion of training. A provision of Rs.12 crore is proposed for the year 2004-05 for 60,000 beneficiaries.

69. Yashwantrao Chavan Maharashtra Open University.

Those students who have passed VIIIth Std. can complete their degree or diploma education at the Yashwantrao Chavan Maharashtra Open University. The students of socially and economically backward classes taking admission for these courses will get full reimbursement of fees from the Government. About 51,000 students will be benefited under this scheme.

70. Foodgrains purchased under the Minimum Support Price Programme.

With a view to providing benefit of the minimum Support Price Scheme to the farmers in the State, 800 purchase centers were opened. Coarse grains viz. jowar, bajra and maize were purchased at the rate of Rs.505 per quintal while paddy was purchased at the rate of Rs.550 Rs.580 per quintal. During the current marketing season about 18.58 lakh quintals of paddy, 4.3 lakh quintals of jowar and 1.7 lakh quintals of maize have been purchased. Although the amount of Rs.110 crore invested in this scheme in the previous year by the State is not yet fully reimbursed by the Central Government, the State Government has spent approximately Rs.120 crore by 31st January 2004 towards purchase and ensured the benefit of Minimum Support Price to the farmers.

71. The Valmiki Ambedkar Awas Yojana.

Under the Valmiki Ambedkar Awas Yojana construction of 20,480 houses and 3,477 toilet seats have commenced. Out of this, 8804 houses and 3,224 toilet seats have been completed upto 31st March 2004. For the year 2004-05 an outlay of Rs.100 crore is demanded for this scheme. The State Government has also decided to implement this scheme in additional 17 cities with a population more than 50,000 as per the 2001 census.

72. Dharavi Development Plan.

The State Government has approved the Dharavi Development Plan at an estimated cost of Rs. 5,600 crore with private participation to ensure overall development of Asia's largest slum. The Government has also offered a floor space index upto 4 to ensure rehabilitation of slum dwellers in situ.

73. New Township of Chandrapur.

Under the Vidharbha Vikas Package for the new township of Chandrapur an amount of Rs. 6 crore has been released to the Maharashtra Housing and Area Development Authority for the construction of roads and water supply during the year 2003-04. An outlay of Rs. 4.75 crore has been proposed for this scheme during the year 2004-05.

74. Mumbai urban transport project.

Mumbai Urban Transport Project is formulated to improve the transportation system in Mumbai. The total project cost is Rs. 4,526 crore out of which the World Bank has sanctioned a loan of Rs. 2,602 crore. Nearly 10,500 project affected families are rehabilitated under the project. The work is in progress of the rail and road component under this project.

74.1 A Proposal of about Rs. 6,000 crore for phase II of Mumbai Urban Transport project has been received by State Government from Mumbai Rail Vikas Nigam. This project will enable conversion of all rakes from 9 coach to 12 coach and make a substantial increase in the passenger capacity. This projects is to be jointly implemented by Indian Railway and Government of Maharashtra and Government will take a positive decision in this regard soon

75. Mumbai urban infrastruc-ture project.

The Government has decided to undertake Mumbai Urban Infrastructure Project as a Supplementary project to World Bank funded Mumbai Urban Transport Project. The approximate cost of the project is Rs. 2,647 crore. On implementation of Mumbai Urban Infrastructure Project there will be visible improvement in road transportation and traffic scenario of Mumbai.

76. Managerial subsidy to Co-operative Seva Societies of the educated unemployed.

The Scheme of financial assistance to educated unemployed youths has been revised. Accordingly, it has been decided to give managerial grants for a period of three years, at the rate of Rs. 1,200 per member per year to the co-operative seva societies of unemployed youths. An amount of Rs. 26.52 crore has been provided during the year 2003-04. For the year 2004-05 a provision of Rs. 21.40 crore has been proposed for this scheme.

77. The Maulana Azad Alpsankhyank Arthik Vikas Mahamandal.

Share capital assistance of Rs.6.50 crore has been given to the Maulana Azad Alpsankhyank Arthik Vikas Mahamandal during the year 2003-04. A provision of Rs. 25 crore as share capital assistance has been proposed for the year 2004-05.

78. The establishment of Courts.

A court of Civil Judge Senior division at Shrigonda in Ahmednagar District, Additional District and Sessions Courts and Civil Judges Senior Division at Kandhar in Nanded District and Darwha in Yeotmal District have started functioning in the year 2003-04.

79. Pension Lok Adalats for the pensioners.

Pension Lok Adalats have been started in the State for the pensioners from March 2004. These Pension Lok Adalats will work on non-working days of the High Court, Bombay and High Court, Bombay bench at Aurangabad and Nagpur, premises. These Court will decide the pending cases of pensioners by way of compromise or settlement. Setting up of these Pension Lok Adalats will facilitate early disposal of pending cases of the pensioners in various Courts and it will also help to reduce the number of such pending cases.

80. The late Shankar-rao Chavan Memorial Museum.

The great politician and stern administrator Shri Sankarrao Chavan was well-known for his outstanding contribution to the welfare and development of Maharashtra in general and Marathwada in particular. He was the Chief Minister of Maharashtra and Union Home Minister. With a view to enlighten the coming generation about his work the Government has decided to establish the Shankarrao Chavan Memorial Museum at Nanded.

81. Transport facility for senior citizens.

Senior citizens of the age of 65 years and above are given the facility of a 33.33 per cent concession in fare by the State Road Transport Corporation. The Government has now decided to increase this concession to 50 per cent.

82. Raja Dinkar Kelkar Sangrahalaya.

A Rs. 21 crore project for setting up a new museum of international standards on the land allotted by Government at Bavdhan Budruk in District Pune has been approved by the State Government for the world renowned Raja Dinkar Kelkar Museum. The Government will contribute a sum of Rs. 5.88 crore to this scheme. Matching contribution will be made by the Pune Municipal Corporation and the Central Government. The remaining amount will be raised through donations. An initial provision of Rs. 2 crore has been proposed for this purpose in the year 2004-05.

83. Enhancement in the Rajya Sanskrutik Purskar.

Government has taken a decision to enhance the amount of the Maharashtra Rajya Sanskrutik Puraskar from Rs. 25,000 to Rs. 51,000.

84. Honorarium to old artists.

Till the year 2002-03 financial assistance has been provided to 12,271 distinguished persons in the letters and the arts. From the year 2003-04 onwards an additional 5,511 persons have been included for which a total provision of Rs. 11.30 crore has been proposed for the year 2004-05.

84.1 It is also proposed to provide financial assistance to additional 1,000 artists approximately in the year 2004-05. Also, in order to streamline the procedure for disbursement of honorarium, it is proposed to adopt services of the District Collectorate.

85. The Preservation of Historical forts.

The State proposes to take a leading role in the conservation, preservation and overall development of our historical forts and ancient monuments. This will also be an impetus to Tourism.

86. The Yashwantrao Chavan Natya Sankul.

A grant of Rs. 2 crore has already been given for the Yashwantrao Chavan Natya Sankul of the Akhil Bhartiya Natya Parishad, Mumbai. However, an amount of Rs. 4 crore will be given to Yashwantrao Chavan Natya Sankul according to their requirement. Besides, the grant of Rs. 20 lakh being given for the organisation of Natya Sammelan every year will be increased to Rs. 25 lakh per year.

87. P. L. Deshpande Maharashtra Kala Academy.

The ideology of the great Sahityik thinker and actor P. L. Deshpande has been kept in mind while creating the P. L. Deshpande Maharashtra Kala Academy. The Government is committed to keep the continuity of running this academy and undertaking new and novel schemes therein. It has therefore been decided to equip the academy with ultra modern facilities for which Rs. 10.46 crore has been proposed.

88. Restora-tion and repairs of Mani-Bhavan

The city of Mumbai has been the epicenter of many a historic event of India's freedom struggle. One of its most important buildings which bears the stamp of history is Mani

Bhavan. It was here that Mahatma Gandhi stayed when he was in Mumbai and here that many nationalist movement were born. Mani Bhavan which houses the Gandhi Museum has however suffered the ravages of time which have led to a deterioration in its physical structure. The Government has decided that it will restore Mani Bhavan to its former glory. I hereby announce that an amount of Rs. 92 lakh will be made available for the full restoration of this venerable building and a further amount of Rs. 25 lakh for the internal display. The objective is to pay homage to the Mahatma Gandhi and enhance its national and international appeal.

89. Shahaji Raje Bhosale Memorial.

The proposal of Shahaji Raje Bhosale Memorial at Verul District Aurangabad has been approved by the Government in the Marathwada Package Scheme. A provision of Rs. 32 lakh has been proposed for this purpose during the year 2004-05.

90. The celebration of Yusuf Meher Ali anniversary.

In the birth anniversary year of Yusuf Meher Ali various programmes are arranged for maintain peace and communal harmony. A provision of Rs. 1 crore has been proposed for the year 2004-05 for this purpose.

91. Increase in honorarium of Kotwals.

The Government has decided to increase the honorarium payable to Kotwals from Rs. 1,600 to Rs. 2,000 and also to fill up 3,584 vacant posts of Kotwals. A provision of Rs. 10.17 crore has been proposed for the year 2004-05 for this purpose.

92. Dearness allowance to the State Government employees.

Government employees have always extended unstinted co-operation to our Government during the last four and half years. They have also contributed one day's salary as a help for the scarcity conditions prevailing in the State. They have made a demand that the dearness allowance payable to them be brought at par with that now being paid to the Central Government employees. As agreed to by the employees Unions and Associations, my Government has decided to increase the dearness allowance by another 6 per cent over and above the prevailing rate of 55 per cent. Adequate provision has been made for the purpose.

92.1 Since last few days, the State Government employees have been demanding 50 per cent of the dearness allowances be merged with basic pay. I accept the demand. At the same time, it is the responsibility of the Government to provide succour to the rural population and tackle the drought. Keeping these factors in view, the

decision will be implemented after the severity of the drought is lessened.

93. Medical facilities to the pensioners.

The State Government has recently decided to introduce free medical service in all Government hospitals to all the retired State Government and Zilla Parishad employees who are taking pensionary benefits under the prevailing Government Pension Scheme and their spouses with effect from the 1st July 2004.

94. The Small Savings Schemes.

The Small Savings Schemes of the Government are of enormous benefit to all investors. The interest rates are among the best available to day. The Directorate of Small Savings and State Lotteries has achieved a net collection of Rs. 10,700 crore in the financial year 2003-04 against net collection target of Rs. 7,704 crore. This 139 per cent achievement has been due to the systematic interventions and concerted training taken for all the small savings agents in the State. The Government developed a separate Small Savings website for the Small Savings agents and investors. The Directorate also took concerted efforts in creating awareness of the Small Savings Schemes through systematic publicity of the schemes in urban and rural areas. The Government for the first time took special rural publicity magic vans to create awareness of these schemes in 500 villages and 150 haats in rural areas of the State.

95. The development of inland water transport.

The Central Ministry of Shipping has approved 5 inland water transport projects for Mumbai-Mandwa, Mhasala- Rajpuri, Mhasala-Janjira, Vishnupuri- Nanded, South Mumbai-Karanja. Suitable grants will be released for these schemes.

96. Measures to keep law and order in the State.

The law and order situation in the State has been by and large peaceful and there has been no major communal riot during the current year. Major success was achieved in anti-naxal operations and in weaning away the rural people from Naxalite groups. Elections to Parliament were conducted without any incident of booth capturing or any serious breach of the peace. The threats from Naxalites to disrupt the poll process were met successfully. The Government is in the process of a major programme of modernisation and strengthening of the police force, improving its operational efficiency and improving the service and working conditions of the police force.

97. The following decisions have been taken by Government to improve operational efficiency and to solve the personal problems of the police force who are working under great stress and against odds.

97.1 Refreshment allowance has been doubled upto Police Sub Inspector level with effect from 21 February 2004. Additional provision of Rs. 30 crore is proposed.

97.2 For staff upto the rank of Inspectors of Police, rate of Daily allowance in lieu of weekly holidays in proposed to be increased by nearly 50 per cent with effect from 1 April 2004.

97.3 Encashment of leave up 15 days per year has been permitted for staff upto the rank of Inspector of Police.

Now I turn to Part-II of the Budget

1. Budgetary position.

While presenting the interim Budget in March 2004, it was anticipated that there would be a surplus of Rs. 53.62 crore. This surplus, however, did not take in to account the burden of Plan and Non-Plan New Items. A net expenditure provision of Rs. 38,20.58 crore has been made in the additional budget for this purpose. On the receipt side, I have taken in to account additional receipts mainly on account of Centrally Sponsored Scheme (Rs. 301.63 crore). Taking in to account the deficit of Rs. 11,44.19 crore in additional budget, unbudgetted plan outlay of Rs. 52,09.20 crore and opening balance of(—) Rs. 949.96 crore, the surplus will get converted in to a deficit of Rs. 73,03.35 crore.

2. Tax policy.

Over the last 5 budgets, the tax proposals of this Government have revolved around the philosophy that moderate tax rates not only improve the competitiveness of manufacturing in the State by reducing costs but also encourage growth in consumption by reducing prices. This growth, in turn generates employment and increase in revenue receipts. The tax proposals that are outlined hereafter are consistent with this approach. It is my belief that this approach will lead to sustained growth of the economy of the State along with growth in revenues, and improved finances.

3. Policy regarding procedures.

My budget proposals attempt to rationalise the tax structures and rates, as well as simplification of procedures. Complex tax procedures lead to increase in transaction time and transaction cost which impacts adversely on productivity and competitiveness. I have, therefore, made a conscious attempt to simplify procedures across various tax laws so as to encourage honest tax payers to pay these taxes quickly and at least cost.

4. Objective.

For the economy to grow tax policies have to be staple. I have, therefore, sought to bring about minimum changes in the tax rates. The changes that are outlined later, will impart dynamism to those sectors which have a potential for substantial employment generation or those which affect the poor directly. Since a large part of the population lives in the rural areas, I have attempted to provide relief to people dependent upon agriculture and allied activities.

5. VAT.

In my speech on the budget estimates for 2003-04 I had stated that from 1st April, 2003, the states will embark upon the most important steps towards reforming the tax system by introducing the unified Value Aided Tax. With a view to achieving this objective the necessary VAT Bill was unanimously passed in March 2003 by both the Houses of Legislature. The Bill was submitted for Presidential assent. The VAT Bill is yet to receive assent of the President. The implementation of VAT had, thus, to be postponed.

6. Registration, assessment and appeal..

The number of dealers registered under the Bombay Sales Tax Act now touches six lakh. I have found that the limits of minimum turnover for registration have not been changed for a number of years. Besides, many of the traders with small turnovers pay little or no tax. It is necessary to provide relief to these small traders and take them out of the tax net. Accordingly, I am introducing major changes in the matter of registration, assessments and appeals.

7. Traders with turnover less than Rs.five lakh.

The statutory limit for registration of a trader other than a manufacturer or an importer will now be 5 lakh rupees instead of the present limit of 2.5 lakh rupees. The registration certificates of all such traders whose turnover was less than rupees 5 lakh in the previous year will be automatically cancelled because of the proposed change in law. They will now be relieved from the responsibilities of filing of returns, assessment, maintenance of books of accounts etc. I expect that this will provide substantial relief to about one lakh small traders from the mofussil areas of the State. I should hasten to point out that such traders account for nearly 20% of the total number of registered dealers. However nothing in these changes will apply to liquor dealers.

No changes are proposed in the minimum turnover limits applicable to manufacturers and importers. However, for registration the value of manufactured goods or value of imported goods is required to be 10 thousand rupees. I propose to increase the limit to 25 thousand rupees.

After the reduction in the number of registered dealers, it will become possible for the Sales Tax Department to focus efforts on the large tax payers.

8. Ex-parte assessments.

In many instances, ex-parte orders are passed because the tax-payers fail to appear before the assessing officers. These assessments are challenged in appeal. In appeal, the ex-parte orders are normally set aside by the and cases are remanded to the assessing officers. Appeals tend to be costly and time consuming. I have decided to authorise the assessing officers themselves to set aside the ex-parte assessment orders on an application by the dealer. I expect that this would reduce the number of appeals and expediate the finalisation of the assessment.

9. No remand in appeals.

The appellate authorities are today entitled to remand a case to the assessing authority for finalisation. The process of remand delays the final disposal of the case. The orders passed on remand are again appealable. I have, therefore, decided to dispense with the power of the appellate authorities regarding remand of assessments. The appellate authorities will now declare the final results in their appeal orders. This will save the time and money of the dealers including small scale industry and the retail trade. This change will however not apply to the Sales Tax Tribunal. I have also decided that the priorities for disposal of appeals should be prescribed by Rules.

The scope of the provision relating to rectification of orders is being enlarged so as to enable the dealers to apply for rectification in respect of missing declaration Forms which are produced after the assessment is completed.

10. Interest.

The rates of interest under the Sales Tax Act have remained stagnant since long although the market rates and Bank rates of interest have dropped considerably in the intervening period. Interest is charged to dealers on account of late payment and short payment of taxes. On the other hand, the dealers are entitled to receive interest on refund and on delayed refunds. I now propose to reduce the rate of interest applicable to late payment and short payment from 24 percent to 15 percent. The interest on refunds will now be granted at 6 percent instead of 12 percent. Interest on late refunds will now be granted at the rate of 6 percent instead of 9 percent.

11. Exemptions and refunds.

The State Government is authorised under section 41 of the Act to issue Notifications in the public interest to grant tax exemption. There will be no exemption

provisions under VAT. Instead, when relief is to be granted, the same would be in the form of refund of tax paid. I have now decided to introduce an additional provision under the present Act whereby instead of claiming exemption, the beneficiary purchaser will claim refund. I propose to implement the new provision in a small way in the current year. This will be a transparent system and it will now be possible to quantify the cost of concessions granted.

12. Tax on Lotteries.

In the past few years, new types of lotteries including electronic lotteries have come into vogue. These lotteries have achieved considerable turnover. Under the changed circumstances the present system of levy and collection of tax is not suitable for taxation of lotteries. I find that it is necessary to change the system and procedure of levy and collection of tax on lottery tickets. I have now decided to collect tax based on slabs of the turnover of sales of lottery tickets per draw in respect of each scheme of lottery.

13. Interest on refunds: Works Contract, Lease and other Acts.

Since 1995 refunds under the Bombay Sales Tax Act carry interest. The same treatment was given to refunds under the Works Contract Act and the Lease Act. A recent Supreme Court Judgement has the effect of declaring grant of such interest to be inadmissible unless there is a substantive provision in the respective Act. I have now decided to grant interest on refunds under the Works Contract Act and the Lease Act by making necessary amendments to the respective Acts.

I also propose to extend the facility of interest on refunds and interest on delayed refunds under the Luxury Tax Act, Motor Spirit Sales Tax Act, Sugarcane Purchase Tax Act, Profession Tax Act and the Luxury Tax Act.

14. Time limit for assessments

More than 20% of the revenue collected by the Sales Tax Department accrues from the Motor Spirit Tax Act. This Act does not contain any time limit for assessments. I have now decided to introduce such time limits in the Motor Spirit Tax Act along the lines of the provisions under the Bombay Sales Tax Act.

I also propose to introduce similar provisions in the Sugarcane Purchase Tax Act.

15. Profession Tax.

Profession Tax is an important source of financing the works under the Employment Guarantee Scheme. For various reasons, the administration of Profession Tax is plagued with problems. It is necessary to take a review of the problems and seek solutions.

16. Time limit of assessments under Profession Tax.

It has been pointed out to me that unlike Sales Tax there are no provisions in Profession Tax for time barring of assessments of employers. In some places the assessments are pending for a number of years. After considering the magnitude of the problem and the resources available, I have decided to introduce time barring provisions along the lines of Sales Tax Act. These provisions will become applicable in respect of periods starting on or after the 1st April 2004. As an administrative measure I have decided not to take up assessments of employers for periods ending on or before the 31st March 2002. This should provide substantial relief to the small scale industry and to the retail trade. I expect that in two years the assessments for the periods 2002 to 2004 will be completed and thereafter assessments under Profession Tax would be for current periods only.

17. Recovery and Survey under Profession Tax.

Two years earlier, I had introduced a scheme whereby unemployed educated women and small saving agents were appointed to pursue recovery and for survey of fresh assesses under the Profession Tax Act. Looking to the specialised nature of the job and the quantum of the work which remains to be carried out, I have decided to involve the personnel of the Sales Tax Department in the scheme. It would be open to the members of the staff to undertake this work after office hours and on holidays. They would be entitled for payment on the same scale as the unemployed educated women and small saving agents.

18. Gutka.

The Hon. Members are aware that the State Government has banned the manufacture and sale of Gutka. However, past assessments of the dealers dealing in Gutka are required to be completed. Because of a Court judgement doubts have arisen regarding the proper classification of Gutka. I have decided to amend the law so as to secure revenue of past periods.

19. Set-off to manufacturers.

The manufacturing sector in the State is the backbone of our economy. The sector provides employment and generates wealth. The major burden of tax falls on this sector. With liberalisation, imported goods are becoming freely available in the market. This makes it all the more necessary to extend support to local manufacturers. It is necessary to reduce the burden of tax on inputs and provide better opportunities to the local suppliers of inputs and encourage local purchases of inputs. Under the existing system tax on raw materials becomes an element of cost. On my roadmap of the future I have decided to fully eliminate the burden of tax on inputs in the next three years.. Because of revenue considerations, this will have to be done in steps.

At present, manufacturers are granted set-off of the sales tax paid on locally purchased raw materials in excess of 3% of the purchase price if the manufactured goods are sold. I propose to reduce this retention level from 3% to 2%. If capital assets are used in manufacture, then set-off of tax charged in excess of 2% on the purchase price will be available to the manufacturers instead of the present system of grant of set-off in excess of 4% of the purchase price. Similarly, if the manufactured goods are sent on consignment transfer to other States, the retention is 6% of the purchase price. I propose to reduce this retention level from 6% to 3%. The basic rate of tax on certain raw materials is 4%. If the finished goods are sent on consignment transfer to other States, then the purchases of these goods attract purchase tax at the rate of 2%. In view of what I have said about taxation of inputs, I propose to dispense with this levy. For manufacturers of tax free goods, the retention level will now be 3%, down from 4%.

I expect that as a result of these concession, there will be an increase in the local purchases of industrial inputs and that this will provide a fillip to the local ancillary industry and thus generate employment.

It is likely that in the medium term future, the applicable rates of tax under the Central Sales Tax Act, will be reduced. If this were to happen, then the retention applicable on manufacture of tax-free goods or on inter-State consignment of finished goods will be accordingly reduced.

20. Taxation of restaurants.

Restaurants pay taxes as per a slab system introduced some six years earlier. The system is generally working well. However if the turnover of a restaurant in the previous year has exceeded 50 lakh rupees, the facility of the slab system is not available. I propose to remove this condition.

21. Administrative relief for restaurants.

At the time of abolition of VAT, in April 1999 turnover tax and surcharge were reintroduced. Restaurants pay tax as per a slab system and many restaurants did not pay turnover tax and surcharge under a wrong interpretation of the law. If the due tax including turnover tax and surcharge are paid before the 30th September 2004, then I have decided to exempt interest and penalty consequent upon late payment of turnover tax and surcharge.

22. Concessions.

During the course of the year I have received several representations from various associations regarding the rates of tax applicable to different commodities. After considering the merits of the representations I have decided to grant certain concessions.

I propose to exempt from tax the sales of honey upto the first turnover of rupees 60 lakh effected by the Madh Utpadak Sahakari Societies in Maharashtra. Society. Cashew juice is a new product from Konkan. In order to provide an incentive to farmers from Konkan, I propose to exempt this product from tax. Soapnuts which are indigenous to Konkan will also be exempt from tax. The Government of India has approved the blending of ethanol with petrol. In order to encourage local suppliers, I propose to exempt the turnover tax and surcharge applicable on sales of ethanol to the oil companies.

The rate of tax applicable to all types of electric bulbs as also fluorescent tubes, chokes, starters and their fittings is 13%. I propose to reduce it to 8%. Plastic goods are taxable at the rate of 13%. The applicable rate will be reduced to 8%. Electric wires and cables are taxed at the rate of 13%. I propose to reduce the applicable rate to 8%. The drip irrigation system and parts and components thereof will be exempted from resale tax.

The rate of tax applicable to blocks made from cement and fly-ash will now be taxed on par with bricks at the rate of 8% instead of 13%.

Some of the electrical and electronic appliances are taxed at the rate of 20%. I propose to reduce the rate to 13%. The rate applicable to kerosene sold outside the public distribution system will be reduced from 20% to 13%. The rate of tax applicable to carbon paper and typewriter ribbons will be reduced from 13% to 8% and 4% respectively. In order to sweeten the budget, the rate applicable to sweets and sweetmeats will be reduced from 8% to 4%.

23. Resale Tax on ration kerosene.

The price of kerosene sold through the public distribution system is fixed. Similarly, there are restrictions on the margins of the dealers in such kerosene. It is expected that the common people should get kerosene at a reduced price under the scheme. Since May 2002, the kerosene sold through the public distribution system is liable to resale tax. I propose to exempt from resale tax the kerosene sold through the public distribution system.

24. Agricultural implements.

The agricultural implements used in their daily operations by the farmers are exempt from tax when sold at a price less than rupees 3000. It has been some years since the exemption limit was set at this level. The Government has always striven to keep the production cost of farming at a low level. After considering the increase in the cost of farming and inflation I have decided to raise the exemption limit to rupees 10,000. This would mean that all the implements used for the purposes of non-mechanised agriculture are now exempt from tax.

25. Levy of Motor Vehicle Tax on trailers used for agriculture.

The trailers used for agriculture are liable for an annual motor vehicle tax of Rs. 1500 if the laden weight exceeds 4500 kg but does not exceed 7500 kg. If the laden weight exceeds 7500 kg then the annual tax is of rupees 3000. In order to provide relief to agriculturists, the tax on trailers used for agricultural purposes is being fully exempted..

26. Amnesty scheme.

The Government had earlier announced two amnesty schemes, one in 1995 and the other in 1999. The response was encouraging. Preparatory to introduction of VAT, it is necessary to recover arrears of Sales Tax. I, therefore, propose to announce an amnesty scheme. The scheme provides relief towards disputed tax, interest and penalty. The scheme will cover arrears under the Bombay Sales Tax Act, the Central Sales Tax Act, the Works Contract Tax Act, the Lease Tax Act, the Sugarcane Purchase Tax Act, the Motor Spirit Sales Tax Act, the Entry Tax on Vehicles Act, the Entry Tax on Goods Act and the Luxury Tax Act. The scheme will be open for four months. The Government Resolution outlining the features of the new scheme will be issued on the 1st of June 2004. I expect and hope that the trading community will avail

itself of the scheme and make it a success.

27. Works contract: textile processors.

As per a recent ruling of the Mumbai High Court processing of textiles would attract liability under the Works Contract Act in respect of the materials used in processing. The judgement applies with equal force to other processing industries such as printing on metal or plastic, developing and printing of photographs etc. In some of such cases, there have been earlier court rulings. The representatives of the textile processing industry have pointed out that any attempt at recovery of past arrears would jeopardise the very existence of the industry. About a lakh of people are directly employed in the sector. The ancillary industries also provide employment to a large number of people. Considering the importance of the textile processing industry in the economy of the State and the need to support employment, I have decided as an administrative measure, not to recover works contract tax on textile processing for periods up to the 31st March 2004.

I propose to extend with suitable modifications, similar relief to these industries.

28. Construction contracts.

The expression "construction contract" was employed for the first time in the Works Contract Act in January 2000. It is necessary to enlarge the list of notified construction contracts. I propose to employ the revised list for all periods starting from the 1st May 1998.

29. Mandap decorators.

In 2001 I decided to introduce a residuary entry under the Lease Tax Act. As a result, several classes of lessors become liable to pay tax for the first time. The mandap decorators who supply mandaps for marriages and other functions have represented that in the nature of things the present burden of tax is heavy. The business is largely in the hands of illiterate people and provides sustenance to unskilled workers. The goods that they use for erection of mandaps have a limited life time and their charges include a substantial amount towards labour and transportation. It is necessary to take a sympathetic view of the matter. I propose to reduce the rate of tax applicable to this class of tax payers to 1.5%.

30. Special economic zones.

The units in the Special Economic Zone are exempted from payment of tax on their sales and purchases. As a measure of export promotion I propose to extend a similar concession to these units under the Works Contract Tax Act and the Lease Tax Act.

31. Recovery from co-operative societies of fishermen.

The diesel purchased by co-operative societies of fishermen is fully exempt from tax. In case of some of the societies irregularities were detected in the implementation of the scheme. The scheme was modified and a quota for diesel was fixed for each society. During assessments of these cases for previous periods, many societies have been burdened with substantial tax liability. Because of the shortage of fish, the profession is in the doldrums for the last three years. The financial position of these co-operatives is not good. The fishermen expect assistance from the Government. I have fully examined the issue. I have now decided not to recover the tax from the co-operative societies which is leviable on sales and purchases of diesel for periods prior to the 30th September 1997.

32. Sugarcane purchase Tax.

The State is facing a drought for the last three years. This has caused hardships to the sugar industry. There are large stocks of sugar available in the country. This has made it difficult to get good price for sugar. It is necessary to take some concrete steps to ensure that farmers get appropriate price for sugarcane and are not faced with a cut on account of purchase tax. The cane farmers in the State need help as never before. With such considerations I have decided to exempt from payment the sugarcane purchase tax for the crushing season 2003-2004.

33. Auto-Rickshaws.

Although transport permit holders operating goods vehicle are liable to pay Profession Tax, the same liability was fastened by the previous Government since April 1999 on Auto Rickshaws also. It has been represented to me that the burden is

too heavy on this class of tax payers. The profession provides self-employment to lakhs of young people. I propose to remove the levy with suitable retrospective effect.

34. Miscellaneous matters.

Apart from this, it has become necessary to carry out some minor changes in the Sales Tax Act on account of court decisions and also for technical reasons. Accordingly, I propose to make changes in the provisions regarding the definition of auctioneer, turnover tax, purchase tax, surcharge, assessment, penalty, set-off, cognisance of offences etc. I am suggesting minor changes in the Luxury Tax Act regarding rule making powers and the package scheme of incentives. A small change is proposed in the Entry Tax Act in order to clarify the intention.

35. Stamp duty and registration.

The Department of Registration and Stamps is the second largest revenue generating department of the State. It has achieved an overall unprecedented-increase of 75% in the last four years with a revenue of Rs. 3400 crore in 2003-04. This is a noteworthy achievement.

36. New offices.

During the last five years, operations of the stamp and registration department have been largely computerised. This has provided relief to the common citizens.

It is now proposed to open 28 new registration offices and 5 new marriage registration offices immediately to provide better and time-bound services to the citizens of the State. The collection of stamp duty will now be done through banks and post offices. The Government also envisages delegating to banks the powers to register certain documents such as those of leave and license, hypothecation, equitable mortgage, etc.

37. Reduction in stamp duty.

In order to reduce and rationalise, the rates of stamp duty, I propose to reduce the duty rates where they exceed 5% keeping in view the comparative rates applicable in

other States.

According to the suggestions of the Government of India, we propose to have Rs. 100 as the minimum stamp duty payable under Articles which require non-judicial stamp papers. However, we also propose to exempt from payment of stamp duty all types of affidavits to be filed in Government offices and Courts for obtaining Certificates of Caste, Income, Domicile, Nationality etc. Further, we propose to simplify and decentralize the process of giving refunds for unused stamps to ensure that refunds can be given in specified time limits. It is also proposed to exempt stamp duty on the documents pertaining to mortgage of gold with the Credit Societies.

38. Recognition of efforts.

The reforms initiated by this Government in the Department of Registration and Stamps have been recognized at all levels. This project has been awarded the Golden Icon Award for the Exemplar e-Governance initiative by the Government of India. The Department has obtained ISO-9001:2000 certification in its endeavours to ensure speedy and people-oriented service delivery on a sustainable basis.

39. Recognition of efforts.

The Government have taken a decision to provide the learner's licence on laminated card and the permanent licence on smart card. The tender for the same has been accepted. The project will commence in next two months. The permanent licence will be issued within two hours of making an application. The consolidated information about all the licence holders in the State will be available. This can be used to check licences at District places.

40. Conclusion.

It is now with a sense of satisfaction that I look back over the last five years. The Government had to face a terrible draught and was burdened with liabilities. We have at last succeeded in turning around the economy. A Government with empathy for the common people of India has assumed power at Delhi. Under the new dispensation,

Maharashtra will continue to be the State which introduces and implements reforms with a human face. In these difficult times the Democratic Front Government has presented progressive budgets for five successive years. It is certain that in appreciation of our efforts, the mature citizens of the State will once again provide us an opportunity to continue with our work.

41. While presenting my first budget in March 2000, I had pointed out that while the financial position of the Government is precarious, it is also necessary to seek new avenues to raise resources. While doing so, the interests of the farmers, workers and middle class will have to be kept in view. I had also promised that steps would be taken to introduce a modern taxation system.

It is now with a sense of satisfaction that I look back over the last five years. The State had to face a terrible drought. After this Government assumed power in 1999, since efforts have been made towards financial reforms. During this period the world economy as also the national economy was in the grip of recession. Nevertheless we have at last succeeded in turning around the economy. It is a matter of satisfaction that a Government with empathy for the common people of India has assumed power at Delhi. Under the new dispensation, Maharashtra will continue to be the State which introduces and implements reforms with a human face.

In these difficult times the Democratic Front Government has presented progressive budgets for five successive years. It is certain that in appreciation of our efforts, the mature citizens of the State will once again provide us an opportunity to continue with our work.

Sir, I have placed the budget proposals for the year 2004-05 before the Honourable Members of this house. For the past few years the State has suffered because the Government at the Centre was of a different political disposition. At the Centre, the people of the country have recently elected a Government of the United Progressive Alliance. The people of the State have experienced the adverse impact on development, when the Governments in the State and Centre, belong to different political formations. In the coming elections to the State Assembly, I am sure the people of the State will again reelect this Government which follows the same political philosophy as that of the Government at the Centre, so as to ensure that Maharashtra retains its premier position in all spheres.

JAI HIND! JAI MAHARASHTRA!