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অসম চৰকাৰী ছপাশালত মুদ্ৰিত
গুৱাহাটী - ৭৮১০২১



सत्यमेव जयते

BUDGET SPEECH

1994-95

March 17, 1994

Shri JIBA KANTA GOGOI

FINANCE MINISTER, ASSAM

Mr. Speaker, Sir,

It is with a sense of great privilege that I rise to present the Budget estimates of the Government of Assam for the year 1994-95 before this August House.

2. When the present Government came to power in June, 1991 the State was passing through a very difficult time on many fronts, particularly, on economic and financial side. That was also the time when the national economy was in a very critical condition. The Government at the Centre, have stabilised the national economy with remarkable success within the short period of less than three years. In the State also we have been able to avert a crisis . For smooth economic development and financial stability, a peaceful atmosphere is the most important pre-condition. And this is precisely what was missing when this Government took over in June, 1991. Within this time span of less than three years, we have been able to bring back the atmosphere of peace and amity to the State. Today we can look forward to the future

with hope and confidence. Although there had been some incidents during the last few months, the State Government is fully in control of the situation and the Government is committed to curb all violent activities. We are, therefore, in a much better position to plan and implement the developmental activities and improve the quality of life of our people.

3. Despite many odds, the financial position of the State has been stabilised to a remarkable extent. It is a well known fact that finances of almost all the States came under great strain in the wake of structural adjustments and fiscal and monetary reforms. Compared to some other States, Assam has been able to come out relatively unscathed. In preparing the 1994-95 budget the greatest importance has been given on the economic development of the State. Development of Agriculture and Industry, generation of employment particularly in the rural areas, improvement of the power situation, rural development and all-round welfare of the youths and students have been given special attention.

State Income 4.

According to the quick estimates, the Net State Domestic Product (NSDP) in 1992-93 has been worked out at Rs. 11,736 crore at current prices and Rs. 4,516 crore at constant (1980-81) prices. The comparable figures of the previous year are now provisionally estimated at Rs. 10,430 crore and Rs. 4,285 crore respectively. This represents an increase of 12.5% at current prices and 5.4% at constant prices in 1992-93 over the previous year. The per capita income in 1992-93 has been estimated at Rs. 5056 at current prices and Rs. 1945 at constant prices (1980-81) recording an increase of 10.1% at current prices and 3.1% at constant prices over the previous year.

Prices

5. The rising trend of prices continued in 1993 as is evident from the movement of both wholesale and consumer price index. The average wholesale price index from January to October, 1993 increased by 2.7% over the same period of the previous year. Similarly, the consumer price index for working class (base 1949) also displayed a rise of 7.4% in the first eleven months of 1993 compared to the same period of 1992. The

rising trend of prices is likely to be more pronounced in the later part of the year due to the recent hike in administered prices and railway freight by the Central Government. However, State Government would continue its efforts to supply essential commodities through the public distribution system to provide relief to the consumers. Supply of rice at further subsidised rates to the people living below the poverty line will also continue .

Employment

6.1 According to the live register of Employment Exchanges, the number of job-seekers in the State increased from 13.81 lakhs at the end of September, 1992 to 13.84 lakhs at the end of September, 1993 recording an increase of 0.2%. Out of the total job-seekers at the end of September, 1993 educated job seekers numbered 8.7 lakhs constituting 62.8%. The total number of women job-seekers as on that date was 2.88 lakhs and that of SC and ST 0.88 lakhs and 1.57 lakhs respectively.

6.2 So far the State Government has been the single largest employer in the State. Given the magnitude of the un-employment

problem, it cannot be solved by creating jobs in Government offices or in the Public Sector. We have, therefore, re-oriented our policies to facilitate growth of the Private Sector in the State, so that employment opportunities are created. We propose to help promote the spirit of enterprise among the younger generation so that they take up economic activities for gainful self-employment. It is with this end in view that during 1994-95 we propose to send at least five thousand young men and women for business/industrial study tours outside the State so that they get exposed to the different ways in which firms in some of the fastest developing States are taking initiative and establishing a wide range of enterprises. We hope this will give our younger generation much needed insight and inspire confidence in their in-nate abilities for initiative and enterprise.

6.3 We would, besides this, continue the relief provided to un-employed graduates registered with the Employment Exchanges under the Assam Un-employment Assistance Scheme. We have also sought financial support from the 10th Finance Commission for

extension of coverage of the scheme and enhancement of the existing rate of relief.

6.4 The State Government has recently constituted an Advisory Committee with the Hon'ble Chief Minister as the Chairman for the all round welfare of the youth and student community of the State. The Plan budget allocation for Sports and Youth Welfare for 1994-95 has been increased from Rs. 2.00 crore to Rs. 4.92 crore.

Institutional 7.1

Finance

In recent years, ~~facilities~~ though there has been an expansion in bank branches in the State, Assam continues to be relatively underbanked when compared with the rest of the country. The total number of scheduled commercial bank branches in the State at the end of September, 1993 stood at 1225. In terms of population coverage this represents one bank for every 18,000 population as against the national average of 14,000. The volume of bank deposits has increased from Rs. 2522 crore in September, 1992 to Rs. 2914 crore in September, 1993, representing a growth of 15.5% . Over the same period, the deployment of credit has

increased from Rs. 1240 crore to Rs. 1286 crore which means an increase of 3.7%. Based on these figures, the credit- deposit ratio works out to 44.1% in September, 1993 as against the national average of 58.5% during the same period.

7.2 Government is acutely aware of the need to further augment the banking facilities and to improve the credit- deposit ratio and would continue to take necessary steps towards attaining these objectives.

Small Savings

8. The Small Savings movement has made much progress in our State and efforts to strengthen it are being promoted by a campaign to motivating people to participate in a big way. 75% of the net collection of Small Savings made in the State are received by the State as loan assistance. The State accordingly received Rs. 94.89 crore on this account in the last financial year, while in the current year we have so far received about Rs. 90 crore upto January, 1994 and we expect to exceed the last year's total during the current year. This feat is all the more remarkable in view of the fact that

attractiveness of the Small Savings schemes have been adversely affected by the introduction of more attractive investment schemes by the commercial banks and by the rising trend of the share prices in the stock markets.

Annual Plan 9.1 The Annual Plan outlay for
outlay 1994-95 has been approved by the Planning Commission at Rs. 1051 crore consisting of Rs. 978.83 crore for the General Areas and Rs. 72.17 crore for the Hill Areas. The General Areas Plan outlay includes an amount of Rs. 109.75 crore for the Tribal Sub-Plan and Rs. 73.33 crore for the Scheduled Caste Component Plan. The Tribal Sub-Plan, Scheduled Caste Component Plan and Hill Plan will be further supplemented by additive Central assistance. Pending finalisation of this, the amounts for such assistance have been tentatively kept at Rs.12.40 crore, Rs. 3.04 crore and Rs. 42.05 crore respectively. One remarkable feature of next year's Plan outlay is that an amount of Rs. 41.31 crore has been specifically allocated for the Bodo Autonomous Council areas.

9.2 Within the State Plan the Social Services Sector with an allocation of Rs. 383.10 crore representing 36% of the total outlay has been accorded the highest priority. The Energy Sector comes next with an allocation of Rs. 192.19 crore constituting 18% of the total outlay. Agriculture and Allied services follow with an allocation of Rs. 139.33 crore accounting for 13% of the total.

Agriculture 10.1 The performance profile of the agricultural sector remains, by and large, satisfactory, thanks to the dynamic response of the farmers to the various policies and programmes pursued by the Government. It is expected that food grains production will reach 38.78 lakhs tonnes mark in 1993-94. The target set for the next year is 39.71 lakhs tonnes. The major thrust of our programmes for the coming year would be to boost up production of pulses, fruits, spices and other cash crops. In view of the tremendous potential for horticulture crop production, the Government proposes to set up a separate Directorate of Horticulture in 1994-95. An

outlay of Rs. 71.92 crore is proposed for agriculture in 1994-95 Annual Plan compared to Rs. 69.40 crore in the current year.

10.2 One important impediment on agricultural development is the inadequate flow of institutional credit. Not only in Assam but for the country as a whole, agricultural credit as a percentage of total institutional credit has declined in the recent past. The Union Finance Minister has announced a number of measures including improving the capital base of the Regional Rural Banks. I also propose in 1994-95 budget to contribute Rs. 15 lakhs as the State Government's share contribution to the RRBs operating in Assam. The State Government is in constant touch with NABARD and other Commercial banks for improving their flow of credit to the agricultural sector in the State.

Power

11.1 Power is a very important infrastructural input for industrial development and an essential source of energy for everyone. Therefore, the efficient generation, transmission and distribution of power is a pre-requisite for the future

industrial growth of the State.

11.2 The overall performance of the energy sector continues to be a matter of concern. Though the installed capacity of power in the State is 514 MW, the actual output is much below the installed capacity. This is because the Assam State Electricity Board is severely handicapped by resource constraints to maintain even its on-going projects. There is a serious mis-match between the average cost of generation and tariff per unit. Given the need to make the organisation commercially viable, it is imperative to revise power tariff to an economic level and the revision of tariff is presently under consideration. Simultaneously, initiative has been taken to improve the energy scenario in the State with the possible involvement of private investors both domestic and foreign. The Projects identified for this purpose are : Karbi Langpi Hydro Electric Project, Namrup Thermal Power Extension Project, Gas based Projects at Amguri, Adamtilla and Baskandi. Meanwhile, the

recommissioning of Bangaigaon Thermal Power Station has improved the power situation in the Lower Assam Districts. The approved Annual Plan outlay for power in 1994-95 is Rs. 191.69 crore.

Industries

12.1 After the introduction of the new Industrial Policy by Government of India in 1991, the industrial prospects and environment in the country have undergone a qualitative change. The emphasis and thrust is on de-control and de-regulation to promote efficiency and competition in the market. Yet these steps have a different impact on different parts of the country. In Assam, Government will have to continue to play an important role as a promoter and as a catalyst. The State has taken a number of steps for privatisation of sick State level Public Sector Enterprises and also to attract private industrial houses to come and invest here. We are also trying to participate in important industrial projects by providing a contribution to the share capital and other incentives as have been deemed necessary. The Numaligarh

Refinery Project is a case in point. For the year 1994-95 we have provided necessary funds for State Government's participation in the Numaligarh Refinery Project, the Assam Gas Cracker Project and in a number of projects in the assisted sector. Work on Numaligarh Refinery site has already started. Vigorous efforts are on to select a suitable co-promoter for the Assam Gas Cracker Project. An MOU has been signed between AIDC Ltd. and Allied Raisins and Chemicals Ltd. for setting up a 108 MT Methanol Plant at an estimated cost of Rs. 75 crore in the assisted sector. Two growth centres- one each at Balijana in Goalpara District and at Balipara in Sonitpur District have been approved by the Central Government. Another growth centre has been proposed in the Kamrup District. Each of these growth centres has been conceptualised as a self-contained industrial park.

12.2 The Small Scale Sector as well as the Village and Cottage Industries sector have great potential in Assam. It is a well known fact that the employment- capital ratio in the Small

Scale sector is much higher than the large and medium sector. Our strategy therefore is to create conditions for large scale promotion of Small Scale industries in the State. Apart from adding to the State domestic product such a strategy is also expected to mitigate the unemployment problem to a large extent. The importance given to the small scale sector and village industries can be gauged from the fact that in the 1994-95 budget I have provided for Rs. 29.00 crore for this sector as compared to Rs. 20.40 crore in 1991-92.

Education

13.1 We are committed to implement the "**Education For All Programme**" and hope to achieve it by the turn of the century. Accordingly, we have taken up expansion programme of Primary and Adult Education. Under the total literacy programme, we propose to make everybody between the age group of 14 years to 35 years literate. During 1994-95, 12 Districts are proposed to be covered by the total literacy programme. The Districts of Dhubri, Darrang, Morigaon and Karbi Anglong which are considered to be very

backward in terms of literacy have been taken up under the "District Primary Education Project". This is a World Bank funded programme. This programme will not only improve the basic infrastructure of Primary Education but also extend nutritional help to the needy. The programme would be of 5 years duration and would cost Rs. 160 crore.

13.2 In the sphere of Secondary Education we propose to set up 9 Navadoya Vidyalaya in the State by the end of the year 1994-95.

13.3 In the sphere of Higher Education the important developments are the progress made in setting up of the two Central Universities at Silchar and Tezpur and the I.I.T at Guwahati. Both the Central Universities have been made operational from 15th January, 1994 and the Vice-Chancellors and Registrars have already assumed office.

13.4 A full time Project Director for

the I.I.T at Guwahati has already assumed office. The Government of India has already made necessary provisions of funds in the 1994-95 budget for this project.

13.5 The State Government is aware of the financial difficulties faced by the Guwahati and Dibrugarh Universities. This is not a problem peculiar to these two Universities. Almost all the Universities in the country are facing similar financial problems. But we will see to it that the quality of academic excellence of these two Universities do not deteriorate due to financial problems. The State Government wants these premier Universities of the State to achieve new heights of academic excellence. Therefore, in 1994-95 budget we have proposed significant increases in the non-plan grant to these two Universities. Similar enhancement has also been proposed for the Assam Agricultural University.

Health

14.1 In the Health Services sector our goal is "**Health For All**" by 2000 AD. Due importance has also been given to the

development and expansion of Homoeopathic, Ayurvedic and other indigenous systems of medicine. The Family Welfare programme is a centrally sponsored scheme with 100% central assistance. Through this scheme we have been endeavouring to reduce and stabilise the rate of growth of population in the State.

14.2 In order to make a significant progress in regard to family welfare and mother and child health care, the State Govt. submitted a project for World Bank Assistance. The project with a cost of Rs. 101 crore has been already appraised and accepted by the World Bank for financing during 1994-95. During 1994-95 an expenditure of approximately Rs. 16 crore is envisaged under this. The project will result in substantial upgradation of infrastructural and logistic capabilities such as Drug Ware Houses and transport, which will qualitatively improve the IEC (Information, Education & Communication) and training programme. We have also taken special steps to improve the facilities in all the three Medical Colleges in

the State by providing more funds.

Rural Development 15. Almost 89% of our State's population live in the rural areas. Rural Development with creation of infrastructure and improvement in the quality of life of the rural poor is therefore the State Government's most important developmental priority. Remarkable progress have been made during the last couple of years. The important programmes under implementation are IRDP, Jawahar Rozgar Yojana, IREP and the Employment Assurance Scheme. Of late, even the repairing of the breaches in embankments in many areas have been undertaken through the DRDAs. During the last three months almost Rs. 90.00 crore have been released for rural development works. Rs. 37.55 crore have been provided for rural development in 1994-95 State Budget as compared to Rs. 30.00 crore in the current year's budget. This step up in the State budget will have a multiplier effect on Central shares for the Rural Development Schemes. For Jawahar Rozgar Yojana and Employment Assurance

Scheme alone Rs. 108.00 crore will be available during 1994-95 as State and Central shares. I am sure this will have a positive beneficial impact on the allround development of rural areas.

**Welfare of
Backward
Classes**

16. For the socio-economic uplift of the people belonging to SC/ST/OBC and Tea Garden Tribes Government have been implementing special schemes intended to improve health, education, roads, drinking water facilities etc. These schemes supplement the general plan schemes implemented by different departments. From the approved State Plan outlay for 1994-95 an amount of Rs. 109.75 crore has been allocated for Tribal Sub-Plan and Rs. 73.33 crore for Scheduled Caste Component Plan. The above allocations will be further augmented by additive Central assistance of Rs. 12.40 crore and Rs. 3.04 crore respectively.

**Bodoland
Auto-
nomous
Council**

17. The Bodoland Autonomous Council was created in 1993. The Council have already started functioning. Two senior IAS officers have already been posted as Principal

Secretary and Secretary of the BAC. Other officers and staff have also been deputed from the State Government to the Bodoland Autonomous Council. Although no separate provisions were made for BAC in 1993- 94 budget, necessary funds were provided to the BAC during the year both under Plan and Non-plan. The amount of plan fund provided was Rs. 37.19 crore and the amount of non-plan fund was Rs. 1.00 crore. For 1994-95 a lump sum Grant-in-aid of Rs. 5.00 crore has been proposed for the BAC under non-plan. An amount of Rs. 41.31 crore has been proposed under the plan. An official Committee is examining further devolution of plan fund to Bodoland Autonomous Council.

Hill Areas

18. Over the years, State Government have been laying great importance on allround development in the two Hill Districts. The main thrust has been in the improvement of communication and infrastructure and propagation of the practice of settled cultivation by giving up the traditional practice of Jhum cultivation which is also

environmentally harmful. The approved outlay for Annual Plan 1994-95 includes Rs. 72.17 crore for Hill Areas. This will be further supplemented by additive Central assistance of Rs. 42.05 crore. Even on the non-plan side the State Govt. is committed to meeting the full salary requirements of all the already sanctioned posts of teachers in the hill districts.

**Mahila
Samriddhi
Yojana**

19.1 In order to develop a habit of thrift and create a sense of financial security among the women Hon'ble Prime Minister announced the Mahila Samriddhi Yojana in August, 1993. Under this yojana, poor women will be motivated to open Savings Bank Accounts in Post Offices. For the first 300 Rupees deposited by women, the Govt. of India will give Rs. 75/- as grant.

19.2 Many women may not be able to open savings bank accounts in the Post Offices either due to poverty or due to ignorance. State Government, therefore, proposes to help the women to open such accounts by providing the initial amount of Rs. 10/- as State Government grant. For 15 lakh women the

amount required will be Rs. 1.5 crore. To my mind, Assam is the first State in India to initiate such a novel step.

Annuities to Religious and Charitable Institutions

20. Some Religious and Charitable institutions of public nature whose excess lands were acquired by the State Government receive an annuity. But for many years the amount of this annuity has remained the same. Meanwhile prices have gone up manifold. As a result many such institutions are on the verge of closure or are finding it extremely difficult to maintain themselves. I have therefore, proposed to increase this amount by increasing the budget provision for this purpose to Rs. 150.00 lakhs in 1994-95. I also propose to streamline the arrangements to release such enhanced annuities to the institutions so as to ensure regular and timely payment.

Remuneration to Gaon Burhas

21. The remuneration to Gaon Burhas at present is Rs. 250/- per month. Perhaps this is a small amount compared to the price level today. The State Govt. is, therefore, considering increasing this amount to Rs.

500/- per month. More importantly, I propose to remove the existing restrictions on drawal of funds so that payment of remuneration to the Gaon Burhas can be done on a monthly basis.

Regular 22. I also propose to withdraw similar
payment of restrictions on drawal of funds in regard to
Scholarships payment of scholarship money to the students; so that the scholarship money can also be paid on time on a monthly basis to avoid any hardship to our meritorious students.

State 23.1 The finances of the State
Finances Government have been passing through a very difficult time during the last few years. The main reason for these difficulties is the fact that our expenditure has been going up at a rate higher than that of our receipts. The single biggest factor for this increase in expenditure is the increase in the number of Government employees as well as their salaries and dearness allowances. Another important contributor to the rapid increase in government expenditure is increasing cost in maintenance of law and order. Most of these

expenditure are Non-plan expenditure. As a result of this very little resources can be spared for contributing directly to the developmental needs. We have, therefore, tried our best to curb the growth of Non-plan expenditure. When I presented the budget for 1993-94, I estimated an amount of Rs. 3009 crore as Non-plan expenditure. Hon'ble Members may be happy to know that according to the revised estimates, which includes the Supplementary Demands that have just been passed by this August House, the State's Non-Plan expenditure during the year is likely to be restricted to Rs. 3059 crore. This I consider to be a remarkable achievement of the present Government. We shall continue our endeavour to restrict our Non-plan expenditure within reasonable limits as far as possible. Hon'ble Members will also appreciate that during the year 1993-94, a number of steps were taken to enforce strict financial discipline in all departments of the Government. The procedure of incurring expenditure and keeping of proper accounts have been streamlined.

23.2 The Plan budget for 1993-94 was estimated at Rs. 1027 crore. This included an amount of Rs. 80 crore for the Amguri Power Project. But this Project did not materialise during the year. So the effective plan budget came down to Rs. 947 crore. This was further reviewed and revised to Rs. 870 crore in consultation with the Planning Commission. Necessary steps have been taken and we hope to fully protect this revised Plan outlay of Rs. 870 crore during the year.

23.3 I mentioned in my last year's budget speech about the mounting debt burden on the State Government. Despite the changed pattern of Central assistance for State Plan from 70% loan and 30% grant to 10% loan and 90% grant with effect from 1.4.90, there was no immediate relief to our debt servicing burden. This has been so because the liabilities on account of loans taken prior to 1.4.90 remain outside the purview of the changed pattern of Central assistance. The positive impact of the changed pattern of Central assistance will be felt progressively

more and more in the coming years. Despite the above facts, I am happy to inform this August House that we have been able to reduce our overall debt burden during the last two financial years. For example, outstanding public debt which stood at Rs. 4229 crore in 1991-92 came down to Rs. 4090 crore at the end of 1992-93. Hon'ble members will surely agree with me that this reduction in our debt burden is a creditable achievement.

23.4 I propose an amount of Rs. 3110 crore as Non-plan expenditure for the year 1994-95 as compared to Rs. 3059 crore in the revised estimates of 1993-94. For plan expenditure I propose Rs. 1051 crore for 1994-95 as compared to the revised estimate of Rs. 870 crore for 1993-94. Even at the cost of being repetitive, I would like to reiterate that we shall continue to make all out efforts to curb the growth of Non-plan expenditure during 1994-95. While preparing the budget estimates for 1994-95, I have taken utmost care to ensure fiscal discipline in all departments of the State Government. Adequate care has been taken to curb all

avoidable expenditure and increase the proposed expenditure in the areas relating to the more urgent needs of the society.

Impact of
Union
Budget on
State
Finances

24. Hon'ble Members are aware that devolution of the share of Central taxes and duties constitute a major source of our revenue. State Government receives 85% of the net proceeds of Income Tax and 45% of the net proceeds of Union Excise Duty. Excise duty relief on a wide range of consumer goods and raising of Income Tax exemption limit announced in the 1994-95 Union Budget together with exemption from payment of Union Excise Duty on production of tea as earlier announced will adversely affect the quantum of State's share through devolution because of reduction in the net proceeds of such taxes and duties. Moreover, the pre-budget hike in administered prices of commodities like petroleum, levy sugar etc. instead of increasing excise duty will also deprive the State Govt. of substantial revenue.

Tenth
Financ
Commission

25.1 Hon'ble members are aware that the Tenth Finance commission was constituted in 1992. The award of the Tenth Finance

Commission will be operative from 1st April, 1995 to 31st March, 2000 AD. The award of the Ninth Finance Commission did not fully meet the needs of the State. We have made a strong plea before the Tenth Finance Commission about the problems of the State and the financial resources needed to solve these problems. Many of the problems plaguing the State have national ramifications and importance. We have also highlighted the fact that the New National Economic Policy and the structural adjustment process concomitant thereto is not likely to benefit States like Assam in the near future. Therefore, it is all the more necessary for the Tenth Finance Commission to make a special dispensation for states like Assam.

25.2 The Tenth Finance Commission headed by Shri K.C. Pant visited the State in October, 1993 and held detailed discussions with the State Government as well as with different political parties and representatives of trade, commerce and industries. The State Govt. has projected a deficit of Rs. 15,125 crore on the revenue account and Rs. 1939

crore on the capital account for the 5 year period beginning 1st April, 1995. We have represented before the Tenth Finance Commission to meet this gap. In addition to this, we have asked for an amount of Rs. 1010 crore for modernisation and upgradation of administration which includes Rs. 501 crore for construction of the State's permanent capital. Besides this the revenue deficit of Urban Local Bodies including Guwahati Municipal Corporation amounting to Rs. 88 crore has also been projected for consideration of the Commission.

25.3 I hope the Tenth Finance Commission will be sympathetic to our problems and needs and that its award will meet our full requirements.

External
Assistance

26. Compared to the problems of the State our financial resources have been inadequate. Our main sources of finances have been the State's own resources, plan assistance from the Central Govt. and devolution of resources from the Centre to the State on the basis of the awards of the successive Finance

Commissions. So far our efforts at securing external assistance from the International Organisations like the World Bank, Asian Development Bank etc. did not meet with much success. For instance, the quantum of such external assistance was only Rs. 5 crore in 1992-93. But the present Government have taken it up very seriously and significant break-through have already been made in the Education sector and in the Health and Family Welfare sector. I have already mentioned about World Bank assistance of Rs. 101 crore in the Health & Family Welfare sector and Rs. 160 crore for Primary Education. Encouraged by this success, we are determined to pursue these sources of finances for accelerated flow of external assistance to other equally important sectors like Agriculture, Urban Development, Power, Environmental protection, Brahmaputra Flood Control and Rural Development.

Taxation

27.1

I propose to introduce two bills

namely :

(a) The Assam General Sales Tax (Amendment) Bill, 1994 to incorporate provisions for levy of tax on containers sold with exempted items and also to empower Central Government Departments and Central Government Undertakings to deduct taxes from suppliers' bills and to deposit the amounts.

27.2 (b) The Assam Agricultural Income Tax (Amendment) Bill, 1994 to incorporate provisions for collecting taxes in advance in the same financial year during which the assesseees earn income by switching over to the procedure of 'Pay while you earn'.

27.3 I also propose to introduce three other bills namely, the Assam Taxation (on specified lands) (Amendments) Bill, 1994, The Assam Agricultural Income Tax (Amendment) Bill, 1994 and the Assam Taxation (on specified lands) Amendment) Bill, 1994 to replace the three Ordinances promulgated on

1st. and 2nd. February, 1994.

27.4 Hon'ble Members are aware of the need to mobilise additional resources for the further development of the State. It has therefore, become necessary to enhance the rates of sales tax on some items of Schedule II of the Assam General Sales Tax Act, 1993 and these are outlined below :

(1) Pipes and tubes of all kinds including hume pipe and their fittings from the present 8 paise in the rupee to 12 paise in the rupee.

(2) Tyres etc. as mentioned in serial 20 of Schedule II from 8 paise in the rupee to 11 paise in the rupee

(3) All other products obtained as derivatives of petroleum and/ or natural gas from 2 paise in the rupee to 10 paise in the rupee.

(4) Petroleum gas and natural gas from 8 paise in the rupee to 12 paise in the

rupee.

(5) Diesel oil and other internal combustion oils other than petrol from 11 paise in the rupee to 16 paise in the rupee.

(6) Other motor sprits (except Diesel oil and internal combustion oils other than petrol) from 12 paise in the rupee to 17 paise in the rupee.

(7) A higher rate of 10 paise for superior quality timbers.

27.5 Apart from the above proposals, all steps will be taken to maximise the collection of taxes within the framework of the existing taxation laws of the State.

Accounts
1992-93

28. While presenting the Budget Estimates of 1993-94, it was anticipated that the year 1992-93 would close with a positive balance of Rs. 36 crore. The year however actually closed with a deficit of Rs. 160 crore as per accounts furnished by Accountant General, Assam.

ANNEXURE -I

Abstract of Transactions

(In lakhs of Rupees)

Actuals	Budget	Revised	Budget
1992-93	Estimates	Estimates	Estimates
	1993-94	1993-94	1994-95

A. RECEIPTS :				
I Consolidated Fund				
Revenue Account	26,13.23	29,56.32	28,60.87	35,83.07
Capital Account	84,747	104,817	11,39,65	11,50,97
Total	34,60.70	40,04.49	40,00.52	47,34.04
II Contingency Fund Account	10.07			
III Public Account	17,23.76	15,97.05	15,97.05	16,91.50
Total (I+II+III)	51,94.53	56,01.54	55,97.57	64,25.54
B EXPENDITURE :				
I Consolidated Fund				
Revenue Account	24,50.93	27,74.50	27,89.07	31,41.78
Capital Account	14,02.42	15,47.69	14,38.14	14,67.97
Total	38,53.35	43,22.19	42,27.21	46,09.75
II Contingency Fund Account	1.48			
III Public Account	15,81.21	15,62.33	15,62.33	16,40.61
Total (I+II+III)	54,36.04	58,84.52	57,89.54	62,50.36
C TRANSACTIONS DURING THE YEAR :				
Surplus (+)				1,75.18
Deficit (-)	2,41.51	2,82.98	1,91.97	
D OPENING BALANCE				
Surplus (+)	81.36	1,20.38		
Deficit (-)			1,60.15	3,52.12
E CLOSING BALANCE				
Surplus (+)				
Deficit (-)	1,60.15	1,62.60	3,52.12	1,76.94

