

[Shri Yeshwantrao Chavan]

the present Agreement, the maritime boundary between India and Sri Lanka stands settled along its entire length. The two countries shall exercise full sovereignty and absolute jurisdiction on their side of the maritime boundary. Both countries have agreed that after the determination of the maritime boundary, fishing vessels and fishermen of one country shall not engage in fishing in the waters of the other. However, the immediate extinction of fishing activity by Sri Lanka would have caused certain amount of economic dislocation. As a gesture of goodwill towards a friendly neighbour, we have agreed that the fishing activity by Sri Lanka in the Wadge Bank may be phased out within a period of three years from the date of establishment by India of its exclusive economic zone. During this period of three years, Sri Lanka may continue to fish at the same level of activity as at present.

Though the documents will speak for themselves, I would like to record that along with the Agreement of June 1974, these two agreements constitute an important milestone in the strengthening of friendly relations between India and Sri Lanka.

With these words, I beg to lay the texts of the two agreements before the House.

[Placed in library. See No LT-10517/76].

12.05 hrs.

GUJARAT BUDGET—1976-77

THE MINISTER OF FINANCE (SHRI C. SUBRAMANIAM): Sir, I beg to present a statement of the estimated receipts and expenditure of the State of Gujarat for the year 1976-77.

BUDGET OF THE GOVERNMENT OF GUJARAT FOR 1976-77

Sir,

The House is aware of the circumstances in which the administration of the State of Gujarat has been taken over by the President on the 12th March, 1976. The State Government had presented their Budget for 1976-77 before the State Legislature on the 13th February, 1976, but it had not been passed by the State Legislature before the Presidential rule was imposed in Gujarat. Consequently, I lay on the table of the House the Annual Financial Statement of the State of Gujarat for the financial year 1976-77.

Revised Estimates for 1975-76

2. The Budget Estimates for 1975-76 had envisaged a revenue surplus of Rs. 27.93 crores and a deficit of Rs. 3.27 crores due to the overall transactions in the Revenue and Capital accounts during the current financial year. In the Revised Estimates, the revenue surplus is estimated at Rs. 33.83 crores and the overall deficit at Rs. 30.95 crores. Taking into account the opening minus balance of Rs. 22.95 crores, the current financial year is expected to close with a minus balance of Rs. 53.90 crores. This is the estimated year-end position even after taking into account additional accruals to the State Government on account of their share of Central taxes to the tune of Rs. 14.31 crores, mainly on account of income tax under the Voluntary Disclosure Scheme, and additional Central assistance of Rs. 1.39 crores for the State Plan, Rs. 7.30 crores for Kadana and Mahi Bajaj-sagar Projects and Rs. 9.15 crores for works of Plan nature consequent on floods and cyclone. The large negative balance of the State at the close of the current year is primarily due to the expenditure incurred on

drought relief during 1974-75 and 1975-76.

Economic Situation

Budget Estimates for 1976-77

3. Revenue receipts in 1976-77 are estimated at Rs. 483.28 crores, including the anticipated revenue of Rs. 280 crores on account of the additional taxation measures given effect to recently in respect of sales tax on motor spirit and entertainment duty. The expenditure to be met from Revenue Account is estimated at Rs. 439.25 crores leaving a revenue surplus of Rs. 44.01 crores. Disbursements on the Capital Account are estimated to exceed the capital receipts by Rs. 33.19 crores. Thus, taking the Revenue and Capital Accounts together, the overall transactions of the year 1976-77 are estimated to result in a surplus of Rs. 10.82 crores. However, taking into account the opening minus balance of Rs. 53.90 crores referred to earlier, the year 1976-77 is expected to close with a minus balance of Rs. 43.08 crores. In order to cover a part of the deficit, it is proposed to undertake additional resource mobilisation measures to the tune of Rs. 17.66 crores, as a result of which it is expected that the minus balance at the end of the year 1976-77 would be brought down to Rs. 25.42 crores. During the course of the year, further efforts will be made through better collection of tax and non-tax revenues and economies in expenditure to reduce the deficit still further.

It may be mentioned that the above estimates include, apart from the normal Central assistance of Rs. 32.17 crores for the State Plan, a 10 per cent step up in the Central assistance for the Plan and market borrowings, an advance Plan assistance of Rs. 10 crores for the State Plan, and special assistance of Rs. 3 crores for the tribal sub-Plans.

4. In the wake of the favourable monsoon, the State economy has shown signs of good recovery. It is estimated that the foodgrain production in the State during 1975-76 will be about 47.15 lakh tonnes surpassing the previous best of 44 lakh tonnes in 1970-71. It is estimated that the production of groundnut during the year will be 18.80 lakh tonnes, and of cotton, 18 lakh bales. As a result of the increase in foodgrain production and the measures taken to contain inflation, the prices of agricultural produce have shown a welcome downward trend, bringing considerable relief to the poor and middle class people. The industrial field also witnessed a steady growth.

State Plan Outlay for 1976-77

5. The State Plan outlay for next year has been fixed at Rs. 193.25 crores. Rs. 129.43 crores, amounting to two-thirds of the Plan outlay, has been allocated for schemes covered under the 20-Point Economic Programme. The power sector with an outlay of Rs. 70 crores and irrigation sector with an outlay of Rs. 48.13 crores account for over 60 per cent of the approved Plan outlay. The installed capacity of power generation in the State is expected to go up to 1682 MW at the end of the current year with the commissioning of the 4th unit of the Ukai Hydro Project (75 MW) and two units of the Ukai Thermal Project (120 MW each). The work on the Gandhinagar Thermal Station (240 MW) is in progress and the Station is expected to be commissioned next year, raising the total installed capacity to 1922 MW at the end of 1976-77. In the irrigation sector, the emphasis would be on speeding up the progress of the continuing projects, like Ukai, Kadana, Dharoi, Panam and Bajaj-sagar projects. The Plan outlay provides Rs. 15 crores for tribal sub-Plans, which would be supplemented to the tune of Rs. 3 crores by special Central assistance.

[Shri C. Subramaniam]

6. With these words, I seek the approval of the House to the Budget Estimates for 1976-77 in respect of the State of Gujarat.

THE MINISTER OF WORKS AND HOUSING AND PARLIAMENTARY AFFAIRS (SHRI K RAGHUBAMAIAH): About the Gujarat Budget, subject to the passing of the Statutory Resolution approving the Proclamation issued by the President in relation to the State of Gujarat, subject to the completion of the discussion on the Statutory Resolution, we would like to take up the Gujarat Budget tomorrow.

MR SPEAKER: Is it the pleasure of the House? Yes.

12.06 hrs.

TAMIL NADU BUDGET, 1976-77—
 GENERAL DISCUSSION, *DEMANDS
 FOR GRANTS (TAMIL NADU)
 1976-77 AND
 SUPPLEMENTARY *DEMANDS FOR
 GRANTS (TAMIL NADU), 1975-76

MR. SPEAKER. We shall now take up the Tamil Nadu Budget. Items Nos

11, 12 and 13 will be discussed together. The time allotted is 2 hours.

Motion moved:

"That the respective sums not exceeding the amounts on Revenue Account and Capital Account shown in the third column of the order paper, be granted to the President out of the Consolidated Fund of Tamil Nadu to defray the charges that will come in course of payment during the year ending the 31st day of March, 1977, in respect of the heads of demands entered in the second column thereof against demands Nos 1 to 57"

Motion moved:

"That the respective Supplementary sums not exceeding the amounts on Revenue Account and Capital Account shown in the third column of the order paper, be granted to the President out of the Consolidated Fund of Tamil Nadu to defray the charges that will come in course of payment during the year ending the 31st day of March, 1976, in respect of the heads of demands entered in the second column thereof against —

Demand Nos 1, 4, 9 to 12, 14 to 28, 30 to 39, 41 to 45, 48 to 53 and 55 to 57."

Demands for grants (Tamil Nadu) 1976-77

No. of Demand	Name of Demand	Amount of Demand for Grant submitted to the vote of the House	
		Revenue Rs.	Capital Rs.
1	2	3	
1	Land Revenue Department	3,90,73,000	..
2	State Excise Department	53,65,000	..
3	Motor Vehicles Acts—Administration	78,25,000	..

Approved with the recommendation of the President.