



# *Speech*

OF

MR. MOHAMMAD HANEEF RAMAY,  
FINANCE MINISTER, PUNJAB

INTRODUCING  
THE SUPPLEMENTARY BUDGET STATEMENT

FOR THE YEAR

1971-72

IN THE

PROVINCIAL ASSEMBLY OF THE PUNJAB

ON

SATURDAY, THE 17TH JUNE, 1972

**Speech of Mr. Mohammad Haneef Ramay, Finance Minister, Punjab, introducing the Supplementary Budget for the year 1971-72.**

MR. SPEAKER, SIR,

I rise to present the Supplementary Budget for the year 1971-72. It is customary for the Finance Minister to review the financial position of the Province at the time of presenting the Annual or the Supplementary Budget. Since I am due to present before this House the Annual Budget for 1972-73 tomorrow, I shall confine myself, for the present, to giving you the background of the demands being presented as part of the Supplementary Budget. I shall be reviewing the position of the finances of the Province during 1971-72 as part of my budget speech on the 18th June, 1972.

The Supplementary Budget Statement being placed before the House comprises 5 demands totalling Rupees six crore, ninety-three lac, sixty thousand, seven hundred and sixty (Rs. 6,93,60,760). Three of these demands relate to purely accounting adjustments and two pertain to the discharge of pensionary liabilities in respect of retired Government servants.

The first demand amounting to Rupees three lac, seventy-eight thousand, six hundred & forty (Rs. 3,78,640) under the head "7—Land Revenue" is being presented in order to carry out an adjustment in the accounts of the assets and liabilities of the defunct Thal Development Authority. The background of this demand is that an amount of Rupees seven lac, forty thousand, one hundred & eighty (Rs. 7,40,180) representing lease money in respect of certain State land under the management of the Thal Development Authority was erroneously deposited into Government account. This money is to be technically shown as having been refunded to the Thal Development

Authority. Since the Thal Development Authority already stands dissolved, the amount will be refunded in a technical sense only as it would be adjusted against the Government loan outstanding against the Thal Development Authority. An amount of Rupees three lac, sixty-one thousand, five hundred and forty (Rs. 3,61,540) can be met from savings within the grant and a supplementary demand of Rupees three lac, seventy-eight thousand, six hundred & forty (Rs. 3,78,640) (non-recurring) is, therefore, being presented to enable full adjustment of the refund of Rupees seven lac, forty thousand, one hundred & eighty (Rs. 7,40,180).

The second demand of Rupees three crore, twelve lac, twelve thousand, six hundred & twenty (Rs. 3,12,12,620) is also concerned with the adjustment of accounts relating to the assets and liabilities of the Thal Development Authority. Forest land under the management of the Thal Development Authority was transferred to the Forest Department during the year 1958—61. An amount of Rupees three crore, thirty-two lac, sixty-four thousand, six hundred & seventy (Rs. 3,32,64,670) was, therefore, payable to the Thal Development Authority as cost of this land. Since an amount of Rupees twenty lac, fifty-two thousand and fifty (Rs. 20,52,050) is available in the form of savings within the grant to meet the cost of this land, an additional demand of Rupees three crore, twelve lac, twelve thousand, six hundred & twenty (Rs. 3,12,12,620) (non-recurring) is being presented to enable adjustment of the full price of Rupees three crore, thirty-two lac, sixty-four thousand, six hundred and seventy (Rs. 3,32,64,670) under the head "10—Forests". As in the case of the first demand, this so-called payment will also be a mere accounting adjustment and the amount shown as paid to the Thal Development Authority will be adjusted towards the loans outstanding against it. Thus the first two demands will not affect the resources of the Province.

The third demand of Rupees seventy-eight lac, ninety-eight thousand and nine hundred (Rs. 78,98,900) is being presented to meet the anticipated excess on account

of payment of pensions, etc. to the retired Government servants under the head "55—Superannuation Allowances and Pensions". The excess is mainly on account of the Primary School teachers of local bodies' schools which were provincialised with effect from 1st July, 1962. The decision to grant pensions to these school teachers for their total period of service including service under the local bodies was taken only in December, 1970 with the result that the pensionary liability for a number of years had to be cleared during the current financial year when the pension cases of these teachers were finalised.

A separate demand of Rupees one crore and forty-six lac (Rs. 1,46,00,000) is being made to meet the anticipated excess under the head "83—Payment of Commuted Value of Pensions" on account of the payment of commuted value of pensions of these very Primary School teachers.

The fifth demand of Rupees one crore, fifty-two lac, seventy thousand and six hundred (Rs. 1,52,70,600) which again involves mere adjustment in accounts is being presented to make provision under the head "85-A—Capital Outlay on Provincial Schemes of State Trading" for the transfer of profits accrued on State Trading in foodgrains and sugar. An amount of Rupees one crore, fifty lac (Rs. 1,50,00,000) has accrued as profit in State Trading in foodgrains and another of Rupees two lac, seventy thousand and six hundred (Rs. 2,70,600) on account of trading in sugar. This transfer of profits from the Food Account to the Non-Food Account of the Provincial Government will appear as part of Government's receipts for the year 1971-72.

Finances for meeting the increased expenditure of Rupees two crore, twenty-four lac, ninety-eight thousand and nine hundred (Rs. 2,24,98,900) on pensions which form the subject of demands No. 3 and 4 of the Supplementary Budget were found from within the revenue resources of the Province for 1971-72 without resorting to any additional

taxation. This was made possible by rigidly enforcing economy measures initiated after the outbreak of war with India in December, 1971.

I am also presenting for the perusal of this House two separate statements showing expenditure incurred against the Contingency Item during 1970-71 and 1971-72. These statements form Appendices I and II respectively of the Supplementary Budget Statement. Expenditure on items included in Appendix I was sanctioned after the Supplementary Budget for 1970-71 had been finalized and before the commencement of the current financial year. Appendix II of the Supplementary Budget contains the list of items on which Rupees seven crore, eighty-one lac, sixty-six thousand and one hundred (Rs. 7,81,66,100) have been spent during the year 1971-72.

Sir, I now present the Supplementary Budget for the year 1971-72.