

**Government of Rajasthan  
Finance Department**

**PRESS RELEASE**

**Budget  
2011-12**

## Salient features of Budget 2011-12

- \* Annual Plan for the current financial year was approved by the Planning Commission as Rs.24045 crore, subsequently it has been revised to Rs.23563 crore. The annual plan for the year 2011-12 is Rs.28461 crore which is 18% higher than the approved annual plan of the year 2010-11.
- \* The size of Budget 2011-12 is Rs.63999 crore which is 12% higher than the revised estimates of the year 2010-11.
- \* Budget surplus of Rs.99 crore is estimated in the Budget 2011-12.
- \* Total revenue receipts of Rs.52287 crore estimated in the Budget 2011-12 which is 14% higher than the revised estimates of the current year.
- \* State's own tax revenue is estimated amounting to Rs.21349 crore in the Budget 2011-12 which is 10% higher than the revised estimates of Rs.19416 crore in the current year.
- \* State's own tax revenue has been estimated to be 6.40% of the GSDP in the Budget 2011-12.
- \* Interest payment has been estimated to be Rs.8012 crore in the Budget 2011-12, which is 15.32% of the total revenue receipts of the State Government.
- \* Revenue surplus and fiscal deficit are estimated to Rs.353 crore and Rs.8063 crore respectively in the Budget 2011-12. The Gross Fiscal Deficit as per revised estimates of 2010-11 is 2.49% of the GSDP whereas this ratio is 2.42% in the BE 2011-12.
- \* The award of the Thirteenth Finance Commission for the period 2010-2015 has been favourable for the State. The Finance Commission has prescribed the target of elimination of revenue deficit and containing the fiscal deficit upto 3% of GSDP in the year 2011-12. As per budget estimates the State will achieve these targets.
- \* The capital outlay as per BE 2011-12 is Rs.8550 crore which is higher by Rs.1731 crore from the revised estimates of the current year. The capital outlay to GSDP ratio in 2011-12 is 2.56% as against the ratio of 2.25% in the current year.
- \* In the annual plan 2011-12 maximum outlay has been provided for power sector, which is 42% of the total plan outlay.
- \* The plan outlay for social and community services is 30% of the total plan ceiling of 2011-12.
- \* Online budget prepared through Integrated Financial Management System (IFMS).
- \* PMGSY roads to connect 833 habitations having population of 500 and above at the cost of Rs.1530 crore.
- \* Two years scheme for missing links and recarpeting of Rural Roads. Estimated cost Rs.1400 crore.
- \* New Hydrology and Water Management Institute at Bikaner.
- \* Creation of 335 posts of Junior Specialist for CHCs
- \* Increase of 660 beds in CHCs and hospitals.
- \* Establishment of new Rajasthan Medical Services Corporation for Centralised purchase of medicines and equipments.

- \* Free supply of essential medicines to all patients in Government hospitals from 2nd October, 2011.
- \* Appointment of 975 Nurses Grade II and GNMs under NRHM.
- \* Appointment of 289 Ayurved, 40 Unani and 40 Homeopathy Doctors and 392 Ayurved Nurses-Componder in CHCs and PHCs.
- \* Filling up of 250 posts of Rural Ayurved Doctors.
- \* Establishment of independent Directorate of Medical Education.
- \* Creation of 1000 posts of Nurse Grade II, 60 posts of Technicians and 160 posts of Ward Boy in the medical colleges.
- \* Rs.40 crore for equipments and Rs.30 crore for maintenance of buildings of medical colleges and associated hospitals.
- \* Establishment of independent Directorate for disabled.
- \* Increase in mess allowance of students residing in SC/ST /OBC / SBC hostels from Rs.1000 to Rs.1250 per month.
- \* Special package of Rs.200 crore for welfare of Special Backward Classes.
- \* Package for Saharia families.
- \* Increase of Rs.250 per month in honorarium payable to Sathins and Asha Sahyoginis.
- \* 10 lac BPL families to be provided houses in next three years under Mukhya Mantri Gramin BPL Avas Yojana and Indira Avas Yojana.
- \* Creation of 33 posts of HLA in Zila Parishads, 182 posts of Panchayat extension officers, 309 posts of LDCs and 209 posts of Class IV in Panchayat Samities. Filling up of 121 vacant posts of Junior Engineer in Panchayat Samities.
- \* Besides, grant of 576 crore under 13th Finance Commission, PRIs to be provided Rs.1491 crore as assignment and grants.
- \* State level agro and food processing centre at Bharatpur.
- \* Target of Rs.6000 crore for crop loan.
- \* Establishment of Rajasthan Skill and Livelihood Mission.
- \* Appointment of 50000 Teacher Grade III, including 300 Sanskrit Teachers.
- \* Creation of 25406 posts of Principals, School Lecturers, Teacher Grade II and Lab Assistants.
- \* Accident insurance policy for all students from class 1 to class 12 for Rs.1 lac.
- \* Appointment of 500 Urdu Teachers.
- \* Filling up of 200 vacant posts of Lab Assistant in Colleges.
- \* New IIIT at Kota.
- \* Establishment of Physical Education and Sports University at Jhunjhunu.
- \* Single Window System for disposal of proposals involving investment of Rs.10 crore in all districts.
- \* Rs.7 crore provided for Makrana - Parbatsar Rail route diversion.
- \* Roads safety fund created with initial corpus of Rs.10 crore
- \* Age limit for Senior citizens for concessional travel in RSRTC buses reduced from 65 to 60 years.
- \* Declaration for construction of 32 new RoBs.
- \* New institute for Museum and Heritage Studies.

- \* 'Prashasan Sharon ke Sang Abhiyan' to be launched on 2nd October, 2011.
- \* Annuity amount enhanced to a minimum of Rs.1200 per annum in respect of 48359 Temples.
- \* Recruitment of 12000 police personnel in next three years.
- \* Appointment of 500 warders and other officials in Jails.
- \* Establishment of 15 new family courts.
- \* New policy for land acquisition.
- \* Guaranteed delivery of public services to be enacted.
- \* Special campaign for disposal of pending claims in Government.
- \* Reimbursement of rail or bus fare for attending interviews for recruitment in the RPSC or any Government department, Boards and Corporations.
- \* Monthly pension of freedom fighters increased from Rs.10000 to Rs.15000. Additional Rs.1000 per month for medical attendance.
- \* Free medical check up of all Government servants above the age of 50 years.
- \* Proposal for enactment of Ground Water Control and Management and also establishment of Water Management and Regulatory Authority.
- \* Distribution of 1.42 lac bicycles to the girl students in rural areas studying in class IX and X.
- \* Constitution of Rajasthan Lake Development Authority.
- \* Implementation of Rajasthan Forestry and Biodiversity Project amounting to Rs.1153 crore assisted by JICA.

## **Tax Proposals of Budget 2011-12**

### **Tax relief**

**Tax relief of over Rs. 255 crore has been provided to common man.**

- Tax exemption for pulses, wheat and rice. Dal - Roti to become cheaper.
- Kerosene sold through PDS exempted from VAT.
- School bags costing upto Rs 500 exempted.
- Rate of tax reduced from 14% to 5% on Iron Body Desert coolers.
- Rate of tax reduced from 14% to 5% on LED Lamps
- Rate of tax reduced from 14% to 5% on Roto Moulded Plastic water Storage Tanks
- To promote new buses on Rural and other routes, 100% exemption given in Special Road Tax to new Stage carriage buses for two years from the date of registration.
- Some household items of daily use such as gas lighter, chakla, belen, chimta, immamdasta, musli, jhar, chalni, multani mitti etc. exempted from tax.

### **Agriculture, Cooperative and Dairy**

- Agriculture Tractor and combine harvester exempted under Motor Vehicle taxation Act.
- UHT milk exempted.
- Rate of tax reduced from 14% to 5% on Electronic Milk Testor and its Parts.
- Rate of tax reduced from 20% to 5% on purchase of Molasses by Manufacturers of Cattle feed.
- Fresh Vegetables and Fruits exempted without any condition.
- Stamp duty exempted on Documents of Exchange and Partition deeds which presently is 1% (with a maximum ceiling of Rs. 50,000).

### **Worksmen and Artisans**

- Namda, Handmade woolen carpets, Handspun Woolen Yarn and all types of Razaai exempted.
- Rate of tax reduced from 14% to 5% on Welding holder, welding glass, welding machine, synthetic industrial diamond powder and Jem stone polishing and cutting tools.

## **Relief to Trade and Industry**

- Turnover Limit raised to Rs 60 Lac for dealers who opt for composition.
- Rate of tax reduced from 4% to 1% on S.S. Sheets and Circles in VAT.
- Rate of tax reduced from 14% to 5% on cooked food supplied by outdoor caterers, limestone, bakery yeast and loose spring leaves.
- Oil based washing soap with MRP of less than Rs 50 per Kg are taxable at 5%. This MRP is increased to Rs 60.

## **Investment Promotion**

- Investment subsidy under RIPS 2010 to be released within 30 days of filing of return through e-mode.
- Employment Generation Subsidy under RIPS 2010 raised from Rs 10,000 per person to Rs 15,000 and for Women, SC/ST and Persons With Disability (PWD). This subsidy has been raised from Rs 12,000 to Rs 18,000.
- Additional employment based subsidy under Policy for Promotion of Agro Processing and Agri-Business, 2010 raised by Rs 2000.

## **Charitable institutions and armed Forces**

- Food served by Bhojanshala run by religious and charitable institutions exempted.
- Turnover limit for exemption for Units registered with KVIC and KVIB raised from Rs 1 Cr to Rs 2 Cr.
- Exemption to Canteens run by CRPF and CISF on the line of CSD canteen.

## **Entertainment Tax**

- DTH and Cable TV exempted from Entertainment tax.
- Full exemption from Entertainment Tax levied on Cinema industry.
- Urban Development tax levied on Cinemas in towns having population of less than 1 lac, reduced by 50 % .

## **Simplification of Procedures**

- If return or tax for the assessment year 2009-10 is deposited by 31.3.2011, interest and Penalty on late submission of returns and tax deposited to be waived and dealers to be deemed to have been assessed.
- For electronic ITC verification and assessment and to facilitate speedy refunds e-filing to be made mandatory for all dealers except certain class of dealers.
- VAT and CST returns forms to be integrated to facilitate speedy e-filing.

- e-payment made mandatory for dealers who have paid tax of Rs. 5 lac and more in the previous year.
- Dealers who are paying tax twice a month will now be required to deposit tax once a month.
- Those dealers who deal exclusively in exempted goods, or deal exclusively in goods on which tax is paid at the first point or who deal in goods on which tax is paid on the basis of MRP, have been exempted from furnishing quarterly returns.
- The requirement of form ET1 for bringing in vehicles from outside the state has been done away with.
- Free digital signatures to be provided by Commercial Taxes Department (CTD), on demand, to dealers having turnover of upto Rs 60 Lac.
- "Vyavahari Samman Yojana" A Scheme for giving recognition to the highest tax paying dealer under various categories to be introduced and such dealers to be recognized as "Raj Mitr".
- Dual system of taxation under both entry tax and VAT on Motor vehicles, A.C., Refrigerators, Mineral water etc. to be done away with and entry tax component of 1% to be merged with 14% VAT and VAT rate on these items raised to 15%.

### **Registration and Stamps**

- E-Stamping to be introduced in all 7 divisional headquarters.
- Compulsory registration for all documents of "Agreement to sale" relating to immovable property including developer agreement.
- Grandson and Grand Daughter (Naati and Natin) included in the ambit of Close family for exemption in stamp duty payable on execution of Gift deed in their favour.
- Stamp duty on Surety Bonds reduced from 5% to 2%.
- Discount Fee for Stamp Vendors raised to Rs 1 per Rs. 100 from present 20 paise to 50 paise, on stamp Denomination of value more than Rs 400.
- New licenses to be given to 1000 deed writers and 1000 Stamp vendors.
- Clarification regarding DLC rates for industrial, institutional and tourism lands.

### **Rajasthan Transport Infrastructure Development Fund (RTIDF)**

- RTIDF constituted for providing safe and organized better transportation infrastrucutre and taking up pollution control related activities.

- For this fund (RTIDF) a surcharge has been levied under the Rajasthan Motor vehicle Taxation Act, at the rate of 10% of tax payable by vehicles paying one time or lumpsum tax and 5% of tax payable by vehicles paying tax other than one time or lumpsum tax. This surcharge will not be levied on Vehicles costing upto Rs 3 lac.
- To strengthen Pollution Control efforts Green Tax will now also be levied on new vehicles along with old vehicles.

### **Financial Strengthening of Panchayati Raj Institutions and Urban Local Bodies**

- For Financial strengthening of PRIs and ULBs a surcharge @ 10% will be levied on stamp duty payable on documents relating to immovable property.
- Urban cess on urban consumers consuming more than 100 units per month raised by 5 paisa

### **Additional Tax Proposals**

- Rate of tax on Aviation Turbine Fuel raised from 14% to 20%.
- Rate of tax on Pan masala, Tobacco and Tobacco products raised to 40%. Some of these products to be brought under the ambit of first point taxation.
- DLC rates of all types of lands raised by 15%.

### **Administrative Strengthening**

- Tax Settlement Board to be reconstituted. A retired judge of the High Court to be made Chairman of this board to make it more effective and impartial.
- "State Tax Academy of Rajasthan" (STAR) to be set up under the aegis of the Commercial Taxes Department to cater to the training needs to the department.
- To strengthening of Commercial Taxes Department by increasing 120 Posts of CTOs and above.
- Computerisation of all offices of Sub Registrar and DIG Stamps. Creation of 200 new posts including one post of Additional IG, Registration & Stamps.

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