

OFFICE OF THE LEADER OF OPPOSITION

Gujarat Vidhansabha, Gandhinagar.

Press Note

25th February, 2011

- **The budget of Gujarat government has imposed a burden of taxes of Rs 524 crore instead of giving any relief in the golden jubilee year**
- **Gujarat has maximum VAT in the country and also surcharge on it. Despite this there is no relief in the tax.**
- **Government has increased debt of Rs 21125.87 crore even as CAG has asked Gujarat not to go for more borrowing.**
- **In the name of green energy, government has signed contracts for purchase of electricity from private players at very high rates and it has imposed burden of Rs 244 crore on people through cess.**
- **Money allocated for poor, villagers, tribals, dalits and minorities remain unutilised**

Leader of Opposition Shaktisinh Gohil today blasted Gujarat government for the tax burden of Rs 524 crore. People expected relief in professional tax and VAT and several other fields. It should have given relief to people in the golden jubilee year. But Gujarat government has introduced new taxes that are going to cause inflation. Gujarat has maximum VAT in the country. Relief in the VAT is bound to reduce prices. But government has not bothered to give relief in the VAT, Gohil pointed out. In addition to very high VAT, there is surcharge on it. Nowhere else surcharge is taken on VAT. People had expected relief in this, but nothing has come out.

Gohil described the budget a jugglery of figures. Deficit budget has been presented as a surplus budget. This is just by changing the head of revenue loss from major to minor. Giving an example of this jugglery he said that in 2008-09 there was a surplus of Rs 286.56 crore. However, the real figure for that year turns out to be deficit of Rs 65.75 crore. Similarly, he said, in the year 2009-10 deficit on revenue account was shown as 3913.19 crore which according to revised estimates has turned out to be Rs 4356.50 crore. Government is misleading people by providing false business estimate.

CAG the constitutional body has severely criticized Gujarat government for its tendency of borrowing. It has asked Gujarat government not to go for borrowing otherwise within ten years its entire economy and fiscal policies will collapse. It is unfortunate that instead of taking measures to reduce the debt burden, Gujarat government has caused to increase its debt by Rs 21125.87 crore within one year. It is a record in the history of Gujarat. Gujarat government has increased tax on the ground that other states had higher rate of taxation. It should have used the same logic in the case where Gujarat has higher rate of taxation as compared to other states, Gohil said.

Gujarat has the longest coastline in the country. The development and security of the coastline is necessary for the state and the country. With increase in the size of the budget it is necessary that the allocation for security of bordering coastline should also be increased. But this year the funds for development of border areas has decreased considerably and only 0.36 percent has been allocated. This shows that the Chief Minister is ignoring the border areas and he wants that terrorists come to Gujarat and India. In case of any terrorist activity he can politicize the issue and make his vote bank stronger.

In the name of green energy, government has signed contracts for purchase of electricity from private players at very high rates and it has imposed burden of Rs 244 crore on people through cess.

The funds allocated in the budget for various poor and rural development schemes remain unutilized. During the last four years though crores of rupees were allotted for social services, rural and agriculture development and other services a huge amount is left unspent. The schemes are only on paper and the government is misleading people.

Many promises are made to the people in the budget. But no work is done and same are repeated in the next year. For instance metro train between Ahmedabad-Gandhinagar was announced last year but nothing has moved. Kalpsar project is mentioned in budget for last few years but even the feasibility report has not been prepared. There are many instances where people are being misled.

There is huge quantity of water in Narmada in Gujarat. During Congress rule more than 17,000 km canal work was completed. The remaining work was to be completed by the BJP government in 2004, but the BJP has failed to provide water to the farmers. During the last two years work of laying only 580 km has been completed and still 4144 km work is remaining. Adequate funds have not been provided in the budget for the completion of these works.

To,
The Editor,

Hon'ble Leader of Opposition has requested to kindly publish this press note in your esteemed newspaper.

(J. J. Rasania)
Personal Assistant