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GOVERNMENT OF GOA

Budget Speech

2010 - 11

of

Shri Digambar V. Kamat

Finance Minister/Chief Minister

25th March, 2010
(Chaitra 10, Saka 1932)

Mr. Speaker Sir,

“Even today after so many years of Independence there exist a wall of separation between those who govern and those who are governed and we cannot hope to give justice to the people unless we bring down this wall and become sensitive to the needs, expectations and aspirations of the majority of our people.”

Keeping these words in mind, I rise to present the Budget for the year 2010-11 to this August House.

2. As we stand on the threshold of the Golden Jubilee Year of our liberation from Portuguese rule, it calls for a deep analysis into the journey that the State has traversed during the last 50 years in all spheres of its activities. But before I do that let me on behalf of this August House pay homage to those who fought and sacrificed their lives at the altar of freedom, for us to enjoy its fruits today.

3. Sir, *“the farther backward you can look, the farther forward you can see”*. I believe that an exercise of retrospection would help us place things in perspective, as

the base year. However, we expect that the state economy to recover during 2009-10 and grow above 10 per cent.

5. As regards, the financial indicators during 2008-09, the State achieved a revenue surplus of Rs 102.85 cr. However the fiscal deficit and primary deficit continue to be areas of concern at 4.63 and 2.05 per cent respectively, as a percentage of GSDP. The States Own Tax Revenue as a percentage of GSDP has grown from 7.76 per cent in 2007 - 08 to 8.57 per cent during 2008-09 and likely to improve during 2009-10 to 9.78 per cent. The economic slowdown necessitated higher government spending, to which my Government responded favorably and enhanced the Annual Plan Size by a substantial 29 per cent, i.e. from Rs. 1737.65 cr. in 2008-09 to Rs. 2240 cr. during 2009-10. We believe that higher Government spending must continue and, therefore, I propose an Annual Plan size of Rs. 2550 cr for 2010-11 (an increase of 11.38 % over 2009-10). The proposed Annual Plan size requires approval of the Planning Commission. I am confident that the Planning Commission will approve the Plan size of Rs. 2550 cr. While working out the financial resources, we had been very conservative in our approach and had placed the resources at Rs. 2550 cr. However, after the

tremendous scope for improvement when compared to the many developed Asian Countries.

8. Having given the brief overview of the economy, I now take the Honourable Members of this House into the journey of retrospection in order to assess the process of development since Liberation from Portuguese rule in 1961.

9. The GSDP at current prices was Rs. 29.14 cr. in 1961 as against Rs. 17,496 cr. in 2008-09. The per capita GSDP was Rs. 434 in 1961 whereas the same stood at Rs. 1,07,942 in 2008-09. The Sectoral Composition for Primary, Secondary and Tertiary Sectors were 49.5, 11.9 and 38.6 per cent in 1961, whereas the same stood at 10.61, 36.18 and 53.21 respectively in 2008-09. Barely 13 towns and villages were electrified in 1961 whereas all towns and villages are electrified today. The number of Schools from I to XII were 595, and now we have more than 2000 schools. The Literacy Rate was barely 30.75 per cent in 1961 which now stands at 82.32 per cent (as per Census 2001). The Birth Rate has gone down from 31.39 in 1961 to 15.17 in 2008-09. The Death Rate has gone down from 13.39 in 1961 to 7.74 in 2008-09. Similarly, the Infant Mortality too has gone down from 69.77 in

- ii. Decline in Sex Ratio,
- iii. Slowdown of sustainable Industrial Development,
- iv. Rising migration, slums and related social issues,
- v. Rise in the school dropout rate
- vi. Non achievement of total literacy,
- vii. Solid waste management and disposal issues,
- viii. Coverage of sewerage and sanitation facilities,
- ix. Mining activities and its fall out,
- x. Existence of Unemployment and underemployment,
- xi. Underutilization of inland waterways to its potential,
- xii. Adequate availability of financial resources.
- xiii. Sustainable development with environmental protection.

12. Having known the challenges that we face, facing them in unison, with utmost sense of responsibility and commitment, on the part of all the arms of the Government and the Civil Society, is the need of the hour. Having said that, I am also aware that availability of financial resources cannot be discounted at any cost, as there lies a partial solution to the problems that we face. For any developmental activity and creation of public good, availability of adequate

To ensure quality education with a thrust on upgrading existing infrastructure.

To provide greater security to tourists visiting the state.

To enhance industrial base by removing bottlenecks and provide conducive environment for private investments leading to a spurt in economic activity and employment generation.

To strengthen service delivery mechanism, and

Create high quality and comprehensive development of infrastructure including a well defined Public Private Partnership (PPP) mode”.

Revised Estimates 2009-10

14. Sir, due to an increase in the State's Own Tax Revenue and Non-Tax Revenue from Rs. 1860.84 crore and Rs. 654.28 crore to Rs. 1906.07 crore and Rs.813.85 crore has placed the total Revenue Receipts to Rs. 3569.58 crore as against the Budget Estimate of Rs. 3440.05 crore. This has cushioned the Revenue Deficit marginally. The Revised Revenue Deficit now stands at Rs. 273.90 crore as against the Budgeted Revenue Deficit of Rs. 348.40 crore. The Revised Estimate of Revenue Expenditure increased only by Rs. 55.04 crore from Rs. 3788.45 crore to Rs. 3843.49 crore. The Revised Share in

PART-A Schemes and New Initiatives

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16. Sir, “*the best way to find yourself is to lose yourself in the service of others*”. With this quote of Mahatma Gandhi I would like to announce various schemes and new initiatives of my Government for the service of the people.

17. **Agriculture:** Improvement in performance of agriculture & allied sectors is imperative for the growth to be inclusive as spelt out in the 11th Five Year Plan document. Therefore, I propose to increase the Plan allocation from the present 2 per cent of the total Plan Outlay to 4 per cent in the Budget 2010-11 on one hand and take various new initiatives to improve agriculture performance on the other. This enhanced allocation shall qualify the state to avail the benefit under the ‘*Rashtriya Krishi Vikas Yojana*’ (RKVY). As a result, this year the state shall be benefited under RKVY and avail funds under the scheme from the Centre for development and implementation of district level agricultural plans, based on local agro-climatic conditions. A provision of Rs. 46.22 cr. is made towards agriculture alone in the Budget 2010-11 as compared to Rs. 18.62 cr. for 2009-10. It is a rise of 148 per cent more than the last year.

20. I also propose to enact Contract Farming Act to encourage Contract Farming to bring the fallow land under gainful cultivation. Once the Act passed in the next session of assembly, I would expect to bring 700 hectares of uncultivated land under cultivation during this financial year.

21. My Government proposes to maintain the existing support prices except on coconut on which I intend to raise the minimum rate to Rs. 5 from the existing rate of Rs. 4. Further, I propose to increase the number of coconuts eligible for support price to 50000 from existing 25000.

22. To provide infrastructure support to the agriculturist, I propose to provide 70% and 90% subsidy on the Solar Power Battery Fencing for farmers of General and SC/ST category respectively. A maximum of Rs. 2.00 lakhs for individual farmers and Rs. 3.00 lakhs for group of farmers shall be provided.

23. In view of the low Sugarcane yield there is a necessity of enhancing yield of Sugarcane for which I propose to provide 90% subsidy on 'Drip Irrigation'. The assistance received from

units in backward talukas would be continued, to encourage entrepreneurs to take benefit of the same. To encourage Women entrepreneurs to setup their own enterprises, I propose to enhance the interest rebate on CRMY loans for women from existing 3% to 5%. This shall be applicable only to the new units. Also, exclusive Entrepreneur's Development Programmes (EDPs) for women shall be undertaken to assist the women who wish to setup small and micro enterprise. Besides a permanent framework for entrepreneurial assistance and hand holding will be worked out. A provision of Rs. 100 Lakhs is made in the Budget.

28. With an effort to stop proliferation of 'scrap yards' across the state, I intend to enact and introduce an Act to this effect shortly. It would be ensured that all scrap yards would have to be compulsorily registered and any unregistered ones summarily done away with. For the initial spade work, to begin with I propose to provide Rs. 100 Lakhs towards land acquisition for relocating the scrap yards at few selected places only. This would avoid further menace of mushrooming scrap yards in the state especially in towns and their peripheries.

31. In order to provide additional avenues for employment, I propose to create a security force from amongst the able bodied Goan youths. Initially as many as 2,000 Goan youths shall be engaged. The force shall be used for the Industrial Security as well as that of all Public Utilities, Institutions and Public Places, as and when required. This is done with a view to enhance general security and safety in the State of Goa.

32. Global recession has had maximum impact on small units. Goan entrepreneurs have a high potential but struggle to raise the desired capital to give wings to their dreams. Many of such units are facing challenging times. Such units with a limited operating experience find it almost impossible to raise capital in the financial market, even though my Government has made sustained efforts to dialogue with banks, financial institutions and the RBI. In order to help such entrepreneurs, I propose to set up a **Goa Venture Capital Fund** in partnership with one of the leading financial institutions in the country. Talks in this regard have already begun and the modalities will be worked out soon.

33. I propose to introduce the OTS Scheme of EDC as had been announced and implemented during the year 2006-07.

will be popularized further. Adequate budget provision for the same has been made. Since Biotech is a sector witnessing quick change we need to adapt fast. For this I propose a review of our existing Biotech Policy and a panel in this regard would be set up soon.

36. Sir, recently we have completed the modalities in setting up of a Bio-Tech incubator by signing a MOU with Goa University, DITC and GSIA. On similar lines and in order to promote local IT talent and channelise it in an entrepreneurial manner, I announce setting up of a **Goa IT Knowledge Centre** at Verna to provide incubation facilities in the IT sector. I have made adequate budgetary provisions in this regard.

37. To provide encouragement to artisans of Goan handicrafts, I propose to develop **Goa Haat-cum-Shilpagram**, new emporiums in Goa and outside Goa & develop **e-portal** for sale of handicraft items across the globe. For this, a provision of Rs 50 lakh is made in the Budget 2010-11. I also intend to set up a marketing centre for women Self Help Groups (SHGs) at Margao to provide forward and backward linkages.

41. I also propose to evaluate the irrigation potential created so far in the State and its potential utilization by the various sectors, along with its capacity to generate revenue to the State. The evaluation shall be carried out by an independent third party agency.

42. I propose to continue with the other schemes such as irrigation wells, tanks, lift irrigation, construction of bandharas, construction of open wells / bore wells, flood control so also the anti-sea erosion measures during 2010-11.

43. **Education:** My Government has strong commitment to enhance IT literacy at school level itself, and will strengthen computer laboratories in all high and higher secondary schools in the State. I intend to strengthen the computer laboratories by providing an additional 10 computers, 2 printers & UPS, web-camera and internet connectivity. For this, I propose an additional provision of Rs. 15 cr. in the Budget 2010-11. The Scheme of School Computer Laboratories shall be taken on priority for implementation as mentioned above and would replace the Cyberage (EDUNET) Scheme from 2010-11.

46. A Laboratory Assistant plays an important role in the science education system. Therefore, I propose the appointment of laboratory assistants in every high school to assist students learn the concepts of theory with practical experiments. Adequate provision has been made in the Budget. Further, appropriate Grants will be provided to strengthen the Laboratories in Schools.

47. My Government recognizes the importance of vocational courses both at secondary and higher secondary stage as it caters to the requirements of the drop-out students. In the present dispensation only one division of 25 students is allowed. I feel this does not auger well in a vibrant education system. I, therefore, propose to allow more divisions & appropriate and reasonable pay structure to the teachers appointed on contract basis.

48. With implementation of the Right to Education Act, it becomes all the more important that the State continues to support the infrastructure development of its schools. It has been observed that many of the schools do not have drinking water and toilet facilities, inspite of vigorous implementation of Sarva Shiksha Abhiyan. My Government is very much

development should be the aim of any Government. To meet this end, I propose to establish Goa Institute for Administrative Careers (GIAC) which would provide career guidance and prepare the Goan youth for various competitive examination conducted by UPSC, RBI, GPSC, Railway Board, Banking Board, Staff Selection Commission, Defense Academies so on and so forth. I believe that this not only would provide a sense of direction to the younger generation but also would open quality employment opportunities for the youth of Goa. Accordingly, I propose to provide Rs. 100 lakhs for establishing the said Institute in the budget 2010-11.

52. **Art & Culture:** Sir, my Government desires to give thrust on Library movement in Goa in order to make the Libraries as Information and Knowledge centres. Last year Shri Mahalaxmi Library at Mala, Panaji has completed its 100th year of existence and two more libraries i.e. Saraswati Library at Panaji and Gomant Vidya Niketan Library at Margao would be completing 100 years. These libraries have served as the literary and knowledge power centres during the last ten decades. In honour of their commitment, achievement and service to the people of Goa; I propose to give a one time grant of Rs. 5 lakhs each to meet their emerging needs for

will take all the steps for revival of such type of dying forms of music. I also propose to take all necessary steps for revival of all other type of dying art forms like Perani Jagor, traditional cane craft etc., for continuation of the rich cultural tradition of our State.

56. Sir, My government intends to document all forms of folk art, folk festivals, other cultural traditions and intangible heritage of our State, through audio-video documentation, for which adequate budgetary provision has been provided within the existing scheme of Directorate of Art & Culture.

57. I also propose to revamp the Goa State Museum to bring it on par with international standards. I also intend to frame a scheme to recognize and assist setting up of private museums in the State, with an objective of creating a museum circuit.

58. **Tourism:** Sir, the Hon'ble Members of this August House are aware that the tourism sector has been the mainstay of the state economy. The tourists to the state are our guests and their safety and security must be given the utmost priority. As regards their safety in waters at beaches is concerned, my Government has been successfully

60. To provide further impetus to the inflow of tourists and fillip to the economic growth, I propose to commence ferry / cruise services between Goa - Mumbai, Goa - Karwar etc., and all such viable routes purely on Public Private Partnership basis.

61. I, further realize the need for providing other means of entertainment to the tourists visiting the State to generate economic activities and employment thereof. As of today the state tourism industry does not provide the kind of entertainment facilities which are provided by many countries thriving on tourism. I, therefore, propose to create/develop additional tourism entertainment facilities on a preferred Public Private Partnership mode. This invariably will go a long way in making tourism industry sustainable in the State of Goa. The entertainment facilities would include speed cruises for tourism, Gas balloon tourism, Zorb ball, dirt course for motor-bikes, Skate Board, Radio Control Cars etc.

62. Sir, Goa Tourism Development Corporation (GTDC) needs to take a more proactive role in enhancing the tourism related infrastructure in the State. For this purpose I will be providing project based assistance during the financial year 2010-11.

Government has also decided to encourage more number of projects on Public Private Partnership basis for infrastructure development of the State.

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65. However, for a successful Public Private Partnership Projects, the project needs to be bankable, economically and financially viable and needs to be conceptualized in detail at the preliminary stage itself. Proper planning and study can make the critical difference between failure and success. In order to encourage and facilitate successful implementation of PPP Projects in the State, I propose to set up an *Infrastructure Development Fund* with a corpus of Rs. 50 crore. The Fund will be exclusively used to study the feasibility of projects proposed by various departments of the Government of Goa. The PPP Cell shall get the studies done through national and international experts and advise the Departments on the technical, economic, environmental and social impact of all such projects.

66. Some of the projects may not be financially viable. However, some of them may have high economic viability and may give much higher returns on successful completion. In order to encourage such projects, I propose to set up a

disturbing. I propose to undertake a **Critical Area Space Plan** for the Siquerim-Calangute-Baga beach belt on a pilot basis. This study should bring out the way forward in these areas with regard to the environment, solid waste management, sewage and sanitation, development control rules and regulations, transport and road networks etc. This is in line with the recommendations made in the Draft Regional Plan 2021 by the Task Force for RPG 2021.

69. The Professional Advisory Group set up by my Government, has indicated that Goa has immense potential to be a world class logistic centre. We have to take advantage of the synergies of various modes of connectivity which the State is endowed with. I intend to work on establishing two logistic hubs at Sancoale and Dharbandora in a PPP mode.

70. The Professional Advisory Group has also recommended setting up an institutional mechanism for fostering greater private public partnerships for critical infrastructure projects needed by the state. The institution itself will be on a PPP mode and will be self sustaining. My Governement will work on the modalities of setting up such an institution in due course.

a 5 year period, which I sincerely believe, would resolve the present state of affairs. In this initiative, the industry will invest and develop the desired road network. The Industry has the capital and it is their responsibility to put that capital to work. The Government has many social commitments; and it can act as the facilitator for this initiative and obtain statutory approvals for the same. If such initiatives are taken then the Government can put the revenue from the mining royalty to other social projects; rather than infrastructure which the industry can easily expand, finance and sustain.

I intend to have the frame work in place within the next few months; with the necessary commitments from industry which I believe the mining industry would be forthcoming for their own direct benefit.

72. Speaker Sir, I am happy to announce that the Government of India, on the recommendation of the XIII Finance Commission, has provided the State with Rs. 100 crore towards development of a **Greenfield International airport at Mopa** along with the existing Dabolim airport. The land is being acquired for the purpose and we shall shortly invite Consultancy services for doing the initial spade work.

76. Sir, as we are all aware, in order to boost Tourism in the State, Government had announced a Convention Centre at DonaPaula. However, due to litigations the project could not take off. To resolve the deadlock, I have decided to shift the project from DonaPaula and announce that the same would be taken up at an alternate site in the hinterland on PPP basis. This would also help in developing hinterland tourism.

77. Sir, in consonance with the Draft Regional Plan 2021, we need to open up Goa's hinterland for economic activity. Road Connectivity to such parts of the State is of utmost importance. As indicated in the draft plan a 4-lane loop road connecting the hinterland to NH-17 will be initiated. Similarly, I propose to take up bridges at Gaundalim-Cumbharjua, Sanguem Parallel Bridge, Calvim - Aldona and Savoi-Verem-Tixem. I also propose to commence a feasibility study on bridge connectivity from Ribander to Chorao and Divar.

78. Sir, in line with the Central Government mandate that all States which have non-major ports should have its own Maritime Board, I intend to constitute the State Maritime Board. The formation of the Board will enhance the inland

81. **Social Welfare, Services and Others:** Sir, Welfare of the people of the State is the endeavor of my Government and to achieve this end the social security net requires to be strengthened further. I therefore, propose to provide a insurance cover through an insurance policy Scheme to be called as '*Swarnajayanti Aarogya Bima*' to the entire resident population of the State similar on the lines of Central Government's health insurance scheme for BPL families called as Rashtriya Bima Swasthya Yojana.

Sir, I fully believe in the words of Sir Winston Churchill, that, "*Healthy citizens are the greatest asset any country can have*", and therefore to safeguard our human asset, in the proposed scheme each insured shall get a medical insurance cover up to Rs. 60,000/- during the year. Needless to say, the present BPL families who are covered to the extent of Rs. 30,000/- under central scheme shall be covered with an additional Rs. 30,000/- under the proposed State scheme. A provision of Rs. 15 crores is made in the Budget 2010-11 for this purpose.

82. I am happy to announce that as many as 15 new schemes have been included in the Budget 2010-11 for the benefit of

disability. We would like to have an innovative insurance model for the purpose and we ask the insurance providers to be our partners in this endeavor. Accordingly, I propose an amount of Rs. 500 lakhs in the Budget 2010-11.

86. In order to make economic growth more inclusive with a view to raise the socio-economic status of the scheduled tribe community, I have setup an independent Department namely Directorate of Tribal Welfare which would implement, oversee and guide the development of the community. Further it will plan, formulate the schemes and oversee their implementation under the Tribal Sub Plan. A separate Demand Head has been opened with a provision of Rs.17.38 crores.

87. Sir, I intend to enhance the pension for Journalist from Rs. 2000 to Rs. 4000 per month. To facilitate Journalist and News correspondents functioning from rural areas, I intend to provide a well equipped media facilitation centre at each taluka headquarters through the IT Department.

88. Sir, as aptly said by Abraham Lincoln, "*You cannot escape the responsibility of tomorrow by evading it today*". The changes in climate and global warming have affected our

State of Goa spanning over the next 50 years. I also intend to create a vision document for this purpose which can only be done with the active support of all stake holders in the state of Goa and experts in various fields of development.

91. We are lucky to have amongst us an eminent personality of Goan origin, a highly decorated Scientist in the person of Dr. Raghunath V. Mashelkar. At my request, Dr. Mashelkar has agreed to be the Chairman of the Council which I wish to constitute for the purpose of preparing the Golden Jubilee Vision Document for the period 2010 to 2050 to be called *“The Golden Jubilee Development Vision Document”*. The Council under the Chairmanship of Dr. Mashelkar shall be called *“The Golden Jubilee Development Council”*. It will advise the Government on various aspects of development of the State in a mission mode. The other members of this council shall be nominated in consultation with the Chairman Dr. Mashelkar. The Council would also be asked to suggest the critical areas for short and medium term development so as to utilize the *Grant* of Rs. 200 crore, that my Government has received from Centre in the Union Budget 2010-11.

Bill is introduced and passed in the House, it would bring tremendous respite to large number of people, who are denied access to the existing crematoria and burial grounds in the State.

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94. In order to facilitate the Hon'ble Members of this August House to take up developmental works in their respective constituencies as the State enters the Golden Jubilee year of its Liberation, I propose a sum of Rs. 50 lakh to each M.L.A. under the scheme called "Swarnamahotsawi Area Development Fund". I will make a provision of Rs. 20 crore during the year and the scheme will be made effective from 19/12/2010. The works will be executed through the Deputy Collectors of the respective Talukas on the recommendation of the Hon'ble Members of the House.

95. To provide better Administrative and Government services to the people residing in the Dharbandora regions, my Government intends to reorganize the Talukas of Sanguem, Sattari, Ponda & Quepem by formation of 12th Taluka to be called Dharbandora with headquarters at Dharbandora. This will ensure speedy development and social outreach to the people in this area.

97. One of the important areas of concern for the State has been the non-compliance of *Land Revenue* despite the legislation in place. The State has been losing substantial revenue of approximately Rs. 40 to 50 crore, every year on this count. It has also resulted in fall in the share of agricultural output to the total output of the State. In order to revive agriculture activities in the State, I propose strict implementation of the Land Revenue Code and collection of the land revenue. I also propose to waive the arrears on this account up to 31st March 2010 and increase the existing rate by 100 per cent with effect from 01/04/2010.

In addition, land for which change in zone is sought and which is allowed in the final Regional Plan of Goa 2021, will be charged a change of zone fee, the details of which would be announced later.

98. I propose to levy a higher rate of land revenue on all such agricultural lands which are not being tilled and kept fallow. The rate shall be 200% higher than the present rates under Land Revenue.

99. It has been observed that many of the fee and fines charged for various services under public domain have not

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utilities, entertainment infrastructure/facilities, maintenance of places of touristic importance, I propose to levy a 5% cess on room rents of all categories of Hotels / Resorts.

103. The **Excise Revenue Collection** during **2008-09**, had touched **Rs. 88.70** crores, which was almost **Rs. 14** crores more than the immediate preceding financial year **2007-08**. During **2009-2010**, the revenue collection from Excise is expected to cross **Rs.100** crores. The proposals put forth and implemented in the last budget 2009-2010, have indeed yielded the desired results, despite the global economic recession which had a slow but definite impact on Goa, particularly on the tourism industry.

104. However, despite the above achievement, there are some serious apprehensions of revenue leakages still persisting presumably on account of some lacunae in the system. Therefore it would be appropriate at this stage to introduce mechanisms to further tighten up the system which will help plug-in revenue leakages and also prevent duplication of liquor. Accordingly, I propose to introduce, within a reasonable time period, the usage of '**Multi-coloured Holograms**' on the bottles of liquor either manufactured or

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premises located in the neighbouring Palolem area in the same Canacona Taluka, happens to be a Municipal area other than 'A' class Municipalities, and therefore pay only Rs.4,000/- as the annual licence fee.

Therefore to remove this anomaly, it is proposed to charge the same licence fee of Rs.4,000/- per annum for the retail sale of liquor for premises located in the coastal villages of Agonda, Talpona, Galgibag, Polem and Cola, as that of the neighbouring Canacona Municipal area.

107. It has been observed that there are regular requests for transfer of licenses for retail sale of liquor in packed bottles as well as for consumption on premises and which are being considered and granted as per the existing rules in force. The "transfer fee" in these cases is minimal. However, there are no transfer fees applicable for a transfer within the members of a family. Accordingly, it is felt appropriate to revise the transfer fees for licenses for retail sale of liquor in packed bottles/ for consumption on premises shall be as follows:

- a) In 'A' class Municipality / coastal villages, the transfer fee shall be Rs.25,000;

UP, the excise duty/ fee is proposed to be increased from the existing Rs.40/- per BL to Rs.45/- per BL.

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I propose to increase the duty on mild beer from the existing Rs.10/- to Rs. 11/- per bulk litre on manufactured in Goa / imported from outside Goa / India and transported from custom stations and sold in Goa.

109. In keeping with the trend of having small pubs and microbreweries, it is proposed to explore the possibility of Licensing and allowing the setting up of pub/ microbreweries, in the State of Goa.

110. **Commercial Taxes** is a major source of tax revenue to the State. During 2008-09, the tax collection was of Rs.1363.00 crore. During 2009-10, the initial target of Rs. 1450 cr. was revised upward to Rs. 1650 cr. by tightening the collection machinery.

111. Sir, the Country is proposing to have a transformation in Tax system by introducing Goods & Services Tax, wherein all the indirect taxes levied by States and Centre will be subsumed. First discussion paper is already released by

revision; as it was affecting small and marginal growers who are dependent on seasonal income from the sale of liquor produced by them. Having considered their appeals, I would like to accommodate the entry of country liquor in Schedule "B".

114. Sir, during discussions in the last Budget, I had made some announcements giving support to the local industries, wherein I proposed the following:

- (i) Extra one year benefit of NPV upon graduation of unit from small to medium;
- (ii) Extra one year benefit of NPV for existing non-polluting units whose exemption expired or expires between 01/04/2007 to 31/03/2010
- (iii) Extra two years benefit of NPV for existing non-polluting industries whose exemption expires any day after 31/03/2010.

I happy to inform that the necessary amendments to NPV scheme have been notified.

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118. VAT gives credit of Input Tax Credit (ITC) on purchases. The claim for excess ITC is settled every financial year. Due to the provision of law, there is a tendency of buying the goods at the fag end of the year and claim ITC, showing excess ITC refundable. To streamline the system, I propose to amend the relevant provision, whereby the ITC on the closing stock shall not be available for refund, but, such ITC along with the value of goods to be carried over to the next year, and actual tax payable on the sales become payable upon close of the year.

119. Sir, the existing provision for TDS in case of Works Contract allows deduction of 1% at source. Looking at the trade and the Inter-State purchases involved in the execution of Works Contract, the existing provision becomes inadequate to meet the requirement of the tax payment. I, therefore, propose to raise this deduction to 2%.

120. Sir, In the promotional sale of consumer goods, the manufacturers, promoters or distributors, hold exhibition of varieties of consumer goods, affecting the local trade as well as revenue of the Government as it is practically difficult to cross verify the purchases and sales by the respective dealers

122. Sir, the Entry Fee to Casino was raised to Rs. 2000/- from the existing Rs. 200/- with effect from 31-08-2009. My Government's decision was able to restrain, to a large extent, the entry of Goan youth to the Casino. I have received many representations to reduce the entry fee. Having considered the overall effect on revenues as well as to provide some relief to this industry, I propose to reduce the entry fee to only land based casinos in hotels to Rs. 500/-. While allowing this concession, I would advise the Commercial Tax Department to exercise several administrative restrictions so that the concession is not misused.

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123. As we are aware the Casinos have been brought under the purview of prevention of Money Laundering Act. Under the Act the State Government has been entrusted with the responsibility of regulating the casinos and putting in place the systems of Gaming Regulations. I propose to set up a Committee, in association with Financial Intelligence Unit, to examine the issue in greater detail and make necessary recommendations. I intend to introduce separate Act for regulating the casinos in due course.

eliminating because of other services like DTH, Dish TV, Home theatre, etc.; and they cannot sustain levy at two points. Having considered their representations, I propose to drop the levy of tax at the point of Headend Control room prospectively. At the same time, I raise the tax on cable connections from Rs.10/- to Rs.15/- per connection per month and Dish TV and DTH from Rs.25/- to Rs.30/- per connection per month.

127. Sir, with the following words I commend this Budget 2010-11 for the consideration of the House.

सर्वेपि सुखिनः सन्तु

सन्तु सर्वे निरामयः

सर्वे भद्राणि पश्यन्तु

मा कश्चिद् दुःखमाप्नुयात्

JAI HIND, JAI GOA

(The House was adjourned at 6.14 P.M to meet on Friday the 26th March 2010 at 11.30 a.m.)