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GOVERNMENT OF GOA

**Additional Budget Speech
2009-2010**

of

Shri Digambar V. Kamat
Finance Minister/Chief Minister

24th July, 2009
(Sravana 2, Saka 1931)

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Honorable Speaker Sir,

1. I, rise to present the Additional Budget 2009-10 to this August House. As the Honorable Members of this August House are aware that, I had presented an Interim Budget in March, 2009 and had taken Vote on Account in order to facilitate the Government to carry on its business for the First Five Months of current Fiscal. The Budget presented earlier, as we know had neither included the New Schemes/ Programmes for the development of the economy nor were there any Tax Proposals for enhancing the Revenue Income of the State. This was because of the operation of the Model Code of Conduct due to Lok Sabha Elections.

Economic Overview

2. Sir, I begin my Speech by giving a brief account of the economic position of the State. The State economy has been strong and moving on a high growth path, as can be seen from the fact that the Gross State Domestic Product (GSDP) has consistently been growing above 12 per cent per year. In absolute terms the GSDP has increased from Rs.15,023.34 crore in 2006-07 to Rs.16,901.26 crore in 2007-2008 at current prices. This trend of growth in the State's economy is likely to

continue in the next few years, despite the recent economic and financial downturn.

3. The sustained high growth of the economy has contributed to the increase in Real Per Capita Income of the State. The Per Capita Income has been amongst the highest in the country, the Human Development Index too is much above the National average. The Average GSDP growth rate of over 12 percent for the last two years, achieved by the State is much higher than the GDP growth rate of around 7.8 percent achieved by the Country for the same period. The share of the Primary Sector in the GSDP is placed at around 10 percent, Secondary Sector at 35 percent and Tertiary Sector at 55 percent.

Tax Collection

4. Mr. Speaker Sir, the economic slowdown across the globe has adversely affected the Indian economy and led to the fall in the Revenue collections of the Centre. Similarly, the State economy too, has had its share of recession and witnessed the slowdown in the economic activities thereby affecting the growth in Revenue collections of the State. Despite the slowdown, our Tax collection has been to the tune of Rs. 2108.99 crore in

2008-09 as compared to Rs. 1752.64 crore during the preceding year of 2007-08.

Fiscal Position

5. The State has been pursuing the path of fiscal correction ever since the State enacted the Fiscal Responsibility and Budget Management (FRBM), Act of 2006 and has been able to achieve remarkable improvement in its fiscal performance through better own revenue mobilization and improved fiscal management, as measured through various fiscal parameters. The FRBM Act has indeed brought about the desired change in the fiscal health of the State during the year 2006-07, 2007-08 and 2008-09 when the Revenue Deficit was turned into Revenue Surplus.

6. Notwithstanding the above, there lies a huge challenge before the Government to attain balance, between the fiscal prudence and increased Government Expenditure, to promote Growth. However, due to the current global recession, Governments across the globe are required to infuse added liquidity into the economy by means of enhanced Government spending. In the present scenario, Govt. of India has declared FRBM Holiday for a year, so that the Government Expenditure on

Infrastructure and Social Sector can be enhanced. The State invariably would have to resort to the above prescription to revive the economy. As a result, there is bound to be a short term shift from the desired fiscal objective of consolidation, stability and sustainability. However, such a course of action is inevitable in such global recessionary cycle.

7. Having said that, we know that, "The Kite rises highest against the wind and not with it". Sir, My Government will essentially lay emphasis on all those Critical Areas and Sectors which has the potential and ability to act as Catalyst for Growth on one hand and generate employment, create public good and provide quality public services to the 'common man' on the other. My Government, therefore, has decided to enhance Public Spending to stimulate growth on one hand and create an environment conducive for Private Capital Participation in the projects to be taken up in Public Private Partnership format on the other. We will soon formulate a comprehensive PPP Policy, including a new Viability Gap Funding Scheme, on the lines of Central Government. We intend to develop several infrastructure projects on PPP basis.

Way back in 325 B.C., Kautilya had written in his Arthshastra,

“ The root of wealth is (economic) activity and lack of it (brings) material distress.

In absence of (fruitful economic) activity, both current prosperity and future growth shall be destroyed.”

8. My Government is committed to the welfare of the Common Man and the State. Hence, we have decided to achieve higher inclusive growth through greater spending on Infrastructure and Social Sector. These are the areas which can act as catalyst for the Growth.

Budget Estimates 2009-10

9. Sir, the estimates for Receipts and Expenditure for the year 2009-10 shall undergo marginal change in view of the important New Initiatives, Projects, Schemes and Tax Proposals that my Government intends to take up during the current fiscal. I shall deal with those New Initiatives, Projects, Schemes and Tax Proposals in detail, a little later. Also, the State's share in the Central Taxes which was earlier estimated at Rs. 510 crore has gone down to Rs. 444.02 crore (actual for 09-10) due to fall in the Tax collections of the Central Government. Thus, causing a

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shortfall of Rs. 65.98 crore. This shortfall has led to the estimated Revenue to go down by Rs. 65.98 crore. Since, this came to the notice of the Government very recently, we felt it appropriate that it finds reflection in this document, in order to provide a clear picture of the fiscal position. However, the financial implications of the estimated Additional Expenditure and the Receipts would alter the earlier estimates in the following manner;

10. The estimated expenditure on New Schemes and Projects require an additional provision of Rs.119.77 crore whereas the Additional Revenue that is estimated to be collected amounts to Rs. 516.40 crore. This will revise the Plan size to Rs.1993.77 crore (including PSU's and Local Bodies) and Total Revenue Expenditure to Rs. 4605.90 crore and Total Revenue Receipts to Rs. 4587.15 crore. Thus, the Revenue Deficit would get revised downward to Rs. 18.75 crore instead of earlier estimated Rs. 348.40 crore. Similarly, the Fiscal Deficit also would get revised downward to Rs. 482.54 crore from its earlier estimates of Rs. 812.19 crore.

Achievements

11. Sir, my Government has gone through much of turbulence and every occasion came out strong with new

zeal and enthusiasm because I strongly believe that “Future belongs to those unreasonable Men who look forward, who are certain about uncertainty and who have ability and confidence to think differently”.

12. On this note, I elaborate on the achievements of my Government during the last two (02) years. The people of Goa have been a participatory force and equal partner in all our achievements. Together we are working for a forward looking, secular and prosperous Goa. My Government has initiated and implemented several programmes, for the benefit of the ‘common man’, who is at the focal point of our Governance and scheme of Development. Simple measures such as simplification in the process of issue of Domicile Certificate, increasing its validity period, life time validity of Social Status Certificate and permanent validity of Conversion Sanad for the purpose of construction of house by the Common Man have undoubtedly made the life of the Goans much easier.

13. In right earnest, my Government has taken up the preparation of the Regional Plan and constituted an independent Task Force for the purpose. The draft Regional Plan prepared by the Task Force was kept open for public scrutiny and for valuable suggestions at the

Local Body level, before the same could be put to implementation. The State of Goa probably became the first State to have done such an exercise for inclusive participation of all stakeholders in Government's decision-making process.

14. Sir, besides facilitating the 'Common Man', we have laid adequate stress on the development of Infrastructure to meet the growing needs of the Tourism and Health sectors.

15. My Government has been very sensitive towards the life and safety of the people who frequent our world famous beaches and thus implemented an ambitious Project called 'Advanced Beach Safety Management System'. This initiative of my Government has saved many precious lives of the people frequenting at beaches and those venturing into the sea. Presently the Safety System has only been provided at select stretches important beaches and will be extended to the other beaches in phases.

16. Goa is the best performing state in Health care. My Government has implemented various measures to ensure that quality health care reaches to the common

man. Existing hospitals and health centers are in the process of being upgraded. The Rajiv Gandhi Goa Medical College and Hospital has been upgraded with a 450-bedded Medical Block. The successful implementation of 108 Emergency Ambulance Services, installation of the Haemodialysis Unit at Canacona, introduction of Mobile health Clinics, organizing free Diabetic Camps, construction of Yatri Niwas for those attending to patients, commissioning the State-of-art Pathology Laboratory and New Born Baby Screening are the indicators of my Government's commitment to work for the betterment of the Common Man.

17. My Government has taken up several measures on the Educational front. An Integrated Education Policy for Pre-Primary to University level has been formulated while Infrastructure in schools has been given a boost. Interest Free Education Scheme has benefited nearly 1129 students who were able to avail higher educational facilities in India and abroad. Indira Bal Rath Scheme for providing School Buses to those schools having 10% enrollment of ST students has been launched. Eleven (11) students have been awarded with 'Goa Scholars' Scholarship.

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18. Sir, my Government during the last two (02) years has laid sufficient emphasis on Mechanisation of Agriculture and has ensured adequate increase in Support Price for agricultural produce of Arecanut, Coconut, Cashew and Paddy, thereby benefiting the farming community. Under the Scheme for Incentives to Milk Farmers an amount of nearly Rs. 2.5 crores has been disbursed to encourage Milk Production locally.

19. Each Panchayat has been covered with Infogram System and Computerization undertaken. The Goa Rural Garbage Disposal Scheme has been found to be very effective. In an effort to provide rural employment, the National Rural Employment Guarantee Scheme has been vigorously launched. The active fishing community has been covered with the Group Accident Insurance Scheme and upgradation of Malim and Cutbona jetty has been taken up on priority.

20. My Government has provided sufficient funds to undertake de-silting of Nallahs in urban areas and to provide civic amenities in towns. Development of Water Resources has been given an additional impetus with irrigation potential under main irrigation projects reaching 27,070 hectares.

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21. Sir, to provide for sustainable employment for our youth and to encourage self-entrepreneurship, the loan limits have been increased, from Rs. 2 lakh to Rs. 4 lakh for non-technical beneficiaries and from Rs. 4 lakh to Rs. 6 lakh for technical beneficiaries, under the Chief Minister Rojgar Yojana, which has yielded positive results. In all 315 micro, small and medium enterprises with an investment of Rs. 3934.25 lakh and with an employment generation for 2854 people, was set up during the last year alone.

22. Information Technology is the key to the welfare of the Common Man. 208 Lok Seva Kendra's are in the process of being set up to provide various E-services. So also the work has progressed on the Goa Broadband Network which will connect the District and Taluka headquarters. My Government has undertaken computerisation of old Cadastral Maps and Documents and the process of providing intra-connectivity through Goa Net, so that any plan can be issued from any of the Offices of the Department of Settlement and Land Records. The work of re-survey in the State of Goa is also in progress.

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23. Sir, Our focus has also been on providing proper accessibility and infrastructure through better roadways and transportation. To provide easy and efficient service to the public, registration of new vehicles through authorized dealers has commenced and smart card driving license has been commissioned. New Modern Bus terminus has started in Shiroda and the new Bus Terminus at Honda is about to be commissioned. On inland waterways-repairs of old ferries have commenced while new ferries are in the process of being built. The road network has improved since last 20 months with road repair and hot mixing of the surfaces being accorded priority. The new parallel water supply pipeline, at vulnerable stretches from Selaulim to Margao has been commissioned. To recover pending dues from domestic consumers a One-Time Settlement Scheme has been introduced. This Scheme, I am sure, will provide relief to the common man and at the same time help the PWD to recover its long pending dues.

24. On my Government's request, the UPA Government approved Rs. 450 crore for the expansion of the Dabolim Airport to provide for state-of-art facilities, for which, just a few months back the foundation stone was laid. Further, Rs.60 crore Super Speciality Hospital at

Margao is coming up through ESI Corporation. The state of the art studio at Goa Doordarshan has ^{also} been commissioned.

25. Sir, our State is Power efficient. My Government has kept its promise to the people of Canacona by completing the underground cabling on Cuncolim-Canacona line at Karmal Ghat. Similarly underground conversion works in Panaji and Margao has been completed. More projects for underground cabling have been envisaged at a total cost of Rs. 135 crores. To improve connectivity and better Power Management, new 33/11 KV power substations have been commissioned at Sanguem, Canacona and Carmona. The State Electrical Inspectorate has been made operational, while works amounting to Rs. 250 crores has been undertaken under the APDRP scheme. The work of 220 KV Power Station at Amona and Cuncolim is on.

26. Sir, In the Power Sector, our revenue collections have surpassed the estimated targets. To rationalize the revenue generation further as against pending dues from the consumers, a One-Time Settlement Scheme with Outstanding Dues upto Rs. 20,000/- has been implemented to recover such dues on one hand and provide relief to the Common Man on the other. I propose to revisit the OTS

2) Scheme to extend it for Outstanding Dues beyond Rs.20,000 but less than Rs. 50,000. This, I believe, will provide more relief to the common man.

27. The Centre has assured the State of establishing a Gas Pipeline by tapping Dabol-Bangalore pipeline at Gokak. This will include both LPG and CNG, and will greatly help in reducing the emission. Already the work of laying the pipeline from Gokak in Karnataka to Goa, has been sanctioned for Rs. 1600 crores and the same is expected to be completed by 2012. For the first time the Centre has allotted the State a Coal Block at Chattisgarh, for power generation which would meet our power requirements for the future.

28. My Government in order to touch the hearts of the weaker and needy sections of the society has implemented a Scheme for Flower & Vegetable Vendors to assist in their businesses. This year 1219 beneficiaries have been assisted under the scheme. Similarly, a scheme for Gadda Owners has also been implemented. We have touched the Senior Citizens through our Scheme titled "Ummid" wherein the local self Government and Non-Governmental Organizations have been provided with financial assistance to run Day Care Centers for the Senior

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Citizen. Nearly 19 such NGO's have availed financial assistance under this Scheme.

29. The State has formulated the Scheduled Caste Sub-Plan and Tribal Sub-Plan by earmarking the sufficient funds in proportion to their respective Population, for their welfare and development. Various Schemes are implemented by 17 Sectoral Departments, exclusively for the welfare and development of SC/ST population. Under the Rajiv Awas Yojana, 3692 families whose income is below 1.20 lakhs have benefited under this Housing Scheme. Also Christian Rennder and Komarpant community have been included in the OBC list, thereby fulfilling the long pending demand of these communities.

30. Sir, the Government of the day has tried to touch every section of its population and has extended its hand to them in their every need to fulfill each of their aspirations.

Policy Initiatives- Road Ahead

31. The focus of our Government this year will be better service delivery and greater transparency with an aim to achieve more equitable and inclusive growth. We plan to create Citizen Centric Governance which would

help the Common Man by providing him a transparent and efficient delivery mechanism. We plan to bring about structural reforms in several areas to generate greater economy and efficiency.

32. Sir, the well known Philosopher Goethe has said that "The Best of all Governments is that which teaches us to govern ourself". In order to make the Administration sensitive to the needs, expectation and aspirations of the Common Man, my Government proposes to set up a 'Staff Administrative College' to cater to the Training and Motivational requirements of the Government Employees. I also propose to set up a High Level Committee of Secretaries and other Experts to look into the functioning of major Departments and suggest measures to improve their functional parameters and performance. Apart from this, I also propose to put in place an 'Independent Third Party Audit'. - A Mechanism to study the Departments' finances and streamline loopholes with appropriate policy prescriptions. My Government intends to put in place a Quality and Social Audit.

33. My Government is committed to zero tolerance for any corrupt practices in the day to day functioning of the governance of the State and thus intends to further

strengthen the Vigilance Department. We believe in preventive measures as well as punitive action, and steps will be taken on these lines.

34. The State is yet to have its own Human development Report published. My Government will appoint a High Level Committee to study the Index of Human Development and suggest to the Government measures to be adopted for their further betterment.

PART-A New Schemes

35. Sir, I am a firm believer in my people and while offering them this basket of flowers let me say that "I am not bound to win, but I am bound to be true" and I have full faith that truth shall triumph.

36. I, now turn to the New Schemes and Projects my Government intends to take up to carry forward the Agenda of Equitable and Inclusive Growth of the State.

37. **Agriculture:** Sir, as we are aware that Agriculture and allied Sector is the backbone of any economy and a major source of livelihood for the rural population. But due to increase in cost of labour and other inputs it has become uneconomical and farmers are

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not inclined to till their land. As a result, Agriculture is severely affected in the State. The contribution of Agriculture to the GSDP, year-on-year basis is going down. Therefore, the time has come to have a "Agricultural and Horticultural Policy" for the State in order to correct the precarious situation without losing much time. A Working Group comprising of the experts, agriculture scientists and farmers would be constituted to deal with the matter.

38. Recognizing the above fact, my Government proposes to provide 70% Subsidy to the farmers for the purchase of modern equipments and machinery. The Scheme will be made available to individual farmers as well as group of farmers. This would be our first step towards mechanized farming. The total fund requirement for the scheme would be Rs. 75 lakhs which will be met through regular budget allocation of the Department.

39. I, also propose to create a 'Shetkari Aadhar Nidhi' to take care of the farmer in the times of distress and when calamity strikes him. I, propose to make a provision of Rs. 100 lakh for the same. A disbursement and monitoring mechanism would be worked out for an effective utilization of the proposed fund.

40. I, also propose to introduce a Scheme 'Jalkund' to tide over the water scarcity to the farmers who grow vegetable on the hill slopes for their livelihood. *specially in some of the talukas.* Under the scheme a pit would be dug and plastic lining done to store water. The water can be used for irrigation during the dry spell. I, propose to make a provision of Rs. 25 lakh for the Scheme.

41. **Education:** Sir, Education as we are all aware is the backbone of any civilized, modern and forward looking society. Meritorious students of the state needs to be given due recognition for their intelligence and hard work they put in. so as to develop in them a sense of belongingness to their mother-land and infuse the sense of responsibility towards the State.

42. I, therefore, propose to announce 'Rajiv Gandhi Merit Scholarship' to those students of Tenth and Twelfth class who secure first, second and third position in their respective schools. The Scholarships for Std. X will be Rs. 3000, Rs. 2000, and Rs. 1000 respectively while for Std. XII it will be Rs. 4000, Rs. 3000 and Rs. 2000 for those students securing the first, second and third position respectively. The Scheme will also cover the students of Vocational stream. For implementation of the Scheme, I

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have made a total provision of Rs. 55 lakh in the additional budget for this purpose.

43. Sir, Goa University is celebrating its Silver Jubilee this year and I would like to announce that my Government will release a token grant of Rs. 25 lakh to the University for its year long celebration.

44. **Art, Culture and Official Language:** A Nation is known and recognized by its People, Language, Art and Culture. My Government recognizes the people and the associations involved in strengthening and propagating the Konkani Language by giving them one time grant. I propose to grant Rs.15 lakh to Konkani Bhasha Mandal for their activities and Rs. 15 lakh to Vishwa Konkani Parishad for their contribution and propagation of the Konkani Language and also for establishing a Vishwa Konkani Kendra, which is the first of its kind in the country. An appropriate provision of Rs. 30 lakh has been made in the additional Budget.

45. My Government recognizes the important contributions made by the prominent Goan Poet Late Shri. B.B. Borkar popularly known as Bakibab Borkar. In recognition of that, my Government has decided to

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celebrate his Birth Centenary from 30th November 2009 to 30th November 2010 by organizing various programmes. A provision of Rs. 12 lakh has been made in the additional Budget.

46. My Government takes utmost happiness and pride in announcing the celebration of the Birth Centenary Year of the First Chief Minister of Goa Late Bhausaheb Bandodkar from 12th March 2010 to 12th March 2011 by holding various activities. A State Level Committee is being constituted for this purpose.

47. My Government is pleased to announce the institution of an prestigious Award called 'Gomant Vibushan Award' to be awarded to the eminent personalities of Goan origin, who have achieved Excellence at the National and/or International level in their respective field of profession and have brought laurels to the State of Goa. Such eminent personalities shall be awarded with this prestigious Award which would carry a Cash Prize of Rs. 5 lakh, a Memento and Citation. A provision of Rs.5 lakh has been made in the budget.

48. **Roads and Bridges:** Sir, Even though, the State is having a good Road network and Ferry-boat

connectivity, there are places where the people face lots of hardships and require to cross water bodies / rivulets especially during monsoon. The lives of the people are at continuous risk and this calls for immediate action by construction of foot bridges across such water bodies / rivulets. My Government is very sensitive to this issue and would like to provide Rs. 100 lakh for construction of foot bridges. The District Magistrates shall be given appropriate directions to identify such locations in each District and take appropriate steps.

49. The Roads and Bridges are the life lines of any economy thereby facilitating the smooth movement of people from one place to other. My Government is committed to enhance creation of infrastructure on Roads and bridges across the State in order to facilitate smooth movement of people, goods and services from one place to another. My Government is ardently pursuing with the Central Government Ministries and the Planning Commission for providing the State Government with an Additional Financial Assistance of Rs. 615 crore in order to strengthen the Roads and Bridges. We firmly believe that creation and maintenance of Road and Bridges is of utmost importance given the large number of tourist arrival to the State of Goa and the economic activities

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that are generated by their arrival. My Government is committed to creation of state-of-art infrastructure in the State to provide the necessary fillip to the State economy.

50. Housing: Sir, the Government of India under one of its Flagship programmes called Indira Aawas Yojana (IAY) provide Rs. 35,000 to Below Poverty Line (BPL) family for construction of new or repair of existing House. We find that the said amount to be insufficient to construct a small but pucca house. My Government feels that the State can complement the Centre's efforts by providing Rs. 10,000 from the State Budget. I, therefore, announce Rs.10,000 as an additional assistance to the IAY beneficiaries in addition to the Central Scheme. The provision of Rs. 100 lakh has been made in the additional budget and I believe that it will give some relief to the BPL Families.

51. Social Welfare & Employee incentives: My Government is also very sensitive towards the problems faced by the family members while bringing up their differently abled and Special children. More especially when both the parents are working. The children are left with either the Maid servant or the elderly members of the family who fail to take good care of these children. In

the absence of proper care, the health of such children suffers and they become prone to various ailments. I, therefore, propose to announce a **Special Voluntary Retirement Scheme** for all such Government Employees who are having differently abled and special children to look after. The modalities for the Scheme are being worked out. However, a provision of Rs.100 lakh is made in the budget. My Government is also intending to formulate an appropriate scheme to take care of such differently abled and special children, during the untimely demise of their parents or when their parents grow old.

52. I understand that the basic need for our Government employees is a house for which the Government under the house building advance had kept a maximum ceiling of Rs. 15 lakhs. These days this amount is not sufficient to meet the housing needs and as such I propose to enhance this limit to Rs. 30 lakhs.

53. Our traditional occupational skills are fast diminishing and there are presently very few of those who are still continuing with their work. These include 'padeli', 'rennder', 'khajekar', 'fougeri', 'chanekar', 'poddars' and others. I propose to operationalise a Scheme to give financial assistance to such Tiny

Entrepreneurs. Such assistance would help them to sustain their occupation and provide an impetus for revival of these traditional skills. The Directorate of Social Welfare would work out the details. For this I propose to make an allocation of Rs. 200 lakh.

54. I further propose to bring out a comprehensive Schedule Caste and Schedule Tribe plan for initiating sectoral implementation of various schemes and continuous monitoring.

55. The schemes of the State have not yet fully reached the Dhangars (Goulys) of our state. I propose to introduce such similar beneficial schemes for them and would like to make a provision of Rs.100 lakhs *for their benefit.*

56. **Infrastructure:** In order to leverage the Government resources and to create large infrastructure, we plan to take up several initiatives on PPP basis. We have already constituted Professional Advisory Group, comprising of eminent experts, for integrated and holistic strategic planning for development of the state. We also propose to develop infrastructure for National Games 2011, on PPP basis. My Government has asked the Centre

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to provide Rs.535 crore as One Time Financial Assistance for the same to the State.

57. As the first initiative, my Government proposes to take up an Ambitious Project for the construction of a Bridge across the Arabian Sea connecting Dona Paula and Vasco City to be popularly known as Dona Paula Vasco Sea Link on Private Public Partnership (PPP) mode on Build Operate and Transfer (BOT) basis. The Government will be availing the crucial 20 per cent of the Project cost in the form of Viability Gap Fund (VGF) from the Ministry of Finance, Government of India. I propose to make a provision of Rs.100.00 crore for the said project in this additional Budget.

58. Sir, the Zuari Bridge is a lifeline of connectivity along the western coast of India and more particularly between North and South Goa. The NHAI is in the process of getting an additional bridge done, however I intend to intervene with the Central Government to propose that this bridge should be a signature bridge which would be an attraction in itself. My Government is ready to see to it that the best International Consultants design this bridge for which we are ready to make financial contributions. I

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I propose that this be the Golden Jubilee Bridge in Goa's 50th year of Liberation.

59. Industries: Sir, sustainable Industrialisation is the need for the state. Industry needs to grow and the State has to act as a facilitator and hand hold ^{to} them during their initial stages and also provide some support during their situation of crisis. The Medium and Small Enterprise base in the state needs to be enhanced and sustained. In our Industrial estates, Government has provided the industry suitable facilities to establish. However at times it becomes difficult for small entrepreneurs to avail the large size plots and there have been continuous demands from small industry that such plots should be sub-divided and land be allotted for small entrepreneur. This is a very genuine demand and I propose that in Industrial Estates, Goa Industrial Development Corporation shall provide smaller parcels of plots to the small entrepreneurs to establish.

60. My Government has extended the validity of Nine Schemes formulated under Goa Industrial Policy, 2003 upto 31/03/2011. During this fiscal year, I expect entrepreneurs to take benefit of this extension. A provision of Rs. 250 lakh has been made for this. The Goa

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Industrial Policy, 2003 and the Schemes therein needs to be made more dynamic as per the needs and aspirations of the MSME's and other Industrial units. I intend to revisit the policy and would bring about necessary changes in order to provide necessary fillip to this sector.

61. My Government intends to bring about major reforms by introducing a single window clearance system for speedy disposal for applications for setting up new units in the state.

62. I, propose to set up a common facility centre for cashew processing cluster at Morpila in Quepem for which a provision of Rs. 24 lakh has been made.

63. In order to further help the SME sector and encourage and promote inter twining of SME's with large industries in Goa, I propose to organize a Trade Fair exhibition for Micro, Small and Medium Enterprises as well as large industries in Goa so that a face to face dialogue is facilitated and maximum outsourcing by large units is done from the SME sector in Goa. Also, the SME sector would be encouraged to diversify so as to meet the requirements of the SME sector faced in Goa. A provision of Rs.1.00 crore is done for such a Trade Fair.

the units graduating from the small scale to the Medium Scale for one year.

65. In order to encourage women entrepreneurs, resident as well as non-resident Goan entrepreneurs to set industrial units, I intend to include a interest rebate of 1% on ongoing schemes of EDC as well as providing 3% interest rebate for those who set up units in backward talukas. The OTS scheme implemented last year at EDC would also continue during this year 2009-10.

66. **Tourism:** Tourism provides employment to our youth and the peripheral economy of the coastal stretches thrive of tourism. We need to protect our tourist and as I have elaborated before, I intend to carry on the beach safety programme and thus provide Rs. 8 crores for of this Tourism Beach Safety Management Scheme, Phase II. Further our beaches needs to be cleaned and maintained, so as to continue attracting the tourist. For this purpose, I propose to provide Rs. 3 crores for the Beach Cleaning scheme.

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PART-B.... Tax proposals.

67. Winston Churchill has once said, "There is no such thing as good tax". But sir, my tax proposals shall come out to be good for the state.

68. Sir, I turn to the Tax Proposals that I intend to announce in order to enhance the Revenue Base of the Government. We cannot afford to spend more than the financial resource available with us on a continuous basis, as that leads to increased Deficits. The deficits which are met through market borrowings giving rise to increase in Debt Burden of the State. As the Debt stock goes up, it leads to increased outgo in the form of Interest Payments, thereby squeezing the limited resources of the State. In the circumstances, efforts to increase the Revenue are the only best alternative available before the Government.

69. I, propose to introduce an Act to provide for the Levy and Collection of a Tax on Professions, Trades, callings and Employments for the benefit of the State. The Act shall be called as the 'Goa State Tax on Professionals, Trade, Callings and Employment Act, 2009'. The State is expected to collect approximately Rs 65 crore per year from the above proposed Tax in the first year of its

implementation itself. The proposed Tax shall have five Slabs as under:

<u>Income Bracket (per Month)</u>	<u>Tax (per Month)</u>
Below Rs. 10,000	-- NIL
Rs.10,001 to Rs. 12,500	-- Rs. 150
Rs.12,501 to Rs. 15,000	-- Rs. 200
Rs.15,001 to Rs. 20,000	-- Rs. 250
Rs.20,001 to Rs. 25,000	-- Rs. 300
Rs.25,001 and above	-- Rs. 350

70. For the purpose of administering the above tax, it is essential to register all professionals such as Doctors, Lawyers, Consultants, Architects, Hoteliers, Vehicle dealers, Builders, Civil engineers, Chartered Accountants, Brokers, Sub-Brokers and all such other professionals. I, propose a One-Time Charge of Rs. 5000/- for registration of the above Professionals.

71. **Ground Water Extraction Charge:** Depleting Ground water resources is a major concern of my Government. Since water is a precious resource any excess extraction beyond sustainable levels brings down the water table leading to scarcity of water. Lot of water is being extracted, from the ground for commercial purposes. In order to regulate the ground water extraction

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and safe guard the water tables from depleting further, I propose to charge Rs. 20 per cubic meter for water drawn and used for commercial purposes mainly in Industrial areas and Construction sites.

72. Library Cess: To strengthen the library movement in the state and to provide for the maintenance and upkeep of our new Central Library and District Library infrastructure in the State of Goa, I propose to enhance the existing Library Cess on liquor from 50 paise to 75 paise per bulk litre.

73. Entry Fee on Casinos: The young people are the future of the State and we do not wish them to squander their youth and parent's hard earned money in Casinos and fall prey to the vices of Gambling. My Government in an effort to discourage the youth of the State from entering the Casinos, proposes to enhance the Entry Fee for all Casinos from its present Rs. 200 per person to Rs. 2000 per person. We hope this not only will discourage the youth from entering the Casinos but will also generate substantial Revenue for the State. The additional estimated Revenue that may be collected is Rs. 36.50 crore per year.

74. My Government understands the need for regulation of the Casinos and would come out with detailed policy in due course of time. The apprehensions raised in various quarters would be adequately addressed.

75. **Entry Toll on Vehicles:** By a conservative estimates as many as 15 lakh vehicles per year (four wheeler and above) are entering the State of Goa and those are not been subjected to any Entry Toll. The wear and tear of the Road and Bridges of the State is enormous for which the State is spending huge sums of money for repairs and maintenance. To generate additional resources for road repairs and maintenance, I propose to introduce Entry toll on vehicles except Two-wheelers to be levied with the following charges:

<u>Type of Vehicle</u>	<u>Entry toll Charges</u>
Light Motor Vehicles (personal use)	Rs. 100 per entry
Light Motor Vehicles (Taxi)	Rs.150 per entry
Mini Trucks and Mini Buses	Rs.150 per entry
Heavy vehicles including Buses	Rs.250 per entry

We hope to collect a substantial Revenue of Rs. 20 crore per year.

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76. **Land Replenishment cum Green Environment Charge:** My Government is very much concerned about the dumping of mining rejects by the mining industry across the state. After ore extraction, the rejects are expected to be properly taken care of by appropriate methods. Over the years, it is seen that on account of lack of proper administration in managing the rejects, various calamities have taken place. Dumping of rejects has not only exhausted the availability of Land for alternate economic uses, but has affected natural and aesthetic beauty of our state, it has destroyed wetlands, caused loss to important Flora and Fauna, led to loss of forests, exposed the people to heavy metals which has given rise to serious health hazards and also destroyed the fertility of agricultural land and contaminated the water resources. I, therefore, feel the responsibility of taking some corrective measures to mitigate these effects and to provide for appropriate remedial measures in terms of improving the infrastructure, potable water supply and restore peoples health.

77. Having said that, I, proposes to introduce the **Land Replenishment cum Green Environment Charge** from the Mining Industry to make good the loss suffered by the State and its people over the years. The Charge shall

be levied at the Rate of Rs. 30 per tonne of the reject. My Government urges the Mining Industry to ascertain the colossal damage these rejects of Mining has done to the environment, road infrastructure and to the people's health and respond in the righteous manner to the Government's initiative and comply with the above proposed Charge. My Government expects a Revenue collection of Rs. 375 crore per year from this New initiative.

78. Infrastructure Tax: My Government proposes to increase the Infrastructure Tax from its present level of Rs.50 per sq. meter to Rs.100 per Sq. metre on domestic and from Rs. 150 to Rs. 250 on commercial. We expect an additional revenue collection of Rs. 500 lakh.

79. Sir, to support the small and medium dealers, opting for composition scheme under VAT, my Government has recently revised the annual turnover ceiling from the existing Rs.50.00 lakh to Rs.80.00 lakh. This will benefit a large number of dealers especially, the hotels and restaurants, resellers and contractors

80. Sir, as regards small boat owners, I have rationalized the levy of Entertainment Tax on water sports

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from the existing 10% of the receipts to Rs.2500.00 per boat per annum. This will benefit around 300 plus small boats registered with Captain of Ports in Goa.

81. We have also rationalized the Luxury Tax rates. The existing 3% slab has been extended upto the room rates of Rs.1000.00 per day, whereas the 5% rate slab has been extended from Rs. 1500.00 to Rs.2500.00 and 8% slab from Rs.3000.00 to Rs.5000.00. This accommodates the small, medium and also the starred hotels.

82. Registration of Jetties: I propose to bring on board all barge loading and unloading jetties and take measures to register them with the Captain of Ports. The one time registration charges would be Rs. 1.5 lakh for single loading and Rs. 3 lakhs for dual loading and above.

83. Transportation Charge: I, propose to monitor the movement of Inflammable and Hazardous Materials (except petrol and diesel) in the state. I propose to increase the rate for transportation of coal and coke from Rs. 50/- per metric ton to Rs. 250/- per metric tonne and also extend this transportation charge to movement of Inflammable and Hazardous Materials (except petrol and diesel).

and unloading cargo charges, annual licence fees and all such other related charges and fees as per the details in Annexure-I. This increase is necessary to provide additional berthing facilities, dredging equipment and vessels for safe piloting. This is expected to generate additional revenue of Rs. 700 lakh.

85. The global economic meltdown/ recession has affected the tourism industry, which in turn has affected the 'liquor industry'. Liquor industry is predominantly dependant on tourism. It was, therefore, essential to take corrective action. Accordingly, I have decided to take some initiatives to give a boost and provide stimulus to the liquor and hotel industry. I, therefore propose to rationalise the Label Recording / Renewal Fees as per Annexure-II.

86. It is proposed to reduce the '**Licence Processing Fees**' for the retail sale of **Foreign liquor** for consumption on premises as well as in packed bottles from the existing Rs.20,000/- to Rs.2,000/- for those applicants who already possess a licence for retail sale of IMFL and CL or apply for

87. Likewise, it is also proposed to reduce the 'Licence Fees' for retail sale of Foreign liquor for consumption on premises for 'B' category hotels from the existing Rs.1,00,000/- to Rs.25,000/- per annum. So also it is proposed to reduce the same in other licensed premises, other than A & B category Hotels, i.e. in 'A' Class Municipalities/ Coastal Villages, in Towns & Cities other than 'A' Class Municipalities/ Coastal Villages and in Villages other than Coastal Villages from the existing Rs.5000/-, Rs.3000/- & Rs.1500/- to Rs.2500/-, Rs.1500/-, & Rs.1000/- respectively.

88. However, it is proposed to increase the 'Licence Processing Fees' for retail sale of Liquor, on vessels/crafts used for the purpose of gambling / having licence for casino from the existing Rs.25,000/- to Rs. 10,00,000/-. Similarly, the 'licence fee' for retail sale of liquor on board such vessels/crafts is proposed to be increased as under:

- i) vessels/ crafts having capacity less than 50 passengers to ply.... from the existing Rs. 2,00,000/- to Rs. 5,00,000/-

- above but less than 200 passengers to ply.... from the existing Rs.5,00,000/- to Rs.10,00,000/-
- iii) vessels/ crafts having capacity of more than 200 passengers to ply.... from the existing Rs.10,00,000/- to Rs. 20,00,000/-
- iv) for all other vessels not covered above, the licence fee is proposed to be increased from the existing Rs.30,000/- to Rs.50,000/-

9. As an additional resource mobilization measure, is proposed:

- i) To increase the duty on mild beer from the existing Rs.9/- per Bulk Litre to Rs.10/- per Bulk Litre.
- ii) To increase the duty on IMFL/ FL other than Milk Punch, Wines and Beer manufactured in the State of Goa/ imported from rest of India/ outside India and sold in the State of Goa for brands whose strength is above 80 UP from the existing Rs.10/- per bulk litre to Rs.11/- per bulk litre.
- iii) To increase the "Export fee" on IMFL from existing Rs.0.60 per Bulk litre to Rs.0.75 per bulk litre.
- iv) To increase the "Bottling fee" on IMFL from existing Rs.2.50 per case to Rs.3.00 per case.

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v) To increase the "Export fee" on Beer from existing 30 paise per Bulk litre to 40 paise per bulk litre.

vi) To increase the "Bottling fee" on Beer from existing 20 paise per bottle to 30 paise per bottle.

90. Further all licensed premises for sale of liquor other than 'A' and 'B' category hotels in only certain 'coastal villages' were exempted from payment of a higher licence fee i.e. @ Rs.2,000/- per annum instead of Rs.7,000/- per annum in case of other coastal villages. It is therefore proposed to bring all these premises under the definition of coastal villages without any exemption and levy a uniform licence fee at the existing rate of Rs.7,000/- per annum.

91. However, in order to give a little boost to the import of liquor into the State and give level-playing-field to the importers as well as the local manufacturers, it is proposed to marginally reduce the import permit application fee on IMFL / FL / Wines from the existing Rs.5/- per Bulk Litre to Rs.4/- per Bulk Litre.

92. The minimum bottling fee for country liquor per annum is proposed to be increased from the existing Rs.500/- to Rs.1000/-.

93. So also in order to encourage the manufacture of wines by “natural fermentation process” it is proposed to reduce the fees for processing the application for “change of licence” from the process of “manufacture of wine using rectified spirit/ extra neutral alcohol” for fortification to the “process of natural fermentation” from the existing Rs.2,00,000/- to Rs.15,000/-.

94. In order to allow the ‘Licensed premises’ to be kept open beyond the prescribed timings i.e. beyond 11.00 p.m. but not exceeding 5.00 a.m., for retail sale of IMFL/ CL/ FL, it is proposed to rationalize the fee structure as under:

(a) Period not exceeding 30 days- from the existing Rs.35,000/- to Rs. 10,000/-

(b) Period of the tourist season from October to May... from the existing Rs.75,000/- to Rs.20,000/-

(c) A period not exceeding 12 months running concurrently with the validity of the license proposed to be retained at Rs.1,50,000/-

Explanation: However (a) and (b) above shall not be available for 5 Stars and above, and ‘A’ Category Hotels.

(d) For all occasional licenses- 100% of the license fee (upto 2.00 a.m. only)

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95. Our Land Revenue system needs adequate reforms, but before implementing any reforms, we need to review and assess the Land Revenue Code. My Government proposes to address this issue adequately and hence would be coming out with suitable notifications on the matter. If required an appropriate one time proportionate settlement of old revenue arrears would be considered, so that the quantum payable does not affect the common man.

96. "With malice toward none, with charity for all, with firmness in the right, As God gives us to see the right, Let us strive on to finish the work we are in"

Sir, with this quote of Abraham Lincoln, I commend this Budget 2009-10 for the consideration of the House.

JAI GOEM, JAI HIND

WAS ADJOURNED AT 2:15 P.M. -
[AT 6:30 P.M.]

ANNEXURE -I

Schedule of Port dues for vessels at Mid - stream loading/unloading

	Port Dues per ton/per entry	Existing rates	Proposed revised rates
1.	Mechanised/Non mechanized vessels for loading /unloading whether Ballast/loaded at mid-stream	Rs. 0.50	Rs. 1.00
2	Tonnage dues for seagoing mechanized and non mechanized crafts for first 25 tons. For every additional 20 tons and part thereof	Rs. 140 Rs. 28	Rs. 280 Rs. 56
3	Detention charges for delay in arrival of a craft:- (I) Exceeding three hours but not exceeding six hours (a) When total import and export cargo is not more than 200 tons (b) When total import and export cargo is more than 200 tons (II) Exceeding 6 hrs irrespective of tonnage of cargo to be handled	Rs. 84 Rs. 126 Rs. 210	Rs. 100 Rs. 140 Rs. 230
4	Mooring:- (i) Mechanized crafts of upto 50 tons per day or part thereof Above 50 tons per day or part thereof upto 100 tons Above 100 tons per day or part thereof upto 500 tons Above 500 tons per day or part thereof upto 1000 tons Above 1000 tons per day or part thereof upto 2000 tons Above 2000 tons per day or part thereof upto 5000 tons Above 5000 tons per day or part thereof upto 38000 tons Above 38000 tons per day or part thereof (ii) Other Crafts: Half of fees specified in (i) above	Rs. 7 Rs. 10 Rs. 14 Rs. 21 Rs. 35 Rs. 56 Rs. 70 Rs. 100	Rs. 10 Rs. 15 Rs. 20 Rs. 30 Rs. 45 Rs. 70 Rs. 140 Rs. 200

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5	Annual Licence:- (iii) Upto 25 tons per annum (iv) Above 25 tons for first 25 tons per annum (v) Every additional 20 tons and part thereof per annum	Rs. 140 Rs. 160 Rs. 40	Rs. 280 Rs. 320 Rs. 80
6	Cargo related Port Dues/Bulk Cargoes:- (i) Bauxite, iron ore, manganese ore, calcinated bauxite, clay china and others coal and coke, gypsum, lime stone, phosphates, sand ore ballast, Iron ore pellets, ferro manganese and fore and all other mineral / bulk cargoes, the following rates shall be levied: 1. Vessel upto 59,999 DWT 2. Vessel from 60,000 DWT upto 99,999 DWT 3. Vessels for and above 1,00,000 DWT (ii) Transhippers and all allied crafts used for loading/unloading	Rs. 3.00 Rs. 3.50 Rs. 4.00 Rs. 0.20	Rs. 6.00 Rs. 7.00 Rs. 8.00 Rs. 1.00

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Annexure II

Label Recording/ Renewal Fees as under:

A) For IMFL/Foreign Liquor:

MRP slabs	Label Recording Fee	Renewal Fee
MRP upto Rs 500/-	Rs 15000/- per label	Rs 7500/- per label
Above Rs 500/-	Rs 25000/- per label	Rs 12500/- per label

B) For Wines (with Natural fermentation process)

MRP slabs	Label Recording Fee	Renewal Fee
MRP upto Rs. 100/-	Rs. 3000/- per label	Rs. 1500/- per label
Above Rs.100/- upto Rs 500/-	Rs 12000/- per label	Rs 6000/- per label
Above Rs 500/-	Rs 20000/- per label	Rs 10000/- per label
All Wines fortified with RS	Rs. 12000/- per label	Rs. 6000/- per label

C) For Beer

MRP slabs	Label Recording Fee	Renewal Fee
For Mild/ Strong Beer	Rs 20000/- per label	Rs 10000/- per label

(The House was adjourned at 2.15p on till 11.30am on Monday the 27th July 2009)