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RESUMED AT 5.11 P.M.

14. PRESENTATION OF ANNUAL FINANCIAL STATEMENT FOR THE YEAR 2009-2010.

SHRI DIGAMBAR KAMAT: Speaker Sir, I rise to present the interim budget of our Government for the financial year 2009-2010 to this august House and seek a Vote on Account to enable this Government to carry on its business and make essential expenditure during the first five months of the next financial year. The Annual Financial Statement and the Demands for Grants now being presented which are for the full financial year will be revised and finalized at the time of presenting the regular budget. My meeting with the Deputy Chairman, Planning Commission for finalization of the plan size for the year 2009-2010 is yet to take place. However, based on the assessment of the economic situation I shall present a statement on the fiscal performance, priorities, policies, development programmes and proposals for restructuring and nationalization of the tax structure at the time of presenting the regular budget.

Speaker Sir, as we are all aware the world economy has been relinquished under unprecedented economic recession and that we are living with different difficult times. It is one of the worst economic recessions since Second World War. Even the most developed economies hitherto considered to be economically on sound footing have been struggling hard to find a firm grip for their revival. Likewise, the Indian economy too has not escaped the wrath of the ongoing global recession. In fact, in the age of globalization India cannot remain unaffected by the global events. Most of the economists around the world feel that India's economic growth will slow down to five to six percent although it would be still

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higher than rest of the world which will have an adverse impact on the lives of the people. Sir, our economy has also been affected adversely by global melt but mining industry saw sluggishness in the export of the iron ore from the State which not only resulted in decrease of foreign exchange earnings for the country but has also resulted in loss of revenue earnings of the State. Our economy primarily being tourist entry, any fall in the tourist arrival to the State is bound to put stress on our economy. The peak tourist season saw a drastic fall in both foreign as well as domestic tourist's inflow to the State. The situation was further worsened by the unprecedented terrorist attacks on Mumbai, the financial capital of the country and subsequent threat perception which loomed large over our State during December-January period. Despite the above watch, our GSDP would now be at the rate of 9% approximately in 2008-2009 and similar trend would continue in 2009-2010. In the above background I now give a brief account of the Revised Estimates for 2008-2009 and Budget Estimates for 2009-2010.

Revised Estimates for 2008-2009 – The size of the Annual Plan outlay for 2008-2009 was fixed at Rs.1,601 crores which has been revised to Rs.1,667/- crores due to the implementation of the VIth Pay Commission. Due to the implementation of the VIth Pay Commission, our Non-Plan expenditure would get revised upwards at Rs.3,420.16 crores for 2008-2009. As a result, our total budget size for 2008-2009 will go up to Rs.5,079.47 crores. The Revised tax revenue is expected to form 54.85% of the total revenue receipts whereas the Revised Estimate non-tax revenue is expected to contribute as much as 20% of the total revised revenue expenditure. The interest payment is expected to be around 17.7%

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as against the hike of 20% in the previous year. The revised capital expenditure is expected to grow by 21.76% as compared to the last year. Although the plan size was increased by modest 14.03% to its previous year, the revised plan capital is expected to grow at 40.61% as compared to the previous year. In the Revised Estimate for 2008-2009, revenue surplus would be Rs.86.96 crores as against the Budget Estimates of Rs.225.64 crores. The primary surplus would be 110.65 crores as against the Budget Estimate of primary deficit of 250.42 crores. Thus, we expect to achieve the FRBM targets, the details of which I will present later.

The Budget Estimates 2009-2010 – Sir, I have proposed a plan outlay of Rs.1,805 crores excluding public sector undertakings and local bodies for 2009-2010. Besides, Rs.403 crores are proposed under centrally sponsored schemes. On the Non-Plan side an expenditure of Rs.4065.13 crores is envisaged. Thus, the total budget of 2009-2010 will be Rs.5,939.32 crores of which revenue expenditure will be Rs.4,522.25 crores and the capital expenditure will be Rs.1070.45 crores. The total receipts for the year 2009-2010 will be Rs.5,196.75 crores. Sir, with these words, I commend the budget to this august House and seek the approval of the House for the Demands and Vote on Account. Thank you.

Sir, I present a statement on Vote on Account for a part of the financial year 2009-2010 to the House.

16. SUPPLEMENTARY DEMANDS FOR GRANTS 2008-2009
(THIRD BATCH)

SHRI DIGAMBAR KAMAT: Sir, I present the Supplementary Demands for Grants (Third Batch) for the year 2008-2009.