

Mr. Speaker Sir,

1. It gives me pleasure to present the budget of my Government for the year 2007-08. Last year I had presented people friendly budget covering all sections of the society. As promised, I have launched many new schemes and initiatives and revamped existing schemes. I will give complete account of my Government achievements little while from now. I intend to carry forward our initiatives during 2007-08.
2. The State has impressive socio-economic indicators. Goa has very high per capita income of over Rs.60,000/-. The State has high rate of savings in terms of small savings collection of over Rs.600.00 crore per annum and per capita bank deposit of over Rs.1.00 lakh. Though the poverty of 4.4% is low, there is significant rural-urban variation with poverty levels of 1.35% in rural and 7.5% urban. The health indicators in terms of birth rate, death rate, infant mortality rate and maternal mortality rate are the best in the country. Goa has reached the level of replacement in population growth more than a decade ago. Thus, we have favorable environment to leap forward to the next stage of development.
3. The National Development Council has approved the approach to the 11<sup>th</sup> Five Year Plan, which envisages annual average growth rate of 9% at the all-India level with agricultural growth

of 4%, industrial growth of 10.5% and services growth of 9.9%. The indicative growth rate for Goa, which is considered necessary to support the all-India growth rate is 12.1% with agricultural growth of 7.7%, industrial growth of 10.5% and services growth of 9.9%. We are already in the high growth trajectory of more than 10% per annum.

4. As next year being the first year of the Eleventh Five Year Plan, I wish to lay down development goals for the State with specific focus on growth, quality and upliftment of scheduled Tribes, Scheduled Castes, economically poor and socially disadvantageous sections of the society. I am happy that Goa has vibrant democracy with extremely vigilant people bringing the development prescriptions of the Government under public scrutiny. 'People' are above the Government, who have supreme powers to shape the destiny of the State. Thus, with all humility and sincerity, I wish to unfold my budget proposals for the year 2007-08.

#### **ACTUALS 2005-06 AND REVISED ESTIMATES 2006-07**

5. Sir, during the year 2005-06 my Government has done spectacular achievement in reducing the revenue deficit significantly. For the year 2005-06, the revenue deficit projected in the budget estimate was Rs.41.79 crore which was anticipated to worsen to Rs.69.70 crore in revised estimate.

However, the year 2005-06 has ended with a much lower revenue deficit of Rs.21.85 crore only. I am happy to mention here that we are in the right direction of achieving 'Zero' revenue deficit as envisaged in the Fiscal Responsibility and Budget Management Act, 2006. The year 2005-06 has also ended with a lower fiscal deficit of Rs. 580.57 crore as against the revised estimate of Rs.687.28 crore and budget estimate of Rs.631.70 crore. It is important to note that the growth in fiscal deficit during 2005-06 was only 5.6% over 2004-05. As this growth is much below the normal GDP growth of the State, we are in the right direction of reducing the ratio of fiscal deficit to GDP.

6. With the introduction of Value Added Tax system in the state from 1<sup>st</sup> April 2005 the tax base has widened and tax revenues have become buoyant. During the year 2005-06 revenue from sales tax increased to Rs. 743.31 crore over previous years collection of Rs.567.19 crore registering a growth of 31%. During the year 2006-07 I introduced major changes in the taxation strategy, which has resulted in further buoyancy in revenue collection. Accordingly, I have made upward revision in tax revenue estimates from Rs.1074.33 crore in BE 2006-07 to Rs.1185.85 crore in RE 2006-07.
7. Under non-tax revenue, I am confident of achieving the revenue collection target of Rs.675.00 crore from sale of power

during 2006-07, which will be an increase of 13.5% over actual collection of Rs.594.91 crore during 2005-06. However, non-tax revenue proposals of imposing cess on poultry, egg and foreign tourists announced in my budget speech of 2006-07 are still under legal scrutiny. In spite of best efforts, we could not restart lottery business as the interested bidders wanted too many relaxations in the tender specifications contrary to the provisions of Lottery Act 1998 and CAG observations. However, this shortfall in non-tax revenue will be offset by additional revenue collection from increase in annual licence fee on off shore casinos. The non-tax revenue will get further augmented from the receipt of Rs. 45.00 crore from EDC towards Governments share in the proceeds of land auctioned by them. As central grant of Rs.60.00 crore for development of Panaji town under Jawaharlal Nehru National Urban Renewal Mission is expected to be received next year, I have made downward revision in receipt from grants-in-aid from Government of India in RE 2006-07.

8. The revenue deficit for the year 2006-07 envisaged in the budget estimates is Rs.34.16 crore. However, during the year 2006-07, the revenue expenditure of the State has further increased due to additional allocation of Rs.40.00 crore for Cyberage Student Scheme and Rs.53.00 crore towards enhanced cost of power purchase. However, due to increased collections in tax revenue and savings located in revenue

expenditure, the revenue deficit in RE 2006-07 is maintained to the level of Budget Estimate 2006-07. The fiscal deficit projected in the budget estimate 2006-07 is Rs.753.46 crore. This included external loan assistance of Rs.75.00 crore for water supply and sanitation projects. However, as the external loan assistance has not flown to the State so far, I have made downward revision in fiscal deficit at the level of Rs.688.46 crore in RE 2006-07. It is important to note that I have maintained strict fiscal discipline by not diverting the savings in fiscal deficit elsewhere.

9. Public money has to be utilized judiciously and efficiently in order to optimize the benefits to the society. My Government has laid utmost importance for professional management of finances of the State. As promised in budget speech 2006-07 my Government has passed Fiscal Responsibility and Budget Management Act (FRBM) in February 2006 thus becoming eligible for 'debt relief' and 'debt write-off' incentives recommended by the Twelfth Finance Commission. In this regard I am extremely happy to inform this august house that Government of India has already conveyed in principle decision to write off debt repayment liability of about Rs.32.00 crore during 2006-07. The FRBM envisages medium term fiscal management plan for the State towards achieving the targets envisaged in it. My Government has entrusted this task to the National Institute of Public Finance and Policy (NIPFP), New

Delhi, a premier institution in the country. The medium term fiscal management plan prepared by this institute has been discussed in a seminar held in Goa recently which was attended by eminent people and stake holders in the State, which I propose to place before the Assembly in this session. As a part of FRBM objective, my Government has announced various economy measures in order to contain revenue expenditure and provide funds for development purposes.

## **BUDGET PROPOSALS 2007-08**

### **Good Governance**

10. My Government has taken bold steps towards securing accountability and transparency in the system of governance. In order to ensure accountability and establish institutional mechanism to tackle the problem of corrupt practices at all levels of governance, my Government has passed the Lokayukta Bill in the Legislative Assembly in January 2007. In pursuance to the Right to Information Act 2005, the State Information Commission has been set up and Public Information Officers have been nominated in all the Departments. This measure will ensure complete transparency in functioning of the Government. I am sure that the opportunity of public scrutiny of government business will go a long way in bringing accountability of government officials. I

intend to create massive awareness among public regarding use of both Lokayukta Act and Right to Information Act. Establishment of Lokayukta will bring accountability in the functioning of high public offices.

11. Due to non-filling up of posts for many years vacant posts in many Government Departments have lapsed. Though, new Departments were created in the past and additional activities were taken up no institutional mechanism was put in place for smooth functioning of such Departments. This has paralyzed the work in those Departments especially in sectors of Health, Education and Revenue Administration. Therefore, as a part of administrative reforms my Government has revived lapsed posts and created new posts wherever necessary and filling up of all vacancies has been taken up on priority.

12. In the light of the recommendations of the Twelfth Finance Commission, my Government has given in principle approval for the system of accrual accounting in Government. I have also set up a task force for conducting a pilot study towards implementing and coordinating road map for transition to accrual accounting. My Government has also decided to implement accrual accounting in local bodies in Goa.

## **Public Private Partnership**

13. Today, in order to accelerate infrastructure development public private partnership (PPP) is the mantra globally including India. The sectors like roads and bridges, airport, communication, power etc which were totally in the public sector domain earlier are now under public private partnership model. The Government of India and many State Governments have gone far ahead in this direction. Government of India have also instituted Viability Gap Funding scheme of giving grants for the projects requiring viability support. Beauty of PPP is that not only state-of-the-art infrastructure will get established; Government will also get annual revenue from the project. Normally, under PPP format private partner will have an agreement with the Government for a period of 30 to 60 years and thereafter the project will become an asset of the Government.
  
14. Goa cannot remain in isolation as bigger projects requiring huge funds are possible only if public sector and private sector join hands. Therefore, my Government has taken up various projects like Goa Broad Band Network, Convention Centre, Oceanarium, North-South Expressway, MRTS and Hydel Power Generation. A PPP cell has been setup in the office of Chief Secretary. My Government has already selected a private partner for Goa Broad Band Network project which envisages

high speed corridor up to village level connecting the households, industries and commercial establishments. The project will provide household connections at lowest cost fixed for five years and will also provide annual revenue as 12% of turnover to the Government. The work order for the project has already been issued and the connectivity up to taluka level including all Government Departments will be completed within four months and will reach all the Village Panchayats within four months thereon. All the households will get connectivity by December 2007. My Government has also selected private developer for setting up World Class Convention Centre which will fetch an immediate revenue of Rs.161.00 crore being the Net Present Value of the bid amount towards land premium and also annual revenue as 5% of turnover. Other projects are under various stages of study and I assure that work on these projects will commence during 2007-08.

### **Agriculture and Allied Activities**

15. Sir, as promised in my budget speech 2006-07, I have provided additional 17% subsidy for cultivation of flowers from state funds. I have also enhanced support price for arecanut and sugarcane. I have doubled the incentive for paddy cultivation from Rs.500 per MT to Rs.1000/- per MT. In addition to central subsidy, I have provided additional subsidy of 25% from state funds for purchase of power tillers. I have also

provided 25% subsidy for electric pumps up to 5 H.P. and also for laying RPVC or HDPE pipes.

16. However, considering feedback from farmers I intend to extend further support to this sector during 2007-08. Micro level irrigation infrastructure can be quickly and effectively commissioned for use. Such facilities will help farmers to take up multiple cropping, safe guard farmers from the uncertainties of monsoons and increase profits. Therefore, I intend to increase subsidy for water pumps from the existing 25% to 90% up to 3 HP and 50% up to 10 HP so as to encourage farmers to produce more and achieve economies of scale. I propose to further enhance the support price eligibility for arecanut from the existing Rs.85/- per kg to Rs.100/- per kg. In order to encourage organic farming in the State, I propose to provide subsidy of Rs.5.00 lakh in addition to central subsidy of Rs.5.00 lakh limiting to 50% of actual cost to group of farmers for getting certification of their agriculture produce as organic through designated societies in the State.

17. For sprinkler irrigation system with network of RPVC pipes, I propose to enhance the subsidy from the existing 25% to 50% with cost ceiling of Rs.25000/- per hectare. For HDPE pipe network, I propose to increase cost ceiling for 25% state subsidy to Rs.40,000/- per hectare. In addition to power tiller, I propose to extend 25% subsidy for purchase of other

agriculture implements like harvesters, transplanters, bush cutters and paddy threshers up to a maximum of Rs.10000/- per implement. Presently, custom service facility of providing departmental machinery like tractors, power tillers and bulldozers on hire basis to farmers is available for select crops. During 2007-08, I propose to extend the same to paddy also. I propose to provide insurance cover against accidental fire hazards to cashew and sugarcane crops of small and marginal farmers by subsidizing 50% of insurance premium. In the interest of scheduled caste farmers, I propose to waive the outstanding balance of loans taken by the farmers from scheduled caste community from Agriculture Department during early 1980's.

18. A modest beginning made by the Horticulture Corporation this year towards promoting cooperative farming has rekindled the hopes of revival of agriculture in the State. The Corporation pooled the lands of farmers and extended financial assistance for creation of infrastructure like construction wells, fencing, installation of pump, laying of pipe line etc for cultivation of vegetables and flowers. This has reached over 1500 farmers covering 215 acres of fallow lands. This is being done through NGOs and presently 41 NGOs are implementing this in different locations from Pernem to Canacona. The Corporation has also ensured forward linkage for this initiative by assisting NGOs in establishing sale outlets at various places. The Corporation has

also signed a MOU with Himachal Pradesh Horticulture Corporation to import apples, fruit juices and apple wine and export cashew nuts, coconut copra, cashew feni to Himachal Pradesh. While appreciating the efforts being made by the Corporation I propose to enhance the grants to the Corporation during 2007-08.

19. Under Animal Husbandry sector, as envisaged in my budget speech 2006-07, I have extended various incentives like incentive for milk producers, subsidy for milking machines, subsidy for transportation of poultry feed, mass deworming of cattle and buffaloes, purchase of bulk milk coolers and Radio Frequency Identification Device for cattle and buffalo.
20. During the year 2007-08, I propose to further strengthen this sector. I propose to extend subsidy for purchase of cattle feed by evolving appropriate mechanism of certification through Animal Husbandry Department. Presently, Liquid Nitrogen used for preservation of frozen semen used for Cattle Breeding Programme is obtained from neighbouring States. Many a time supply is erratic and rates are exorbitant. Therefore, I propose to explore the viability of setting up a full fledged Liquid Nitrogen Plant in the Department of Animal Husbandry. I intend to acquire land at Pernem, Bicholim, Cuncolim and Shiroda for construction of full fledged Veterinary Dispensaries, which are presently housed in private premises. Considering

increasing demand for pork in Goa, I propose to establish a Pig Breeding Farm in South Goa as the existing Piggery Farm at Curti, Pond has limitations for expansion.

21. The Sajivani Sahakari Sakhar Karkhana Ltd. is continuously incurring losses. However, in the interest of sugarcane growers Government is providing financial support to the factory every year. During the year 2006-07, financial support provided is Rs.3.00 crore in the form of share capital contribution. For its revival, a comprehensive action plan has been drawn and Government will sign a MOU with the sugar factory for implementation of the same by setting parameters of performance and incentive based support. My Government has decided to implement the recommendations of Central Task Force on revival of rural cooperative credit institutions. To begin with, I intend to provide assistance to Primary Agriculture Credit Cooperative Societies for cleansing their balance sheets and rejuvenate their activities. I intend to enforce the 'Goa Cooperative Societies Act 2001 and the Goa Cooperative Societies Rules 2003 during the year 2007-08 by creating necessary infrastructure and staffing pattern and notifying the enforcement in the official gazette. My Government has also drafted Legislation 'the Goa Agricultural Produce (Development and Regulation) Act' incorporating all the reformatory provisions suggested by the Government of India in its Model Act. The provisions include direct purchase centres,

consumer/farmers markets for direct sales and promotion of public private partnership in the management and development of agriculture markets. This legislation once enacted will replace the Maharashtra Agricultural Produce Marketing (Regulation) Act, 1963 presently in force in the State of Goa.

22. This year, as envisaged in my budget speech, medicinal and Jatropha plantations have been raised at various places. High quality seedlings of species like teak, acacia, mangium, kocum dalbergia, mahagone, bamboo, cashew and emblics as well as ornamental species have been supplied to general public at a nominal cost of Rs.2/- per seedling. Emphasis has been laid on conservation and protection of flora and fauna in the protected areas including habitat management. It is proposed to expand and modernize the small zoo at Bondla sanctuary. Reconstruction of Deer Safari at Bondla to attract more nature lovers and resoling of Collem Dudhsagar road for smooth movement of eco-tourists will be taken up. It is proposed to take up semi-processing activities and value addition activities of medicinal plants on pilot basis. The work of patrolling and protection of wild life has been taken up on war footing. Provision for night patrolling vehicles will be made with special search lights. A one and half metre high wall around Bondla and part of the Mahaveer sanctuary will be constructed soon to prevent straying of wild animals into agriculture fields.

## **Revenue Administration**

23. Goa has achieved significant progress in computerization and updating of land records. The cadastral survey of all talukas has been computerized. Now, it is proposed to intra-connect all talukas and sub-offices through Goa Net so that any plan can be issued from any office of Settlement and Land Records in Goa. During this year scanning and microfilming of old cadastral maps and documents of Portuguese regime has also been taken up, which will be completed by the end of March 2007. I propose to take up fresh revenue survey of entire State to update the cadastral maps and record of rights during 2007-08. It is proposed to strengthen the Directorate of Settlement and Land Records by adding latest surveying equipment and acquiring own premises for its sub offices.
24. In order to speed up suo-motu grant of sanads to tenants under Section 18 of Agricultural Tenancy Act, my Government has amended the Goa Agricultural Tenancy (Revenue Survey and Record of Rights) Act 1964 whereby all surveys made and maintained under the Goa Land Revenue Code are deemed to be surveys made and maintained under the tenancy rules. The Revenue Authorities are being instructed to initiate suo-motu action to grant Sanads to the Tenants.

25. Under 20-Point programme my government has identified land for allotment to houseless people all over Goa. In Nagao-Verna plots have been allotted to the beneficiaries. In Salcete taluka one lakh square meters of land at Verna has been acquired. In Quepem taluka 14,850 sq. meters of land has been identified. In Canacona taluka 50,000 sq. meters of land has been identified in Gaondongrem and Poinguinim villages. In Sattari taluka 2 sites have been identified in Podocem and Melaulim villages. In Tiswadi taluka land has been identified in Chimbhel village. In Bicholim taluka, an area of 27,125 sq. meters of land is proposed for development in village Curchorem. Development of house sites at Verna and Loutolim by the GSIDC is nearing completion. Development of house sites at Podocem in Sattari taluka is taken up. In all, more than 1000 house sites are being developed by the GSIDC for allotment under 20-point programme.

26. Speaker sir, in order to contain inflationary trends and give relief to common man my Government has subsidized the rate of rice under PDS from Rs.9.95 per kg to Rs.6.50 kg to the families whose annual income is up to Rs.2.00 lakh. This has benefited a large number of families which is evident from significant growth in lifting of rice under PDS for which I have provided additional allocation of Rs.2.00 crore in Supplementary Demands for Grants 2006-07 (Third Batch).

27. My Government has constituted the State Level and District Level Disaster Management Authorities. District-wise Disaster Management Plan has been finalized and the Collectors have been designated as nodal officers for the Disaster Management Plan. Adoption of IS code for construction of buildings has been advertised for appraisal to the public. Rules have been framed for Goa under Section 78 of the Disaster Management Act, (Central Act) 2005. Government has approved the purchase of Search and Rescue equipment for Disaster Management by the Directorate of Fire Services. Funds to the extent of Rs.2.00 crore each to the North and South Goa collectors have been made available from the Calamity Relief Fund to give immediate relief to the victims affected by any Calamity. My Government has also constituted a State Level Steering Committee for National Cyclone Risk Mitigation programme with Chief Engineer, Water Resources as Nodal Officer.

28. The Goa State Rehabilitation Board has been geared up to implement rehabilitation projects. At Chimbhel in Tiswadi taluka 32 housing units have been completed and allotted to the beneficiaries during 2006. During the year 2007-08, I proposed to take up rehabilitation projects of construction of residential buildings at headland Sada, rehabilitation of 21 fishermen families at Baina, rehabilitation of slums at Monte hill Margao, improvement of slums at Mangor Hill at Vasco, improvement of all the slums within the Mormugao Municipal Council Area,

Improvement and expansion of the present housing units of the GRB at Chimbhel in Tiswadi taluka and improvement of slums at Porvorim in Bardez taluka.

## **Rural Development**

29. As promised in my Budget Speech 2006-07, plastic shredders will be provided to village panchayats by the end of March 2007. The Twelfth Finance Commission has recommended central grant of Rs.18.00 crore to panchayati raj institutions to be utilized by 2009-10. An action plan for utilization of these grants has already been approved by the Government and Rs.1.80 crore has been released to all village panchayats during this year. Further grants will be released to the village panchayats no sooner the approval is received from Government of India possibly by the end of March 2007. Under Infogram scheme, computerization of all the village panchayats has been taken up. So far 150 village panchayats have been provided with computer hardware and software and data entry work is in progress. The remaining 39 village panchayats will be taken up during 2007-08.

30. Sir, in order to ensure minimum 100 days employment in a year to the rural unemployed, my Government has implemented a new scheme entitled 'Goa Rural Employment Guarantee Scheme' this year designed as per National Rural

Employment Guarantee Act 2005. Under this scheme, so far more than 500 job cards have been granted and work orders have been issued. The works being undertaken under the scheme include cutting of bushes along road side, cleaning of drains, maintenance of parks, painting of crematorium, primary school etc.

### **Social Welfare and Women Empowerment**

31. Speaker Sir, during the year 2006-07, my Government enhanced the monthly financial assistance under Dayanand Social Security Scheme from Rs.500/- to Rs.750/-. I propose to enhance this further to Rs.1000/- per month during 2007-08. As promised, I have opened one new higher secondary school for physically and mentally challenged sections of the society during this year. I understand there are over 4000 blind people in the State. Therefore, during 2007-08, I propose to start an exclusive residential school for blind having facilities for teaching braille and training them in various activities.

32. Speaker Sir, as envisaged in my last years budget speech I have launched new welfare schemes like 'Rajiv Awaas Yojana' for Above Poverty Line families, insurance coverage to the workers in organized sector through the scheme 'Sahara', day care homes to senior citizens 'Ummid' scheme, 'Kanya Dhan' scheme to promote education among SC/ST girl students and

'Bachpan' scheme to provide social security cover to orphan children. I have also made substantial increase in financial assistance limit in almost all categories like stipend, scholarship, books, stationery, house construction, house repair etc covering SC, ST, OBC and physically and mentally challenged sections of the society.

33. It gives me pleasure to mention here that Goa is the first State in the country to notify a policy for differently abled persons, which provides equal opportunity besides barrier free movement. The State is in the process of making all public places barrier free. In public recognition of creation of barrier free environment for persons with disabilities, the Government of India has bestowed the National Award for Barrier Free Environment 2006 to Goa. The State has also been ranked as the Best State in the Country in implementation of the provisions of the Persons with Disabilities Act 1995.

34. Sir, for the first time in the history of Goa, my Government has formulated Tribal Sub Plan 2006-07 by evolving suitable schemes for the welfare and development of Tribal population. In recognition of this the Government of India has sanctioned special central assistance of Rs.172.00 lakh for development of infrastructure, minor irrigation works and self employment income generating schemes for Tribal youth. In pursuance of guidelines from the Planning Commission, Government of India,

separate budget heads have been created for the Departments covered under Tribal Sub Plan and Special Component Plan for Scheduled Castes in the Budget 2007-08.

35. My Government has also evolved a new scheme 'Gouly Development Plan' for the welfare and economic upliftment of Dhangars. This scheme will be implemented in full swing during 2007-08. In order to encourage the private sector to provide employment opportunities to the differently abled persons, I propose to enhance incentive from Rs.250/- to Rs.500/- per month depending on the salary of disabled employee. In order to encourage differently abled students to take up higher education, I propose to institute a new scheme 'Puraskar' of providing Rs.25,000/- in fixed deposit in the name of the student in the first year of admission for higher education. I also propose to train care-providers of various NGO's registered with the National Trust, to provide services to persons with disabilities like Autism, Cerebral Palsy, Mentally retarded and multiple disabilities. In order to encourage inter caste marriage with scheduled castes I propose to increase the award amount from the existing Rs.25,000/- to Rs.1,00,000/- during 2007-08 which will be put in girls account.

36. Sir, the Social Welfare Department had extended loan to SC/ST persons for construction as well as repair of their houses. Similarly, the Department had also extended loan to

differently abled persons for self employment. I understand due to poor financial conditions, they are unable to repay the loan. As such, I propose to waive the outstanding loan amount in respect of such beneficiaries.

37. Speaker Sir, I understand there are over 600 self help groups in the State and more than 75% of which are women groups. Towards empowering women and providing gainful employment opportunities to them, I propose to encourage women self help groups to take up income generating activities by providing them seed money support. I intend to follow cluster approach by promoting single activity in each cluster of Self Help Groups to achieve economies of scale. I propose to appoint resource persons in each taluka to interact with the groups and train them to produce quality products having value addition in the market. I will also provide exhibition and marketing infrastructure for such groups to showcase and sell their products in each taluka.

38. There are over 1000 anganwadi centres in the State giving pre-primary education to our tiny tots. I understand most of these centres do not have proper infrastructure for efficient functioning. Therefore, I propose to construct new premises for all the anganwadi centres with water and toilet facility within five years at the rate of about 200 centres per year. I propose to extend retirement benefits to the anganwadi workers from

the year 2007-08, for which a scheme has already been approved by my Government. I propose to train anganwadi workers by evolving 'short training capsules' to enable them to nurture the children better.

39. As announced in my budget speech 2006-07, applications have been received from NGOs for starting shelter homes for women and release of grant to the eligible NGOs is under process. Under the scheme 'Assistance to Voluntary Organization' my Government has enhanced grants from Rs.250/- to Rs.400/- per child per month for an institution that houses children in their own premises and Rs.290/- to Rs.500/- per child for an institution that houses children in rented premises. My Government has legalized adoption and three adoption agencies have been registered during 2006-07. During the year 2007-08, I propose to prepare Plan of Action for Women and Children. I also propose to take up construction of dormitory and Children's Court building at Apna Ghar, Mercedes. In the interest of working women in the State, I propose to construct two working women hostel one each in Panaji and Margao.

## **Power**

40. Sir, I have fulfilled the commitment made in my last years budget speech for setting up of the State Load Despatch Centre

with its commissioning in June 2006. This facilitates transfer of power for optimum utilization of power available within the State and brought from outside the State. Under APDRP, regarding under ground conversion of overhead network 60% of the work has been completed in Panaji and 70% in Margao and the work in both the cities is scheduled for completion by May 2007. The results of this conversion are so encouraging that in one of the feeders in Margao where the work has been completed the number of complaints has reduced from an average of 500 to almost 'Nil' even during monsoon period. Other important projects completed during the year 2006-07 are commissioning of 220/33 KV 50 MVA transformer at Xeldem substation, commissioning of 110/33 KV 40 MVA transformer at Tivim substation and commissioning of two 33/11 KV 6.3 MVA substation at Konkan Railway, Navelim and Utorda.

41. During the year 2007-08, I would consider giving further incentives to bulk consumers like HT consumers and EHT consumers for achieving better power factor and higher load factor subject to provision of TOD metering and keeping of harmonics within permissible limits.
42. During the year 2007-08, I propose to take up erection of 220/33 KV, 3x50 MVA substation at Cuncolim, 220 KV line from Xeldem to Cuncolim, additional 50 MVA power transformer at 110/33 KV substation at Verna, additional 40 MVA transformer

at 110/33 KV sub-station at Ponda, additional two 40 MVA transformers at Kadamba 110/33 KV substation, 33/11 KV sub-stations at Shiroda, Campal, Cavelossim and Ponda and a 2x10 MVA, 33/11 KV sub-station at IT Park, Dona Paula. Under APDRP, conversion of the existing overhead HT network to underground network will be taken up at Mapusa, Vasco, Ponda and in the coastal areas of the State.

43. Speaker Sir, gas reserve in huge quantity has been discovered in India in recent years. This will enhance the availability of clean fuel in the country in the years to come. Therefore, during the Eleventh Five Year Plan period I intend to make efforts to lay gas pipe to Goa for providing clean fuel for power, fertilizer and transport sector. This project will be taken up under PPP model. The Government of India is also in the process of phasing out Naphta based industries switching over to clean fuel. I have already commissioned a feasibility study for the proposed project and the report is expected shortly.

### **Water Resources**

44. Speaker sir, water is going to be most scarce resource in the country due to increasing population and global warming. Therefore, every effort needs to be made to tap water resources and conserve water. Keeping this mind, my Government has accelerated the work on Tillari Irrigation

Project, which is now scheduled for completion by the year 2009. The work of main RBMC and LBMC is in progress. Water has already been brought up to Chandel water treatment plant and will be released to Assonora treatment plant during March 2007. An irrigation potential of 499 hectare has been created during 2006-07 up to January 2007 and it is proposed to create 5000 hectare of irrigation potential during 2007-08. Thus, availability of water for irrigation, drinking and industrial purposes will increase tremendously. Emphasis on water harvesting has been continued and so far 87 Bandharas have been constructed creating storage of 39.10 million cubic meter of water in the river basins of Madei, Zuari, Chapora and Talpona. I propose to complete construction of ongoing 10 Bandharas and take up 52 more bandharas for construction during 2007-08. In addition, it is also proposed to take up the project of linking Madei River at Ganjem to Khandepar River at Opa to augment 4.53 million cubic meter of water.

45. The Madei is an inter state river flowing from Karnataka towards Goa. The total catchment area of the river is 2032 sq. km, of which 1580 sq. km. fall in Goa, 375 sq.km. in Karnataka and 77 sq. km. in Maharashtra. The Karnataka Government plans to divert a large quantum of water from the Madei river and its tributaries to the Malaprabha river basin. As this will have an adverse impact on the State of Goa, the Government of Goa has requested the

Ministry of Water Resources to appoint a Mandovi Inter State Water Dispute Tribunal under the Inter State River Water Dispute Act, 1956. The Government of Goa has filed a suit in the Supreme Court on 15-9-2006 against Karnataka Government for starting construction work of Kalsa Project. My Government has also sent an interlocutory application on 19-1-2007 to the Central Empowered Committee constituted by the Supreme Court in respect of a case filed by Shri Shrihari Kugaji of Belgaum and others v/s the State of Karnataka and others. Speaker Sir, Madei river being the lifeline of Goa, I assure the people of the State that my Government will oppose tooth and nail all the Plans of Karnataka for diversion of Madei river water.

### **Urban Development and Environmental Upgradation**

46. Speaker sir, under Jawaharlal Nehru National Urban Renewal Mission preparation of City Development Plan for Panaji is in progress by the HUDCO. The SUDA has taken up various urban development works this year and works completed so far are market complex at Curchorem-Cacora, bus stand at Cuncolim, beautification of Cuncolim Municipal area and Hindu crematorium at Cuncolim and Sanguem. My Government will encourage mechanization of road cleaning to ensure cleanliness on roads.

47. Sir, pristine beauty and clean environment is our USP, for which millions of people throng the State every year both from India and abroad. This is the major strength of our economy. Therefore, neither we can not afford mindless construction nor can we ignore garbage problem in Goa. There is an urgent need to come out of the syndrome of 'not in my backyard'. I sincerely urge everyone including all political parties, NGOs, trade, commerce, industry and people of Goa to arrive at a consensus on this issue at the earliest. I intend to institute a special fund for the purpose which will be utilized for garbage management on continuing basis. Towards creation of this fund, I propose to impose a small environmental cess of 0.5% on the gross value of electricity bill. The amount so collected from the cess would be transferred to the fund at the end of every year. To tackle the garbage menace scientifically, I propose to set up modern garbage treatment plants at the earliest. I intend to make the entire state garbage free within next two years.

48. The proliferation of non-biodegradable plastic carry bags and plastic bottles is really a matter of concern. Though, there is legislation entitled 'the Goa Non-Biodegradable Garbage (Control) Act, 1996, we have not been able to implement it effectively to control this menace. My Government is in the process of providing plastic shredders to panchayat this year and I propose to cover all the panchayats next year. I also

propose to provide grants to the panchayats for systematic collection of plastic materials and their shredding, which can be used in construction of roads.

## **Water Supply and Sanitation**

49. Speaker sir, as the work on Tillari Project is progressing on war footing, there will be increased availability of water for drinking and industrial use. Water availability is also augmented due to water storage created from construction of bandharas and interlinking of rivers, which has also improved the ground water table in the vicinity. Thus, I intend to provide 24 hour water supply for drinking and industrial purposes. For this purpose, I propose to construct over head tank and under ground storage for every community including industrial estates. Augmentation of Salauli Water Supply Scheme by 20 MLD is nearing completion. The work of interconnecting and commissioning of four vulnerable stretches of Salauli Water Supply scheme by laying 1422 mm diameter pipes has already been completed. The balance stretch of 11.30 kms will be completed during 2007-08. I propose to create sewerage and sanitation network covering the entire State during the Eleventh Five Year Plan period. The project proposal for availing external assistance from Japan for augmentation of water supply and sanitation network in the State has already been approved by the Government of India and a master plan

is also in place. As per the communication received from Government of India the Goa projects are in the priority list and thus the external assistance is expected to flow from 2007-08.

## **Transport**

50. Speaker sir, as promised in my budget speech 2006-07, I have successfully completed the project of issuing smart card driving licenses and dealer level registration in all the Road Transport Offices of Panaji, Margao, Mapusa, Vasco, Quepem and Ponda. I propose to extend the moratorium on purchase of new tourist vehicles or on the issue of permits to tourist vehicles by one more year up to 31<sup>st</sup> March 2008.

51. I intend to give top priority for construction of good wide roads and integrated modern bus terminus in view of ever growing traffic density in the State. I propose to construct integrated modern bus terminus on Build Own Operate and Transfer basis in PPP format at Panaji, Margao and Mapusa, for which land is already in possession of the Government. The project will be made commercially viable and self sustainable generating additional revenues to the State. Construction of bus stand at Shiroda and Honda is taken up by the GSIDC.

52. Emphasis on construction, improvement, strengthening and widening of roads all over the State will be continued. All the missing links in the road network of the State will be bridged by

constructing bridges. Construction of bridge across Baga creek is nearing completion. Construction of bridges at Ambeshi-Ganjam, Gaundali-Cumbarjua, Hedode and Codal has been taken up by the GSIDC. Effort will be made to connect incomplete approach to Codal-Satrem and Codal-Derodem in Sattari taluka with the help of Forest Department. I propose to construct bridges at Bicholim and Kudne-Virdi. As mentioned earlier, construction of north-south expressway will be vigorously pursued. I propose to construct good wide roads connecting all the Industrial Estates to the National Highway. Upgradation of Panaji minor port and connecting jetties at Old Goa and Britona is being taken up by the GSIDC.

### **Education, Sports, Art and Culture**

53. Speaker sir, various initiatives announced in my budget speech 2006-07 have been taken up for implementation. I have provided additional funds for implementation of Cyberage Students Scheme covering over 22000 students. Next year, I propose to give priority for the schools that are not having proper infrastructure including water supply, toilets and electricity. In order to provide better environment to students, I propose to provide fan in every class room in all the schools. I propose to provide better facilities like school buses for the school going children and college students.

54. In order to ensure continuous monitoring of health of students, I propose to maintain health card of each and every student right from standard I, which will be updated ensuring regular check ups. The health card will be given to the student at the time leaving the school.
55. Like this year, I have maintained the increased budgetary provision to Goa University next year also. I propose to start a separate Department of Centre for Women's Study at the Goa University. Infrastructure development of Goa University is being done through the GSIDC. The Government College at Pernem will be expanded by adding science stream and a new building will be constructed.
56. I have provided additional funds to Goa College of Pharmacy for major improvement including laboratory upgradation. I propose to upgrade the standard of this college both in terms of infrastructure and also quality of education. I have made increased provision in the budget for taking major infrastructure development works at Engineering College, Farmagudi. Tenders have been floated by the GSIDC for construction of Central Library building in Panaji as well as Library building at Margao.
57. Government of India has launched Centres of Excellence scheme for introduction of sector specific training courses in

ITIs on Public Private Partnership format. This envisages tailor made training courses as per private sector requirement having assured placement after successful completion of training. The ITI Panaji has introduced this scheme in hospitality sector from August 2005. Government of India has sanctioned two more centres of excellence at ITI Margao in Information Technology sector and ITI, Mapusa in Production & Manufacturing sector. It is also proposed to have Centres of Excellence at ITI Vasco, ITI Bicholim, ITI Farmagudi and ITI Honda.

58. The land for construction of a State of the Art cricket stadium at Tivim is being acquired. The process for laying of synthetic 400 mts athletic track at the State Centre of Excellence at Paddem has been initiated. The Sports Sciences and Research Centre at Peddem Mapusa has been completed and commissioned. The construction work of Sports Hostel for Girls at Peddem Sports Complex is in progress. Play grounds will be constructed in every village.

59. The construction of Ravindra Bhavan at Fatorda, Margao is in nearing completion. It is proposed to construct Kala Bhavans at Sanquelim, Mormugao, Pernem, Valpoi, Mapusa and Canacona. The restoration work of Reis Magos Fort has been entrusted to INTACH, New Delhi. The work of computerization, microfilming and digitization of birth registration and land registration records is in progress.

## Health

60. Speaker sir, my Government has accorded top priority for strengthening of infrastructure in health sector. The construction of sub health centre at Sancordem has been completed. A new building has been constructed for PHC Chinchinim. The CHC Canacona with new attached hospital has started functioning. The Hospital at Tisk, Usgao has been taken over by the Government and OPD has been made functional. The construction of 450 bedded ward block at GMC complex is nearing completion. The construction of Library block at GMC complex has been completed and the work on Yatri Niwas is being started. The construction of super-specialty block with in GMC complex with Cath lab, Cardiac & Cardiovascular units is proposed to be taken up on public private partnership model. As promised in my budget speech 2006-07, cancer and trauma patients are provided with free medicines at GMC hospital and implants are provided to the needy patients.

61. The construction of district level hospital at Mapusa is in progress and will be completed in next year. My Government has approved construction of 220 bedded new hospital at Sadar, Ponda. Seventeen new ambulances have been procured strengthening the ambulance network. Under mediclaim facility financial assistance for cancer patients has been enhanced from Rs.3.00 lakh to Rs.5.00 lakh and Rs.8.00 lakh for Bone Marrow

cancer diseases. It is proposed to upgrade PHC Quepem to a 12 bedded hospital. All the PHCs will be renovated and strengthened under Twelfth Finance Commission grants. My Government has approved upgradation of Sanquelim Primary Health Centre to Community Health Centre. It is also proposed to upgrade the PHCs at Bicholim and Sanguem to CHCs during 2007-08. The intake capacity of B.Sc. nursing will be increased from 25 to 50 during 2007-08.

62. Speaker sir, I propose to carry out health check up for entire population of the age 30 years and above by taking blood samples and conducting other tests. This has become essential as a preventive measure due to increasing incidences of diabetes, heart problems and other life style related diseases. This will also enable us to create data base for future follow up. I propose to strengthen the food and drug administration, for which posts have already been approved. Considering high incidence of breast cancer in Goa, I intend to install Mamography machine at Hospicio Hospital Margao for Mamograhpy and Papsmear tests without cost.

### **Industries and Information Technology**

63. Speaker sir, share of secondary sector in State Domestic Product is about 38%, which is significant and one of the highest in the country. This has become possible due to setting

up of high value added industries in the State. For the progress of the economy and also to provide jobs to unemployed youth promotion of industries is essential. Therefore, my Government is promoting product specific Special Economic Zones in the area of Pharma, Biotech, IT and Gem & Jewellery. These products are environment friendly, consume low infrastructure by way of land, power and water. They will bring latest and clean technologies with world class infrastructure creating large number of jobs to educated youth.

64. My Government has formulated Goa Biotech Policy 2006 to encourage setting up of bio tech industries in the State. The policy envisages capital investment subsidy of 15% up to maximum of Rs.15.00 lakh, interest subsidy and employment subsidy.

65. This year my Government has extended one time settlement scheme to the industries who have defaulted in repayment of loan taken from EDC. Towards revival of EDC from its financial crisis on account of huge non performing assets, the IDBI and SIDBI have given in principle approval for One Time Settlement of dues by the Corporation by waiving a portion of principle amount and interest due in full. As this is expected to give great relief to the EDC, my Government has agreed to plough back the monies being deposited by the Corporation towards Government share in the proceeds of land sale under taken by

them. In this direction, I have already made a provision of Rs.15.00 crore as share capital contribution to EDC in Supplementary Demands for Grants 2006-07 (Third Batch). I have also made a provision of Rs.15.00 crore in BE 2007-08 and balance provision would be made in supplementary budget of 2007-08 based on final restructuring agreement signed with IDBI and SIDBI by the EDC. My Government would also evolve suitable package for revival of sick industrial units. I also propose to institute suitable incentive mechanism for setting up of new environment friendly and viable industrial units in the backward talukas of Pernem, Bicholim, Sattari, Ponda, Quepem, Sanguem and Canacona.

66. Speaker sir, as informed by me already, an important achievement of my Government in IT sector is successful starting of Goa Broad Band Network project in PPP format. This will ensure connectivity from State Head quarter to District Head Quarters and taluka head quarters and then to each and every household through Optic Fiber Cable and wireless wherever connecting through OFC is not possible. Setting up of Government portal and State Data Centre is also taken up which will be linked to the GBBN project. The work on Rajiv Gandhi IT Habitat at Donapaula is in progress and land has been identified at Salvador-do-Mundo for setting up an IT park.

## **Public works and Tourism**

67. The work of construction of Goa Niwas at Chanakyapuri, New Delhi is nearing completion and is scheduled for completion by June 2007. This will provide additional accommodation to the Government officials and people of Goa during their visit to the national capital. Looking ahead the incoming Common Wealth Games and other events this will help the people of Goa especially the youth to witness and participate in such events. Government will retain the existing Goa Sadan at New Delhi being heritage structure and for the use of the Government. My Government has also decided to construct a new Goa Bhavan in Mumbai on BOOT basis in PPP format.

68. Sir, the work of removal of the grounded vessel "M.V. River Princess" has been awarded to M/s Jaisu Shipping Company Pvt. Ltd., Gujarat and the salvage work has progressed substantially. The refloating and removal of the vessel is expected as scheduled. I have made budget provision for upgradation of tourism infrastructure through Goa Tourism Development Corporation. Beach Safety Management has been entrusted to GTDC. Emphasis on diversification of tourism to hinterland, heritage, adventure and eco-tourism will be continued. Efforts will also be made to promote Goa as a 'Medical Tourism' destination and setting up of two State-of-

the-art medical colleges in the private sector is under process. I also propose to encourage the private sector for setting up of super specialty hospitals in the State.

### **Welfare of Media Persons**

69. Fourth estate plays significant role in collection, compilation and dissemination of information to the public. They have great responsibility of providing correct information and also educating people through creative writing, analytical reports and scientific thinking. In this regard the role and contribution of the media in Goa is laudable. People working in this sector need recognition and encouragement. In this direction I propose to increase amount of pension to Journalists from Rs.1000/- to Rs.1500/- per month from the Journalists Welfare Fund. I am sure; journalists would also increase their contribution to the Welfare Fund proportionately. I have also made provision for additional one time contribution of grants from the Government to the fund during 2007-08.

### **Welfare of NRI Goans**

70. Speaker Sir, this year my Government has put in place institutional mechanism headed by Commissioner for NRI affairs for the welfare of NRI Goans. There were about 300 Kuwait Goans affected by the Gulf War 1990-91 and their whereabouts were not known for the purpose of disbursement

of claims received from United Nations Compensation Commission ranging from US\$ 1000 to 5000 in each case. This year, due to concerted efforts made by the NRI cell, most of the victims were located and their claims for disbursement of compensation were submitted through the Ministry of External Affairs Government of India. This year Government of India has delegated the powers of authentication of degree and diploma certificates of Goan Youth desirous of pursuing higher studies or seeking employment abroad to the State Government. In the Global Goans Convention held in Goa recently 8 eminent Goans who have made important contribution in their respective fields globally were honoured with Global Goan Achievement Awards. In the convention, quite a number of delegates showed keen interest in investment opportunities in Goa. With a view to help the Goan youth in getting gainful employment abroad, my Government has established Overseas Employment Agency of Goa as a 'Society' under the Societies Registration Act, 1860. My Government has also taken initiative to enact suitable legislation to protect the properties of Goan expatriates in the State of Goa. I hope that this partnership between Government and NRI Goans will emerge stronger in the years to come contributing significantly to the development of the State.

## **Welfare of Government Employees**

71. Government employees are the backbone of administration.

They play significant role in the system of governance and shaping the destiny of the State. Their pay package is very low and may be just sufficient for a decent living. Today, the private sector pays handsome salary and perks to its employees, which is many times more than the public sector at higher level of hierarchy. But, Government cannot afford to give higher pay package as the size of the Government workforce is huge. However, I propose to extend some benefits to Government employees during 2007-08. I propose to make them IT savvy, which will benefit the Government as well. This year my Government is in the process of giving interest free loan to teachers for purchase of laptop computers. Next year, I propose to give loan to government employees for purchase of desk top or laptop computers at 2% rate of interest without any ceiling on basic pay. For car loans, I propose to enhance the loan eligibility to Rs.5.00 lakh or 25 times the basic pay whichever ever is lower without any limit on the basic pay. I understand, drivers are paid washing allowance of only Rs.15/- per month. I propose to increase this to Rs.30/- per month as recommended by the Fifth Pay Commission from next year. I have received representation from Government Employees Association for enhancement of retirement age of Government employees. The matter is being examined and my Government

will take appropriate decision taking into account interest of all concerned.

### **Tax and non-tax proposals**

72. Speaker Sir, a major exercise of required amendments either to scheduled entries or the structure of substantive provisions of law and the procedure were undertaken during this year. The results of such amendments have just started coming, which are positive and encouraging. Therefore, I am not proposing any major changes next year.

73. Goa being a high income State, Tax to GDP ratio is low in comparison with many States in the country. Therefore, experts opine that the State has the potential to generate more tax revenue. However, I am of the firm belief that additional resource mobilization need not be only by putting additional tax burden on the people. I propose to have better tax administration as my tax policy. Therefore, I propose to concentrate on improvement in administrative efficiency, procedural simplifications, rigorous enforcement and complete computerization in all the major revenue earning Departments. Computerization of key areas of functioning in the Commercial Taxes Department is already in progress. Goa is also expected to get benefit from the National e-governance programme of Government of India being modeled for assisting the

implementation of VAT through computerization. I propose to lay emphasis on quick disposal of appeals and registration cases pertaining to sales tax by framing suitable guidelines and by providing requisite amendments in Acts and Rules if necessary. For giving attention to all contributory segments of revenue, I propose to strengthen the luxury tax and entertainment tax wings of the Commercial Taxes Department. I propose to undertake test audit under VAT in detail including assessment of those cases having major input tax refunds. I propose to improve the mechanism for periodical performance review and would consider instituting reward for good performance.

74. In order to protect the consumers' interest and to promote the practice of issuing cash memos by the dealers I propose to take suitable steps for creating public awareness and interactions with dealers. Provision for imposition of spot penalty in case of defaulters would also be made. There is persistent demand from the Trade and Commerce sector for modernizing the system of payment of taxes and also to recognize new bank branches for payment of taxes. In this regard my Government is in the process requesting the Reserve Bank of India to authorize additional branches of the existing treasury banks in the State to conduct Government business. As the Goa Broad Band Network project is already in progress,

I am sure e-payment system of taxes would be in place next year.

75. Speaker Sir, in June 2006, in order to give relief to the people on account of increasing petroleum prices; I had reduced the rate of output tax on diesel from 23% to 21% making them cheaper by Rs.0.59 per litre and Rs.1.19 per litre. Although, the Government of India has reduced the prices of these items recently, I propose to pass on the entire benefit to the consumers without any revision of tax rates. I expect that the loss in tax revenue due to reduction in tax rates would be absorbed in the increased sales. In order to encourage local excise industry and to increase the volume of export, I have exempted export fee on Indian Made Foreign Liquor, beer and wine manufactured in Goa exported beyond the territorial limits of India. However, I propose to review its impact on the revenue collection next year.

76. Sir, I have conveyed the sentiments of the people of Goa and industry in particular to the Hon'ble Prime Minister regarding adverse impact on industrial development in the State due to preferential treatment given by the Government of India to some other States in terms of exemption extended under Central Excise and Income tax holiday. In this regard, in order to encourage new industries to the State and expansion of existing industrial units, I propose entry tax exemption on

machinery and equipment for new units and also to existing units who are investing at least 50% or more on expansion in machinery and equipment.

77. This year the dealers in pre used cars were placed in Schedule B with tax rate of 4%. In order to encourage these operators and bring more transactions in open I propose to consider only 50% of the transaction amount as sales price for levy of tax for pre used cars.

78. Speaker sir, there is an increasing need for facilitating educational advancement for the students from the initial stage and also to promote the creative abilities of tiny tots. With this objective in mind, I propose to exempt the items geometry box, colour boxes, crayons, chalk sticks, pencil sharpeners, writing instruments and pens costing less than Rs.50/- from levy of tax which are presently taxed at 4%. I also propose to exempt graph books, exercise books and laboratory note books from levy of tax. There are a number of items of religious and social significance like sacred thread, religious pictures not used as calendars, rakhi kirpan and prasadam which are presently taxed at 4%. In order to facilitate the common man, I propose to bring these items under Schedule D making them tax free.

79. In Goa, use of plastic bottles mainly mineral water bottles is increasing day by day. As plastic bottles are non-biodegradable

and also cannot be recycled turning out to be a major environmental hazard. Therefore, I propose to encourage use of glass bottles which can be recycled. Presently, sealed water in containers are taxed at 12.5%. In order to discourage use of plastic mineral bottles and containers and to encourage the use of mineral water in glass bottles; I propose to reduce the tax on mineral water in glass bottles to 4%. Exemption from entry tax will also be considered for manufacturing of glass bottles used for packaging mineral water. I also propose to encourage use of environment friendly jute bags and paper bags and exempt them from levy of tax. I am of the firm opinion that poor people need to be exempted from payment of tax wherever possible. Considering this, I propose to exempt plastic foot ware from levy of tax.

80. Speaker sir, bicycle is poor mans vehicle. Tiny tots also use tricycles to play around. In the interest of poor man and children, I propose to exempt bicycles, tricycles and parts from levy of tax, which are presently levied at 4%. Sewing machines are mainly used by women and self employed persons. In order to give relief to them I propose to exempt sewing machines from levy of tax, which are presently levied at 4%.

81. Presently, raw materials used in the Pharmaceutical industry are exempted from entry tax, whereas packing materials are charged entry tax @ 0.5%. The exemption of raw materials is

however extended to a turnover of Rs.20.00 crore irrespective of the scale of the unit. The definition of turnover is not given in the entry tax notification and in the absence of which the definition is taken from the parent Act which is the VAT Act in this matter. This definition does not include transfer of goods in the turnover. However, in some cases it has been reported that at the time of assessment, the tax authorities include the transfer of goods in the turnover and accordingly make demands for entry tax. Next year, I propose to streamline the procedure to ensure that only the tax legitimately due is collected.

82. Speaker sir, all tax exemptions proposed by me are in the interest of poor people, children and women. However, I would like to caution the traders that these exemptions are for the people of Goa for their use in the State and not for bulk purchase and for sale in other state for making profit. In case such instances are observed, same will be dealt with firmly in accordance with law.

83. Sir, I propose to promote energy conservation measures and also use of non-conventional sources of energy. In this direction, I intend to levy energy cess of 0.5% on the gross electricity consumption to those consumers consuming more than 500 units per month. With this I propose to generate additional revenue of about Rs.2.50 crore per year. During my

pre-budget discussion with Chambers of Commerce and Industry and Small Scale Industries Association, their main demand was to provide good infrastructure in terms of good roads, uninterrupted water supply and electricity for industries and they are willing to pay for the purpose. In this direction, I intend to prepare an action for infrastructure development in consultation with Chambers of Commerce and SSIA and required funds will be generated by levying increased tariff which will be credited to a separate fund.

84. Sir, under the Luxury tax, I propose to give relief to small hoteliers letting out rooms. Presently, hotels letting out rooms for Rs.200 or less are exempted from payment of tax. I propose to increase this to Rs.500/- for tax exemption. However, for those hotels where the room rent is Rs.501/- or above per day the existing slabs of tax rates at 5%, 8% and 10% shall continue.

85. I propose to increase the percentage of road tax on vehicles other than those belonging to individuals in a differential slab. In order to encourage Information Technology industry in the State, this year I have reduced the rate of tax on the interstate sale of IT products from one percent to half percent. I propose to reduce the same to 'Zero' percent during 2007-08.

## **BUDGET ESTIMATES 2007-08**

86. Speaker sir, while preparing budget estimates 2007-08, I have taken steps for fiscal corrections towards achieving FRBM targets. The revenue deficit of Rs. 7.91 crore projected is marginal which is lowest during last 10 years and may be wiped out during 2007-08. The fiscal deficit projected for 2007-08 is Rs.752.64 crore, which includes low cost external loan assistance of Rs.75.00 crore for water supply and sanitation. In order to achieve the target of fiscal deficit as 3% of GSDP I have projected 'Zero' growth in fiscal deficit estimate pegging it to the level of BE 2006-07. The gross plan provision in BE 2007-08 has been fixed at Rs.1303.08 crore, which is marginally higher than the current year provision of Rs.1281.09 crore. This includes Rs.1254.00 crore for State Plan, Rs.44.39 crore for centrally sponsored schemes and re-imbursable 7/8<sup>th</sup> share of Rs. 4.69 crore for ESI scheme. Necessary adjustments in plan allocation would be made after plan discussions are held with the Central Planning Commission.

### **Conclusion**

87. Speaker sir, my effort is towards ensuring balanced regional development, reducing rural-urban divide and upliftment of economically weaker sections of the society. As you are aware, excellent social indicators achieved by the State today is on

account of emphasis laid on health and education sector by the first Chief Minister of liberated Goa, Daman & Diu late Shri Dayanand Bandodkar. He gave top priority for social services sector in the plan allocation right from the beginning and opened health and educational institutions all over Goa. Under the able leadership of my party and support of people of Goa, the State has achieved all-round progress and prosperity. The vision and leadership of Hon'ble Prime Minister of India Dr. Manmohan Singh has helped this country to achieve high growth and development, which has benefited Goa also. The Budget 2007-08 is prepared with enormous affection to the people of Goa and to carry forward vision of my party to make Goa a model State in country.

**JAI HIND**