

BUDGET SPEECH

2008-2009

[PART-A]

Hon'ble Speaker Sir,

1. I rise to present the Budget of the Government for the year 2008-09, which incidentally is my fifth budget before this August House.
2. Sir, it is a matter of great pleasure that our Government succeeded in accelerating the pace of development in Delhi to a point where Delhi is the first ranked metropolitan city in the country in terms of various indices applied by independent agencies for making an assessment of quality of life. This could be possible with the numerous reformative measures initiated by the Government since 1998-99. It is also evident from the fact that annual developmental investment by the Government has been raised from Rs.2,700 crore in 1998-99 to Rs.9,000 crore in the current financial year.
3. Sir, our Government has prepared the Eleventh Five Year Plan (2007-12) with an approach for development with a human face. This approach is based on findings and recommendations of the First Human Development Report of Delhi released by Government in 2006. The main theme of this report is that improvements in the well being of the poor are fundamental to a better life, not just for them, but for all. The report suggests that an effective way to accelerate human progress is by fostering strong

partnerships between Government, civil society organizations, citizens and the private sector. Our commitment to involve the citizens and the civil society in the process of development and governance has been strengthened due to the success of 'Bhagidari'. We have practiced the political philosophy of: government, of the people, by the people, for the people.

4. A comprehensive framework has been outlined to implement this approach. As a first step, it is proposed to take up the convergence of all welfare schemes with focus on targeted families. Government has decided to reframe the eligibility criteria for various welfare schemes so as to maintain parity and remove bottlenecks.
5. Rajiv Ratna Awas Yojana, Delhi State Health Mission, implementation of projects with clean development mechanism, increasing involvement of the private sector in infrastructure development and delivery of services through Public Private Partnerships, regularization of unauthorized colonies, upliftment of weaker sections through social welfare entitlements, sufficient quantity of subsidized food grains and cereals to all economically weaker section households, environmental improvement, transparent administration with effective public grievance redressal system, full use of IT applications and IT enabled services are some of the major initiatives of the Government during

Eleventh Five Year Plan. The suggestions received from the State Planning Board have been incorporated in the Eleventh Five Year Plan.

ECONOMIC SCENARIO

6. The estimate of Gross State Domestic Product shows that Delhi continued to make good progress in increasing per capita income and improving living standards. The GSDP increased from Rs.1,01,800 crores in 2005-06 to Rs. 1,18,240 crores [Rupees One Lakh Eighteen Thousand Two Hundred and Forty Crores] in 2006-07 registering a growth of 16% . The GSDP at constant prices in Delhi registered a growth of 12% in 2006-07 as compared to 9.6% at the national level, indicating a strong and vibrant economy.

7. The per capita Income of Delhi at current prices increased from Rs.58,655 in 2005-06 to Rs.66,728 in 2006-07 indicating a growth of 13.8%. The per capita Income at the national level was Rs.29,642. The per capita income of Delhi continues to be one of the highest in the country and more than double the national average.

PRICE SITUATION

8. The price trend of essential items in Delhi has been kept under constant watch. The rate of inflation as per Consumer Price Index for Industrial workers in Delhi during 2007 was only 4.9% as compared to 9.1% in Kolkata, 6.3% in Mumbai, 5.1% in Chennai and 6.5% at the national level. Due to constant monitoring of price situation and effective market intervention by the Government, the increase in retail prices of essential commodities in Delhi was the lowest in 2007 as compared to other metropolitan cities and at the national level. To protect the interest of the economically weaker sections against increase in retail prices of Arhar Dal and Channa Dal, the subsidy of 25% on market prices will continue.

FISCAL POSITION

9. Sir, we have made concerted efforts to maintain a sound fiscal health as reflected in various fiscal indicators. The tax collection of Delhi has not only remained buoyant but the tax buoyancy (the ratio of growth in tax revenue to the growth in GSDP) has increased from 1.24 during the 9th Plan to 1.37 during the 10th Plan. Government has followed the policy of moderate taxes and rationalization of tax and better tax administration. We have also taken economy measures to

contain the non-plan revenue expenditure. Our own tax revenue has increased at an annual average rate of 19% as compared to the growth in non-plan revenue expenditure of 14% during the period of 10th Plan. Government has also enhanced the unique financial status of Delhi by not only maintaining its revenue surplus but also increasing it. The revenue surplus of Delhi was Rs.4438 crore in 2006-07, which was 3.75% of GSDP while all states taken together and the Government of India had revenue deficits of 0.15% of GDP, and 1.09% of GDP respectively during the year. We expect to collect own tax revenue of Rs. 11952 crore in 2007-08 which is about 18% higher than the actual collection of Rs. 10,156 crore in the previous year. Without adding any tax burden on the citizens of Delhi in the recent past, we have been able to maintain the tempo of developmental activities and move forward in every sphere.

PUBLIC DEBT

10. The flow of loans from National Small Savings Fund has decreased to Rs.746 crores during 2007-08 against Rs.4002 crore in the previous year. The net collection of small savings has been declining in Delhi and has become negative in 2007-08. Our outstanding debt stood at Rs.25568 crore at the end of March, 2007 which is 21.62% of GSDP as

compared to all states' estimated figure of 30.80% of GDP. Delhi Government has paid interest of Rs. 2210 crore in 2006-07. I am grateful to the Union Finance Minister for accepting pre-payment of loans of Rs.753 crore in 2007-08 so that our debt burden and interest liability are reduced.

FISCAL DEFICIT

11. Sir, Fiscal deficit indicates the net requirement of loan by the Government for funding the plan. The fiscal deficit of Delhi for 2007-08 is estimated at Rs.2239 crore, due to steep hike in Plan outlay to Rs.9000 crore from Rs.5200 crore in 2006-07. However, it will be reduced to Rs.1868 crores in 2008-09.

REVISED ESTIMATES 2007-08

12. The Plan Outlay in Revised Estimates 2007-08 has been retained at Rs.9,000 crore. Revised Non-Plan Outlay is Rs.9484 Crore. Total Revised Estimates for Plan and Non-Plan Expenditure for the year 2007-08 is Rs.18606 crore against Budget Estimate of Rs.18561 crore.

SUPPLEMENTARY DEMANDS FOR GRANTS FOR 2007-08

13. Sir, in order to give effect to the revised estimates, supplementary demands for grants of Rs.758.57 crore would be required for the current financial year. I, therefore, seek the approval of this august House for these supplementary demands for grants.

FLOW OF FUNDS TO LOCAL BODIES

14. Government has considered the recommendations of the 3rd Delhi Finance Commission. Accordingly, 10.5% of Tax Revenue of Delhi Government will be devolved to the Local Bodies by way of Basic Tax Share (4%), Non-Plan Grants towards meeting expenditure on education, maintenance of resettlement colonies etc. (5%) and providing incentives for better fiscal management (1.5%). The recommendations of the 3rd DFC will be effective from 1st April 2008 and will continue till the end of 2010-11. An amount of Rs.1387.84 crores is proposed to be released to the local bodies during 2008-09 in view of the recommendations of Third Finance Commission. I propose an amount of Rs.2718 crore in total

to be released to Local Bodies in 2008-09 as compared to Rs.1980 crore released in 2006-07.

BUDGET ESTIMATE FOR 2008-09

15. I am glad to inform the House that the Planning Commission in its meeting held on 19.03.2008 with the Government of Delhi appreciated our plan performance and approved enhancement of the outlay for 2008-09 at Rs.10000 crores. This is another landmark in the developmental planning of Delhi. Consequently, I propose Budget Estimates for total expenditure of Rs.20200 crore for 2008-09 which includes Rs.10000 crore as Plan Outlay, Rs.10100 crore for Non-Plan expenditure and Rs.100 crore for Centrally Sponsored Schemes (CSS). The Plan Outlay of Rs.10000 crores will be financed from our own resources to the extent of 87% (Rs.8712 crores) and only 13% (Rs.1288 crores) from Central Assistance.

16. The Government of India has provided Central Assistance of Rs. 1288 crore in its budget for 2008-09 (JNNURM – Rs.576 crore, Commonwealth Games – Rs.400 crore, Central Road Fund – Rs.48.45 crore, National Social Assistance Programme - Rs.53.27 crore, National Programme for adolscent girls – Rs.1.77 crore, Rashtriya Krishi Vikas Yojana

– Rs.18.49 crore, National e-governance Action Plan – Rs.9 crore & Normal Central Assistance – Rs.181.48 crore).

TRANSPORT

DELHI METRO

17. Sir, Hon'ble Members have acclaimed the efforts of the Government towards providing world class transport infrastructure like Metro. The average daily ridership of DMRC has reached 7 lakh. I am happy to announce that Metro is going ahead with Phase II construction very rapidly. Work on eight corridors under Metro Phase-II is progressing as per schedule. The Shahadra to Dilshad Garden corridor, is the first corridor under phase-II, expected to be completed by December, 2008. I propose Rs.819.93 crore for the Metro rail in 2008-09.

ROAD TRANSPORT

18. In order to have better public transport system in Delhi, replacement of Blue Line Buses by corporate bus services has been proposed. Delhi has been divided into 17 clusters for bus routes to be operated through corporate sector and cooperatives. Request for Qualification [RFQ] has been invited for the first cluster.

19. The DTC fleet is being modernized and expanded with the purchase of 1402 Low Floor Buses, 750 Semi Low Floor Buses, 600 AC Low Floor Buses, 250 AC Semi Low Floor Buses, 1000 Standard CNG Buses by March 2009. Low Floor Buses have already started plying on some routes and with good public response. We would ensure that these buses are deployed on all major routes in a phased manner. For purchase of these new buses we have released an amount of Rs.377.30 crore in this financial year and an amount of Rs.641.21 crore is proposed for 2008-09.

ROADS & BRIDGES

20. At present, construction of 17 major flyovers and bridges is in progress. We are providing Rs.214 crore to Municipal Corporation of Delhi for construction of 17 Road Under Bridges [RUB] and Road Over Bridges [ROB] over railway crossings. During, the Annual Plan 2008-09, we will take up work of 7 new flyovers / bridges and ongoing construction of 9 flyovers / bridges will be completed. The construction work of Geeta Colony Bridge will be completed by May'2008.
21. The work for construction of Ring Road Bye-pass from Salimgarh Fort to Yamuna Velodrome Road - Ring Road Junction will be started during 2008-09 at a cost of Rs.654 crores. It will provide great relief to the users of Ring Road

as well as to the users of new Yamuna Bridge connecting Geeta Colony and Shanti Van. The construction of corridor improvement of UP Link Road - NH24 Chilla Regulator will also be taken up during the year 2008-09 at a cost of Rs.334 Crore. It includes a half fly over at Mayur Vihar Junction, a full flyover at Gazipur Drain Road and DND flyover junction, a bridge at Chilla Regulator down stream of the existing bridge, 2 foot overbridges and widening of existing roads. Looking at these needs, I propose an outlay of Rs.1211 crore in Annual Plan 2008-09 as compared to likely expenditure of Rs.801 crore in the current financial year.

22. For the Transport sector as a whole, I propose an outlay of Rs.2933.34 crore for the year 2008-09 against likely expenditure of Rs.2072.62 crore in the current year.

HOUSING & URBAN DEVELOPMENT

23. We have prepared and submitted City Development Plan to the Government of India and also signed a MOU for implementation of projects and programmes under JNNURM. The urban reforms relevant to the NCT of Delhi will be pursued vigorously. Departments concerned have been advised to submit and pursue proposals under JNNURM.

24. Recognizing the need for housing, we have decided to provide affordable houses to the poor. The very first scheme started by our Government under JNNURM is Rajiv Ratna Awas Yojana. Under this, we propose to construct about one lakh low cost houses in Phase-I. We have released Rs.160 crore in the current financial year for construction of EWS houses through DSIIDC, Slum Department of MCD and DDA.
25. In the direction to regularize unauthorized colonies, the Board for Development of Unauthorized Colonies has given guidelines to the concerned agencies. Applications were invited from RWAs of these colonies. Lay Out Plans of 1477 colonies received from RWAs have been referred to DDA and MCD for their verification. An outlay of Rs.743 crore is proposed for taking up developmental works and sanitation services in the unauthorized colonies in 2008-09.
26. Government has decided to set up Delhi Urban Shelter Improvement Board for development of all sub-standard areas in Delhi. On receipt of approval from Government of India, the Bill will be placed before this august House.
27. Sir, taking into account the special feature of Shahjahanabad area. Government has decided to set up an SPV under the Companies Act for preservation and development of this heritage area.

28. Urban planning, particularly for the mega cities like Delhi require comprehensive use of satellite imagery, aerial photography and regularly updated land records and digital maps for all civic services. Government has decided to set up a company titled "Delhi Geo Spatial Data Company" and a MOU has already been signed with Survey of India for this purpose.
29. I propose an outlay of Rs.1487 crore for Housing & Urban Development Sector for the year 2008-09.

WATER SUPPLY & SANITATION

30. Sir, Water conservation is one of our priority programmes. Government has taken up the work for commissioning of 4 waste water treatment plants at 4 plants of Haiderpur, Wazirabad, Chandrawal and Bhagirathi. The work on these plants is likely to be completed by September, 2008 and water supply capacity will increase by 45 MGD without requirement of additional raw water.
31. The Government has signed a MOU with UP Government for assured water supply for Bhagirathi Water Treatment Plant. On similar lines, we propose to sign another MOU with UP Government for assured supply of water for Sonia Vihar Water Treatment Plant.

32. For correct measurement of raw water received and treated water supplied by each plant, we have installed 80 sophisticated meters on all water treatment plants. Similarly, we plan to install bulk meters on each underground reservoir and distribution mains for exact measurement of treated water supplied in each area and to measure the water losses.

33. For equitable distribution of water in different parts of the city it was decided to construct 53 new reservoirs during a period of 10 years (1999-2009) as compared to 58 reservoirs constructed during the preceding 40 years. Out of 53 new reservoirs, 16 have already been completed and commissioned and 7 more will be commissioned shortly. The remaining 30 reservoirs are planned to be completed by December, 2009.

34. Sir, we are pursuing the matter with Haryana Government to expedite the completion of pucca parallel channel from Munak to Haiderpur. Haryana Government has now assured to complete this channel by October, 2008. We have decided to start the construction of new water treatment plants of 20 MGD at Okhla and 40 MGD at Dwarka. With the construction of these plants, water supply in South and South West Delhi will improve considerably.

35. Sir, piped water supply has already been provided in 408 unauthorized colonies. With the decision to regularize unauthorized colonies, a pre feasibility study has been conducted and 416 more unauthorized colonies have been identified in which piped water supply as well as sewerage can be provided. An outlay of Rs. 300 crore is proposed for water supply and sewerage facilities in unauthorized colonies during the year 2008-09.
36. The work has been awarded for laying of a new Trunk Sewer along Wazirabad Road to take care of the unauthorized colonies to be provided with sewerage facilities in Trans Yamuna area. Yamuna River Authority, headed by Hon Lt. Governor has seriously undertaken examination and study of various issues concerning rejuvenation of the river. The Delhi Jal Board has undertaken an ambitious project of interceptor sewers through M/s Engineers India Ltd.
37. I propose an outlay of Rs.1507 crore for Water Supply & Sanitation Sector for the year 2008-09.

ENERGY

38. In Delhi, the maximum electricity demand has touched 4030 MW in June, 2007. We plan to be self-reliant in the field of power generation. 1500 MW Coal based plant is being set

up in Jhajjar District of Haryana by a joint Company [Aravali Power Corporation] of the Government of Delhi, Government of Haryana and NTPC with equity contribution of 25%, 25% and 50% respectively. The estimated cost of the project is Rs.7693 crore. The equity contribution of Government of Delhi is Rs.577 crore out of which Rs.497 crore has been released. Rs.5100 crore of loan have been sanctioned by Power Finance Corporation. 750 MW power would be available to Delhi from this plant before commencement of Commonwealth Games 2010.

39. A Combined Cycle Gas based Power Plant of 1500 MW is being set up at Bawana by Pragati Power Corporation Ltd. at an estimated cost of Rs.5196 crore. The equity contribution of the Government of Delhi is Rs.1559 crore. Out of this, an amount of Rs.636 crore has been released. MOU has been signed with M/s Petronet LNG Ltd. for supply of gas. The project will be commissioned before Commonwealth Games.
40. 750 MW Combined Cycle Gas based Power Plant is proposed to be set up at Bamnauli in South-West Delhi consequent to the scheduled closure of I.P.Power house by 2010. 14.5 hectares of land has been purchased from DDA at a cost of Rs.109 crore.
41. NDPL will set up its own plant of 108 MW capacity at Rohini. This plant will be commissioned by 2009.

42. One of the most disturbing features of the pre-reform period was the high levels of Aggregate Technical & Commercial (AT&C) Losses of around 50%. In 2007-08, overall AT&C Losses have come down to around 26%. The targeted AT&C Loss level to be achieved by the DISCOMs as per the multi year tariff regulations is 15% by BRPL and NDPL and 17% by BYPL at the end of 2010-11.

43. Sir, our Government has taken a number of initiatives for the welfare of consumers. For consumer empowerment and to represent them in various fora like DERC and Courts and to oversee the implementation of Performance Regulation Standards etc., the Electricity Consumer Advocate Committee has been set up under the aegis of Public Grievance Cell.

44. Sir, I am happy to inform the august House that our Government has decided to give subsidy to all the domestic & agricultural consumers for a period of one year to neutralize the tariff hike by the new multi-year retail tariff order of the DERC by keeping the tariff at the level of 2004-05. Around 23 lakh domestic consumers and 9410 agricultural consumers will be benefited under the scheme. Our Government has also decided to give subsidy of Rs.1/- per unit to domestic consumers consuming 150 and 200 units per month in off peak and peak months respectively. This measure will motivate the consumers who are

consuming comparatively lower level of units to remain within those limits, which will lead to conservation of electricity. I propose power subsidy of Rs.409 crore in 2008-09 as compared to Rs.75 crore in 2007-08.

45. It may be recalled that the electricity arrears of consumers relating to the pre-discom period (i.e. DVB and DESU period) was to be pursued for recovery by Discoms. They have recovered an amount of Rs.410 crores and reported that the remaining amount of Rs.2539 crores from about 5.2 lakh consumers cannot be recovered due to various reasons like closure of the units, non availability of records etc. The M/s Delhi Power Company Ltd. (DPCL) has also done a due diligence exercise by exploring whether recovery can be done through Factoring agencies, who have also opined that it is not possible to recover such dues at this stage. In some of the cases, such arrears are coming in the way of new connections, avoidable difficulties to the public and unproductive work for the discoms and M/s DPCL. Therefore, based on an evaluation of the above circumstances, I propose that the old irrecoverable arrears/claims from the general public pertaining to the pre-discom period, amounting to Rs. 1530 crores of claims and Rs. 1009 crores of late payment surcharge on them may be written-off/waived (excluding the arrears/claims from government agencies).

46. I propose an outlay of Rs.1015.65 crore in 2008-09 for Power Sector.

HEALTH

47. Government is committed to provide preventive and curative health care services to the citizens of Delhi. With the commissioning of new hospitals and expansion of existing hospitals about 1000 new beds will be added during 2008-09 as compared to 359 beds added in 2007-08. Building for the Institute of Liver & Biliary Sciences (Phase-1) at Vasant Kunj costing Rs.83.66 crore is almost completed. The Institute will start functioning from August, 2008.
48. Construction work of 300 bedded Super Specialty Hospital at Janak Puri at a cost of Rs.70.26 crore has been completed. 650 bedded Rajiv Gandhi Super Specialty Hospital, Tahirpur at a cost of Rs.99.70 crores will be completed shortly. Both these hospitals are proposed to be started on Public Private Partnership (PPP).
49. 60 bedded Maternity Ward at Tibbia College Hospital at Karol Bagh has been commissioned recently and buildings for 64 bedded Mother & Child Hospital at Nasirpur and 30 bedded

Maternity Hospital at Kanti Nagar have been completed. These hospitals will be commissioned shortly.

50. Construction of 750 bedded Hospital-cum-Medical College at Dwarka at an estimated cost of Rs.350 crore will be started next year. Construction of 500 bedded new ward block at GTB Hospital at Shahdara at an estimated cost of Rs.52.35 crore has already started.
51. The construction work of Rajkiya Aayurvedic Sansthan at Khera Dabur at a cost of Rs.102.87 crore has been started.
52. The Government of Delhi and the Public Health Foundation of India have decided to establish Indian Institute of Public Health at Kanjhawala in North-west Delhi. There will be 20% reservation of seats in the Institute for Delhi students and Delhi Government employees. PHFI will support the Government for developing public health training programmes at all levels and assist in strengthening the public health system in an advisory capacity.
53. Delhi State Health Mission has been started from October, 2006. Under this Mission, Janani Suraksha Yojna and Mamta schemes will be implemented vigorously. Under Mamta Scheme, private nursing homes have been involved for providing ante-natal care, institutional delivery and post natal care in slum areas. Accredited Social Health Activists

(ASHAs) are being appointed to strengthen community linkage with health care delivery. One ASHA will be engaged for every 2000 population. In the first phase, ASHAs will be deployed in the slums, JJ clusters, re-settlement colonies, unauthorized colonies and rural villages from the same localities where they reside.

54. I propose an outlay of Rs.873.70 crore in 2008-09 for Medical & Public Health Sector which is about 9% of the total plan outlay.

EDUCATION

55. Our Government has given high priority to Education for human resource development as well as for all-round development of the society. In view of the complexities of this sector, we shall take a re-look at the education policy. Besides, various initiatives for improving the quality of education, we have given specific attention for upgradation of infrastructure and installation of fire fighting systems in schools. DSIIDC is being entrusted with a special project of upgradation of facilities in 198 schools of Delhi Government in East, North-East and North-West 'A' Districts. Rs.250 crore would be spent on up-gradation of infrastructure in these schools in next two years.

56. Sir, I propose to increase the uniform subsidy for students from Rs.300/- to Rs.500/- per annum so that they can purchase one jersey for winter session in addition to good quality uniform.
57. Sir, I propose to extend the schemes of uniform subsidy and cash payment for books to the students admitted under free-ship quota in non-governmental schools also.
58. Government has decided to provide Brail books to all blind students of Government and Non-Governmental schools free of cost.
59. Government has started Chaudhary Bramha Prakash College of Engineering at Jaffarpur and Gobind Vallabh Pant Engineering College at Okhla with intake of 120 students each in the current academic year.
60. Kasturba Polytechnic at Pitampura will be upgraded to Engineering College exclusively for Women in 2008-09 with specialization in 4 disciplines of Engineering in the field of IT and Electronics with a total intake of 240 students.
61. A specialized institute of Polytechnic level will be set up for the paramedical courses at Dwarka in next academic year. Building for this institute adjoining the proposed site for 750 bedded hospital, is ready. The hospital will provide facility to

the students of the polytechnic for practical experience and sharing of resources.

62. The Indraprastha Institute of Information Technology (IIIT) will start functioning in the campus of Netaji Subash Institute of Technology with the aim of sharing its strength and resources.
63. Delhi Knowledge Development Foundation would be set up shortly to increase the opportunities for technical education through distance learning and continuing education.
64. University of National Law School will be set up at Dwarka. This University is expected to start from the next academic session.
65. Sir, Government has decided to create Higher Education Scholarship Fund for providing scholarship to the students of socially and economically backward classes admitted in the institutions on merit-cum-means basis from next year.
66. Government has recently established Maithili-Bhojpuri Academy for the development of the Maithili & Bhojpuri languages.
67. Government will introduce a pension scheme for the eminent literary personalities from the next year.

68. I propose an outlay of Rs.1045.12 crore for Education including Technical Education, Art & Culture and Sports for the year 2008-09.

ENVIRONMENT

69. The Forest Survey of India Report for the year 2005 released recently indicates that total green cover of Delhi has increased from 268 sq. km. in 2003 to 283 sq. km. in 2005. During the current year, nine new city forests have been developed and 14 old city forests have been redensified. About 18 lakh saplings have been planted. It is estimated that total green cover of Delhi has crossed 300 sq. km. by 2007.
70. Government has decided to phase out all 15 year old light commercial vehicles. Owners of these vehicles will be provided subsidy equivalent to VAT on purchase of new light commercial vehicles.
71. The work on rehabilitation of balance 50 km of trunk sewer line will be taken up during the year 2008-09 which will lead to functioning of STPs upto their full capacity.
72. The plan scheme for providing sewerage system in all rural villages has already been started. Another scheme for

providing sewerage in unauthorized colonies will be taken up in 2008-09. With the implementation of these two schemes, the direct discharge of wastewater from these areas into Yamuna River will be stopped.

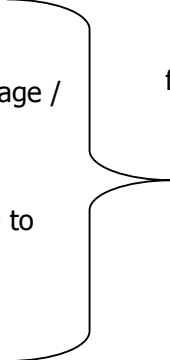
73. Air Ambience fee of 25 paise per litre on sale of diesel has been imposed to create Air Ambience Fund for promotion of clean fuel technologies under Delhi Pollution Control Committee.

SOCIAL SECURITY

74. The Old Age Pension Scheme of our Government has received strong patronage from all the Hon'ble Members of this House. We have enhanced old age pension amount from Rs.400 to Rs.600 w.e.f. April 2007. Government has decided to further enhance monthly pension for senior citizens and for widows from Rs.600 to Rs.1000 per month with effect from April'2008
75. Sir, Hon'ble Members of this House suggested that eligibility condition of Employment Exchange registration for two years may be removed from the scheme of unemployment allowance to disabled persons. We have, therefore, decided to remove this condition under the scheme to allow the benefit to all deserving persons in Delhi. The allowance for

them will be enhanced from Rs.600 to Rs.1000 per month w.e.f. April 2008.

76. It is proposed to streamline the functioning of the different schemes of social welfare. The norms for 'social welfare entitlements' will be redefined by increasing the income limits. The income limit to avail benefits under various welfare schemes will be raised as follows w.e.f. 1.4.2008 :-

- Old Age Pension			
- Widow's daughter's marriage / Orphan girl's marriage		from Rs.48,000	: to Rs. 60,000 p.a.
- Unemployment allowance to Physically handicapped			
- Widow pension			
- Petrol subsidy to handicapped		from Rs. 30,000	: to Rs.60,000 p.a.
- Purchase of Aid and Appliances for handicapped		from Rs. 7200	: to Rs.60,000 p.a.
- Stipend to physically handicapped		from Rs. 12,000	: to Rs.60,000 p.a.
- Scholarship to physically handicapped		from Rs. 24,000	: to Rs 60,000 p.a.

77. Schemes of education and those pertaining to the SC/ST welfare would have a income limit of Rs.1 lakh per annum except those operated as per Government of India schemes. Schemes of food subsidy to determine APL families would also have a limit of Rs.1 lakh.

78. We have introduced a new scheme for upgradation of skills for persons from economically weaker sections of the society, particularly from SC/ST/OBC/Minorities for improving their employment potential. For this, an agreement has been signed with different agencies namely National Small Industry Corporation, Construction Industry Development Council and Apparel Training & Design Centre. I hope this measure will go a long way in imparting necessary training and adequate skills to the youth to get them employment and also enable them to start self-employment ventures.
79. Our government have a vision of hunger free Delhi where nobody should remain without a meal at least once in a day. The programme of Hunger Free Delhi Campaign - 'Apki Rasoi' is being launched under Bhagidari in this direction with involvement of the corporate sector. One afternoon meal will be provided to the needy at specified night shelter locations. We acknowledge the philanthropic participation of the corporate sector in this programme.

EMPOWERMENT OF WOMEN AND CHILD DEVELOPMENT

80. Hon'ble Members may recall that in the last Budget Speech I had announced to set up a separate Department of Women & Child Development. I am happy to inform that the Department has started functioning from November,2007.

81. The first achievement of the Department for Women and Child Development is launching of an innovative scheme of LADLI for promotion of sex ratio, institutional birth and education of girls. Under LADLI, on birth of a girl child in a hospital or nursing home in Delhi, a sum of Rs.11000/- will be deposited in her name. Further, a sum of Rs. 5000/- would be deposited each time when the girl gets admission in 1st, 6th and 9th Standards. Another sum of Rs. 5000/- would be deposited when she passes out 10th Standard and on admission in 12th Standard. The amount so deposited would be redeemed at about Rs. One lakh on attaining the age of 18 years. All such girls, whose parental income is up to Rs. 1.00 lakh per annum, would be eligible to get the benefit under the scheme. The scheme has been started from 01.01.2008. I propose an outlay of Rs. 72 crore for 2008-09, for this scheme.
82. Sir, keeping in view the contribution of ICDS programme in providing essential nutrients to the needy children and women, Government has started 16 new ICDS Projects in this financial year. The number of Anganwadi Centers has been increased from 4428 in 2006-07 to 6106 in 2007-08. Recognizing the contribution of Anganwadi workers and helpers, I propose to raise the state-share of Anganwadi workers from Rs.500 to Rs.1000 per month so that the Anganwadi workers may get a total honorarium of Rs.2500

per month from April 2008. Similarly, for Anganwadi helpers, I propose to increase the state-share from Rs.200 to Rs.500 so that their total honorarium will be Rs.1250 per month w.e.f. April 2008.

83. The first Human Development Report of Delhi highlighted the problem of mal-nutrition among children in Delhi. Our Government is seriously concerned to resolve this problem. In addition to increase in the number of ICDS Projects and Anganwadi Centers, Government has decided to enhance the per capita expenditure norm of Rs.2/- to Rs.4/- w.e.f. April, 2008 by enhancing state-share from Rs.1 to Rs.3. This will enable to provide better quality nutrition to the children and women beneficiaries of the ICDS Programme.
84. Delhi Child Rights Commission under the Act for the Protection of Child Rights is being set up.
85. Stree Shakti programme has become an effective tool for empowerment of women. In order to ensure that needy women get health, social and economic inputs in various forms under a single roof, Government is setting up Gender Resource Centres all over Delhi in place of camp based programme.
86. These Centres will be the focal point for delivery of all family oriented benefits. A Convergence Mission (Samajik Suvidha

Sangam) is being launched under which the different social welfare benefits will be delivered to the eligible beneficiaries, with the involvement of NGOs under a monitoring mechanism headed by the Dy. Commissioner's at the district level.

RURAL DEVELOPMENT

87. Hon'ble Members may recall that last year we had announced a major programme for conservation and development of water bodies for storage of water as well as recharge of aquifers. I am happy to inform that around 200 water bodies have been developed. The works on remaining 175 water bodies are going on as per schedule. In this programme, additional components of greenery around the water bodies alongwith construction of pathways are being undertaken.
88. In addition to plan scheme of DJB for augmentation of water supply in rural areas, additional funds will be allocated to DJB for water supply improvement works to be implemented on the recommendation of Delhi Rural Development Board.
89. The Delhi Rural Development Board has become a strong focal point for identifying developmental works in rural areas. The board has taken up 1045 projects in 2007-08

costing Rs.427 crores. I propose an amount of Rs.160 crores for Rural Development Board in 2008-09.

RASHTRIYA SWASTHYA BIMA YOJNA

90. Government will implement Rashtriya Swasthya Bima Yojna from 1st April, 2008 in Delhi through Labour Department for providing health insurance cover to the Below Poverty Line families in the un-organized sector. 75% of the premium would be paid by the Government of India and 25% by the Government of Delhi. The beneficiary will pay only Rs.30 for one-time registration under the scheme. The beneficiary can avail cashless treatment in selected hospitals upto Rs.30,000/- per annum. I propose to make a provision of Rs.8.80 crore for this scheme in 2008-09.

JAN SHREE BIMA YOJANA

91. Sir, Jan Shree Bima Yojana was started to provide life insurance cover to BPL households. The beneficiary is insured for Rs.50,000/- in case of accidental death, Rs.20,000/- in case of natural death and Rs.50,000/- in case of permanent disability. Annual premium is Rs.200/- out of which Rs.100/- is paid by Government of India, Rs.50/- by Government of Delhi and Rs.50/- by beneficiary. Social

Welfare Department and DSCFDC are implementing the scheme. Taking into account difficulty of the BPL households in depositing own share of Rs.50/- p.a. towards the premium, Government has decided to pay this part of premium also and to increase Government contribution to Rs.100. Henceforward, beneficiary will be insured free of cost.

AAM AADMI BIMA YOJANA

92. The Aam Aadmi Bima Yojana launched by the Government of India on 2nd October, 2007, will be implemented in Delhi through the Revenue Department (DCs) to provide life and disability insurance cover to rural landless households. The premium to be charged under the scheme is Rs.200/- per annum per member of which 50% will be contributed by the Government of India and remaining by our Government. The beneficiaries will be insured under the scheme free of cost for Rs.75,000/- in case of accidental death, Rs.30,000/- on natural death, Rs.75,000/- on permanent disability. "I request Hon'ble members to inform and encourage all BPL & rural landless households to avail Rashtriya Swasthya Beema Yojana, Jan Shree Beema Yojana and Aam Admi Beema Yojana respectively for their safety and welfare".

PUBLIC DISTRIBUTION SYSTEM

93. Government has decided to provide full rations to the families whose annual income is Rs.1 lakh or less and whose ration cards are stamped. APL cards, which are not stamped, will remain only for identification purposes. Government has initiated exemplary action through extensive enforcement against those indulging in malpractices, diversion, poor service delivery to the citizens by not only canceling the authorizations but also launching criminal prosecution against the offenders. Thus, the Public Distribution System will be streamlined to serve the targeted segment.

REFORMS IN GOVERNANCE

94. Sir, 73% increase in plan outlay for the current year is a landmark in the history of development process of Delhi as nowhere in the country such an increase has been recorded. Our Government has initiated a number of reforms in the planning process for targeted implementation of plan projects and also for improvement in quality of delivery of

services. These reformative measures have facilitated, unprecedented plan performance. The phasing out of expenditure in an equitable manner in the months upto December has enabled us to achieve utilization of funds of 70% by December 2007 itself. In the current financial year, 84% of the plan outlay has been utilized upto February, 2008 and only 16% of the plan outlay remains to be utilized in March, 2008.

95. A Project Efficiency Unit has been constituted in Planning Department to undertake concurrent evaluation of selected projects and works within three months in order to assess the timeliness and cost effectiveness in their implementation. This will also identify bottlenecks and unexpected problems in implementation, so that meaningful intervention can be made at higher levels to prevent cost and time over-runs.
96. In order to carry out reforms further and in acceptance of one of the recommendations of the Third Delhi Finance Commission, Government has decided to constitute an Expenditure Reforms Committee under the Finance Minister to advise on better fiscal management, reducing wasteful expenditure, targeting subsidies and welfare schemes only to the needy, rationalization of the plan schemes, zero based budgeting and more value for money in public expenditure.

97. The project for construction of Bus Q-Shelters of DTC, with the involvement of private sector, has already started. This will improve passenger amenities and urban landscape, besides bringing additional revenue to DTC through advertisements. The project for electricity generation from solid waste has been awarded for Timarpur and Okhla plants. Request For Proposal (RFP) for mechanized chicken processing plant have already been invited. The Science & Technology Park at NSIT complex will also be developed under PPP.
98. Delhi on-line Project "Jeevan" will be launched under Public Private Partnership as a gateway for one stop shop for payment of various types of bills, taxes, application for birth & death certificate, filing of application for new electricity and water connections, filing of returns for VAT, Luxury Tax, Entertainment Tax, application for booking of Community Halls/Barat Ghars etc. Twenty Citizen Service Centers and a network of more than 500 Collection Centers are envisaged under this.
99. Taking into account the increasing number of infrastructure development projects as well as the policy of the Government to promote Public Private Partnership, Delhi Infrastructure Development Board has been constituted under the chairmanship of Hon'ble Chief Minister.

100. Voters Registration and Electoral Photo Identity Card Centres have been established in each Assembly Constituency so that the citizens may add their name in the Voters Registration List and may also get their Electoral Photo Identity Card prepared conveniently at these Centres.
101. Sir, our Government has decided to promote use of IT as an enabler for the people and also to make the governance and administration more transparent. One of the major initiatives in this direction is to adopt web based e-procurement system w.e.f. 1.4.2008 in six major Departments i.e. PWD, DJB, DSIIDC, DTC, Flood Control and Health Department of the Government. Subsequently, it will be implemented in all Departments.

COMMONWEALTH GAMES

102. Government of Delhi is committed to complete in time all projects/schemes directly or indirectly linked with Commonwealth Games-2010. The first major project is construction of a new multi-purpose air-conditioned indoor stadium along with eight lane synthetic athletic track at Tyagaraja Sports Complex. The other projects relate to renovation and expansion of Chhatrasal, Talkatora and Shivaji Stadia. A number of Fly over/Road Over Bridges and new road corridors having high legacy value are being

constructed to facilitate the flow of traffic, particularly connecting and leading to games venues. An outlay of Rs.1189 crore is proposed for Commonwealth Games –2010 projects in the year 2008-09 as compared to likely expenditure of Rs.461 crore in the current financial year.

TAX PROPOSALS

PART-B

PART-B

103. We have followed a long term and stable fiscal policy, to enable the trade, the industry and the private sector to function efficiently. The growth rate of 12 percent is indicative of the trust we have placed in the non-governmental sector for promotion of economic growth. As stated in 'Arthashastra', public prosperity, rewards for good conduct, capture of tax evasion, prevention of mismanagement by officials, abundance of greenery, prosperity of commerce, prevention of disasters, reduction in unnecessary expenditure and optimum collection of taxes lead to prosperity of the state.

प्रचारसमृद्धिश्चरित्रानुग्रहश्चोरनिग्रहो युक्तप्रतिषेधः

सस्यसंपत्पण्यबाहुल्यमुपसर्गप्रमोक्षः परिहारक्षयो हिरण्योपायनमिति कोशवृद्धिः ।

104. We have followed the economic philosophy that taxes should be collected from the public without causing hardship, just as a honeybee collects honey without disturbing the flowers.

यथा मधु समादत्ते रक्षन् पुष्पाणि षट्पदः ।

तद्वद् अर्थान् मनुष्येभ्य आदद्यात् अविहिंसया ॥

The tax buoyancy to which I referred to earlier is a proof of this. Therefore, under the present circumstances, I do not see any need for imposition of any new tax in this budget.

105. I would like to draw the attention of this House to the World Bank report titled "Doing Business in India". The report mentions about the bottlenecks faced in development of the economy and enterprise, especially, in starting new firms and business units as well as in carrying out transactions. Our government will focus on how firms, enterprises and individuals should be provided with a better and congenial environment for carrying out profession, trade, industry and services. Electronic registration of firms has already been enabled through the Registrar of Companies in Delhi. Different initiatives of systems reforms and e-governance will be undertaken to improve the business environment of Delhi.
106. While we are thankful to the tax paying public for better compliance, let me also thank the associations of the trade and the industry who have had meetings with me for giving their suggestions.

Systems Reforms :

107. The Government have adopted Electronic Fund Transfer (ECS) to release funds to grant receiving agencies and to all payment receivers, which has speeded up work in the government and reduced the scope for delays and any undesirable practices. This system will be implemented in

PWD and Irrigation and Flood Control departments also shortly.

108. A Centralized Registration Cell (CRC) has been established in the Department of Trade & Taxes. The registration certificates will be sent to the dealer through registered post.
109. A time limit has been fixed so that registration for VAT will be done within seven working days.
110. A well furnished Centralized Form Cell (CFC) has been commissioned in the 1st floor of the Vyapar Bhawan for issue of Central Statutory Forms. The difficulties of the dealers to get C-forms as well as other statutory forms will be addressed.
111. The department has extended the facility of online filing of returns to all its quarterly dealers. The first quarterly online returns were filed for the quarter ended December 2007.
112. New initiatives of e-governance and streamlining of procedures will continue. The future plans of the Department of Trade and Taxes include online payment of tax and use of digital signatures for on line filing of returns. As announced in the Union Budget, Central Sales Tax will be reduced from 3% to 2%, w.e.f. 1-04-2008. The introduction

of Goods and Services Tax is expected to materialize by April 2010.

113. Consequent to the adoption of Central Chit Fund Act of 1982 to facilitate the functioning of Chit Funds, notification has been issued in consultation with RBI that instead of bank guarantee, fixed deposits of banks will be acceptable.

VAT

114. I propose to rationalize some of the entries in the Schedules of the DVAT Act, 2004. I propose to reduce the rate of VAT on locks and weights & measures from 12.5% to 4% by bringing them under Third Schedule.
115. I also propose to reduce the tax on Compact Fluorescent Lamp (CFL) and electronic chokes, which are either BIS certified or which are given star rating by Bureau of Energy Efficiency, from 12.5% to 4%. In the interest of conservation of energy, I hope that the use of CFL and electronic chokes may be increased by consumers as well as industry, to reduce the consumption of electricity.
116. I propose to rationalize the entry relating to Sweetmeats and Namkeens to bring even unspecified namkeens and sweetmeats under the Third Schedule of DVAT Act, so that

all categories of sweets and namkeens will be taxed uniformly at 4%.

117. Sir, to encourage traditional art and workmanship of Embroidery & Zari trade which relates to livelihood of a large number of artisans belonging to lower income group, I propose to exempt Embroidery and Zari items from VAT, by moving entry No.80 from the Third Schedule to First Schedule.

118. I also propose to reduce VAT from 12.5% to 4% on fibre board and particle board made out of agricultural wastes like Bagasse by placing them under Third Schedule. This is being done to encourage recycling of agricultural wastes and use of eco-friendly materials in construction, furniture, interiors etc.

Excise

119. Sir, it has been felt since long that the Punjab Excise Act, 1914 as extended to NCT of Delhi requires thorough review. I am happy to inform the House that we have drafted a new Excise Bill based on the Model Bill suggested by Government of India, which will pave the way for reforms in the Excise sector. The Bill will be brought up before the House, after the requisite approval of Govt. of India.

Stamp Duty

120. As a measure of urban reforms, stamp duty has been brought down from 5% to 3% (in case of man) and from 3% to 2% (in case of woman). Consequently, the effective incidence on conveyance deeds (inclusive of the duty charged by the Municipal Corporation on transfer of property under Section 147 of the DMC Act) is 6% in case of man and 4% in case of woman.
121. With a view to bringing transparency, facilitating self-assessment and to prevent under valuation of properties in respect of payment of stamp duty, circle rates have been notified for the entire National Capital Territory and agricultural land. I am hopeful that this will lead to a culture of compliance and better service to the public by the Registration Department.
122. E-stamping is being introduced from 1st April of this year. It will greatly simplify the procedure to pay stamp duty. Any person who has to pay stamp duty of more than Rs.500 can go to any of the authorized collection centers (bank branches) and deposit the stamp duty. He will get a security-printed receipt, which is to be attached with the documents for the registration of the documents. The system will be

implemented through the Stock Holding Corporation of India and the branches of Corporation Bank.

- 123 With a view to reducing the time taken for consolidation of stamp duty by companies on issue of shares, the authority for approval of such consolidation of stamp duty on issue of capital market instruments has been delegated to Divisional Commissioner (Chief Controlling Revenue Authority). To avoid difference in interpretations and to help in speedy disposal of such matters, a specific officer has been designated in the Office of the Divisional Commissioner. Further, the power to refund the stamp duty in respect of spoiled / unused stamp papers submitted within 2 years will be delegated to the Deputy Commissioners.
124. It has been suggested that NCT of Delhi, being a major capital market, the stamp duty on share transfers may be rationalized to similar levels prevalent in Maharashtra, Gujarat and Rajasthan. In order to facilitate growth of capital market transactions, it is proposed to bring down the stamp duty on brokers' notes to similar level as prevalent in the above-mentioned states. Consequently, the stamp duty on transfer of capital market instruments will be as follows:-

	<u>Existing</u>	<u>Proposed</u>
Non-delivery Transactions	0.01%	0.002%
Delivery transactions	0.01%	No change
Future and option trading	0.01%	0.002%

Necessary amendment bill will be introduced separately. I hope this will encourage the community of investors as well as brokers towards voluntary compliance.

125. Sir, I commend the budget for the consideration of the House.

JAI HIND
