

Highlights of Budget 2008-09

A- Budget provisions and Fiscal Indicators

- Revenue Surplus budget presented for second successive year.
- No New Tax has been proposed in the budget.
- The plan size is Rs. 4775 crores, which is about Rs 397 crores more than the plan size of Rs. 4378 crore in 2007-08.
- Provisions of Fiscal Responsibility and Budget Management Act to be adhered to. Fiscal deficit is estimated to be Rs. 1155.30 crores, which is 2.89% of the GSDP, against the prescribed limit of 3% under the Act.
- Total receipts are estimated to be Rs. 12112.38 crores
- Total expenditure is estimated to be Rs. 12441.32 crores
- Total revenue receipts are estimated to be Rs. 10456.56 crores
- Total revenue expenditure estimated to be Rs. 8662.53 crores
- Gender Budgeting was introduced for the first time in 2007-08. The outlay under Gender Budgeting has been increased from Rs. 333 crores 2007-08 to Rs. 656 crores in 2008-09.
- Budget deficit estimated to be Rs.328.94 crores on deducting total expenditure over total receipts.
- Rs. 250 crores shall be adjusted from the Public Account.
- Taking the opening balance into account, the closing balance estimated to be Rs. 62.25 crores.

B- Tax reforms and rationalisation of tax rates

- VAT on Atta, Maida, Suji & Dals reduced from 4% to 1%.
- Stamp duty on transfer of immovable property reduced to 7% from 8%.
- Additional Stamp duty in Urban Areas reduced to 1% from 2%.

- In cases of transfer of property on rates higher than the circle rate, Stamp duty on 50% of the sale amount above the circle rate of the property to be exempted.
- Limit for exemption of stamp duty on agricultural loans to be increased to Rs. 3 lakhs from Rs.1 lakhs.
- Entertainment Tax in Cinema Halls reduced to 40% from 60%.
- Entertainment Tax on Cable TV/ DTH reduced to 20% from 30%.
- "VAT" rates on purchase of raw material brought down at par with Central Sales Tax.
- A Compounding Scheme at 4% VAT for road-side Dhabas and employee canteens having turnover up to Rs. 50 lakhs shall be implemented.
- 3 months time to be given to those dealers who could not declare opening stock by 1-10-2005 under VAT.
- Procedure of regular assessment to the simplified and dealers having annual turnover up to Rs. 5 crore per annum need not come to office.
- To ensure quick refund of Input Tax, provisions shall be made to make refunds on producing export related documents instead of Bank Guarantee.
- The provision of compulsory audit under VAT shall be relaxed for dealers having turnover upto Rs. One crore.
- Input Tax Credit to be given on consumables in addition to raw material.

C- Others schemes

- A comprehensive Industrial Incentive Scheme 2008 has been declared for promotion of industries in the hilly and remote areas. Under the scheme, infrastructure development, subsidy on capital investment and interest payment etc. have been provided. Top priority will be given to the implementation of this scheme.
- New policy was announced recently by the Government for promotion of Small Hydro Electric Projects including schemes for renewable sources of

energy. This will improve electricity production towards the tail end of the Grid and will result in reduction of line losses.

- Provision for extending Kasturba Gandhi Residential School for girls upto matric level and for construction of hostels for girls.
- All out efforts are being made to start Srinagar Medical College from the coming session. Rs. 5 crore provided for civil works / land acquisition for Almora Medical College.
- Ambulance service to be provided in all emergency cases through an ambitious scheme under a PPP arrangement.
- Universal health scheme to be launched for all BPL families. Hospitalisation treatment upto Rs. 30000 and insurance amount of Rs. 25000 to be given in cases of accidental death of any member of the family.
- Schemes for providing health services through PPP mode to be expanded.
- More provisions being made for "Agriculture and Allied Sectors" as per the guidelines of the National Agriculture Development Scheme.
- One ESI hospital each to be opened in Garhwal and Kumaon Divisions.
- About 450 children living in slum areas to be provided free education through PPP mode.
- Mid Day Meal scheme being extended up to class 8 children. About 4 lakh children to be benefited by the scheme.
- 25% increase in the honorarium of "Bhojan Mata's" and their assistants. This will increase the honorarium by a minimum of Rs. 62.50 to a maximum of Rs. 112.50 .
- Negotiations are on with Government of U.P for construction of Express highway alongside river Hindon from Greater Noida to Dehradun via Kalsia (Saharapur). The Government of U.P will construct the highway up to Kalsia and Uttarakhand from Kalsia to Dehradun.

- Alternative 4 lane link for from Jolly Grant to Dehradun to be constructed.
- DPR for Mega Tourism Scheme for Haridwar, Rishikesh and Muni-ki-Reti being prepared .
- All treasuries in the state to be inter- connected for efficient fiscal and cash management.
- Rs. 15.50 crores provided for cleaning Ganga, Yamuna and other holy rivers.
- First South Asian Federation Winter Games to be hosted at Dehradun and Auli. Rs. 50 crores provided for the same in the budget.
- Rs. 48.50 crore provided for Kumb Mela in the year 2010.

D- Good Governance issues

- " New Procurement Rules" based on modern procurement procedures for efficient and quick procurement of goods and services to be implemented.
- "Uttarakhand Infrastructure Development Corporation" being incorporated as State's sole construction corporation.
- Cash-less medical reimbursement scheme through "Smart Cards" to be introduced for Government Servants and Pensioners.
- A PPP cell to be created in the Planning Department for promoting private investments and better decision making.
