

BUDGET SPEECH

2015-2016

Hon'ble Speaker, Sir,

I rise to present the first Budget of our Government for the year 2015-16 to this august House and to seek a Vote on Account to enable the Government to carry on its business and meet the essential expenditure for a period of three months or till the Regular Budget is passed by this august House.

2. The Annual Financial Statement and Demands for Grants now being presented are for the full year which will be revised at the time of presentation of Regular Budget for the year 2015-16.
3. The main reason for our seeking a Vote on Account, and not presenting the Regular Budget for the full year is that, as you know, our Government has been elected during last month by the public of the capital city with an unprecedented historic mandate. We intend to have a fresh look into the complete budgetary process and prepare such plan for optimum utilization of our resources. We further intend to give importance to the suggestions of the general public in the whole budget making exercise.
4. Sir, our Government has decided to formulate the budget taking into consideration the present and future needs of residents of Delhi in order to address their issues, problems and difficulties. We intend to work in complete partnership with the common man for addressing their issues and problems and for preparation of future plans. We have started working in this direction by constituting the Delhi Dialogue Commission under the chairmanship of Hon'ble Chief Minister and consisting of a team of experts from different fields and senior bureaucrats for

improving governance, to bring efficiency in the administration and for holistic development of Delhi. This Commission will give recommendations on best suggestions, practices and policies to the Government of NCT of Delhi. Task forces/ Committees of experts are being constituted by the Government for preparation of plan for implementation of 70-point agenda.

Economic Scenario

5. Speaker Sir, I would like to draw the kind attention of the august House on the economic scenario of Delhi before presenting Revised Budget Estimate for current financial year and to seek Vote on Account for a period of three months.

6. The Gross State Domestic Product (GSDP) of Delhi at current prices in the current year is likely to attain a level of ₹ 4,51,154 crore showing a growth of 15.35% over previous year. At constant prices, Delhi's economy is poised to grow at the rate of 8.2% during 2014-15 compared to 7.4% growth at national level. The contribution of Delhi to the national GDP is about 3.86%, though we are only 1.4% of the total population of the country.

7. The annual per capita income in Delhi at current prices in 2014-15 is anticipated to increase to ₹ 2,40,849 as per advance estimates of Gross State Domestic Product (GSDP), which is 2.7 times higher than the per capita income at national level. I would like to inform in this context that the per capita income at national level is ₹ 88,533.

8. Delhi's economy has a predominant service sector with a share of 87.48% of GSDP followed by industry and agriculture sectors. The contribution of Delhi in the service tax, income tax, corporate tax and custom & central excise is very significant as compared to other Metropolitan Cities. In spite of that, Delhi's share in Central Taxes remains stagnant at ` 325 crore since 2001-02. The Fourteenth Central Finance Commission has recommended increasing the devolution of Central Taxes to States from 32% to 42%. Delhi being Union Territory, is deprived from the benefit of this recommendation, although Delhi has a separate consolidated fund like other States and all financial transactions of this Government are met from our own resources. Had this recommendation been applied to Delhi, then Delhi would have received approximately ` 25,000 crore during the award period (2015-20).
9. Sir, we do not have access to huge resources like Land that is available to other States. Government has to purchase land from DDA at a very high cost for development of various infrastructures like Hospitals, Colleges / Technical Institutions, Grid Sub-Stations, Bus Terminals/ Depots, Old Age Homes etc. As a result, major chunk of the state resources is spent on purchase of land. The tax payer money spent for purchase of land could have been utilized for development of infrastructure. It is highly desired that land should be made available to the city Government free of cost for infrastructure development and also the huge resources accumulated with DDA must be shared for the development of the city. State Government has no direct role in the city planning made by DDA. A Metropolitan Planning Body is required for the comprehensive development of the city, which will also address the specific issues of development of social and physical infrastructure for unplanned settlements, unauthorized colonies and rural areas of Delhi.

Revised Estimate for 2014-15

10. Speaker Sir, I am presenting the Revised Estimate for the current financial year 2014-15.
11. The Regular Budget of Government of NCT of Delhi for the current year 2014-15 was approved by the Parliament on July 18, 2014 for ` 36,766 crore. It includes Plan Expenditure of ` 16700 crore, Centrally Sponsored Schemes of ` 1000 crore and Non-Plan Expenditure of ` 19066 crore.
12. Sir, our Government has already implemented one of our commitments made to the citizens of Delhi for giving subsidy @ 50% on the existing tariff to the domestic consumers of electricity consuming upto 400 Units per month with effect from March 1, 2015. This scheme will benefit around 36 lakh domestic consumers which is 90% of total electricity consumers under domestic category. The consumers consuming more than 400 Units of power per month will not be eligible to get the subsidy. This involves a budgetary implication of ` 70 crore in the current financial year and has been provided in Revised Estimates 2014-15 under Non-Plan Budget.
13. The Government has also implemented the scheme of giving 20000 Litre of free water per month to the domestic consumers of Delhi having metered connection at their premises. There are 18.09 lakh consumers being billed by DJB, out of which, 9.55 lakh consumers will get benefit which is more than 50% of total consumers. For the water subsidy, ` 21 crore will be required for which provision has been made in the Revised Estimate 2014-15.

14. Sir, during the current financial year 61% of plan budget was utilized by February, 2015 and Revenue Receipts of the Government have also declined. Accordingly, I propose to reduce the Plan Size to ₹ 15,450 crore, Non-Plan Expenditure to ₹ 18,440 crore and Centrally Sponsored Schemes to ₹ 900 crore in the Revised Estimates 2014-15. In the Non-Plan Expenditure, ₹ 4751 crore is for payment of interest and principal to Government of India. Besides, it includes ₹ 2380 crore as devolution of taxes and ₹ 1291 crore as share of Stamps & Registration Fee and Motor Vehicle Tax to Local Bodies. Provision of ₹ 1083 crore for Delhi Transport Corporation to meet its operating deficit and cost of concessional passes and ₹ 351 crore towards power and water subsidy to domestic consumers are also included in the Non Plan Expenditure.

15. The total budget in the Revised Estimate in 2014-15 is proposed at ₹ 34,790 crore.

Supplementary Demands for Grants 2014-15

16. Sir, in order to give effect to the proposed Revised Estimates for the year 2014-15 for the NCT Delhi, first and final supplementary Demand for Grants of ₹ 351.9816 crore shall be required. Accordingly, I present to the august House supplementary Demands for Grants amounting to ₹ 351.9816 crore for the year 2014-15.

Budget Estimates 2015-16

17. Speaker Sir, now I am presenting Vote on Account for the first three months in the Budget Estimates for the year 2015-16.

18. The total Budget Estimate for Government of NCT of Delhi for the year 2015-16 is proposed at ` 37,750 crore. It includes ` 21,500 crore Non-Plan Expenditure, ` 15,350 crore Plan Expenditure and ` 900 crore for the Centrally Sponsored Schemes.
19. The proposed total Expenditure of ` 37,750 crore will be financed mainly from our own tax revenue to the extent of ` 32,641 crore, ` 1327 crore from Non-Tax Revenue, ` 681 crore from Capital Receipts and ` 900 crore from Small Saving Loan. Besides, it includes ` 325 crore as Delhi's Share in Central Taxes, ` 395 crore as Normal Central Assistance, ` 900 crore as Centrally Sponsored Schemes etc.
20. The Non-Plan Expenditure mainly includes ` 2850 crore as devolution of taxes and ` 1394 crore as share of Stamps & Registration Fee and Motor Vehicle Tax to Local Bodies. To meet the operational deficit of Delhi Transport Corporation and cost of concessional passes, ` 984 crore has been provided under Non Plan Budget. An amount of ` 4992 crore for payment of interest and principal to Government of India and ` 1690 crore towards power and water subsidy to domestic consumers during 2015-16 are also included under Non Plan.
21. Speaker Sir, with these words I seek the approval of the House for the Vote on Account for the financial year 2015-16 and Demands for Supplementary Grants for the financial year 2014-15.