

Hon'ble Speaker Sir,

With your permission, I rise to present the Annual Financial Statement for the financial year 2016-2017 to this August House.

1

The Ma Mati Manush of Bengal have once again reaffirmed their support and reposed full faith in the strong leadership of our Hon'ble Chief Minister Mamata Banerjee. The resounding victory, has once again vindicated the overwhelming development efforts. I stand in this August House to thank the people of Bengal who have blessed us with a massive majority. We reaffirm our commitment to push further the development tide with equal vigour in the coming years.

The indomitable spirit of our beloved leader Mamata Banerjee has been beautifully summed up in the Urdu couplet :

**Main bure haalat ke toofano se ghabrata nahin
Mujh ko apne hauslon par betahasha naaz hai**

As I present this Budget I salute Hon'ble Members of this August House belonging to all political parties.

Namaskar, Namaste, Assalam O Alaikum.

2

Bengal has conquered greater heights and achieved new milestones in the first 5 years of this Government despite inheriting the legacy of a massive debt burden and a terrible 'debt trap'.

Our achievements in different areas of public governance have set new standards in the country. In fact, some States are emulating many of the initiatives like Kanyashree, Sabuj Sathi, Khadya Sathi, Fair Price Medicine shops, e-Governance in Finance and Taxation, etc. Mamata Banerjee's strong leadership, far-sightedness and tireless unprecedented efforts in pro-people governance has won national and international accolades and have become 'benchmarks' in the country.

In this context, I may mention that the noted economist Jean Dreze, who with Professor Amartya Sen has co-authored some important books, has in his recent study done in June 2016 on Khadhyia Sathi (Public Distribution System) in 6 states has observed, "We were quite curious about Bengal as there were no detailed story about PDS in Bengal.....we were happily surprised to find out that it is working pretty well. PDS was really bad in Bengal but it is certainly [doing] enormously well now. Exclusion errors were also relatively few."

Now our aim is to make Bengal No.1 in the country in all spheres of Governance.

The State has created many records in financial management which have no parallel in the country. For example, the State Plan Expenditure for the financial year 2015-2016 of Rs. 53,010 crore has not only surpassed the

actual expenditure of the previous year by 34.40% but has also exceeded the State Plan Budget Estimates of Rs. 49,507 crore. This is a record of all times.

Similarly, the capital expenditure in 2015-2016 was Rs. 15,946 crore which not only exceeded the capital expenditure of Rs. 9,878.62 crore in 2014-2015 by over 61% but was **7 times more** than the capital expenditure in 2010-2011 (Rs. 2,225.75 crore).

The unprecedented increase in State Plan Expenditure and Capital Expenditure has resulted in phenomenal increase in the State GSDP. At current prices State GSDP in 2010-11 was Rs. 4,60,959 crore which **has doubled** in 2015-16 to Rs. 9,20,083 crore.

The State tax revenue has also **more than doubled** from Rs. 21,128.74 crore in 2010-11 to Rs. 42,919.66 crore in 2015-2016.

The State has also set a record in the last 5 years in prudent fiscal management. The Fiscal Deficit as percentage of GSDP was 4.24 in 2010-11 which we have brought down to 2.68 in 2015-16. The Revenue Deficit which was 3.75 in 2010-11 was brought down to 1.03 in 2015-16. This is a significant achievement, keeping in mind the huge debt liabilities of the State.

The State Plan Expenditure in Social Sector in 2015-16 has **increased 4.5 times** over 2010-11 to Rs. 31,176.38 crore. The expenditure in Agriculture and Agri-Allied Sector has registered a **7 fold increase** over 2010-11 to Rs. 21,224.61 crore in 2015-16. The expenditure on Physical Infrastructure has **increased 4 times** over 2010-11 to Rs. 7,310.58 crore in 2015-16.

The present government after coming to power has taken a debt of Rs. 1,13,104.96 crores upto 31.3.2016 out of which Rs. 94,533.52 crore was taken only for debt servicing of the debt taken by the previous government. In other words, the State Government has taken additional loan of only Rs. 18,571.44 crores in five years, that is, a yearly loan of only Rs. 3,718.28 crore.

3

Breaking new development barriers

Hon'ble Speaker Sir, in the Interim Annual Budget Statement placed before this August House in February 2016, I had touched upon in detail the achievements and accomplishment of the different departments of the State Government. In order to save time and avoid repetition, I would not like to again dwell on them.

However, I would be failing in my duty if I do not mention some of the exemplary work done by this Government in its very first term in office which has set the State on its upward trajectory of growth and development.

Within a short span of 5 years, the institutional delivery has improved from 68% to 90% and Infant Mortality Rate (IMR) has reduced from 31 to 27.

In agriculture and allied activities, we have achieved Record agriculture production-174 lakh MT in 2015-16. We have set new records in procurement of food grains and creation of warehousing facilities. The warehousing capacity has increased from 62,000 MT in

2010-11 to 5.62 lakh MT in 2015-16, an **increase of more than 9 times**. In 2015, 30 lakh flood affected farmer families were provided assistance of Rs. 1,025 crore in a record 3 months. We are humbled that we could stand by them in their hour of distress.

The credit linkage to SHGs has gone up from below Rs. 400 crore in 2010-11 to Rs. 2,084.07 crore in 2015-16, and increase of **more than 5 times**. All SHG members and their families have been brought under accident insurance coverage and health insurance scheme 'Swasthya Saathi'.

Almost 2 lakh families have benefitted till now from Gitanjali Housing Scheme of the State Government.

More than 10,000 kms of rural roads and 10,663 kms of highways were upgraded and constructed. This is unprecedented by all standards.

100% rural electrification is almost complete under Sabar Ghare Alo scheme.

1500 new State buses, 15,000 no-refusal taxies and 4,000 new route permits were given for the improvement in public transport.

Speaker Sir, on the personal initiatives of our Hon'ble Chief Minister Mamata Banerjee, more than 78,000 Lokshilpi have been given financial assistance under 'Lokprasar Prakalp'. Cine and television artists have also been brought under 'Group Medical Insurance'.

Under 100 days work (MNREGA), 85 lakh person days were generated under MNREGA with an expenditure of Rs. 18,000 crore, the best in the country.

Under Rural Sanitation programme, Nadia district became the first district in the country to achieve the 'Open Defecation Free' status. This outstanding example of public service has been recognised by the United Nations making Bengal proud. We are also proud that out of the top four districts in the country, three are from this State—Nadia, North 24 Parganas and Hooghly.

Our focus has been to create more and more job opportunities. As you all are aware that the MSME sector generates maximum employment. This sector has maximum labour-output elasticity and is hugely labour intensive. With this objective in mind, we have focused our attention to the MSME sector. As a result, there has been a phenomenal growth in bank credit in MSME sector in the last 5 years to the tune of Rs. 1,00,939 crore. This credit growth is the highest in the country. Increased bank funding brings in more investment which results in better employment opportunities.

For the promotion of large and medium industries in different sectors, we have also successfully organised two Bengal Global Business Summits. The country's top business leaders evinced their interest in investing in the State. Business delegates of around 31 foreign countries attended the business summit. All these efforts have yielded very promising results.

With the objective of providing better public services, we have created new departments for North Bengal Development, Tribal Development, Child Development and Sericulture, new district of Alipurduar, 5 New Police Commissionerates, 89 new thanas, 65 Women Police Stations, 8 Coastal Police Stations, 88 Fast Track Courts

including 51 Women Courts, 1 new Municipal Corporation, 3 new Municipalities and 5 new Development Authorities. This Government is committed to Good Governance and faster service delivery.

Hon'ble Chief Minister has so far conducted 127 Administrative Meetings. The concept of Administrative Calendar introduced by the Hon'ble Chief Minister is being emulated all over the country.

4

Planned budget allocation of major departments

Hon'ble Speaker Sir, I would now like to place in brief the proposed allocation of the major departments, which may kindly be considered as read. With your permission, I will now directly go to my proposals on Finance and Tax Reforms at Page No. 12.

4.1 Agriculture and Agricultural Marketing

I propose to allocate Rs. 1,728.00 crore to Agriculture Department and Rs. 285.35 crore to Agriculture Marketing Department.

4.2 Food & Supplies Department

I propose to allocate Rs. 248.00 crore to Food & Supplies Department.

4.3 Food Processing Industries & Horticulture Department

I propose to allocate Rs. 152.40 crore to Food Processing Industries & Horticulture Department.

4.4 Animal Resources Development Department

I propose to allocate Rs. 495.00 crore to Animal Resources Development Department.

4.5 Fisheries Department

I propose to allocate Rs. 250.00 crore to Fisheries Department.

4.6 Panchayats & Rural Development Department

I propose to allocate Rs. 10,652.68 crore to Panchayat & Rural Development Department.

4.7 Irrigation & Waterways Department

I propose to allocate Rs. 2,277.00 crore to Irrigation & Waterways Department.

4.8 Forest Department

I propose to allocate Rs. 305.00 crore to Forest Department.

4.9 Water Resources Investigation & Development Department

I propose to allocate Rs. 673.70 crore to Water Resources Investigation & Development Department.

4.10 Health & Family Welfare Department

I propose to allocate Rs. 2,999.22 crore to Health & Family Welfare Department.

4.11 School Education Department

I propose to allocate Rs. 9,000.00 crore to School Education Department.

4.12 Higher Education Department

I propose to allocate Rs. 456.00 crore to Higher Education Department.

4.13 Technical Education & Training Department

I propose to allocate Rs. 729.13 crore to Technical Education & Training Department.

4.14 Department of Women & Social Welfare and Department of Child Development

I propose to allocate Rs. 1,000.00 crore to Department of Women Development & Social Welfare and Rs. 3,147.54 crore to Child Development Department.

4.15 Labour Department

I propose to allocate Rs. 300.00 crore to Labour Department.

4.16 Sports & Youth Services Department

I propose to allocate Rs. 417.85 crore to Sports & Youth Services Department.

4.17 Department of Information & Cultural Affairs

I propose to allocate Rs. 300.00 crore to Department of Information & Cultural Affairs.

4.18 Home Department

I propose to allocate Rs. 681.20 crore to Home Department.

4.19 Disaster Management Department

I propose to allocate Rs. 121.12 crore to Disaster Management Department.

4.20 Fire & Emergency Services Department

I propose to allocate Rs. 103.85 crore to Fire & Emergency Services Department.

4.21 Public Health Engineering Department

I propose to allocate Rs. 1,630.38 crore to Public Health Engineering Department.

4.22 Transport Department

I propose to allocate Rs. 501.75 crore to Transport Department.

4.23 Public Works Department

I propose to allocate Rs. 2,618.11 crore to Public Works Department.

4.24 Land & Land Reforms Department

I propose to allocate Rs. 130.00 crore to Land & Land Reforms Department.

4.25 Power & NES Department

I propose to allocate Rs. 1,498.00 crore to Power & NES Department.

4.26 Municipal Affairs & Urban Development Department

I propose to allocate Rs. 3,000.00 crore to Municipal Affairs Department and Rs. 2,207.54 crore to Urban Development Department.

4.27 Housing Department

I propose to allocate Rs. 870.00 crore to Housing Department.

4.28 Minority Affairs & Madrasha Education Department

I propose to allocate Rs. 2,500.00 crore to Minority Affairs & Madrasha Education Department.

4.29 Backward Class Welfare & Tribal Development Department

I propose to allocate Rs. 540.00 crore to Backward Class Welfare Department and Rs. 650.00 crore to Tribal Development Department.

4.30 Self Help Group and Self Employment Department

I propose to allocate Rs. 498.00 crore to Self Help Group & Self Employment Department.

4.31 North Bengal Development Department

I propose to allocate Rs. 517.47 crore to North Bengal Development Department.

4.32 Sundarban Affairs Department

I propose to allocate Rs. 415.75 crore to Sundarban Affairs Department.

4.33 Paschimanchal Unnayan Affairs Department

I propose to allocate Rs. 360.38 crore to Paschimanchal Unnayan Affairs Department.

4.34 Micro, Small & Medium Enterprises & Textiles Department

I propose to allocate Rs. 716.27 crore to Micro, Small & Medium Enterprises & Textiles Department.

4.35 Commerce & Industries Department

I propose to allocate Rs. 745.00 crore to Commerce & Industries Department.

4.36 Tourism Department

I propose to allocate Rs. 295.00 crore to Tourism Department.

4.37 IT & Electronics Department

I propose to allocate Rs. 181.00 crore to IT & Electronics Department.

5

Reforms in Finance and Tax administration

Hon'ble Members, the unprecedented growth in tax revenues, notwithstanding the overall sluggish macro economic conditions in the country, has facilitated increased government spending in key social, fiscal and economic infrastructure of the State.

The reforms in financial administration, including Delegation of Financial Powers to the Administrative Departments, Financial Adviser System and the Integrated Financial Management System have immensely contributed to better utilization of resources.

Taking forward the reforms to even a higher level and facilitate Ease to do Business, I propose the following measures:

(i) Providing relief to salaried and wage earners in Profession Tax

Sir, we had earlier raised the tax exemption limit of profession tax for low salaried class and wage earners from only Rs. 3,000 per month in 2010-11 to Rs. 8,500 per month in 2014-15. I propose to further raise the exemption limit to Rs 10,000 per month to give relief to lakhs of employees and wage earners.

(ii) Enhancing the monetary limit for filing appeal

Hon'ble Members, I had in my earlier Budgets introduced a large number of measures which have greatly reduced pending litigations under VAT and also helped us to recover locked revenue in these litigations. For instance, the number of assessments which were as high as 2 lakhs for any assessment year is now less than 20,000. The Fast Track Courts have disposed more than 8,000 cases.

In order to further bring down the litigations, the State would not go for litigation where the disputed amount in appeal order is less than Rs. 1 lakh. This will provide relief to thousands of tax payers and also bring down administrative costs of collection of revenue.

(iii) Simplified benefit of Tax Deduction at Source (TDS)

Hon'ble Members, under VAT law a taxpayer in order to get TDS benefit has to furnish a TDS certificate. This often results in delay and the tax payer is put to unnecessary burden. I propose to completely dispense with the requirement of submission of paper TDS certificate. The certificate will now be made available online for

downloading by the tax payers. This will give relief to thousands of taxpayers.

(iv) Relief from payment of cess to tea gardens in the State

Sir, to provide relief to the tea industry and thereby protect the interest of tea workers, I propose that exemption from payment of rural employment and education cess be further extended for one more year upto 31st March, 2017.

(v) Reduction in time limit for disposal of appeal cases

Hon'ble Speaker Sir, currently the time limit for disposal of appeal cases in VAT law is one year. With a view to reduce litigation and to expedite appeal disposal, I propose to reduce the time limit from 1 year to 6 months.

(vi) Extending Industrial Promotion Assistance Scheme

Sir, the Industrial Promotion Assistance Scheme for financial support to micro and small enterprises ended on 31st March, 2016. I propose to extend the scheme for a further period of 3 years.

(vii) Abolition of Settlement Commission

Sir, we had created a Settlement Commission to settle outstanding VAT/Sales Tax liabilities for the past period. Due to large disposal of old pending cases through Fast Track Courts, the Settlement Commission is now no longer needed. I propose to abolish the Settlement Commission with effect from 1st July, 2016.

NEW DEVELOPMENT INITIATIVES

(1) Support for Higher Education

Hon'ble Speaker Sir, considering the financial burden of higher education on the families of the lower income groups, I also propose to enhance the outlay for the Swami Vivekananda Merit-cum-Means Scholarship so that more meritorious students of economically weaker sections get scholarship for higher education.

I propose to create a corpus of Rs. 200 crore in 2016-17 which will significantly increase the number of meritorious students of economically weaker sections getting scholarships for Classes XI and XII, engineering, medical, technical and other General Degree courses.

(2) Introduction of e-Classrooms in our Universities, Colleges and Schools

Hon'ble Speaker Sir, with the objective of providing modern knowledge and the latest research to our students, I propose to introduce 'virtual classrooms' in our educational institutions, in a phased manner. The proposed classroom will have a high-end computer with high-speed internet connectivity capable of handling live streaming, a projection facility and audio system for accessing educational material within and outside the country. With the objective in view, I propose to introduce two e-classrooms in each of the 732 State-aided Universities and Government colleges and 2000 Secondary and Higher Secondary Schools in the first phase. The scheme will then gradually rolled out in other schools.

I propose to provide an outlay of Rs. 100 crore for this purpose.

Conclusion

Hon'ble Speaker Sir and Hon'ble Members of this August House, to meet the Plan commitment of 2016-17, I propose to provide Rs. 57,905 crore.

The focus of all our initiatives has been to improve the economic and social well-being of the people of the State and to provide employment opportunities to the youth of the State. I am happy to announce that during this financial year we have created around 20 lakh new employment opportunities exceeding our target of 17.5 lakh.

Hon'ble Speaker Sir, this Government again commits itself to the dream of our Hon'ble Chief Minister to restore the glory of this great State and achieve newer and newer heights.

I conclude my speech with the famous lines of Kabiguru Rabindranath Tagore

হবে জয় হবে জয় হবে জয় রে
ওহে বীর হে নির্ভয়
হবে জয় হবে জয় হবে জয় রে।।

FINANCIAL STATEMENT, 2016-2017

WEST BENGAL ANNUAL FINANCIAL STATEMENT, 2016–2017 (JUNE)

(In crores of Rupees)

	Actuals, 2014–2015	Budget, 2015–2016	Revised, 2015–2016	Budget, 2016–2017
Receipts				
1. Opening Balance	(–)22.75	(–)3.00	(–)326.43	(–)5.00
2. Revenue Receipts	86514.21	113100.22	109631.72	129530.33
3. Capital Receipts	0.00	0.00	653.00	0.00
4. Receipts from Debt Heads—				
(i) Public Debt	51900.69	59825.98	65475.00	67755.52
(ii) Loans	175.49	397.49	464.17	486.53
5. Receipt from Contingency Fund and Public Account	355929.73	306740.32	358616.83	357658.60
Total	494497.37	480061.01	534514.29	555425.98
Expenditure				
6. Revenue Expenditure	103651.61	113100.22	119304.30	129530.33
7. Capital Expenditure	9878.61	15627.61	15946.90	19189.80
8. Expenditure on Debt Heads—				
(i) Public Debt	28388.29	38894.21	39250.63	40672.40
(ii) Loans	504.77	751.97	678.19	652.06
9. Expenditure on Contingency Fund and Public Account	352400.52	311694.00	359339.27	365389.39
10. Closing Balance	(–)326.43	(–)7.00	(–)5.00	(–)8.00
Total	494497.37	480061.01	534514.29	555425.98

(In crores of Rupees)

	Actuals, 2014-2015	Budget, 2015-2016	Revised, 2015-2016	Budget, 2016-2017
Net Results—				
Surplus (+)				
Deficit (-)				
(a) On Revenue Account	(-17137.40)	0	(-9672.58)	0
(b) Outside Revenue Account	16833.72	(-4.00)	9341.01	(-3.00)
(c) Net, excluding Opening Balance	(-303.68)	(-4.00)	321.43	(-3.00)
(d) Net, including Opening Balance	(-326.43)	(-7.00)	(-5.00)	(-8.00)
(e) Expenditure for New Programmes/Additional Outlays/Additional Dearness Allowance				
(i) On Revenue Account	..	..	..	..
(ii) Outside Revenue Account	..	..	..	..
(f) Expenditure for Additional Outlays				
(i) On Revenue Account	..	..	..	..
(ii) Outside Revenue Account	..	..	..	..
(g) Additional Resource Mobilisation under Tax Revenue	..	..	..	..
(h) Net Revenue Deficit	(-17137.40)	0	(-9672.58)	0
(i) Net Surplus/Deficit	(-326.43)	(-7.00)	(-5.00)	(-8.00)