

**Government of Chhattisgarh
Budget - 2013-14**

23th February, 2013

Press Communiqué

Presenting the budget estimate of Rs. 44,169 cr. for the fiscal 2013-14, Dr. Raman Singh, Chief Minister of Chhattisgarh, who is also in-charge of the Finance portfolio, stressed on "inclusive growth" as the overriding theme and emphasized the commitment of his government to the development of farmers, women and children, youth and marginalized sections, particularly the Scheduled Castes and Scheduled Tribes, unorganized labour and the poor.

2. Implementation of Food Security Act is the main attraction of this budget. It aims at guaranteeing food entitlement to 42 lakh poor families. They will be provided rice at a highly subsidized rate of Rs. 1 and Rs. 2 per Kg. and pulses (gram) at Rs. 5 per Kg.. This would cost the state exchequer a whopping Rs. 2,000 crore annually. Dr. Singh justified the Food Security Scheme on the ground that it is the primary duty of any government to provide food security to the needy.

3. For the Second time, a separate agriculture budget was presented with focus on farmers' well being and increasing productivity. The total outlay of Rs. 8,542 crore for the agriculture and allied sector amounts to 19 per cent of the total budget and a phenomenal growth of 37 per cent over last year. The outlay includes Rs.1,656 crore for agriculture, Rs. 340 crore for veterinary, Rs.2,010 crore for irrigation, Rs. 386 crore for subsidy towards agricultural pumps and Rs. 3,102 crore for paddy procurement. Dr. Singh announced bonus of Rs.270 per quintal for paddy procured during Kharif 2012. With more than 70 lakh MT of paddy procured during the season, approximately Rs. 1,900 crore would be disbursed among the farmers. Dr. Singh argued that this would bring a much needed relief to the farmers keeping in view the unprecedented increase in the cost of inputs, particularly chemical fertilizer.

4. Other highlights of agri-budget include, among others :

- increased provision for state-sponsored micro-irrigation scheme
- incentive scheme for crop diversification and adoption of SRI in paddy
- organic farming on mission mode

- increase in subsidy for paddy transplanters and combined harvesters
 - free agriculture implement kit to farm labourers
 - free seed and fertilizer kit to forest dwellers
 - exemption of stamp duty on agriculture loan documents
 - interest subvention on bank loans to the Agri-producer companies
 - opening of six new agricultural colleges
 - loans for animal husbandry sector at the subsidized rate of 3 per cent
5. In the education sector due importance has been given to the students belonging to SC/STs and the girl child. The initiatives include :
- Scholarship rates for SC/ST students have been doubled
 - 77 new hostels and 20 Ashram Schools will be opened
 - 100 middle and 250 high schools will be upgraded
 - All girls hostels will be provided with buildings
6. The health sector initiatives include :
- Mobile Medical Units for all the 85 scheduled blocks
 - free generic medicine for all patients in government hospitals
 - establishment of a sickle cell institute
 - new medical college at Raipur
 - pension scheme for ASHA workers
7. The budget has addressed the critical issue of anemia among women and malnutrition among children. The highlights include :
- increase in outlay by 33 per cent
 - revised norms for supplementary nutrition to be implemented in all the blocks
 - a special scheme called "Phulwari" to be implemented with the help of rural mothers for providing hot-cooked meal to children below 3 years of age
 - remuneration to the Anganwadi workers and helpers to be increased from Rs.3,000 to Rs.4,000 and Rs.1,500 to Rs.2,000 respectively
 - interest subvention on bank loans to Women Self Help Groups (SHGs) who will be provided loans at the nominal rate of 3 per cent

8. The share of Joint Forest Management Committees (JFMCs) in the profit out of sale of timber and bamboo has been increased from 15 per cent to 20 per cent and 100 per cent respectively.

9. The State government has accepted the interim recommendation of State Finance Commission and the share of Local Bodies in the divisible pool State's Net Tax Revenue has been increased from 6 to 8 per cent. The Panchayats in the Scheduled Tribal box will be given special allocation of 2 lakh each.

10. In the infrastructure sector, the highlights include :

- outlay has been increased by 18 per cent in the road sector
- 1,791 kilometers length of State highways and Major District Roads will be upgraded to double-lane roads
- allocation of Rs.750 crore under " Mukhya Mantri Gram Sadak Vikas Yojana" for connectivity of hamlets not covered under PMGSY

11. Dr. Singh announced several pro-poor initiatives which include :

- ceiling for free electricity consumption for BPL consumers has been increased from 30 units to 40 units per month per consumer to benefit 14 lakh BPL families and costing nearly Rs. 45 crore to the state exchequer
- a pension scheme for the unorganised workers has been introduced

12. The following new initiatives are aimed at employment generation and skill enhancement for youth :

- A new scheme called " Vivekanand Yuva Protsahan Yojana" will be launched to develop leadership skills among youth.
- Unemployment allowance to educated youth to be increased from Rs.500 to Rs.1,000 per month.
- Seven new ITIs and 3 polytechnics to be opened

13. Dr. Singh announced several tax cuts in VAT and entry tax :

- Paddy transplanter to be made tax-free
- VAT on Mobile handsets costing upto Rs.3,000 to be reduced from 14 to 5 percent
- VAT on induction cooker, LED bulb and light, computer spare parts, flavoured milk, food colour to be reduced from 14 to 5 per cent
- Entry tax on soybean to be waived
- VAT on medical oxygen reduced from 14 to 5 per cent
- composition fee on roads contract reduced from 2 to 1 per cent

14. Besides, for the ailing iron and steel sector the tax sops include :

- VAT on TMT steel bars reduced from 5 to 3 per cent
- VAT on Light Diesel Oil reduced from 25 to 14 per cent
- Entry tax on iron ore and pig iron and steel scrap purchased from outside the state reduced from 1 to 0.5 per cent
- Entry tax on iron ore pellet reduced from 1 to 0.5 per cent
- Entry tax on furnace oil purchased from outside the state reduced from 10 to 5 per cent

15. Proposals for rationalization of Stamp duty include :

- complete waiver of stamp duty on mortgage documents of agriculture loan
- waiver of stamp duty on education loan documents
- one per cent reduction in stamp duty on purchase/sale of urban land from 7.25 to 6.25 per cent

16. **Budget 2013-14 at a glance**

(Rs. in crore)

Sl. No.	Items	2012-13 (Revised Estimate)	2013-14 (Budget Estimate)	% Deviation
1.	Total receipts	36,913	43,977	19
	a) State's own revenue	18,009	21,372	19
	b) Central receipts	14,317	16,072	12
	c) Recovery of loans	1,576	1,579	0.2
	d) loan	3,011	4,953	65
2.	Total Expenditure	38,493	44,169	15
3.	Budget deficit (a+b)	1,485	1,677	13
	a) current year deficit	1,580	192	-88
	b) carry over deficit	-95	1,485	1673
4.	Fiscal deficit = 2-(1a+1b+1c)	4,590	5,145	12

16.1. With an estimated growth of 16 per cent in tax and 25 per cent in non-tax revenue, the revenue surplus is estimated at Rs.2,429 crore which will be used for capital expenditure. The estimated expenditure is 15 per cent higher than the current year's revised estimate.

16.2. The net budget deficit stands at Rs.192 crore and taking into account the cumulative deficit, the budget deficit for 2013-14 is estimated at Rs.1,678 crore. Gross Fiscal deficit is estimated at Rs.5,145 crore which is 3 per cent of the GSDP, limit set under the Fiscal Responsibility and Budget Management Act.

16.3. With 9 per cent increase in plan expenditure, the total plan outlay estimated at Rs.24,699 crore is 56 per cent of total budget outlay. Similarly, the outlay on capital expenditure of Rs. 7,230 crore is 15 per cent higher than the current year's provision. The budget allocates 35 per cent of the total plan expenditure for tribal sub-plan and 11 per cent for the scheduled caste sub-plan area.

16.4. The state plan outlay of 22,491 crore is 8 per cent higher than current year's allocation. 86 per cent of state plan is funded from state's own resources.

16.5. The outlay for the social sector constitutes 41 per cent, economic sector 41 per cent and general services 18 per cent of total expenditure. Social sector outlay includes 12 per cent for education, 4 per cent for health, 8 per cent for SC/ST welfare and 1.3 per cent for drinking water.