

**Government of Chhattisgarh
Department of Finance**

8th February, 2014

Press Communiqué

Budget - 2014-15

Dr. Raman Singh presented, today, the budget estimate of Rs.54,710 crore for the fiscal 2014-15. Dr. Raman Singh, Chief Minister of Chhattisgarh, who is also in-charge of the Finance portfolio, highlighted the priorities of his government regarding eradicating poverty, hunger and malnutrition. He emphasized that strengthening of human resources, specially the marginalized sections of society and prosperity of farmers will lead to better development of the State. This will be achieved through people-oriented, transparent and accountable administration.

No fresh taxes have been proposed in the budget.

Keeping in view the continuing economic recession that has adversely affected growth prospects of local industries, particularly small and medium scale iron and steel industries in the State, Dr. Raman Singh, proposed a series of tax reliefs for the local industries and cottage industries to revive them from recession.

2. Budget 2014-15 at a glance

(Rs. in crore)

Sl. No.	Items	2013-14 (Revised Estimate)	2014-15 (Budget Estimate)	% Deviation
1.	Total Receipts	44,234	54,661	14
2.	Total Expenditure	44,382	54,710	23
3.	Budget Deficit	1,915	1,964	3
	a) current year deficit	148	49	-67
	b) carried over deficit	1,767	1,915	8
4.	Fiscal Deficit	5,103	5,761	

3. As per the recommendations of "Rangarajan Committee" Government of India has decided to transfer the central share in respect Central Schemes to the implementing agencies through the State Budget from the year 2014-15. Accordingly, an amount of Rs.6,000 crore has been included in the budget as central share which has resulted in corresponding increase in the budget size. Earlier, this was not part of the State Budget.

4. With an estimated growth of 15 per cent in tax revenue and 6 per cent in non-tax revenue, the revenue surplus is estimated at Rs.2,464 crore which will be used for capital expenditure.
5. The estimated expenditure is 23 per cent higher than the revised estimate of 2013-14. Gross Fiscal deficit is estimated at Rs.5,761 crore. In spite of higher social sector and development expenditure, the fiscal deficit has been contained within the prescribed limit of 3% of GSDP as per FRBM Act. This has been made possible because of growth in State's own tax revenue and effective control of non-development expenditure. Tax-GSDP ratio is expected to increase from 8.92 in 2013-14 to 9.30 in 2014-15.
6. The total plan outlay estimated at Rs.35,322 crore is 65 per cent of total budget outlay. The budget allocates 36 per cent of the total plan expenditure for tribal sub-plan and 12 per cent for the scheduled caste sub-plan area.
7. The outlay on capital expenditure of Rs. 8,347 crore is 39 per cent higher than the Revised Estimate of 2013-14.
8. The social sector expenditure is estimated at 20,851 crore (39 per cent) and, development expenditure is 44,915 crore (84%)

Highlights of the budget

Food

- Rice at Re.1 per Kg will be provided to 85 per cent families of the State under "Mukhya Mantri Khaddyanna Suraksha Yojana" towards implementation of the Food and Nutrition Security Act. A provision of Rs.3,900 crore has been made.

Agriculture and allied sectors

- A provision of 8,459 crore has been made for the agriculture and allied sectors. The outlay includes 4,102 crore for agriculture and horticulture, 422 crore for veterinary, 288 crore for cooperatives, 1987 crore for irrigation and 458 crore for agricultural pumps.
- Dr. Singh apprised the House about providing the incentive to the farmers at the rate of Rs.300 per Qtl. for paddy procurement of 2013 Kharif. Rs.2,400 crore has been provided in the Budget for the same.
- A provision of Rs. 140 crore has been made for interest free short-term crop loans to the farmers
- Subsidy on seed distribution will be given for traditional crops Kodo, Kutki, Ragi and Wheat.
- 50 crore budget provision for Modified National Crop Insurance Scheme

Irrigation

- 100 crore for Arpa bhainsajhar major project
- 110 crore for remodelling and lining in Mahanadi project

Energy

- 148 crore for energisation of 20,000 agricultural pumps
- 300 crore for free electricity to agricultural pumps

Social Sector Expenditure

9.5. The total outlay for social sector is 20,851 crore. This includes 12 per cent for school education, 8 per cent for Scheduled Caste and Scheduled Tribe development, 5 per cent for health and 3 per cent for women and child development

Education

- Free education to girl students of government colleges upto graduation
- 27 livelihood colleges will be set up in all the districts to train the youth and enable them to get employment. Provision of 69 crore made for this.
- 10 new ITIs at Dantewada, Mainpat, Odgi, Khadgawan, Pendra, Lormi, Nari, Simga, Chhuria and Jaijaipur.
- Interest rates have been further reduced to 1% for education loans under the "Mukhyamantri Uchha Siksha Krinn Anudan Yojana"; Interest free education loans under the scheme for students of naxal affected districts.

Welfare of Scheduled Caste and Scheduled Tribe :-

- Increase of 3,000 seats in the Hostels and Ashrams
- 3.5 crore for construction of 34 girls hostel buildings
- "Prayas" schools will be opened at Bilaspur and Durg
- 40 per cent reduction in fees of examinations conducted by Professional Examination Board (VYAPAM)

Health

- 25 new Sub PHCs and 10 new PHCs to be opened.
- 10 crore for distribution of medicated mosquito nets

Women and Child Development

- A new scheme called "Noni Suraksha Yojana" to be launched for the girl child of BPL families. In order to promote positive gender ratio and equal and respectable status to girls in the society, Govt. will deposit Rs. 25,000 at 5,000 per year and the matured sum of 1 lakh will be given to the girls. A provision of 40 crore has been made.

- With a view to improve nutrition among adolescent girls, "Sabla" programme to be started with the resources of the State in 17 districts. Additional provision of 30 crore made for this purpose.

Social Welfare

- Increase in pension from Rs.200 per month to Rs.300 per month under "Sukhada Sahara Pension Yojana" and "Social Security Pension. Additional provision of 90 crore made in the budget.
- With a view to bring disabled person to the mainstream a scheme called "Nishakata Jjana Sambal Yojana

Rural Development

- "Atal Khetihar Mazdoor Bima Yojana" for agricultural laborers
- 400 crore for " Mukhya Mantri Gram Sadak Yojana"
- 350 crore for "Mukhyamantri Gram Gaurav Path"
- 300 crore for " Mukhya Mantri Samagra Gramin Vikas Yojana"

Public Works Department

- 1400 crore for completing ongoing roads and bridges
- 168 crore for upgradation of 7 state highways, 40 main district roads, 116 other district and rural roads.
- 300 crore for upgradation of 917 km of roads with assistance from Asian Development Bank (Second phase)

Forest

- wages to be deposited in the banks account of labourers to ensure transparency in wage payment
- Factoring increase in the premium amount for "Janashree Bima Yojana", Rs. 5 crore have been provided in the budget

Labour welfare

- 2 new boards to be set up for the welfare of "Safai Karmakars" and "Theka Mazdoors, Mahila Kamgaar and Hamals" in line with "Asangathit karmakar Mandal"

Welfare of youth

- Youth Hostel at Raipur and Bilaspur
- 80 crore for free distribution of laptops and tablets to students

Culture

- "Chhattisgarh Lok Kala and Sangeet Academy" to be established
- State Archive to be set up

Tax Proposals

No fresh taxes have been proposed in the budget.

Keeping in view the continuing economic recession that has adversely affected growth prospects of local industries, particularly small and medium scale iron and steel industries in the State, Dr. Raman Singh, proposed a series of tax reliefs for the local industries, Cottage industries and Small dealers to revive these industries from recession.

The following are highlights of tax reliefs proposed in the budget.

Relief to the local industries

- With a view to make small and medium scale iron & steel industries competitive, Central Sales Tax to be reduced from 2 per cent to 1 per cent on goods manufactured by them
- Entry tax to be waived on "Iron Ore Pellets" and "Billets" imported by small and medium steel industries from outside the State to ensure adequate supply of raw materials to them
- VAT to be reduced from 5 per cent to 2 per cent on bicycle and its parts manufactured by local industries
- Entry tax on "Coking Coal" imported by Bhilai Steel Plant to be reduced from 6 per cent to 1 per cent
- Entry Tax on Bauxite to be reduced from 3 per cent to 1 per cent
- In order to facilitate revival of sick industries, Stamp duty of 5 per cent, being levied at present, proposed to be waived on purchase of such industries
- With a view to encourage use of U.P.V.C. as an alternative to wood for making doors and windows, VAT to be reduced on U.P.V.C. from 14 per cent to 5 per cent
- With a view to make soybean based local industries competitive, VAT of 5 per cent on soybean used as raw material in these industries to be waived

Relief to the Cottage Industries

- To encourage cottage industries set up by Self -Help Groups (SHGs) in the State, VAT not to be charged on products manufactured by them
- Tractor trolley to be made tax free

Inspection to self-certification

- With a view to encourage self-certification and voluntary compliance among dealers, requirement for inspection before registration has been done away with from 1st January, 2014. Dealers can now obtain registration on the basis of self-certified affidavits.

Relief to the Small Dealers

- At present, there are several dealers who are not required to pay tax under any taxation act. Keeping this in view, small dealers, dealing in tax-free goods, to be exempted from registration and departmental purview under VAT Act.
- At present, small dealers, doing sell and purchase in the State and having annual turnover of upto Rs.10 lakh, are exempted from registration under VAT Act. The annual turnover limit of Rs.10 lakh , determined in 2006 to be increased to Rs.20 lakh.

The above rationalisation would exempt nearly 20,000 small dealers from department's purview.

Rationalisation of taxes

- In order to facilitate speedy expansion of communication network, Entry tax payable by Telecommunication companies to be reduced from 4 per cent to 1 per cent

Registration and Stamp Duty

- Stamp duty not to be charged for exchange of plots and buildings of same value in the State; in case of difference in the value, stamp duty at 5 per cent of the difference to be levied

Annexures

Budget at a Glance

Particulars	Amount (Rs. crore)
Total Receipts (Central Share of Central Schemes)	54,661 (8,824)
Total Expenditure	54,710
Gross Fiscal Deficit	5,761 (3% of GSDP)

Sector-wise expenditure

Particulars	Value
Plan expenditure	35,322 crore (65 %)
Capital expenditure	8,347 (15%)
Tribal Sub Plan expenditure	36 %
SC Sub Plan expenditure	12 %
Social Sector Expenditure	39%
Development Expenditure (as% of GSDP)	23%

Details of Social Sector expenditure

Particulars	Value
School Education	12 %
Schedule Caste & Scheduled Tribe Development	8 %
Health	5 %
Women & Child Development	3%

Details of Economic Sector expenditure

Particulars	Value
Food & Civil Supplies	8 %
Rural Development	14 %
Public Works	7 %
Irrigation	4 %

Debt position

Particulars	as per the FRBM Act	2014-15 (BE)
Revenue Deficit	0	2,464 crore Revenue Surplus
Fiscal Deficit	3% of GSDP	3% of GSDP
Total liabilities as per cent of GSDP	23.90	15.53

Economic Growth

Economic Survey year 2013-14 - Advance estimates (at constant prices)

Growth Rate	Chhattisgarh	India
GSDP - overall	7.05	4.9
Agriculture	2.62 (2012-13 =8.9% Avg. of 2 years = 5.8%)	4.6 (2012-13 =1.4% Avg. of 2 years = 3%)
Industry	6.07	0.7
Service	10.18	6.9
Per Capita Income (at current prices)	Rs. 56,990 (increase of 12.42%)	

RBI study on State Finances, 2013-14 : Chhattisgarh tops in Fiscal Management

Resource Allocation :

Fiscal Indicator	Chhattisgarh	All states' (NSC) average	Position of other states
Development Expenditure (as % of GSDP)	20.7 (First)	11.4	Bihar (16.8) Madhya Pradesh (15.7) Jharkhand (14.7)
Social Sector Expenditure (as % of GSDP)	14.0 (First)	7.3	Bihar (11.3) Madhya Pradesh (9.7) Uttar Pradesh (9.7) Jharkhand (9.2)
Capital outlay (as % of GSDP)	4.2 (Second)	2.5	Goa (4.5) Bihar (3.9) Uttar Pradesh (3.8)

Revenue Receipts :

Fiscal Indicator	Chhattisgarh	All states' (NSC) average	Position of other states
Tax Revenue (as % of GSDP)	8.9 (Fifth)	7.8	Karnataka (10.3) Tamil Nadu (9.9) Punjab (9.3) Kerala (9.2)
Non-Tax Revenue (as % of GSDP)	3.5 (Second)	1.2	Goa (4.5) Rajasthan (2.4) Odisha (2.3)

Debt Management :

Fiscal Indicator	Chhattisgarh	All states' (NSC) average	Position of other states
Debt/GSDP (%)	12.5 (Lowest)	24.4	Odisha (18.5) Haryana (18.6) Maharashtra (19.7)
Interest Payment/GSDP (%)	0.7 (Lowest)	1.7	Jharkhand (1.3) Karnataka (1.4) Maharashtra (1.4)
Gross Fiscal deficit/GSDP (%) (average of last 3 years)	1.0 (Second Lowest)	2.4	Odisha (0.4) Rajasthan (1.5) Maharashtra (1.6)