

# **Government of Chhattisgarh**

## **Finance Department**

### **PRESS RELEASE**

9<sup>th</sup> March 2016

#### **Dr Raman Singh Presents Ambitious Budget with Focus on Infrastructure, Social Sectors and Agriculture**

Presenting his 10<sup>th</sup> budget today, Dr Raman Singh, Chief Minister spelt out his sevenfold strategy for the all-round development of Chhattisgarh. The seven pillars on which his strategy is built are Farmers, Inclusive Development, Communications, Health, Security, Self-reliance and Capacity-building. With an outlay of 70,059 crore, the budget focuses on infrastructure, social sectors and agriculture. Capital expenditure for infrastructure sees a significant jump of 18.5% compared to last year, raising its share in the budget from an already high 16.9% last year to 18.6% this year. Social sector expenditure has increased by over 16%, with its share in the budget increasing from 37% to 40%. Agriculture Department's budget has increased by 26%.

#### **Infrastructure**

Development of road network on an unprecedented scale has been announced, with plans to construct 13,000 km road length with an investment of Rs. 42,000 crore over the next three years. The budget allocation for this is a massive Rs. 6,101 crore, representing an increase of 56% over the preceding year.

Continuing the State's unique Public-Private Partnership strategy for expanding its rail network, the Chief Minister announced plans to develop 780 kilometres of railway lines on three arterial routes, namely Raipur-Baloda Bazar-Jharsuguda, Ambikapur-Barvadih and Dongargarh-Kawardha-Mungeli-Bilaspur-Katghora, through PPP, with equity infusion from Railways and the State Government.

The budget contains outlays for developing Raigarh and Jagdalpur (Bastar) airstrips as airports for regular flights.

The Chief Minister also announced electricity to all hitherto unelectrified 818 villages and all 9,000-plus unelectrified schools by March 2017, through project outlays totalling Rs. 761 crore, besides a massive Rs. 700 crore programme of network strengthening for the Bastar and Sarguja regions, involving the setting up of 80 sub-stations in two years.

Urban development has been given a fillip with an allocation of Rs. 225 crore for AMRUT Mission. Under this, sewerage system for Raipur has been approved at a cost of Rs. 650 crore. Provision has also been made for buying the Raipur-Kendri railway line land to decongest Raipur traffic and to create public transport facilities to the airport and Naya Raipur. Naya Raipur too has received sizeable allocations for basic civic infrastructure like sewerage and a bus rapid transit system (BRTS).

### **Social Sectors**

Public health system across the State will be strengthened to expand bed capacity by 44% through creation of 2,400 additional hospital beds. The D. K. S. Hospital campus at Raipur will be developed as a superspeciality hospital with ultramodern facilities, including the first PET-scan facility in the State. A 100-bed hospital cum trauma centre for Bastar will be developed at Jagdalpur in the PPP mode and a 100-bed superspeciality hospital too would be established there with NMDC's help.

Chhattisgarh is currently running the most inclusive health insurance scheme in the country, providing universal health insurance with cover of Rs. 30,000 per year. Insurance cover under Mukhyamantri Swasthya Bima Yojana has been enhanced to 50,000.

Stepping up the efforts to combat malnutrition, Mukhya Mantri Amrit Yojana has been announced for giving flavoured milk weekly to children in all anganwadis, and soya milk in all elementary schools of select three districts.

Prime Minister's Housing for All by 2022 Mission has received major additional support from the State exchequer in the form of additional subsidy of up to Rs. 4 lakh per house, over and above the subsidy of Rs. 1 lakh per house already provided for, for *in-situ* housing redevelopment in

slums. Urban sanitation will receive a boost through a doubling of the subsidy on toilet construction through the state exchequer.

Education will receive considerable additional funds for infrastructure development. 7 general public universities will each receive Rs. 20 crore, while Agriculture and Animal Husbandry Universities will together get another 40 crore. Swami Vivekanand Gyanodaya Yojana has been announced for all-round improvement of colleges, with an outlay of Rs. 84 crore. Vivekanand Gurukul Unnayan Yojana will be launched for all-round development of weaker section students in residential schools.

Youth will be the beneficiaries of various entrepreneurship development schemes such as incubator-cum-accelerator, interest-free loans for start-ups and a venture capital fund. Mukhya Mantri Yuva Swavlamban Yojana has been launched to train and place 5,000 college students in IT and BPO sectors. Rs. 144 crore have been allocated for skill development schemes.

For development of urban facilities in rural areas under Shyama Prasad Mukherji Rurban Mission, four clusters have been identified in Rajnandgaon, Dhamtari, Kabirdham and Bastar districts.

### **Agriculture**

To tackle agricultural distress due to the drought, the State Government has pledged its resources for interest-free converting crop loans of drought-affected farmers to medium term loans and offering them partial waiver, besides providing them to one quintal of free improved seeds for the next kharif season. For launching Pradhan Mantri Fasal Bima Yojana, an allocation of Rs. 200 crore has been made as state share. The outlay for irrigation projects this year stands increased by 173 crore to 2,891 crore. Land records will be comprehensively made available online under the comprehensive new e-Dharti Yojana.

Fire stations will be established this year in 10 cities across the State.

### **Tax concessions**

Tax concessions in VAT have been announced for consumers. These include removal of VAT from cycle and cycle parts, brooms, mops, brushes and wipers. In order to create a level playing field for local retailers

competing with online retailers, VAT on mobile phones has been reduced from 14% to 5%.

In a major tax relief for the state's steel industry, the Chief Minister announced reduction in the VAT rate on iron ore, pig iron, sponge iron, iron ore pellets, ingots, billets and ferro-alloys from 5% to 2%.

### **Fiscal discipline**

Dr Raman Singh's latest budget continues his emphasis on fiscal prudence. The 2016-17 budget projects a revenue surplus and a fiscal deficit of 2.88 percent, well within the FRBM limit of 3% of GSDP. Dr Singh cited RBI data to show that the State's overall debt-to-GSDP ratio is the lowest among all states and that Chhattisgarh is among the leading states in terms of the ratio to GSDP of both tax revenue and non-tax revenue. The State also takes pride in having the highest ratio of developmental expenditure to GSDP in the country and the second highest social sector expenditure to GSDP ratio.

---