

## **Press Note on Budget 2005-06**

### **Major Fiscal Indicators**

- Chhattisgarh's budget for 2005-06 is 10,218 crore a whopping 849 crore increase over the budget estimate for 2004-05.
- Plan expenditure at 4289 crore has increased by 12% over the previous year.
- Capital expenditure at 1936 crore has increased by 21% over 2004-05.
- Both Plan and Capital expenditures as a percentage of total expenditure have increased this year. (Plan expenditure from 40% in 2004-05 to 42% in 2005-06 and capital expenditure from 17% to 19%.)
- Non-Plan expenditure has been contained at 5928 crore (a mere 2.7% increase over the previous year). Establishment expenditure capped at 37% of total revenue receipts.
- Total revenue receipts for 2005-06 are estimated at 7881 crore, a 5.7% increase over 2004-05.
- State's Own Tax Revenues show a healthy growth of 12% over the previous year. State's Own Non-Tax Revenues are estimated to grow at 5% over 2004-05.
- Revenue deficit at 251 crore is 38% lower than the estimate for 2004-05.
- Gross Fiscal Deficit at 2305 crore is 5.8% of the G.S.D.P. (compared to 6% in budget estimate for 2004-05) Reduction of Gross Fiscal Deficit as a percentage of G.S.D.P. despite an increase in Plan and Capital expenditure is a healthy fiscal indicator.
- Fiscal Responsibility Legislation to be introduced shortly.

## **Highlights of Budget 2005-06**

- The focus of the 2005-06 budget is on social sectors to ensure food security and health security.
- Rural credit flow to be strengthened by providing 18 crore for improving the financial condition of Co-operative Banks.
- Fair Price Shops under the Public Distribution System to be handed over to Panchayats, women's self help groups and cooperative societies in an epoch making step to ensure food security. An assistance of 40 crore has been provided for this purpose.
- The outlay on Midday Meal Scheme increased by a phenomenal 41%, from 75 crore to 106 crore to provide more nutritious and wholesome food.
- Over 22,000 Shikshakarmis to be appointed to fill vacancies in the Education Department.
- A Medicine Kit Scheme has been introduced for distributing medicines for common diseases such as malaria, gastroenteritis through the 60,000 Mitanins (voluntary health workers) in the State.
- First Referral Units to be set up for ensuring safe deliveries and thereby reducing both Infant and Maternal Mortality rates significantly.
- Ashram Schools have been found effective in the State. Hence, a provision made for 25 new Ashram Schools.
- Rehabilitation Centres set up in 9 districts for persons with disabilities.
- As per an RBI study Chhattisgarh attracted the largest amount of investment in the country in 2004. To maintain the tempo thrust has been given to developing existing as well as new industrial areas.
- A Bio Fuel Authority set up for giving an impetus to alternative fuels. A target of giving 1 lakh pump connections set for the year.

- Environment protection is high on the agenda of Chhattisgarh State which has 44% of its area under forest cover. An ambitious scheme of river bank afforestation taken up to check soil erosion.
- A 10% increase in allocation to the Police Department to strengthen the police force for tackling the naxal problem effectively.
- Infrastructure Sectors like PWD and Water Resources continue to receive substantial allocations both for the construction of new assets, and the maintenance of assets already created.