

Press Communiqué

Presenting the budget estimate of Rs.22, 211 cr. for the fiscal year 2009-10 in the state assembly today, Dr. Raman Singh, chief Minister of Chhattisgarh, who is also the Finance Minister, announced various pro-poor stimulus packages to fulfill the electoral promises made during the recent assembly election. He justified these measures in the light of the recent economic slowdown which is to hit the poor the hardest. In this maiden budget of his second tenure, Dr. Singh reiterated the commitment of his government to the welfare of the poor, the farmers, scheduled castes and tribes and women as well as achievement of key Millennium Development Goals concerning reduction of poverty, malnutrition, infant and maternal mortality.

Chief Minister's Food Assistance Programme has been restructured. Distribution of rice at one rupee per kg to 7 lakh Antodaya families and at two rupees per kg to the rest 30 lakh poor families and free iodized salt to the BPL families at a cost of Rs. 1458 cr. under the Food Security Scheme, bonus of Rs.270 per quintal over and above the procurement price to the paddy farmers costing Rs.840cr., short term agricultural credit at nominal rate of interest of 3% involving subvention Rs.46 cr. and free electricity for agriculture pumps up to 5HP capacity with subsidy provision of Rs.100 cr. are the main highlights of this budget. There has been a quantum jump in the allocations for food security (29%), nutrition (59%), and education (43%) sectors. Implementation of the sixth pay commission recommendation for the state government employees is to cost the exchequer Rs. 1000cr.

Dr. Singh also announced many sops for the trade and industry. Small traders having annual turnover of less than Rs.10 lakh have been exempted from professional tax. Biofuel has been made tax free and VAT on laminates and steel fabricated items reduced from 12.5% to 4%. In view of the recession, SSI units have been given the relaxation to file quarterly instead of monthly vat returns. Stamp duty on sale deeds of immovable property has been lowered by 0.5% to 6.5%.

3. Budget 2009-10 at a glance

(Rs. in crore)

Sl. No.	Items	2008-09 (Revised Estimate)	2009-10 (Budget Estimate)	% Deviation
1.	Total receipts (a+b+c+d)	19,542	21,924	12
	a) State's own revenue	8,346	9,775	17
	b) Central receipts	8,432	9,122	8
	c) Recovery of loans	713	749	5
	d) loan	2,051	2,278	11
2.	Total Expenditure	19,746	22,211	13
3.	Budget deficit (a+b)	898	1,185	32
	a) current year's deficit	204	287	41
	b) carry over deficit	694	898	29
4.	Fiscal deficit = 2 - (1a+1b+1c)	2,256	2,564	14

4. With an estimated growth 11% in tax and 36% in non-tax revenue, it is the fourth consecutive revenue surplus budget (revenue receipts - revenue expenditure = Rs.806 cr.). The Budget estimate of Rs.22, 211 cr. is 12.5% higher than the current year's revised estimate of Rs. 19,746 cr.
5. The net budget deficit stands at Rs.287 cr. and taking into account the cumulative deficits, the budget deficit is estimated at Rs.1, 185 cr. Gross Fiscal deficit is estimated at Rs.2, 564 cr. which is 3% of the GDP and well within the target set under the Fiscal Responsibility and Budget Management Act.
6. With a 13% increase in plan expenditure, the plan outlay estimated at Rs.12,172cr. is 55% of total budget outlay. Non-plan expenditure has been contained at 45% of total expenditure despite the sixth pay commission load. 33% of the total plan expenditure is earmarked for tribal sub-plan and 12% for the scheduled caste sub-plan.
7. Social sector outlay has been increased by 19% to Rs.9,991 cr. which constitutes 45% of total expenditure. This includes 16% for education, 4% for health, 6.5% for food security, 5% for SC/ST welfare and 2% for drinking water.
8. As part of this strategy to combat malnutrition amongst children and pregnant mothers the outlay for supplementary nutrition programme has been doubled to Rs.328 cr. and allocation for mid-day meal programme has been increased by 21% to Rs.290 cr. Bicycles will be provided to all 34,000 Anganwadi workers. Government will provide subsidy of Rs. 100 per LPG gas connection for women.
9. There has been a whopping 43% increase in the allocation for school education, including recruitment of 35,000 new teachers to take care of the existing gaps at secondary level, upgradation of existing schools and provision of Rs.100 cr. towards state's share for the Secondary Education Mission. The budget aims at overcoming the infrastructural gaps in Education and Health sectors and provides an outlay of Rs. 28 cr. for 100% completion of buildings for primary health centers and ITIs.
10. Medicated mosquito nets will be distributed to all the families in the worst malaria affected districts of Bastar region. Special provision of Rs.25 cr. has been allocated for providing additional drinking water sources in the 34 drought affected blocks falling under the rain shadow area. Rs. 186 cr. has been allocated for scarcity relief works in the 8 drought affected districts.
11. Outlay for the agriculture and allied sector has been increased by 13%. Short term agricultural credit will be made available to the farmers at the nominal interest of 3%. Besides, production subsidy for certified seeds has been increased from Rs.200 to Rs. 300 per quintal, bonus for sugarcane farmers has been increased from Rs.15 to Rs. 25 per quintal and a new subsidy scheme to dairy farmers has been introduced. Emphasis has been given on increasing irrigation potential and outlay of Rs.1, 154 has been provided for the irrigation sector.
12. The outlay for capital expenditure stands at Rs. 3, 569 cr. with Rs. 1, 761 cr. earmarked for roads, bridges and buildings.
13. Dr. Singh reiterated the commitment of his Government to combat Naxalite violence. The police budget for 2009-10 has been increased by 22% to Rs.941 cr. with special focus on security related infrastructural needs in the worst affected districts of Bijapur and Dantewada.
14. Dr. Singh expressed confidence in achieving the budgetary targets despite the economic recession. He stressed that fiscal discipline will be strictly enforced and a robust mechanism for expenditure tracking and outcome monitoring will be put in place.