

PRESS RELEASE

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Youth, Infrastructure and Industry the Focus of Dr Raman Singh's Budget for Chhattisgarh

Presenting the State's budget for 2015-16, Dr Raman Singh, Chief Minister of Chhattisgarh, redefined the priorities of his government. The expenditure budget of Rs. 65,013 crore is a whopping increase of 18% over last year's revised expenditure estimates. Dr Singh expressed gratitude to the Prime Minister for reposing his confidence in States and realising the ideal of cooperative federalism in both letter and spirit. The additional resources on account of the 14th Finance Commission devolution and receipt from coal block auction has boosted the kitty of State's own resources, which Dr Singh proposed to utilise productively in further engendering the wealth of the State, both physical and human.

Dr Singh's budget aligns seamlessly with the Union Budget presented a fortnight ago, in its emphasis on the development of youth, infrastructure and industry, which he claimed would help realise the vision of Make-in-India and Skilled India set forth by Prime Minister Modi. Focus on infrastructure, coupled with the newly declared Industrial and IT Policies of the State will boost the investment climate in the State. Dr Singh also announced a series of trade- and business-friendly tax incentives in VAT, Central Sales Tax and Entry Tax, to make domestic trade and industry more competitive.

At the same time, Dr. Singh reaffirmed his commitment to the poor, the farmers, and the deprived sections of society by introducing many pro-poor schemes. A major highlight of the budget is the introduction of a separate Youth Budget, which brings into sharp focus the public investment in schemes that directly relate to the State's youth. Chhattisgarh is the first State to do so. Rs. 6,151 crore have been allocated for youth, which represent 16% of the State Plan outlay. Within this, skilling of youth is the most significant programme, building on Chhattisgarh's initiative of being the first and the only state to make the right to skill development an enforceable entitlement of youths under the Chhattisgarh Right of Youth to Skill Development Act, 2013. A whopping Rs. 735 crore have been allocated for skill development, representing a 94% increase over last year.

The focus on infrastructure is another highlight of the budget, with an outlay of over Rs. 11,000 crore, representing an increase of over 39% over last year. The allocation for the road sector alone is Rs. 5,183 crore, an increase of 43% over last year. The State Government plans to upgrade all state highways and roads connecting district and block headquarters to double-lane roads. In addition, 2,000 km of existing roads will be upgraded in the PPP mode, with an estimated investment of Rs. 10,000 crore. Besides, Rs. 700 crore have been allocated for rural connectivity, for roads not covered under Prime Minister's Rural Roads Scheme. The State will also develop a 300-kilometre Rail Corridor through a joint-venture with SECL and IRCON, with an estimated investment of Rs. 5,000 crore. The budget also provides for developing the Swami Vivekanand Airport at Raipur in line with international norms.

Bold tax reforms have been proposed to further enhance the "ease of doing business" in Chhattisgarh. Traders having an annual turnover of up to one crore Rupees have been exempted outright from filing quarterly returns. E-payment of taxes has been made compulsory for all tax-payers. VAT on re-rolled products has been reduced to 4%. All industrial inputs, including lubricants, light diesel oil, and electrical panels, have been brought in the 5% VAT slab.

In a major relief to the micro, small and medium enterprises sector, Entry Tax exemption has been extended to investments in plant and machinery up to five crore Rupees, as against the existing exemption limit of one crore Rupees. To give a fillip to the Clean India initiative of the Prime Minister, Dr Singh announced exemption of VAT and Entry Tax on bio-toilets. In order to incentivise fast-track construction of affordable housing, precast and monolithic concrete products have been made tax-free. VAT on aviation turbine fuel has been reduced to 4%.

As the acclaimed pioneer of food security, Dr Singh has made a massive allocation of about Rs. 5,000 crore for the State's food security initiatives, which cover 85% of the population. In the health sector, a special nutrition supplement scheme for TB patients, the first of its kind in the country, and distribution of free insulin for diabetic children are fresh initiatives. Reaffirming his commitment to the poor, Dr Singh announced 20% hike in the Social Security Pension for 16 lakh pensioners.

In spite of huge allocation towards pro-poor initiatives, there has been an unprecedented increase of 39% in capital expenditure. Plan expenditure

accounts for 61% of the total budget out of which 36% has been allocated for Tribal Sub-Plan. Fiscal deficit has been contained within prescribed ceiling of 3% of GSDP. Thus the budget combines bold and creative prioritisation with fiscal prudence.