

Interim Budget 2004-05

2.35 An Interim Budget was presented on February 3, 2004 seeking a Vote-on-Account to enable the Government to meet all essential expenditure during the first four months of 2004-05. The Interim Budget reiterated adherence to the five priorities enunciated in the Budget for 2003-04 and laid emphasis on preserving the strength of macroeconomic fundamentals and fiscal consolidation. Some of the initiatives proposed in the Interim Budget included extension of coverage under the Antyodaya Anna Yojana from 1.5 crore families below the poverty line (BPL) to 2.0 crore families, setting up of six hospitals in the Government sector on the pattern of All India Institute of Medical Sciences (AIIMS), facilitation of cheaper credit to farmers, issue of Kisan Credit Cards to all eligible farmers by March 31, 2004, extension of Farm Income Insurance Scheme originally introduced on a pilot basis in 20 districts, to 100 districts, setting up of a National Cattle Development

Board, liberalized credit under Laghu Udyami Credit Card Scheme and accelerated drinking water supply scheme for mega cities.

2.36 In the area of taxation, the Interim Budget proposed raising of baggage allowance from Rs. 12,000 to Rs. 25,000, reduction of customs duty on baggage from 50 per cent to 40 per cent, and reduction of stamp duty by 50 per cent where the authority to fix rates is the Central Government.

2.37 Revenue receipts (net to the Centre) was budgeted to increase by 10.6 per cent over 2003-04 (RE) to Rs. 2,90,882 crore in 2004-05. Total expenditure is budgeted to decline by 3.5 per cent in 2004-05. Accordingly, all major fiscal indicators are budgeted to improve over 2003-04 (RE). Revenue deficit was budgeted at 2.9 per cent of GDP compared with 3.6 per cent in 2003-04 (RE). Fiscal deficit was budgeted to be brought down to 4.4 per cent in 2004-05 from 4.8 per cent in 2003-04 (RE).