



GOVERNMENT OF ORISSA

**SPEECH OF**  
**SHRI BED PRAKASH AGRAWAL**  
**FINANCE MINISTER**

**IN THE ORISSA LEGISLATIVE ASSEMBLY**  
**ON THE OCCASION OF PRESENTATION OF**  
**BUDGET ESTIMATE FOR**

**1994-95**

*(English Version)*

*March 1, 1994*

HON'BLE SPEAKER SIR,

On the occasion of presentation of the Budget Estimate of 1994-95, I would like, first of all, to convey my sincere greetings to all the Hon'ble Members of this August House.

2. At this point of time I am reminded of the historic day, the 5th March 1990 on which the present Government, under the dynamic leadership of Shri Biju Patnaik, assumed office. We are about to complete the 4th year in office. Before presenting a forecast for the future, I would like to recapitulate some of the achievements, which had sought to reflect the aspirations of the people of Orissa, especially its poor farmers, labourers, industrial workers and women, I am recounting only some of the actions taken under the bold initiative of our leader, Shri Biju Patnaik, which would continue to remain as landmarks in the sociocultural-economic history of the State. These are :—

- \* Raising of the minimum wage to Rs. 25 per day.
- \* Increase in the monthly rate of old-age pension for the handicapped and the widow to Rs. 100.
- \* Adoption of new financial schemes for small and marginal farmers and landless labourers.
- \* Withdrawal of age-limit for widow pensioners ; and disbursement of financial assistance to a total of 4,62,690 persons including 2,29,810 number of widows.

- \* Waiver of agricultural loan to provide relief to poor farmers thereby providing relief to about 23 lakhs farmer families and waiver of interest on agricultural loan benefiting 1.12 lakh number of farmers.
- \* Launching 'Kalinga Kutir Jojana' to provide financial assistance to the rural poor for constructing their own houses.
- \* Establishment of Mahila Vikash Nigam, Mahila Co-operative Banks and a State Commission for Women; and reservation of 30 per cent posts for women in Government service and relaxation of age-limit for women for entering into such service.
- \* Decentralisation of power through Elections to Panchayati Raj and Urban Local Bodies which elected 28,589 women representatives to such bodies in various capacities.
- \* Reorganisation of districts for efficient administration and initiating action for reorganisation of Panchayat Samiti for which a Commission has been set up.
- \* Reorganisation of Grama Panchayats, increasing the number from 4,311 to 5,263.
- \* Adoption of the Special Courts Act, and institution of such courts to investigate, inquire and penalise persons in high places acquiring wealth by corrupt practices and also to confiscate their property illegally acquired by misutilisation of power.
- \* Special scheme to make the State of Orissa an Energy Surplus State by the end of this century.

- \* New Industrial Policy adopted for ensuring rapid industrial growth. 5 Steel Plants, 2 Alumina Plants, one Oil Refinery, are on the anvil.
- \* Commissioning of a small port at Bahabalpur; development of Paradeep port and plans to upgrade Gopalpur minor port to a major port.
- \* Provisions of lift irrigation facilities for 30,000 hectares with German assistance of Rs. 100 crores and additional 30 per cent of land to be covered under irrigation during Eighth Plan period.
- \* Revival of the lost glory of Kalinga and its trade link with Indonesia Islands by organising the historic Kalinga Bali Yatra.
- \* Implementation of different schemes to ensure health for all by 2000 A.D.
- \* Universalisation of primary education by a total literacy programme in 6 districts with a priority to S.C./S.T. students for admission at different educational institutions;
- \* Ensuring supply of subsidised rice and wheat through IDP, DPAP at Block level to the handicapped, the old and widow pensioners and identified labourers.
- \* Enacting a Special Marriage Act to prevent extravagancy in marriage expenditure.
- \* Debarring persons having more than 2 children from various elections to Panchayat Raj institutions and Urban Local Bodies and adoption of one child norms.



- \* Presentation of a forceful Memorandum before the Tenth Finance Commission for not only balancing the non-plan revenue account of the States but also for ensuring equitable allocation of revenue surplus, through devolution and grant-in-aid for capital investment.

Therefore, Sir, I would request the Hon'ble Members to appreciate the financial burden that the present Government have undertaken to implement such programmes and the repercussions of which are bound to be cast in the Budget, I introduce. It is needless to emphasise that adoption and successful implementation of the aforesaid programmes could only be made possible only by an untrammelled support of millions inhabiting the State, and their representatives—the Hon'ble Members present in this August House. Therefore, Sir, I expressed my deepest gratitude to them all.

3. According to the Revised estimate of the financial year 1992-93, it was estimated that the year would close with a deficit of Rs. 164.32 crores and this closing deficit be carried forward as the closing deficit for 1993-94. However, as per the figure reported by R.B. I. the year 1992-93 closed with a deficit of Rs. 145.17 crores. Accordingly in our Revised Estimate for the year 1993-94 this closing deficit of Rs. 145.17 crores has been assumed to be carried forward.

4. In the Non-Plan Budget for 1993-94, the Revenue Expenditure was estimated at Rs. 2635.50 crores. But by virtue of strict economy in Revenue Expenditure and by adopting stringent austerity measures, the Non-Plan Revenue Expenditure has been revised at Rs. 2628.73 crores, in spite of an additional cash load of Rs. 12.04 crores, in the 1st and 2nd supplementary statements. Owing to resources shortfall

on various counts, the Plan Budget of the current year had to be reduced by Rs. 395 crores, i.e., against original plan outlay of Rs. 1450 crores, it was pegged at Rs.1055 crores. By observing strict economy in expenditure and by avoiding reappropriation of savings available in different Demands to meet expenditure on account of fresh liabilities, it is expected to carry forward the opening deficit of Rs. 145.17 crores as the closing deficit of the current year.

5. I have said on earlier occasions that the Budget Estimate of the State Government is not to be viewed merely as a financial statement, but more fundamentally as the agenda of action for the coming fiscal year. While formulating the Budget proposals for the year 1994-95 we have been primarily guided by the following objectives :

- (i) Accelerating all-round development of the rural areas.
- (ii) Creating a market friendly environment by strengthening basic infrastructure of the State with a view to attracting larger flows of private investment in the new economic policy regime.
- (iii) Restructuring of the State finances to restore fiscal balance.

6. The Budget Estimate for 1994-95 which has been framed with a view to achieving the above objectives envisages a total income of Rs.9164.64 crores. and total outgo of the same amount comprising transactions in the Consolidated Fund, Contingency Fund as well as the Public Account. A synopsis of the Budget Estimate for the year 1994-95 has been given in the Annexure.



7. In the Consolidated Fund account, the total Revenue Receipt for the year 1994-95 has been estimated at Rs.3994.33 crores as against the Revised Estimate of Rs.3392.45 crores of 1993-94, which represents an increase of Rs.17.74 per cent. Out of the total Revenue Receipt, State's own revenue, both tax and non-tax, including additional resource mobilisation of Rs.231.40 crores is estimated at Rs.1528.06 crores as against the Revised Estimate of Rs.1225.86 crores for the year 1993-94 implying an increase of 24.65 per cent. It is estimated that a sum of Rs.1076.64 crores will accrue from State's own taxes as against the Revised Estimate of Rs.886.11 crores for the year 1993-94, the estimated increase being 21.50 per cent. From State's own non-tax receipts, we have assumed Rs.451.42 crores as against the Revised Estimate of Rs.339.75 crores which represents an increase of 32.87 per cent. From the shared taxes, we have assumed a sum of Rs.1272.65 crores in the Budget Estimate of Rs.1994-95 as against the Revised estimate of Rs.1067.85 crores for 1993-94 which represents an increase of 19.18 per cent. Thus Hon'ble Members may kindly note that the order of increase assumed in respect of State's own tax and non-tax receipts in the Budget Estimate of 1994-95 is significantly higher than what has been assumed towards devolution of shared tax from the Centre.

8. The total Revenue Expenditure in the Consolidated Fund Account for the year 1994-95 has been estimated at Rs.4416.27 crores as against the Revised Estimate of Rs.3737.14 crores for the year 1993-94 the estimated increase being 18.17 per cent. Out of this, non-plan Revenue Expenditure constitutes 67.71 per cent that is Rs.2990.31 crores. Although the overall non-plan Revenue Expenditure is estimated to increase by 13.75 per cent *vis-a-vis* the last year's

Revised Estimate, if interest payment component is excluded, the estimated increase could be only 11.22 per cent. Leaving aside salary and wages, the other major components of Non-Plan Revenue Expenditure are interest payments (Rs.822.94 crores), Pension (Rs.192.81 crores), maintenance of capital assets including water supply (Rs.256.51 crores), old-age pension (Rs.57.60 crores) and various subsidies including subvention to OSEB (Rs.81.39 crores).

9. As Hon'ble Members are aware, the State Plan outlay for 1994-95 has been fixed at Rs.1,950-00 crores with the approval of the Planning Commission. The increase in the State Plan outlay *vis-a-vis* the original outlay of 1993-94 allowed for Orissa is of the order of 34.5 per cent. Out of the total State Plan outlay Rs.1,763.35 crores has been provided in the Budget of the State Government and the balance Rs.186.65 crores is estimated to be the outlay of the Public Sector Undertakings.

10. The estimated State Plan Outlay is proposed to be financed as follows:—

|  |    |                     |
|--|----|---------------------|
| (i) State's own resources including market borrowing and negotiated loan.  | .. | 879.36 crores       |
| (ii) Central assistance  | .. | 883.99 crores       |
| (iii) Internal and extra budgetary receipts of Public Sector Undertakings. | .. | 186.65 crores       |
|  |    | Rs. 1,950-00 crores |

11. Under the State's own resources for financing the State Plan for the year 1994-95, we have assured that a sum of Rs.130 crores will be raised through floating of 'Steel Bond'.



Hon'ble Members may kindly appreciate that this is entirely an innovative way of raising resources from the market for financing State Plan. The amount to be raised through floatation of this bond is proposed to be utilised for development of infrastructure facilities for the New Steel Plants as well as towards equity participation of the State Government in some of these Projects. We have also anticipated a sum of Rs. 50 crores towards revision of royalty on coal and other major minerals, Rs. 67 crores under Orissa Rural Employment Education and Production Act, 1992 and Rs. 20 crores towards revision of water-rate for industrial and commercial uses as some of the important A.R.M. measures. The State Government also propose to introduce a new voluntary deposit scheme for mopping up the terminal benefits of retired State Government employees and a sum of Rs.25 crores is expected to be raised through this scheme during 1994-95.

12. Under the additional Central assistance for the externally aided Projects Rs. 270 crores has been estimated for the year 1994-95, out of which Rs.170 crores is expected to be received on account of implementation of ongoing Projects. We also expect that a number of new Externally aided Projects will be grounded during 1994-95 which will fetch us Rs.100 crores.

13. I would also like to mention that for financing this substantially high order of State Plan Outlay during 1994-95, we have approached Central Government for a special medium-term loan of Rs. 250 crores. I seek fullest co-operation of this august House in persuading the Central Government to supplement our sincere efforts in managing our State's finances prudently by granting us this special dispensation.

14. Now I would proceed to give a synoptic view of some of the important highlights of the Annual Plan, 1994-95. The State Plan allocation for Agriculture for the year 1994-95 is Rs.54.83 crores as against the Revised Outlay of Rs. 36.20 crores for the current year. The increase is of the order 51 per cent. A special scheme for popularisation of improved agricultural implements would be implemented during 1994-95 for which a sum of Rs. 1 crore has been allocated. Rs. 0.90 crore has been earmarked for setting up Agro-Processing and Food Processing industries in the State.

15. For Irrigation and Flood Control, a total sum of Rs.361.67 crores has been allocated which constitute 18.5 per cent of the total State Plan Outlay. Out of this, the allocation for Major and Medium Irrigation Projects is Rs.259.61 crores with which it is proposed to create additional irrigation potential of 22.95 thousand hectares in Kharif and 7.88 thousand hectares in Rabi. The allocation for Flood Control has been increased from Rs. 5 crores during 1993-94 to Rs.7 crores for 1994-95. For Minor Irrigation (Flow) Rs.34.85 crores has been provided against the Revised outlay of Rs.21.85 crores for 1993-94. Eight ongoing Minor Irrigation Projects and 125 Renovation Schemes are likely to be completed in all respects during 1994-95 and additional irrigation potential of 13,507 hectares in Kharif and 1276 hectares in Rabi would be created. For Lift Irrigation, higher outlay for 1994-95 has been projected at Rs. 46 crores against Rs. 30 crores in the revised estimates of the current year.

16. For development of roads, a sum of Rs. 120.45 crores and Rs. 47 crores have been provided in the Budget of Works Department and Rural Development Department, respectively. With these allocations, it is expected that Works Department



would complete 47 numbers of ongoing bridges and Rural Development Department would complete 58 numbers of on-going bridges. For the A.D.B. assisted project of improvement of Sambalpur-Rourkela Road, a sum of Rs. 50 crores has been provided. For reconstruction of the 6 numbers of bridges, damaged in 1990-91 flood in the district of Ganjam, a sum of Rs. 15 crores has been allocated under the World Bank assisted project. Hon'ble Members would also be happy to know that the Constituency-wise allocation for Rural roads under the Rural Development department has been enhanced from Rs. 15 lakhs to Rs. 20 lakhs. The Constituency-wise allocation of Untied Fund has also been increased from Rs.5 lakhs to Rs.10 lakhs:

17. In consonance with our policy of thrust on rural development, we have provided an allocation of Rs.139.70 crores for various schemes and projects of the Panchayati Raj Department, which constitutes 7% of the total State Plan Outlay. Out of this, Rs. 56.50 crores. has been provided towards State share for the Jawahar Rojagar Yojana (JRY) and Rs.44.30 crores towards State share of Integrated Rural Development Programme. Orissa is a State with agrarian characteristics, 80% of the people of which live on agriculture and 87% of whom live in rural areas. Hence, we have proposed for implementing a new scheme for exploitation of ground-water through private and community initiative during 1994-95 which will immensely benefit the agriculturists, particularly the small and marginal farmers. It is estimated that the scheme assumes critical importance in view of the fact that hardly 10% of the ground-water potential of the State has been exploited so far. A sum of Rs. 10 crores has been allocated for this new Scheme under State Plan in the Budget of the Panchayati Raj Department.



18. State Plan allocation for Schools and Mass Education and Higher Education has been stepped up by Rs. 25.44 crores and Rs.9.83 crores, respectively, as compared to the Revised Outlay for 1993-94. Total Literacy Campaign will be launched in 6 more districts. viz., Malkangiri, Nuapara, Subarnapur, Angul, Nayagarh and Sambalpur during 1994-95.

19. State Plan allocation of the Health and Family Welfare Department has been raised to Rs.36 crores as against the Revised Outlay of Rs.25.50 crores for 1993-94. A new World Bank assisted project for control of blindness is expected to be implemented in the State during 1994-95. As Hon'ble members are aware, the revised population control strategy of the state Government envisages a substantial increase in the target of sterilisation for the year 1994-95 with the objective of achieving the targeted growth rate of 1.20 per cent by 2000 A.D. Accordingly, the allocation for State share of incentives to be paid to the acceptors has been raised from Rs.42 lakhs during 1993-94 to Rs.87.42 lakhs during 1994-95. Hon'ble Members would be happy to note that our population control policy has been widely appreciated throughout the Country.

20. Rs.11.75 crores has been provided under State Plan for animal and dairy development against the Revised Outlay of Rs.7.76 crores during 1993-94, which implies a rise of 51.6 per cent. The increased allocation would be utilised for stepping up artificial insemination substantially and setting up more Chilling Plants in the non-operational areas for giving a boost to more milk production.

21. Under the Forestry Sector, the SIDA assisted Social Forestry Project will continue for which an allocation of Rs.19 crores has been earmarked. A sum of Rs.2 crores has been

