



GOVERNMENT OF ORISSA

**STATEMENT OF
SHRI BASANTA KUMAR BISWAL
DEPUTY CHIEF MINISTER
AND
MINISTER OF FINANCE**

**ON THE OCCASION OF
PRESENTATION OF BUDGET ESTIMATE
(VOTE-ON-ACCOUNT)
FOR THE YEAR
1995-96
IN THE ORISSA LEGISLATIVE ASSEMBLY**

March 24, 1995

Hon'ble Speaker Sir,

It is my privilege to present the on-account-budget for the year 1995-96 in this august House before the 11th Assembly. At the outset, I take this opportunity to extend hearty congratulation to all the Hon'ble members and seek their cooperation in all our endeavours to achieve all-round progress of the State. Our people have reposed great trust and confidence in us in voting us to power. It shall be our sacred duty to fulfil their expectations.

2. Sir, it is not possible to present a complete budget estimate for the year 1995-96, for the following reasons :

- (i) The Union Government have accepted recommendations of the 10th Finance Commission relating to the year 1995-96. The recommendations include pooling of revenue resources for sharing between the centre and the States whether it is surcharge or increase in administered prices. There is also a recommendation that States with low infrastructure outlays would be entitled to get higher devolution of revenue with a view to reducing regional disparities. The details of the award are yet to be received for facilitating formulation of budget estimate for 1995-96.
- (ii) The size of the State Plan for the year 1995-96 has not yet been determined in consultation with the Planning Commission.

- (iii) Policies and programmes of our Government have to be reflected in the budget estimate for the year 1995-96 for which necessary exercise is to be made.

It is, therefore, proposed to take vote on account authorisation of the legislature to incur expenditure for a period of 4 months from April to July, 1995. This is in accordance with the provision of Constitution. The estimated expenditure for these four months is of the order of Rs.2086.86 Crore. Out of this amount, Rs.1537.44 Crore relates to Revenue Account.

3. The existing economic scenario of the State and the policies and programme that our Government would implement have been indicated in the address of the Hon'ble Governor. I would only mention some systemic maladies afflicting the finances of the State Government. During the period from 1990-91 to 1993-94, the growth of revenue expenditure has outpaced the growth of revenue receipts. Consequently the State has suffered increasingly and disproportionately large revenue deficit year after year. The revenue deficit has gone up from Rs.19.60 Crore in 1990-91 to Rs.187.71 Crore in 1991-92, Rs.135.72 Crore in 1992-93 and Rs.274.43 Crore in 1993-94. This has resulted in utilisation of funds borrowed for development schemes on non-development activities. Dismal plan performance has been another area of concern. State Plan expenditure has fallen far short of the original outlay fixed each year since 1990-91. During 1990-91 to 1993-94 the plan expenditure never reached Rs.1100 Crore though the plan outlay was Rs.1250 Crore for 1990-91 and over Rs.1400 Crore for 1991-92, 1992-93 and 1993-94. During this period efforts for additional resource mobilisation have failed. To make

matters worse, the debt burden of the State Government has increased alarmingly from Rs.3871 Crore at the end of 1989-90 to Rs.7933 Crore at the end of 1994 (revised estimate).

Our State is endowed with vast reserve of natural resources. But far from becoming economically abundant, the State has slipped back to be adjudged as the poorest State in the Country. Our Government would make determined efforts to achieve rapid economic progress simultaneously implementing social welfare measures. I seek cooperation of Hon'ble members in this gigantic task of developing our State on to the goal of prosperity.

JAI HIND

