



GOVERNMENT OF ORISSA

SPEECH OF

SRI RAGHUNATH PATTANAİK

Finance Minister

**ON THE OCCASION OF
PRESENTATION OF BUDGET ESTIMATES
FOR THE YEAR 1999-2000**

IN THE ORISSA LEGISLATIVE ASSEMBLY

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Mr. Speaker Sir,

While presenting the full-fledged budget for the year 1999-2000 before this august House, I extend my best wishes to the Hon'ble Members.

2. The Revenue Receipt for the year 1998-99 was estimated at Rs. 5673.22 crore. The Revenue Expenditure was estimated at Rs. 7256.39 crore. The Revenue Deficit was Rs. 1583.17 crore. In the Revised Estimates, the Revenue Receipt has, however, been estimated at Rs.5213.92 crore and Revenue Expenditure at Rs. 7318.28 crore. As a result, the Revenue Deficit is Rs. 2104.36 crore.

3. The State Plan size for the year 1998-99 was finalised at Rs.3084.43 crore, of which the State Plan outlay of the Government Sector was Rs. 2685.00 crore and that of the Public Sector Undertakings. Rs.399.43 crore.

Including the 1st and 2nd Supplementary Budget Estimates, Rs. 3035.80 crore was estimated for the Plan Expenditure of the State Government whereas Rs. 399.43 crore was estimated for the Public Sector undertakings. Due to shortfall in collection of tax and non-tax revenue, the plan outlay has been revised to Rs. 2564.12 crore for the State Govt. Sector Schemes and to Rs. 239.71 crore for the schemes of the Public Sector Undertakings.

4. The brief summary of the estimates of the Receipt and Expenditure of the current financial year is appended as at Annexure-A. The total receipt has been estimated at Rs.15716.65 crore and the total expenditure at Rs.15716.65 crore. Out of this, the Revenue Receipt comes to Rs.6196.28 crore and expenditure to Rs.8061.88 crore. Receipt and Expenditure in the Capital Account has been estimated at Rs.4769.74 crore and Rs.3739.21 crore respectively. The receipt and expenditure in the Public Account would be Rs.4690.63 crore and Rs.3855.56 crore

respectively. Receipt and Expenditure in the Contingency Fund would be Rs. 60.00 crore each. Thus a balanced budget for the financial year, 1999-2000 has been prepared in which the total receipt and expenditure of the State under Consolidated Fund, Contingency Fund and the Public Account match.

5. The revenue deficit is amounting from year to year. The difference between revenue receipt and revenue expenditure is termed as "Revenue deficit". The main factor for increase in the revenue expenditure is constant rise in salary, pension and payment of interest liabilities. The State Government is compelled to incur more and more loans in order to over-come the revenue deficit every year. It is expedient that the loan amount should be utilised in developmental works. Such investment would ensure the total development of the State and improve the tax and non-tax revenue considerably. Since the investment is not along this line, the standard and quality of planning leaves much

to be desired. As long as Revenue Expenditure is not limited, it would not be possible to provide adequate funds for developmental works. The reform of the economic system is urgently required and the State Government is committed to fiscal reform. I would like to inform this august House and seek the cooperation of all, that the State Government will present a White Paper during the current session in which the problems and prospects of fiscal reform will be clearly spelt out. I would like to point out here that the non-plan revenue expenditure is estimated to be Rs.6237.92 crore during the current financial year. Since the non-plan revenue receipt would be about Rs. 4853.33 crore the non-plan revenue deficit otherwise called Balance from Current Revenue (BCR) would be Rs. 1384.59 crore.

6. After the discussion with the Planning Commission, the Annual Plan size for the financial year 1999-2000, was fixed at Rs.3225.00 crore. Of this Rs. 2802.01 crore is intended for Govt. Sector and Rs. 422.99

crore for Public Sector Undertakings. But subsequently, the Annual Plan size had to be increased. The current year being the last year of the Tenth Finance Commission Award, the money will have to be fully utilised in order to get reimbursement from the Government of India. It has, therefore, been decided to augment the State Plan size from Rs. 2802.01 crore to Rs. 2886.18 crore. Hon'ble Members may like to know as to how such a huge annual plan could be possible in view of B.C.R. being (-) Rs. 1384.59 crore. I would like to mention that the State Government would be in a position to arrange Rs. 855 crore net for State Plan funding after adjustment of the deficit BCR out of State's own resources of Rs. 2240.00 crore gathered from various sources. Besides it is expected that a sum of Rs. 2031.00 crore would be available from the Govt. of India as loans and grants towards Plan Expenditure. Thus Rs.2886.00 crore will be available for Plan purposes.

7. Despite financial difficulties and constraints, funds have been provided for the following new schemes.

(a) Developmental works in the Constituencies proposed by the Legislators.	Rs.15.00 crore
(b) Voluntary retirement scheme in Public Sector Undertakings.	Rs.20.00 crore
(c) Allowance to unemployed youth and landless labourers	Rs.10.00 crore
(d) Opening of new Universities	Rs.4.50 crore
(e) Creation of fund for war victims.	Rs.0.55 crore

8. Sir, I shall now focus on the salient features of the Annual Plan, 1999-2000. The State Government have formulated a new agriculture policy from April,1996 for development of agriculture. In order to increase the production of foodgrains and other cash crops in the State, due importance has been attached to the use of improved seeds, agricultural tools and implements so also to change of Crops and mixed Crop cultivation. Special importance has been attached to horticulture programmes in the agriculture policy. It has been decided to produce high quality seedlings by establishing green nurseries. Schemes

such as National Water Shed Development Project, Integrated Waste Land Development Project and River Valley Projects intended for the rainfed areas as well as water and soil conservation projects with International Assistance have been undertaken. At present, Drought Prone Area Programme is being implemented in 47 Blocks in 8 districts of the State such as Phulbani, Kalahandi, Bolangir, Baragarh, Nuapada, Boudh, Sonepur and Dhenkanal.

9. In this budget, special emphasis has been given on enhancement of irrigation facility. By end of 1998-99, irrigation facility was available for 24,47,712 hectares of land, whereas in the financial year 1999-2000, irrigation facility will be made available to additional 57,703 hectares. The State Government have decided to complete on priority basis the large and medium irrigation projects with the assistance of World Bank, NABARD and the Accelerated Irrigation Benefit Programme (AIBP) of the Government of India. Previously the shares of the Central Government and

State government in AIBP were equal. Due to unremitting endeavour of the State government, the shares of Central Government and State Government for projects implemented in K.B.K. Districts have been fixed at 3:1 and for in non-K.B.K. districts at 2:1. Funds to the tune of Rs.25.00 crore have been allocated for construction of 17 projects with the assistance of A.I.B.P. in K.B.K. Districts. As a result, most of the irrigation projects would be completed. In the current year's budget, a sum of Rs.520.30 crore has been provided for Large & Medium Irrigation projects. With the assistance of NABARD, construction of 65 Minor Irrigation Projects is under progress. A sum of Rs.3.00 cr. has been allocated for renovation of 190 Minor Irrigation Projects in the drought affected districts. It has also been decided to install 500 new Lift Irrigation Projects during current financial year. For 230 of these 500 projects, financial assistance has been received from K.F.W., Germany, and for the remaining 270 projects, the construction work will proceed with the assistance of

D.R.D.A. and other financial agencies. With the completion of these works, lift irrigation facility would be provided to additional 10,000 hectares of land for Kharif crops and 6000 hectares for Rabi crops. In the budget of 1999-2000, a sum of Rs.35.95 crore has been provided for Lift Irrigation Projects.

10. A sum of Rs.41.48 crore has been provided for the Industries Department. Of this, Rs.9.55 crore is for Medium & Large Industries and Rs.16.57 crore for Rural and Small Industries. Steps have been taken for the establishment of 12 Medium & Large Industries during the current financial year. Provision of Rs.9.00 crore has been made for the promotion of technical education and Rs.2.75 crore for training of Technicians and Supervisors.

11. With a view to providing health services to the people of the State, the Government have undertaken several programmes. A new system of treatment known as

“Panchabyadhi Chikitsa Paddhati” for the treatment of 5 serious diseases like Malaria, Leprosy, Respiratory Disease, Scabies and Diarrhoea has been introduced with effect from 1st day of June this year in all the hospitals of the State. It has been decided to open 18 Ayurvedic and 18 Homoeopathic Dispensaries in the State during the current financial year. Provision has also been made for supply of medicines of better quality in all hospitals of the State by establishing 3 factories at Bolangir, Bhubaneswar and Puri for manufacturing Ayurvedic medicines and by establishing a factory for manufacturing Homoeopathic medicines under the Homoeopathic Medical College and Hospital, Bhubaneswar.

12. In order to attract students, who may have suffered from neglect on the basis of caste, religion and economic deprivation, steps are being taken for rapid expansion of qualitative higher education. For promoting Science education, the State Government have decided to

establish 6 new + 2 Science Colleges. With a view to creating opportunity of qualitative education in the Colleges of the State., a proposal has been presented to the University Grants Commission to award the status of Deemed University to the Ravenshaw College. Besides, the University Grants Commission has also been moved to convert 12 Colleges to autonomous Colleges. Out of these 12 colleges, the University Grants Commission have agreed to accord the status of autonomous colleges to 3 Colleges. A sum of Rs.3.00 crore has been provided initially for establishment of 3 new Universities during current financial year. To meet the requirement of Computer education, Post Graduate Computer Education (MCA) Course has been introduced in 3 autonomous colleges. It has also been decided to extend this facility in 9 other Government colleges.

13. Primary and Secondary Education has a significant role in the around development of human

resources. The target during the current year is for enrolment of 58,28,000 children in Class-I to Class-V within the age group of 6 to 11 and 18,87,000 students in Class-VI and VII within the age group of 11 to 13. Lavatories for the girl students studying in the Upper Primary Schools and tube-wells in Primary and Upper Primary Schools are being provided from out of the award of the 10th Finance Commission. A sum of Rs.24.15 crore has been allocated for this purpose. So far 28 districts have been included in the Total Literacy Campaign excluding a Special Total Literacy Campaign for Rourkela. In 11 districts, Post-Literacy Campaign is in progress. It has been decided to include Jajpur and Rayagada districts in the Total Literacy Campaign.

14. Our State is now considered as a Surplus state in Power Sector. It is the only State in the country which has undertaken Power reform measures. Steps are being

taken for supply of electricity to 11,961 more villages by end of the year 2000.

15. A scheme has been undertaken for supply of nutritious food to pregnant women and children below 6 years of age through Integrated Child Development Schemes (ICDS) programme. Provision of Rs. 81.74 crore has been made for the current financial year. A 3 year malnutrition eradication programme has been implemented in the state from the 14th November 1998. If this programme is successful, there shall be total eradication of malnutrition in the state by the end of 2001. Nutritious food is being supplied to 75045 old, invalid, distressed people through emergency feeding programme in 6 K.B.K. Districts. Government of India will provide a sum of Rs.8.60 crore for this purpose. Mid-day meal programme has been implemented in 40,697 primary schools. Funds have been provided for payment of monthly allowance at the rate of

Rs.100 per head to 5,30,000 beneficiaries in the category of old and invalid persons.

16. State Government have taken effective measures for protection of forest, which is a vital natural resource of the State and for renovation of denuded forests. The local people are being actively involved in protection, management and renovation of the forests adjacent to their villages. For protection of rich biodiversity and wildlife resources of the State, steps are being taken for establishment of 18 sanctuaries. Bhitarkanika and Gahirmatha have been declared as National Park and Marine Sanctuary respectively. Allocation of funds has been made in the current year's State Plan for protection of forest, plantation and preservation of wild life. A sum of Rs. 14.00 crore has been specifically provided for afforestation and a sum of Rs. 2.80 crore for protection of wild life in K.B.K. Districts. During the current year a programme has also been

