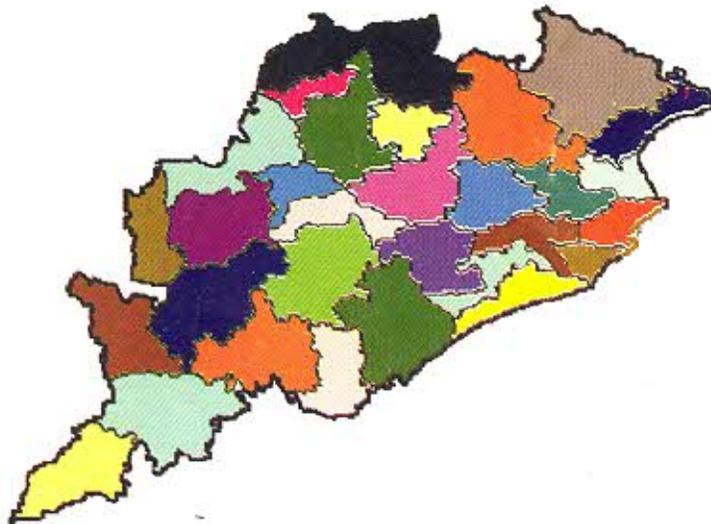




GOVERNMENT OF ORISSA



Speech of
Sri Prafulla Chandra Ghadai,
Minister, Finance
in the
Orissa Legislative Assembly
on the occasion of presentation of
the Budget
for the
Financial Year 2008-09

The 16th February, 2008

Hon'ble Speaker Sir,

At the outset, I express my gratitude to you Sir, and Hon'ble Chief Minister for having given me an opportunity to present the budget for the financial year 2008-09 in this August House. I also express my deep gratitude to Hon'ble Leader of the Opposition and Hon'ble Members of this House for having given me unstinted support in the previous years. It is a privilege on my part to present the budget for consecutive 5th year. It was a challenge for our Government to overcome the critical financial condition of the State. We had accepted the challenge with all humility. I hope and believe that your help and cooperation will be available as before, in coming years for the State to move ahead with financial discipline.

2. The steps taken for improvement of fiscal management of the State, steps taken for different poverty eradication as well as developmental programmes and the future plan and programme of the State have been dealt in detail in the Address of His Excellency the Governor of Orissa. Without repeating the same I deem it proper to highlight the budget estimate of the Financial Year, 2008-09.

3. Our resources are limited but our requirements are many. State's progress depends on higher mobilization of resources and proper utilization of such resources. In this perspective, attention has been given in some thrust areas in the budget for 2008-09 keeping in view the limited resources as well as overall development of the State. These are :-

- ☞ To achieve fiscal targets as indicated in Section-5 of Orissa Fiscal Responsibility & Budget Management Act.
- ☞ Recommendation of the 12th Finance Commission.
- ☞ Utilization of limited resources on priority basis.
- ☞ To increase the States share in order to avail more Central Assistance.
- ☞ To limit the non-plan revenue expenditure as far as possible.
- ☞ To enhance capital investment for Infrastructure Development.
- ☞ To improve the quality in health service and health infrastructure.
- ☞ Development of School Education, Higher Education and Technical Education.

- ☞ Development of Agriculture and allied activities.
- ☞ Development of Industries, Cottage Industries and Handicraft Industries.
- ☞ Development and expansion of irrigation.
- ☞ Improvement in water supply and sanitation in urban and rural areas.
- ☞ Development of Rural areas.
- ☞ Development of Information and Technology.
- ☞ Optimum utilization of resources and generating self-employment.
- ☞ Development of mineral based industries in the State.
- ☞ Rural electrification.
- ☞ Completion of the incomplete projects by prioritizing the outlay.
- ☞ Wellbeing and provision of social security measures to old people, disabled, women, Scheduled Tribes & Scheduled Castes and other economically weaker sections.
- ☞ Allocation of more funds for maintenance of Government buildings, roads and bridges and water supply projects etc.

4. For information of Hon'ble Members of this august House, I intend to indicate that during the last few years State Government have taken several expenditure rationalization and revenue augmentation measures along with other fiscal reform programme to improve the fiscal situation of the State. As a result, after a gap of 22 years the revenue surplus of our State has become Rs.481.19 crore by the end of financial year 2005-06. This revenue surplus scenario is also continuing in subsequent year. Not only that, for the first time our State has become a fiscal surplus State during the financial year 2006-07. It is needless to say that during this year the fiscal surplus of our State is Rs.823.18 crore. It may be mentioned here that while the revenue expenditure was Rs.13,603.52 crore in 2005-06, it increased to Rs.15,772.02 crore in 2006-07. On the other hand, while the revenue receipt was Rs.14084.71 crore in 2005-06, it has increased to Rs.18032.62 crore in 2006-07. While the State's own tax revenue was Rs.5002.28 crore in 2005-06, It has increased to Rs.6065.06 crore in 2006-07, the growth rate being 21.25%. Similarly, State's own non-tax revenue has also improved remarkably because of sincere efforts of the State Government. While State's own non-tax

revenue was Rs.1531.91 crore in 2005-06, it increased to Rs.1824.32 crore in 2006-07, the growth rate being 19.09 %. Besides taking into account the State's entitlement of 763.80 crore debt relief the total non-tax revenue is of the order of Rs.2588.12 crore.

5. There has been remarkable improvement in the fiscal condition of the State because of sincere efforts of the State Government in resource mobilization and expenditure rationalization measures. As a result, State Government have neither resorted to overdraft nor to ways & means advance from Reserve Bank of India since 1.12.2004. Letter of Credit (LC) has been given to the Departments engaged in developmental activities as per their requirement.

6. Our capital expenditure is also increasing due to the improvement in the fiscal condition. While the capital expenditure during the financial year 2005-06 was Rs.1038.06 crore during the financial year 2006-07, it increased to Rs.1451.47 crore. Similarly, as per Revised Estimate for the financial year 2007-08, capital expenditure is Rs.2740.38 crore and the same is Rs.3019.63 crore in the Budget Estimate for 2008-09.

7. While the State Plan outlay which was fixed at Rs.3500.00 crore as per Budget Estimate for 2006-07, it increased to Rs.3600.00 crore in the Revised Estimate for 2006-07. During the financial year 2007-08, the State Plan outlay has been increased to Rs.5105.00 crore in 2007-08 as per Budget Estimate and according to the Revised Estimate, it is Rs.5520.00 crore. What is important is that the earlier State Plan outlay was within Rs.2500.00 crore to Rs.3000.00 crore although, the net loan was on the higher side. But now the State Plan size has been increased substantially despite the fact that net loan has not been increased proportionately. For example, while for the State Plan of Rs.3200.00 crore during the financial year 2003-04 the net loan was Rs.2463.93 crore, the net loan has been estimated at Rs.2700.11 crore for the State Plan of Rs.7100.00 crore in the financial year 2008-09. The State Plan outlay is fixed after discussion of Hon'ble Chief Minister with Deputy Chairman, Planning Commission. The State Plan Outlay for 2008-09 has been kept at Rs.7100.00 crore keeping in view, the necessity of different developmental programmes, even though, the discussion in this respect is yet to take place. This

estimated increase is around 39% in comparison to the previous year. Such increase in plan size has become possible because of structural change in fiscal management of the State. I am thankful to all for their cooperation in achieving this.

8. Budget provision for the year 2008-09 has been made keeping in view the expectations of the common man of the State. While in the budget for the financial year 2007-08 provision under State Plan, Central Plan, Centrally Sponsored Plan and Non-Plan was Rs.4623.34 Crores, Rs.549.13 Crores, Rs. 821.85 Crores and Rs.17517.28 Crores respectively, in the budget estimates for 2008-09 this has been increased to Rs.6581.88 Crores, Rs.538.95 Crores, Rs.1204.37 Crores and Rs.19623.29 Crores respectively.

9. Keeping in view various needs of the people of the State the popular Government under the leadership of Hon'ble Chief Minister Shri Naveen Patnaik have provided funds in the budget on priority basis for accelerated development of the State and welfare of the people. Our Government is committed for social and economic development of the poor and other people who are at the lowest rung of the society. Despite limited resources our Government

has provided funds for the budget out of its own resources for programmes like 'Mo Kudia Yojana', inclusion of 3 Lakhs additional beneficiaries in 'Madhu babu Pension Yojana', operation of mobile health unit in tribal and under developed areas, improvement of Hirakud command area, financial assistance to 1 lakh Self Help Groups (SHGs), Subsidy for distribution of rice under Public Distribution System, 'Jalanidhi', Supply of equipments for AIDS detection, increase of Pre-Matric Scholarship from Rs.20/- to Rs.100/-, Scholarship for 10,000 students pursuing higher studies in professional education like Engineering, Medicine, MBA and MCA @Rs.10,000.00 per annum and infrastructure development, preservation of ancient heritage and development of tourist places etc.

10. You are aware that the earlier Central Assistance to State Government had the grant and loan component in the ratio of 30:70. But as per the recommendation of the 12th Finance Commission the State Government is now arranging the loan portion of the Central Assistance on its own. The system has been made effective from 2005-06. Moreover, as per the recommendation of the 12th Finance Commission,

Government of India determines the upper limit of loan in respect of States from year to year.

11. Taking into account the State's Own Tax, Non-Tax Revenue and State's share from Central Taxes and Grant-in-Aid from the Centre the States total revenue receipts during the financial year 2007-08 was estimated at Rs.19467.20 Crores and the revenue expenditure was estimated at Rs.18421.44 Crores. As against the revenue surplus of Rs.2260.60 Crores for the year 2006-07 and Rs.1682.23 Crores in the revised estimate for the financial year 2007-08 revenue surplus has been estimated at Rs.563.87 Crores for 2008-09. On the other hand, in the capital account the estimated expenditure would be more by Rs.893.59 Crores compared to the receipts. The expenditure on account of the capital outlay, disbursement of loan and repayment of installment of earlier loans taken together would be more than the receipt from the loans and advances from different sources together with the recovery of loans. In toto, the deficit in the consolidated funds has been estimated at Rs.329,72,20,000/- and equal amount has been estimated as surplus in the Public Account. It means that receipts and expenditure have been balanced

taking into account the Revenue Account, Capital Account and Public Account together. Hence this is a balance budget with revenue surplus.

12. In the context of limited resources, I intend to make it clear that in order to achieve faster growth of the State, we have to increase growth rate in sectors like Agriculture, Fisheries & Animal Resources Development etc. Hence, our Hon'ble Chief Minister is laying emphasis on development of Agriculture and Allied sector activities. You will be happy to know that under Watershed Plus Programme a new scheme named Jeebika has been taken up in 6 Tribal Districts of Mayurbhanj, Kandhamal, Rayagada, Nawrangpur, Malkangiri and Koraput. For this scheme Rs.7.00 crore was provided in the Budget for 2007-08. Equal amount has also provided in Budget for 2008-09. 2270 nos. of farmers have been sent to outside the State during the current financial year to acquire better experience and exposure in the field of agriculture and horticulture. Moreover, 10150 nos. of unemployed youths have been trained for Self-employment in horticultural activities during the current year. This programme shall also continue in next financial year 2008-09. Similarly, 5 more Districts i.e. Angul, Bargarh, Deogarh, Sambalpur and

Sundargarh totaling to 24 Districts have been included under National Horticulture Mission. You will be glad to know that 21.20 lakhs of different Quality Planting Materials (QPM) produced in Government Farms and private Nurseries during 2006-07 have been utilized in 2007-08. There is a programme to produce 30 lakhs of QPMs during 2008-09.

13. All of you know that irrigation is complementary to agriculture. Hence in order to increase agricultural productivity, there is necessity for extensive irrigation in non-irrigated areas. Necessary potential for irrigation is available in our State. Hence, Government have planned for creation of extensive irrigation facilities during 11th Five Year Plan and targeted to complete the incomplete Major & Medium Irrigation Projects in 11th Five Year Plan, which could not be completed during 10th Plan period. You will be glad to know that Hon'ble Chief Minister has declared the year 2008-09 as "**Irrigation Year**". During 11th Plan period, it has been targeted to provide irrigation facilities to atleast 35% of total land area in each Block of the State.

14. All steps are being taken to attract private investors for establishing industries in the State. The State Government have adopted Single Window

Clearance Mechanism, transparent procedure and a well planned Rehabilitation & Resettlement Policy for this purpose. So, private investors have been attracted for investment especially in establishing mineral based industries in our State. Thus, there is immediate necessity of investment for infrastructure development in these areas like road, railway, generation and distribution of electricity etc. I would like to inform the Hon'ble Members of this August House that our popular Government are giving due importance to Public Private Partnership for infrastructure development especially, in construction of port, road and bridges etc.

15. It is pertinent to mention here that while there was provision of Rs.300.00 Crore for Rural Infrastructure Development Programme in the Budget for 2007-08, the same has been increased to Rs.465.00 Crore in the Budget for 2008-09. Similarly, while there was a provision of Rs.464.28 crore in the Budget for 2007-08 for Accelerated Irrigation Benefits Scheme, there is a provision of Rs.800.00 crore in the budget for 2008-09 for this scheme. While there is provision of Rs.62.25 crore for Jawaharlal Nehru Urban Renewal Mission in the Budget for 2007-08, a sum of Rs.95.25 crore has

been provided in the Budget for 2008-09. For information of Hon'ble Members of this August House, I want to make it clear that compared to previous years, substantial provision has been made in the Budget towards State share of Centrally Sponsored Plan. For example while Rs.662.67 crore was provided towards State share of schemes under Centrally Sponsored Plan in the Budget for 2007-08, this has been increased to Rs.1128.21 crore in 2008-09 in order to avail more Central assistance.

Highlights of State Plan & Non-Plan Expenditure

16. I now point out the Highlights of State Plan and Non-plan Expenditure provisions in the Budget for 2008-09.

Agriculture
Department

- ❖ The economy of our state relies on agriculture and nearly 70% of the population of the state depend on agriculture for their livelihood. So the State Government have taken steps for development of agriculture and farmers. There is provision of Rs.100 crore in the Budget for recently launched Rashtriya Krishi Vikas Yojana (RKVY). Similarly a sum of Rs.13.97 crore has been kept in

the Budget for financial year 2008-09 towards State Share of Centrally Sponsored Schemes.

- ❖ A sum of Rupees 50.00 crore, 7.00 crore and 15.00 crore has been provided in the Budget 2008-09 for "Rural Infrastructure Development", "Jeebka" under "Orissa Rural Livelihood Programme" and "Jalanidhi" respectively.
- ❖ There is special provision of Rs.15 crore for other programmes in State Plan under Agriculture Department. This is meant for production of Potato, vegetables, spices improved variety of seedling, improvement of training Institute and for Agricultural Implement Factory.
- ❖ While there is a provision of Rs.50 lakh in the budget for management of Acid Soil, a sum of Rs.10 crore has been provided in the budget for seed, fertilizer, bio-fertiliser and bio-pesticides.
- ❖ There is provision of Rs.50 lakh as subsidy in the Budget for installation of lift irrigation points by private

entrepreneurs through Agriculture Promotion and Investment Corporation Ltd.

- ❖ There is a provision in the Budget for 2008-09 of Rs.62 lakhs for renovation and establishment of Block level nurseries.
- ❖ For inter cropping in fruit orchards, there is a provision of Rs.53 lakhs in the Budget.

Co-
operation
Department

- ❖ As per recommendation of Baidyanathan Committee Rs.50.00 Crore has been provided for implementation of financial package for revival of short term Cooperative Credit Institutions.
- ❖ Rs.11.40 Crore has been provided for Interest Subvention to Co-operative Banks.
- ❖ Rs.3.00 Crore has been provided towards Share Capital to Sugar Factories.
- ❖ There has been provision of Rs.3.00 Crore in the Budget for Crop Insurance.

Water
Resources
Deptt.

- ❖ You are all aware of the fact that Development of Agriculture depends on

development of irrigation. So our Government is always giving emphasis on extensive irrigation programme. By this way, there will be development of the agriculture resulting in the development of the State. Keeping this in view, there is massive investment in irrigation sector and taking into account the limited resources of the State, Government have made the required provision in the Irrigation sector.

- ❖ While there is a provision of Rs.464.28 crore in the original Budget for 2007-08 for Accelerated Irrigation Benefit Programme, it has been increased to Rs.800.00 crore in the Budget for 2008-09.
- ❖ While, a sum of Rs.125.00 crore was provided in Budget for 2007-08 under Rural Infrastructure Development Fund, it has been increased to Rs.195.00 crore in the Budget for 2008-09.
- ❖ There is a provision of Rs.49.50 crore in the Budget for 2008-09 for Flood Control and Drainage work.

- ❖ Similarly, there has been special provision of Rs.50.00 Crore in the Budget for 2008-09 for Development of Hirakud Command Area.
- ❖ While, there was provision of Rs.16.32 crore in the original Budget for 2007-08 for Subsidy to Lift Irrigation Corporation, the equal provision has also been kept in the Budget for 2008-09.
- ❖ While, a sum of Rs.171.22 crore was provided in the Budget for 2007-08 for maintenance of Major, Medium and Minor Irrigation Projects, the same has been increased to Rs.188.00 crore in the Budget for 2008-09.
- ❖ While, there was a provision of Rs.48.11 core in the Budget for 2007-08 for Critical Flood Control Works, it has been increased to Rs.52.00 crore in the Budget for 2008-09.
- ❖ There is a provision of Rs.324.00 crore for 19 districts towards Backward Region Grant Fund.

- ❖ State Govt. have started a new housing programme in the name of "Mo Kudia" for the poor people of rural areas who are deprived of Central Assistance to avail benefit under Indira Awas Yojana. A sum of Rs.100.00 crore has been provided in the Budget for 2008-09.
- ❖ Rs.58.00 lakh has been provided in the Budget towards incentive awards to Gram Panchayat.
- ❖ A sum of Rs.110.00 crore has been provided in the Budget for 2008-09 for Gopabandhu Gramin Yojana for development of rural areas in 11 coastal districts.
- ❖ A sum of Rs.100.00 crore has been provided in the Budget for 2008-09 towards State Share of National Rural Employment Guarantee Scheme (NREGS).
- ❖ Rs.22.66 crore has been provided in the Budget towards State Share for Swarna Jayanti Gram Sworojagar Yojana (SGSY).
- ❖ Hon'ble Chief Minister is laying emphasis on employment generation for un-

employed youth. Besides, it has been proposed to take up some new programme in the Budget for 2008-09.

- ❖ Rs.1.00 crore has been provided in the Budget for 2008-09 towards establishment of a Mega Food Park.
- ❖ Similarly, Rs.1.00 crore has been provided in the Budget for development of Industrial Infrastructure.
- ❖ Rs.92.00 lakh has been provided for establishment of an Integrated Textile Programme (Apparel Park)
- ❖ Rs. 1.00 crore has been provided in the Budget for 2008-09 towards new Industrial Estate for Ancillary Industries.
- ❖ Rs.81.00 lakh has been provided in the Budget for 2008-09 for revival of Utkalika as against the provision of Rs.52.00 lakh in the B.E. for 2007-08.
- ❖ Rs.44.03 lakh has been provided in the Budget for 2008-09 for development of Coir Industries as against the provision of Rs.39.00 lakh in the B.E. for 2007-08.

- ❖ There has been special provision of Rs.10.19 crore for promotion of Handicraft Industries as per the announcement of Hon'ble Chief Minister.
- ❖ As against the provision of Rs. 5.03 crore in the B.E. for 2007-08 towards State Share of Centrally Sponsored Plan Schemes, a sum of Rs.5.23 crore has been provided in the Budget for 2008-09 for the purpose.
- ❖ Rs.1.20 crore has been provided in the Budget for establishment of Regional Industries Centre.
- ❖ Rs.2.52 crore has been provided in the Budget for 2008-09 for establishment of Craft Village.
- ❖ Rs.19.50 lakh has been provided for improvement of Salt Industries.
- ❖ As against the Budget provision of Rs. 2.80 crore for Khadi and Village Industries in 2007-08, a sum of Rs.3.13 crore has been provided in the Budget for 2008-09 for the purpose.

Commerce
Department

- ❖ A sum of Rs. 7.00 crore has been provided in the Budget for 2008-09 for modernization of Government Press.

Culture
Department

- ❖ Monthly pension of Artists has been enhanced from Rs.500 to Rs.1000 per month. At the same time, the number of Artists pensioners has been increased from 1000 to 1500 Accordingly, there is a provision of Rs. 1.80 crore in the Budget for 2008-09.
- ❖ Rs.30.00 lakh has been provided in the Budget for establishment of Freedom Fighter Gallery in State Museum.

Energy
Department

- ❖ As against the provision of Rs.100.00 cr. in the original Budget for 2007-08 towards Biju Gramya Jyoti Yojana, a sum of Rs. 100.00 cr. has been provided in the Budget for 2008-09 for the purpose.
- ❖ A sum of Rs. 100.00 cr. has been provided in the Budget of the ensuing year towards Central Share of Rajiv Gandhi Gramin Vidyut Yojana (Loan portion of RGGVY). Similarly, as against the provision of Rs.67.20 cr. towards Accelerated Power

Development Reform Project, a sum of Rs.70.40 cr. has been provided in the Budget for 2008-09.

Fisheries and
Animal
Resources
Development
Department.

❖ A sum of Rs.6.00 cr. has been provided in the Budget towards Rural Infrastructure Development Fund in Fisheries and Animal Resources Development Department.

❖ Rs.6.57 cr. has been provided towards development of Fresh Water Aqua Culture through FFDA.

Forest and
Environment
Department

❖ As against the provision of Rs.82.20 cr. in the B.E. for 2007-08, Rs.113.81 cr. has been provided in the Budget for 2008-09 towards Forestry Sector Development Project.

❖ Rs.2.00 cr. each has been provided in the Budget for 2008-09 towards development and beautification of Nandankanan Zoological Park and Botanical Garden.

❖ Rs.20.00 cr. has been provided in the Budget for Trench Fencing of Chandaka Elephant Sanctuary.

G.A.
Department

- ❖ Rs.2.00 cr. has been provided to Orissa Forest Development Corporation for Tree Plantation in Bhubaneswar.
- ❖ Rs. 2.00 cr. has been provided in the Budget for 2008-09 for construction / renovation of Government Quarters at Bhubaneswar.
- ❖ Government have decided to shift all Government offices presently functioning in rented building to Toshali Plaza. Accordingly, Rs.5.00 cr. has been provided in the Budget for renovation of Toshali Plaza.
- ❖ Rs.2.00 cr. has been provided in the Budget for construction of office buildings of Vigilance organization.
- ❖ Rs.1.00 cr. has been provided for strengthening of State Training Institution under G.A. Department.
- ❖ There is a provision of Rs. 10.00 cr. in the Budget for 2008-09 for Chief Minister's Relief Fund.
- ❖ Further, Rs.1.99 cr. has been provided in the Budget for 2008-09 towards

construction of office building and residential houses of vigilance organization.

❖ Rs.23.00 cr. has been provided in the Budget towards maintenance and renovation of Government quarters in Bhubaneswar.

H & U.D.
Deptt.

❖ While there was provision of Rs.62.25 cr. in the Budget for 2007-08 for Jawaharlal Nehru Urban Renewal Mission, a sum of Rs. 95.23 cr. has been provided in the Budget for 2008-09 for the purpose.

❖ Rs.60.00 cr. has been provided in the Budget towards development of Road and Bridges in different Urban Local Bodies.

❖ Rs.10.00 cr. has been provided in the Budget for 2008-09 for supply of drinking water to Urban Poor in KBK Districts.

❖ Rs.6.00 cr. has been provided in the Budget for 2008-09 towards Water Supply and Sewerage Work. Similarly, while a sum of Rs.108.85 cr. was provided in the Budget for 2007-08 towards improvement of Water Supply and Sanitation, the same

has been increased to Rs.110.00 cr. in the Budget of the coming year.

Health &
Family
Welfare Deptt.

- ❖ While there was no provision in the Budget Estimate for 2007-08 for Bio-medical Waste Disposal Management, a sum of Rs.15.00 crore has been provided in the Budget for 2008-09. Rs.7.50 crore has been provided in the Budget in 2008-09 for Acharya Harihara Cancer Institute, Cuttack.
- ❖ Rs.6.00 crore has been provided in the Budget for 2008-09 towards Mobile Health Unit in Tribal and under developed districts of the State.
- ❖ Rs. 3.00 crore has been provided in the Budget for 2008-09 towards purchase of medicines and equipments for Drug Testing and Aids Testing Laboratory and Food Testing Laboratory.
- ❖ Rs. 61.00 crore has been provided in the Budget for 2008-09 towards State Share of National Rural Health Mission.
- ❖ Rs.50.00 crore has been provided for construction of Primary Health Centres.

- ❖ Similarly, Rs. 5.00 crore has been provided for establishment of 50 new Primary Health Centres.
- ❖ As against the original provision of Rs. 3.84 crore towards Diet for patients in Hospitals during the year 2007-08, Rs.7.42 crore has been provided in the Budget for 2008-09 for the purpose.
- ❖ A sum of Rs.24.07 crore and 21.41 crore has been provided in the Budget for purchase of Medicines and Equipments respectively for Government Hospitals.

Law Deptt.

- ❖ Rs. 5.00 crore has been provided for the Corpus Fund of Sri Jagannath Temple for its development.
- ❖ Keeping in view the long standing demands of various voluntary organizations as well as of Muslim Community, a sum of Rs. 31.00 lakh has been provided towards pension of Talaki Muslim women.
- ❖ Rs. 62.00 lakhs has been provided in the Budget for 2008-09 for establishment of 3

new Vigilance Courts in the districts of Kandhamal, Kalahandi & Keonjhar.

Higher
Education
Department

- ❖ Educaiton is one of the indicators of quality of life. Our Government under the leadership of Hon'ble Chief Minister Sri Naveen Pattnaik have given due importance to Higher Education.
- ❖ Rs. 10 crore has been provided in the budget for 2008-09 towards scholarship to 10000 students @ Rs.10,000/- per annum for pursuing professional studies in Engineering, Medicine, MBA and MCA.
- ❖ For infrastructure development of Ravenshaw University a sum of Rs. 5 crore has been provided in the budget and Rs. 3.00 crore has been provided for the proposed Law University.
- ❖ To improve educational standard in different Universities there is provision of block grant of Rs.71.36 crore which is as follows :

Utkal University	28.04 crore
Berhampur University	15.33 crore
Sambalpur University	15.94 crore
Sri Jagannath Sanskrit University	2.73 crore
Fakir Mohan University	1.94 crore
North Orissa University	1.63 crore
Basic Science & Arts College (under OUAT)	1.12 crore
Revenshaw University	5.00 crore

- ❖ Rs. 113.01 crore has been provided towards grant-in-aid for private Colleges out of which Rs. 11.00 crore is meant for arrear salary.
- ❖ Most importantly for the first time Rs. 172.00 crore has been transferred from Plan Sector to Non-Plan Sector under Higher Education Department out of which Rs. 29.27 crore is meant for arrear salary.

School &
Mass
Education
Department

- ❖ Rs. 16.75 crore has been provided in the budget for the year 2008-09 for providing Computers in Government Colleges.
- ❖ Rs. 300.00 crore has been provided towards State share for "Sarva Sikshya Avijan".
- ❖ Rs. 5.00 crore has been provided in the budget for the year 2008-09 for the Centrally Sponsored Programme "SUCCESS" which is meant for establishment for new model school, development of infrastructure of high school and to provide incentive to girl student.
- ❖ Rs. 12.00 crore has been provided for "Kasturiba Gandhi Balika Vidyalaya" programme during the year 2008-09. Rs. 4.01 crore was provided in the main Budget for 2007-08 for the purpose.
- ❖ Pre-matric scholarship is proposed to be increased from Rs. 20.00 to Rs. 100.00. For the purpose Rs. 5.00 crore has been provided in the Budget.

- ❖ Rs. 45.71 crore and Rs. 4.82 crore respectively have been provided as Block grant to High Schools and Upper Primary Schools in the Budget.
- ❖ Vacant posts of Teacher in Government High Schools are being filled up on contractual basis and at the same time their contractual remuneration has been increased. In the budget for 2008-09 Rs.19.57 crore has been provided to meet the cost.
- ❖ I want to inform Hon'ble members that Government have taken an important decision to appoint retrenched EGS teachers as Mass Teachers.
- ❖ It has been decided to absorb 7661 Sikshya Sahayak as regular Primary School Teachers after six years of service and for the purpose Rs. 72.48 crore has been provided in the budget.
- ❖ Rs. 106.63 crore has been transferred from Plan Sector to Non-Plan Sector and funds provided in the Budget.

- ❖ Similarly in the 2008-09 budget Rs.9.07 crore, Rs. 3.12 crore, Rs. 5.40 crore, Rs. 8.23 crore and Rs. 2.18 crore have been provided as grant-in-aid to non-government High School, Upper Primary School, Primary School, Sanskrit Tole and Madrasa respectively.
- ❖ In the Budget for 2008-09 Rs, 50.00 crore and Rs. 3.47 crore respectively have been provided for purchase of educational aids and scientific equipments for Government Schools.
- ❖ There is a budget provision of Rs. 80.00 crore for WODC in the budget for 2008-09, out of which Rs. 50.00 crore is meant for special projects to be implemented by WODC.
- ❖ Rs. 120 .00 crore has been provided for Biju KBK Yojana.
- ❖ Rs. 110.25 crore has been provided for MLALAD fund in the Budget for the year 2008-09..

- ❖ Rs. 20.00 crore has been provided for Special Problem Fund.
- ❖ Rs. 20.00 crore has been provided through Self Employment Mission for Computer training of one lakh youth.
- ❖ While Rs. 0.01 crore was provided towards State share for Centrally Sponsored Programmes in the main budget for the year 2007-08, the same has been increased to Rs. 2.83 crore in the budget for the year 2008-09.
- ❖ Rs. 2.00 crore has been provided for scanning of Cadastral Map.
- ❖ I intend to intimate Hon'ble Members of this august House that for convenience of poor and common people our Government have decided to open 60 new Tehsils during the current year, 50 Tehsils during the next year and the remaining Tehsils during the financial year 2009-10. Accordingly, Rs. 10.00 crore has been provided in the budget.

Revenue &
Disaster
Management
Department

- ❖ Rs. 21.60 crore has been provided for construction of office building of new as well as existing Tehsils.
- ❖ Rs. 11.00 crore has been provided for construction of quarters for Government employees in Tehsils and Sub-Divisional headquarters.
- ❖ Rs. 1.00 crore has been provided in the budget for sanction of compassion money of Rs. 50, 000/- per person to the next of the kin of persons deceased by lightening.

Sports &
Youth
Services
Department

- ❖ Rs. 7.00 crore has been provided for development of Playgrounds.
- ❖ Rs. 10.00 crore has been provided for distribution of Sports equipments in sensitive areas.

Steel &
Mines
Department

- ❖ Rs. 2.00 crore has been provided for strengthening of enforcement activities in Mining areas to prevent theft of mineral ores.

Rural
Develop-
ment
Department

- ❖ Rs. 1.00 crore has been provided for implementation of "Jaldhara" Scheme.

- ❖ While Rs. 58.00 crore was provided in the budget for the year 2007-08 towards Rural Infrastructure Development Fund, the same has been increased to Rs. 71.00 crore in the 2008-09 budget.
- ❖ While in the main budget for 2007-08 Rs. 108.00 crore was provided towards Centrally Sponsored Programme, the same has been increased to Rs. 182.00 crore in the budget for 2008-09.
- ❖ Rs. 11.00 crore has been provided for construction of office and residence under R.D. Department.
- ❖ While Rs.105.86 crore was provided in the original Budget for 2007-08 for maintenance of residential and non-residential buildings under Rural Development Department, there is a provision of Rs.112.36 crore for the purpose in 2008-09(B.E.). Similarly for rural water supply and sanitation purpose while there was a provision of Rs.19.15 crore in the original Budget for 2007-08,

the same has been increased to Rs.20.00 crore in the Budget for 2008-09.

- ❖ On the other hand in the Non-Plan sector, Rs.288.70 crore and Rs.29.00 crore have been provided for maintenance of roads & bridges and completion of incomplete projects respectively out of funds available in Rural Infrastructure Development Fund as well as other schemes.

Science &
Technology
Deptt.

- ❖ An outlay of Rs 7.00 crore has been provided in the Budget for 2008-09 for establishment of Bio-tech Information Technology Park at Bhubaneswar.
- ❖ For the Bio-diesel project an amount of Rs1.00 crore has been provided in the Budget for 2008-09.

Transport
Deptt.

- ❖ Provision of Rs.18.00 crore has been made for Road Safety and modernization of State Transport Authority, Regional Transport Offices and Check-gates.

Tourism
Deptt.

- ❖ In the Budget for 2008-09, a provision of Rs.3.00 crore has been made for establishment of an Aquarium for housing aquatic flora and fauna.

- ❖ A provision of Rs10.00 crore has been made for the project " Samuka" in the Budget for 2008-09.
- ❖ In order to attract tourists all over the world to the heritage sites of Orissa through appropriate publicity campaign, a provision of Rs10.00 crore has been made in the Budget for 2008-09.
- ❖ For the development of the Heritage sites at Khandagiri and Prachi, a provision of Rs1.00 crore has been made in the Budget for 2008-09.

Textile & Handloom Deptt.

- ❖ In accordance with the announcement of the Hon'ble Chief Minister, a special package has been formulated for promotion of Handloom sector. A provision of Rs.7.14 crore for the purpose has been made in the Budget for 2008-09.

Works Deptt.

- ❖ In the Works Department Budget for 2007-08, a provision of Rs.14.73 crore and Rs.10.29 crore were provided for the works funded by Central Road Fund and Cuttack-Paradeep Road respectively. As against this in the Budget for 2008-09 the outlays

for these works have been increased to Rs.58.25 crore and Rs.50.00 crore respectively. Similarly, provision of Rs.143.00 crore and Rs 10.00 crore has been made in the Budget for 2008-09 under Rural Infrastructure Development Fund (RIDF) and for land acquisition and preparation of detailed project report respectively.

- ❖ While Rs.25.00 crore was provided in the Budget for 2007-08 in the Non-plan side for completion of projects started under RIDF and other Schemes, a provision of Rs.47.00 crore has been made in the Budget for 2008-09 for the purpose.
- ❖ As against the provision of Rs. 192.25 crore in the Budget Estimate for 2007-08 towards maintenance of residential and non-residential buildings under Works Deptt., there is provision of Rs.212.36 crore in the budget for 2008-09. Similarly there has been provision of Rs.406.95 crore and Rs.30.00 crore towards maintenance and development of roads in

Cuttack, Sambalpur and Berhampur and their adjoining areas respectively.

Excise
Department

- ❖ There is a provision of Rs.2.17 crore in the budget of 2008-09 for purchase of Arms, Vehicles etc. and for Testing Laboratories and formation of New Excise District to strengthen Excise Administration.
- ❖ Rs. 10.00 crore has been provided in the budget for construction of Residential and Non-Residential Buildings of Excise Department .

Food Supply &
Consumer
Welfare Deptt,

- ❖ Rs. 2.00 crore has been provided in the budget for 2008-09 to strengthen the Directorate of Weights & Measures.
- ❖ Rs. 30.00 crore has been provided in the budget to provide rice at concessional rate to the people under below poverty line.

Women &
Child Dev.
Deptt

- ❖ There has been provision of Rs.72.00 crore in the budget for 3 lakh additional beneficiaries under newly implemented Madhubabu Pension Scheme.
- ❖ While Rs. 152.21 crore was originally provided in the budget for 2007-08 for National Old age Pension Scheme, the

same has been increased to Rs.185.66 crore.

- ❖ There is provision of Rs.20.00 crore in the budget towards Cycles to be provided to Girls Students of Schedule Tribe & Schedule Caste Community.
- ❖ Rs. 163.35 crore has been provided in the budget towards different Centrally Sponsored Schemes under this Deptt.
- ❖ There is provision of Rs. 50.00 crore to give assistance to 1 lakh Women Self Help Group.
- ❖ Rs. 67.19 crore and Rs.96.07 crore have been provided in the budget for 2008-09 for Mid-day meal and Supplementary Nutrition Programme.
- ❖ There is provision of Rs.7.00 crore in the budget for 2008-09 for Physically Handicapped and Mentally Retarded people.
- ❖ Similarly, there is provision of Rs.2.00 crore in the budget towards development of Orphanage and Old Age Home.

- ❖ State Govt. have introduced Madhubabu Pension Yojana during the current financial year by clubbing State Old Age Pension Scheme and Orissa Disability Pension Scheme.
- ❖ Similarly, while there was provision of Rs. 3.48 crore Rs.7.00 crore and Rs.3.80 crore for maintenance of Orphanage, repair and maintenance of Anganbadi Centres and financial assistance to voluntary organizations for maintenance of Physically Handicapped and Mentally Retarded children respectively for the year 2007-08, the same have been increased to Rs.3.62 crore, Rs.7.00 crore and Rs.3.80 crore for 2008-09.
- ❖ Our Government is always given emphasis on the social development of the people of Schedule Caste, Schedule Tribe, Minority and other backward classes. I want to inform the Hon'ble members of this House that there has been provision of Rs. 20.00 crore for maintenance and renovation of Schools & Hostels through integrated Tribal Development Agency.

ST & SC Dev. Deptt.

- ❖ While there was provision of Rs. 38.00 crore in the budget for 2007-08 for Pre-Matric Scholarship for SC & ST Students, the same has been increased to Rs.42.50 crore in the budget for 2008-09.
- ❖ There are provisions of Rs.5.50 crore, Rs.3.99 crore, Rs.16.20 crore for infrastructure of Hostels of ST students, classrooms for ST & SC students and construction of Hostels for ST & SC students respectively.
- ❖ As against the provision of Rs.49.25 crore for maintenance of residential and non-residential buildings under Home Department during 2007-08, Rs.54.15 crore has been provided in the budget for 2008-09 for the purpose.
- ❖ There is provision of Rs. 1.00 crore in the budget for 2008-09 to give assistance to Rajya Sainik Board.
- ❖ I want to inform you that as against the original provision of Rs. 2.12 crore in the budget for 2007-08 towards purchase of Fire fighting equipments and Vehicles,

Home Deptt.

there is provision of Rs.10.00 crore of 2008-09.

- ❖ Our Government is committed for a transparent and accountable administration. In order to expedite disposal of the cases filed by Vigilance Deptt., State Govt. have enacted Orissa Special Court Act, 2006. There is provision of Rs.63.32 lakh in the budget for 2008-09 for Special Courts in Cuttack & Bhubaneswar.
- ❖ A sum of Rs.86.64 crore has been provided in the budget to implement different schemes under Home Deptt. during 2008-09. The same is as under-

1. For Commissionate system in Cuttack & Bhubaneswar Rs. 46.14 crore
2. Operationalisation of 21 new Jails Rs. 1.50 crore
3. Repair & Renovation of Police Station Rs. 5.50 crore
4. For establishment of new Fire Stations Rs. 2.00 crore
5. For repair of quarters of Police Personnel Rs. 5.50 crore

6. For repair of quarters for Rs. 1.00 crore
Jail personnel

7. For constitution of 2 new Rs. 25.00 crore
Indian Reserve Battalion

Finance
Deptt.

- ❖ We cannot forget the role of Freedom Fighter in bringing independence to our country. Most of them are poor. Having recognized their role in the Freedom struggle with gratefulness State Govt. have increased the monthly pension of jailed and non-jailed freedom fighters. From Rs.1000 to Rs.1500 and from Rs.900 to Rs.1000 respectively. Accordingly Rs.70 lakhs has been provided in the budget 2008-09.

17. Important Expenditure in Other Sector

Besides I would like to point out important expenditure provisions in other sectors.

Expenditure
towards
maintenance
and
constructions
of Roads,
Govt.
Buildings and
Residential
Buildings

- ❖ As against the provision of Rs.1546.29 cr. in the Original Budget for 2007-08 towards maintenance and construction of Govt. Buildings, residential buildings of Govt. Servants, Roads and supply of drinking

water, flood control and maintenance of embankment, a sum of Rs.1651.97 crore has been provided in the Budget for 2008-09.

Interest
Payment

- ❖ A sum of Rs. 4312.30 crore has been kept in the Budget for 2008-09 towards interest payment in respect of loans obtained from Govt. of India and other institutions.

Pension
and other
retirement
benefits

- ❖ While a sum of Rs. 2126.26 crore was kept in the Budget for 2007-08 for pension and other retirement benefits, Rs.2795.65 crore has been provided in the Budget for 2008-09.

External
Aided
Projects

- ❖ Rs.762.86 cr. has been kept in the Budget for 2008-09 for different Externally Aided Projects.

18. I want to point out here that debt stock as percentage of GSDP is high. It is a fact that loan is required for development of the State. But the loan should be limited keeping in view, State's total revenue. While considering the debt sustainability the economists have opined that it should be within 300% of the State's total revenue. I want to make it clear that while the debt stock to total revenue was

324% in 1998-99, the same has decreased to 206.6% by the end of 2006-07. Similarly, as per the recommendations of 12th Finance Commission, the ratio of interest payment to total revenue receipt should ideally be 15%. While the ratio of interest payment to total revenue receipt was 32.6% in 1998-99, the same has been decreased to 17.7% in 2006-07. Further, according to recommendations of 12th Finance Commission, the ratio of debt stock to GSDP should be limited to 28%. In this context it may be pointed out that while the ratio of debt stock to GSDP was 46.42% in 2005-06, the same has been decreased to 40.87% in 2006-07. State Government are making sincere efforts to reduce debt stock.

19. The net loan (total loan incurred – loan repaid) which was earlier increasing is now showing a declining trend. While the net loan incurred was Rs.3832.77 crore in 2003-04, Rs.2417.22 crore during 2004-05 and Rs.2405.27 crore during the year 2005-06, the same has been significantly reduced to Rs.793.06 crore by the end of 2006-07.

20. I have earlier indicated about reduction in revenue deficit. The State Government have been able to save Rs.144.47 crore towards interest payment by swapping high cost loan of Rs.2543.62

crore with low cost loan under Debt Swap Scheme of Government of India. State Government have resorted to debt by back and pre-payment of high cost market loan amounting to Rs.394.61 crore, in order to reduce the debt burden. Because of this more funds are available for developmental work.

21. State Government had put forth demand for consolidation of high cost NSSF loans to low cost loan and for prepayment of this loan before Central Government. As Government of India agreed for prepayment of this high cost of NSSF loan amounting to Rs.199.72 crores. The State Government prepaid the same. By this way interest burden will be reduced and more funds will be available for developmental work and infrastructure development.

22. As per recommendations of the 12th Finance Commission, State Government have been able to get debt relief to the tune of Rs.763.80 crore for the fiscal performance during 2004-05 and 2005-06 @ Rs.381.90 crore. The State Government may also get the equal amount of debt relief amounting to Rs.381.90 crore for the fiscal performance in 2007-08.

23. In a democratic as well as welfare State, it is the first and foremost duty of the Government to look after the welfare of the common people. Taxes which are elastic are being controlled by Government of India. Because of policy of the Central Government, royalty on coal and other minerals is not being revised in time. Whatever assistance was given towards loan by Central Government is now being arranged by the State Government. Hence, it is not possible to spend for State Plan Outlay without incurring loan.

24. Favourable environment has been created for establishment of heavy industries in Iron & Steel, Aluminum, Cement, Petroleum and I.T. sectors. Hence, development of Human Resources is essential for this purpose. Government are taking steps for improvement in Vocational and Technical Institution on Public Private Partnership basis. Our Government are time and again demanding before Central Government for establishment of Central University, IIT and IIM in the State.

25. In the context of limited resources, I want to make it clear that State Government is giving emphasis on proper utilization of the provision made in the Budget for developmental work of the State and completion of incomplete projects. 60 projects

costing Rs.1.00 crore and above (Water Resources-8, Rural Development-28, Works-20, Tourism-3 and Industry-1) have been identified for completion during 2007-08. Besides, 107 nos. of projects including 47 projects which could not be completed during 2006-07 have been targeted for completion during 2007-08.

26. I may mention here that timely and proper utilization of Central Assistance for different Central Schemes and improvement in submission of Utilisation Certificate is the responsibility of the Government. There has been improvement in submission of U.C. because of constant review and monitoring by Government. For example, while there was submission of UC to the tune of Rs.2470.58 crore in 2005-06, it was of the order of Rs.2852.25 crore in 2006-07. U.C. to the tune of Rs.2572.12 crore have been submitted by the end of November of current financial year.

27. You are all aware of the fact that in the mean time 13th Finance Commission have been constituted by Government of India. In this context, I seek your co-operation to put forth our genuine demand and suggestion before 13th Finance Commission.

28. The firm determination of the Hon'ble Chief Minister to usher in the fiscal reform programme in the past has yielded positive results on many fronts. This reform programme has to be carried forward. We have to go a long way with perseverance and confidence to achieve the goal. It is the moral responsibility of all the citizens of the State to work for the all round development of the State. It is my firm belief that the Budget Estimate for 2008-09, placed in this august House, will help in meeting the needs and aspirations of the common man and accelerate the development process of the State.

29. Hon'ble Speaker Sir, while presenting the State's Budget for 2008-09, I earnestly seek the co-operation of all Members of the House cutting across party lines. I sincerely convey my thanks to the Chair, Honble Chief Minister and Leader of the House, Hon'ble Leader of the Opposition and all the Hon'ble Members for giving a patient hearing to my long and arduous speech. May the ensuing financial year bring cheer and happiness to all of us by the grace of the Lord Shri Jagannath for which I sincerely pray.

'Jai Hind'
'Bande Utkal Janani'
Sri Prafulla Chandra Ghadai
Minister, Finance

