

Respected Speaker Sir !

I express my deep gratitude to the Leader of the House, Hon'ble Chief Minister and all Members who are present here for giving me the opportunity to present the Vote on Account Budget for the financial year 2010-11. On this occasion, like the previous years, I seek the wholehearted support and cooperation of all Members of this House irrespective of party affiliations. In a democratic and welfare state our Government is committed to fulfill the hopes and aspirations of the poorest of the poor. Govt. shall continue all sincere efforts in this direction.

2. I would like to inform this House, the circumstances under which we are going to present a Vote on Account today.

i) The report of the 13<sup>th</sup> Finance Commission has been laid in the Parliament on 25<sup>th</sup> February, 2010. The allocation of funds towards Share in Central Taxes and Duties and Grants-in-Aid as per the recommendations of the Finance Commission plays a vital role in resource estimation for the budget. Planning Commission have not yet finalised the size of State Plan outlay, which will take a definite shape only after discussion between Hon'ble Chief Minister and Deputy Chairman, Planning Commission. Had we brought a full-fledged Budget, it would not have been possible to take into account the grants recommended by the 13<sup>th</sup> Finance Commission for 2010-11 and the total plan outlay to be approved by the Planning Commission and the State Government would have been made to wait to include the same in the Supplementary Statement of Expenditure. As per Fiscal Responsibility and Budget Management Act, 2005, one Supplementary Budget is to be laid in the Assembly within a financial year. So it would not have been possible to spend the budgetary funds till the Supplementary Budget is passed in the Assembly. Thus, it would have been difficult to spend the money in the next financial year as per the budget provisions made in different sectors.

ii) We could have taken steps to present a full fledged budget now keeping in view the recommendations of the 13<sup>th</sup> Finance Commission and tentative estimation of State Plan outlay at Rs.10200 crore. But the Departmentally Related Standing Committees of the Orissa Legislative Assembly review the budget provisions

usually for fifteen days and finalise their recommendations on different developmental and welfare schemes. After that, the general discussion on budget is held for a minimum period of 14 days. As per constitutional norms, the Appropriation Bill has to be approved by the Assembly by 31.3.2010 so that the State Government will be able to spend money from the Consolidated Fund of the State from 1.4.2010 as per the provisions made in the Budget. But, if the full fledged budget had been presented in Assembly, this process would not have been completed by 31<sup>st</sup> March and we would have to take a Vote on Account like Government of India.

3. Keeping all this in view, our Government have decided to present a Vote on Account for the 1<sup>st</sup> 4 months of the next financial year. A full fledged budget for 2010-11 shall be placed in this House in the coming monsoon session taking into account the recommendations of 13<sup>th</sup> Finance Commission and the State Plan outlay, as approved by the Planning Commission.

4. I would like to make it clear that presentation of a Vote on Account is nothing new. Central Government presents full fledged budget every year along with Vote on Account in Parliament for 2 months under Article 116 of the Constitution of India. Similarly, if it is not possible to present the full fledged budget in the Assembly for any reason during February or March, the State Governments may opt for Vote on Account under Article 206 of the Constitution of India.

5. Needless to mention that the Budget presented in the House is in fact the estimated income and expenditure during a financial year. It is prepared keeping in view the previous year's expenditure and progress of different schemes/ projects.

6. Revised Estimate for 2009-10

The revised estimate of receipt for 2009-10 has been worked out on the basis of trend of receipts during the first 9 months of the current financial year, the growth projection for the National as well as the State's economy and the anticipated receipts during the remaining part of the current financial year. On the expenditure side under Non-Plan, the revised estimate of expenditure is based on the budget

estimate and additional provision made in the Supplementary Statement of Expenditure. The revised estimate for State Plan outlay for 2009-10 has been worked out in consultation with Planning & Co-ordination Department. Similarly, the revised estimates of expenditure under Central Plan & Centrally Sponsored Plan Schemes have been made on the basis of Budget Estimates and Supplementary Statement of Expenditure.

7. The Non-Plan expenditure as per revised estimate for 2009-10 is estimated at Rs.24306.38 crore. Out of this, Rs.10864.81 crore, Rs. 3592.60 crore and Rs. 3971.61 crore have been earmarked for Salary, Interest payment and Pension respectively. The revised estimate for other Non-Plan expenditures has been kept at Rs.5877.36 crore.

8. I would like to make it clear to the Hon'ble Members of this House that while there has been attempt to contain the Non-Plan Expenditure to the extent possible, the Government under the leadership of our popular Chief Minister Sri Naveen Patnaik have taken a number of steps for augmentation of revenue through additional resource mobilization instead of imposing any new tax on the people. It is our hope and belief that the benefits of these steps will flow in the coming days. While a sum of Rs.7995.21 crore has been made available in 2008-09 towards State's Own Tax Revenue, an amount of Rs.8920.00 crore is expected to be collected as per the Revised Estimate for 2009-10. Besides, more emphasis is being given on internal resource mobilisation measures.

#### 9. Budget Estimate for 2010-11

Despite erratic monsoon and global economic recession during the current financial year, there are indications of robust economic growth in the economy of our State. As per advance estimate, the growth rate would be 12.98% in 2009-10. In this perspective, it is estimated that the growth rate of State's Own Tax would be of the order of 15%. As per preliminary estimate, Rs.10168.80 crore would be collected from this source during the financial year 2010-11. Similarly, in view of the unpredictability in receipt of Debt Relief, Interest and Dividend, the growth rate of Non-Tax revenue, excluding these items, has been kept at 8%. Moreover, as per the

guidelines of the Planning Commission receipt of miscellaneous non-plan grants has been assumed at Rs.1481.10 crore.

10. Out of the proposed State Plan Outlay of Rs.10200.00 crore, while Rs.9200.00 crore is in Government Sector, Rs.1000.00 crore would be in the Public Enterprises Sector. Out of the Rs.9200.00 crore, an amount of Rs.5450.52 crore has been estimated for resource tied-up schemes and Rs.3749.48 crore for untied schemes. While Rs.26116.11 crore has been estimated for Non-Plan Expenditure during 2010-11, Rs.10798.43 crore, Rs.4405.93 crore and Rs.4000.00 crore are meant for Salary, Pension and Interest payment respectively. In spite of making provisions for all essential expenditure, we have contained the total Non-Plan Revenue expenditure at Rs.24181.90 crore in 2010-11.

11. I would like to inform the Honble Members that there have been perceptible improvements in State's economy by taking a number of revenue generation and expenditure rationalization measures by our Government in order to expedite the developmental process. I think it proper to place here some of the highlights.

- ∅ The growth of national GDP as per current prices during 2009-10 is projected at 10.8%. On the other hand the growth of the GSDP of Orissa during the same period is expected to be 12.98%.
- ∅ While the per capita income of the State during 2008-09 was Rs.29464.00 at current prices, the same has increased to Rs.32814.00 in 2009-10, the increase being 11.73%.
- ∅ As per recommendations of the 12<sup>th</sup> Finance Commission, net Debt Stock - Revenue Receipt ratio should be less than 200%, so that the State is not considered as debt stressed. In case of our State this ratio has been reduced from 308% in 1999-2000 to 148% in 2008-09.

12. On the whole, thrust has been given in the Budget for 2010-11 to complete the incomplete projects, to prioritise the development oriented works within the limited resources of the State, to take steps for development in the socio-economic conditions of the Poor and the Downtrodden, the Old and the Infirm, Women, Children, Scheduled Castes and Scheduled Tribes and Backward Classes, to make

provision for government buildings, roads and water supply projects, to contain Non-Plan Revenue Expenditure, to make more investment in infrastructure development, to improve the quality of health services, development of agriculture and allied activities, development of rural areas, to give incentives for industries, cottage industries and handloom industries, development of tourism and improvement of water supply and sanitation in urban and rural areas.

13. The revenue receipts for the financial year 2010-11 has been estimated at Rs.30602.06 crore and at the same time the revenue expenditure has been worked out to Rs.31807.99 crore. Besides, it is to be noted that there is financial burden on state exchequer due to payment of Salary and Pension to the employees at revised rates. In spite of this, the State Government have taken a number of welfare measures for benefit of the common people. Increase in revenue expenditure is considered normal. The Revenue Deficit is estimated at Rs.1205.93 crore in the next financial year. On the other hand, in the Capital Account the estimated expenditure is likely to exceed by 886.65 crore compared to the receipts. So in toto, the deficit in the Consolidated Fund has been estimated at Rs.2092.58 crore and the same amount has been assumed to be taken from the Public Account in order to recoup the deficit in the Consolidated Fund.

14. His Excellency, the Governor has already mentioned the details of various achievements of the State Government and steps proposed to be taken in the coming year. I do not want to burden you by repeating the same. But I would like to make it clear that despite limited resources we have made adequate provisions in the budget for different schemes and programmes. I am giving an outline of the provisions made for such schemes and programmes.

Ø Biju K.B.K. Yojana	- Rs.120.00 crore
Ø Biju Kandhamal O Gajapati Yojana	- Rs. 28.50 crore
Ø Biju Grama Jyoti Yojana	- Rs. 50.00 crore
Ø Biju Saharanchal Bidyutikaran Yojana (new scheme)	- Rs. 18.00 crore
Ø Conservation of Energy	- Rs. 6.64 crore
Ø Gopabandhu Grameen Yojana	- Rs.165.00 crore

Ø Mo Kudia Yojana	- Rs. 60.00 crore
Ø Accelerated Irrigation Benefit Programme	-Rs.1600.00 crore
Ø Externally Aided Projects	- Rs.598.10 crore
Ø MLALAD	- Rs.110.25 crore
Ø Western Orissa Development Council	- Rs. 80.00 crore
Ø Provision of Rice at Rs.2/- per Kg to the poor	- Rs.910.43 crore
Ø Grant-in-Aid to Non-Govt. Primary/ Upper Primary & Secondary Schools	- Rs.258.78 crore
Ø Grants to Zilla Parishad for Primary Schools Teachers transferred from Sikshya Sahayak Cadre	- Rs.191.26 crore
Ø 100% block grant to eligible Non-Govt. Girls' High Schools	- Rs. 12.00 crore
Ø State Share towards Sarba Sikshya Abhiyan	- Rs. 595.24 crore
Ø Block-grant to Non-Govt. U.P Schools	- Rs. 10.32 crore
Ø Block-grants to eligible Non-Govt. Colleges notified in 2004	- Rs. 12.00 crore
Ø Block-Grants to newly eligible Non-Govt. Colleges	- Rs. 55.00 crore
Ø Pre-matric scholarship to SC&ST students	- Rs.204.13 crore
Ø Construction of hostels for ST girl students	- Rs. 82.09 crore
Ø To take steps for Anti-Naxal operations	- Rs. 81.04 crore
Ø Freedom Fighters' Pension at enhanced rate	- Rs. 8.85 crore
Ø Pension and Health Insurance for journalist (new scheme)	- Rs. 0.20 crore
Ø State Information Commission	- Rs. 3.00 crore
Ø Input Subsidy for seeds, fertilizer, insecticide etc.	- Rs. 20.00 crore
Ø JEEBIKA Programme under Agriculture Deptt.	- Rs. 10.00 crore
Ø Jananidhi Programme under Agriculture Deptt.	- Rs. 50.00 crore
Ø State Agriculture Commission	- Rs. 0.50 crore

Ø Remote village electrification through non-conventional sources of energy	- Rs. 8.67 crore
Ø Infrastructure development and additional hostel facilities for Engineering Schools and Polytechnics under Industries Deptt.	- Rs. 9.55 crore
Ø State Share for infrastructure development of ITI's and for up-gradation of existing ITI's into Centres of Excellence	- Rs. 15.30 crore
Ø Integrated Handloom Development Programme and Promotion of Handloom Industries	- Rs. 12.71 crore
Ø Promotion of Sericulture Industries	- Rs. 2.90 crore
Ø Establishment of new Livestock Aid Centres	-Rs. 9.00 crore
Ø Interest Subvention, Financial incentives and Loan subsidy to Co-operative Banks	-Rs. 44.00 crore
Ø Seed money to Self-help groups	- Rs. 35.00 crore
Ø Provision of Bicycles to SC& ST girl students	- Rs. 11.70 crore
Ø State Share towards Aam Admi Bima Yojana (new scheme)	- Rs. 5.00 crore
Ø National Old Age Pension (NOAP) Scheme	- Rs. 154.40 crore
Ø State Share for Supplementary Nutrition Programme	- Rs.187.54 crore
Ø Mid-Day-Meal Programme	- Rs. 72.46 crore
Ø Monthly maintenance grants for orphan students at enhanced rate	- Rs. 5.30 crore
Ø Monthly maintenance grants for disabled students at enhanced rate	- Rs. 5.05 crore
Ø Implementation of e-Governance Projects under National e-Governance Programme	- Rs. 15.89 crore
Ø Water Supply in Urban areas	- Rs. 25.00 crore

∅ Water Supply to poor people in urban areas of KBK Districts	- Rs. 10.00 crore
∅ Supply of Medicine and Diet in Govt. Hospitals	- Rs. 23.03 crore
∅ Construction of building for Medical Colleges and infrastructure development of Capital Hospital and three Medical Colleges	- Rs. 32.50 crore
∅ Construction of cement-concrete roads in GPs	- Rs. 75.00 crore
∅ State share of Rashtriya Grameen Swarojgar Yojana (new scheme)	- Rs. 1.05 crore
∅ State share of Sampoorna Grameen Swarojgar Yojana	-Rs. 20.00 crore

15. The Vote on Account of Rs.17078.25 crore for the first four months of 2010-11 is meant to defray expenses for implementation of all ongoing Non-Plan and Plan schemes. In this Vote on Account adequate provision has been made in the Demand for Grants of concerned Departments to defray expenses for essential items like Calamity Relief Rs.350.00 crore (100%), Arrear Salary Rs.1447.40 crore (100%), Arrear Pension Rs. 630.00 crore (100%), Maintenance of Capital Assets Rs.1132.13 crore (50%), State Plan Rs.3686.10 crore (40%), Central Plan Rs.389.36 crore (40%) and Centrally Sponsored Plan Schemes Rs.619.68 crore (40%). I would like to mention here that the State Government have in the meantime announced new Agriculture and Industrial Policies in order to expedite the economic progress of the State. All steps are being taken for successful implementation of these progressive policies. In order to solve the problems of the farmers, the State Government have set up an Agriculture Commission. Government would take appropriate measures keeping in view the recommendations of the Commission as would be necessary. Similarly, adequate provision has been made in the Vote on Account budget to tackle the Naxal problem. Not only this, adequate provision has also been made in this Vote on Account for strengthening of ongoing social security measures. Therefore, I



assure all the Hon'ble Members of the august House that there will be absolutely no difficulty in implementation of development oriented works in the coming four months due to dearth of funds.

16. I once again convey my thanks to Hon'ble Leader of this House, Hon'ble Leader of the Opposition and all Hon'ble Members for their unhesitant support at different points of time. I also expect that all co-operation from them would continue in the coming days. Hon'ble Speaker Sir ! I also thank you for giving me an opportunity to speak a few words on the occasion of placing of Vote on Account Budget for the financial year 2010-11.

/Jai Hind /

//Jai Jagannath //

///Bande Utkal Janani ///