



BUDGET

2013-14

PART-II
GENERAL

Presented by :

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19th February, 2013

Speaker Sir,

Now I take the opportunity to present Part-II of my Budget Speech i.e. General Budget.

2. Macro Economic Outlook

2.1 The global economic outlook continues to be grim. The Euro Area and Japan are experiencing negative growth while growth in the US is still low. The continuance of the Euro Area Sovereign Debt Crisis and uncertainty over the US fiscal cliff are major downside risks to global growth and financial stability. It is having its cascading effects in the emerging market economies including India. As a result of these uncertainties, the global recovery process looks more protracted. As a matter of fact, Global growth forecasts have been lowered by major global agencies.

2.2 Amidst this global slowdown and uncertainty, the Indian economy remains sluggish, held down by slowing investment, weakening consumption and declining exports. The loss of growth momentum which started in 2011-12, extended in the current year with growth remaining below the trend. The inflation continued to remain a cause for concern. Thus, lower growth, elevated inflation, high fiscal and current account deficits remain potential risks to financial stability.

2.3 The impact of Global uncertainty has thus brought down the growth expectations for 2012-13. According to the Advance Estimates of the Central Statistical Organization (CSO), the GDP growth rate for the current fiscal is expected to be 5.0%

registering decline from the growth rate of 6.2% recorded in the crisis affected last year.

2.4 In spite of such adverse externalities, the growth forecast for the State's Economy in 2012-13 according to the Advance Estimates is 9.14%. Though this is an Advance Estimate, this clearly points out to the fact that the growth momentum is still continuing in the State despite its decapitation at national level.

2.5 However, the recessionary trends in the global economy and resultant slowdown in the national economy might impact growth prospects in 2013-14. Though no growth forecast for the year is available, it is our considered judgement that the growth rate of GSDP in 2013-14 could be in the range of 6.5 to 7%.

3. Fiscal Management during last Five Years

3.1 The soundness in financial position of the State has been one of the major achievements of our Government. Odisha Fiscal Responsibility Act, 2005 has been guiding the path of fiscal discipline and consolidation to the State. In spite of uncertainties in Global and National Economy, the fiscal position of the State in the last 5 years is sound. Few highlights of fiscal performance are detailed below:

- Revenue surplus is maintained since 2005-06.
- Fiscal deficit has been maintained within 3% of the GSDP since 2004-05.
- Ratio of interest payment: revenue receipt is maintained well below the 12th Finance Commission prescribed limit of 15%.

- Ratio of Public Debt: GSDP is within 25% limit prescribed by the 13th Finance Commission.

3.2 During the last 5 years the average growth in Own Tax and Non-Tax has been about 18% in spite of impact of recession in major part of the period. On the basis of Quick Estimate of GSDP for 2011-12, Tax: GSDP ratio has exceeded 6%, which used to remain below 6%.

3.3 For the first time in 2011-12, our State has been able to meet the committed expenditure towards salary, pension, interest payment and debt repayment out of its own revenue. Total expenditure on salary, pension, interest payment and debt repayment in 2011-12 was ₹18726.72 Crore compared to total own revenue collection of ₹19885.73 Crore during the year.

3.4 Prudent management of State finances has created fiscal space for higher Plan investment. The plan size of the State which was ₹5105 Crore in 2007-08 has shown threefold increase to ₹15000 Crore in the current year.

3.5 With large size of the budget, our Government has ensured sufficient financial allocations for all essential expenditures of the State and it has utilized additional resources to improve its capital investment. Compared to that of 2006-07, allocation for capital expenditure has shown about fivefold increase and it stands at is ₹7043 Crore during the current year.

3.6 The liquidity position has been managed very carefully by our State. It has not availed any ways and means advances or overdraft from the RBI during last five year.

4. Fiscal Position 2012-13

4.1 It is my pleasure to inform this august House that the fiscal position of the State Government continues to be very sound despite adverse macro-economic environment. Growth projection of our State is pegged at much higher level for the current year 2012-13 as per Advance Estimates compared to growth in national economy. The State Government has stepped up its efforts in mobilising resources and I am confident that we would be in a position to exceed the budget estimates for State's own revenue. This would enable the State to meet its development expenditure for the year fully and also provide for enhanced outlays for various key sectors of the economy.

4.2 The overall expenditure during the current year has been managed well and the fiscal consolidation efforts of the State have ensured that all the fiscal indicators are kept well within the stipulated limits of Odisha Fiscal Responsibility Act, 2005.

5. Abstract of Budget Estimates of the Financial Year 2013-14

The Budget Estimates for 2013-14 have been prepared keeping in view the recommendations of the 13th Finance Commission, the State Plan Outlay as decided in the official level discussion with the Planning Commission and allocative priorities of the State Government.

5.1 Estimates of the State's own revenue receipts have been made on the basis of the trend of collection of first nine months.

With regard to the devolution of Central Taxes, we have adopted the assessment of the 13th Finance Commission. The quantum of central support for the State Plan has been estimated on the basis of the official level discussion with the Planning Commission.

5.2 Based on the anticipated receipt of State's share in central taxes, State's own tax and non-tax revenue and grants from Centre, the Revenue Receipt for the year 2013-14 has been estimated at ₹51298.98 Crore. For the year 2013-14, our own tax and non-tax revenue has been estimated at ₹24430.00 Crore, which is 12% more than the Revised Estimate for 2012-13. We propose to achieve Tax/GSDP ratio of 6.02% in 2013-14 compared to Revised Estimates of 5.92% in 2012-13.

5.3 The Non-Plan expenditure estimate of ₹37958.57 Crore includes provision of ₹13316.19 Crore, ₹6728.00 Crore, ₹5007.86 Crore and ₹3591.82 Crore towards salaries, pension, interest payment and maintenance of capital assets respectively.

5.4 The outlay for the State's Annual Plan 2013-14 has been fixed at ₹21467 Crore for the financial year 2013-14, which includes an outlay of ₹19367 Crore for the Government sector and ₹2100 Crore for the Public Sector Undertakings. The growth in State Plan allocation for the year 2013-14 is about 27% over the current year.

5.5 The total expenditure proposed in the Budget Estimates for 2013-14 including Debt repayment is ₹60303.09 Crore. The Non-Plan expenditure is estimated at ₹37958.57 Crore with an increase of 10.50% over the Budget Estimates for 2012-13. The State Plan, Central Plan and Centrally Sponsored Plan

expenditure have been estimated at ₹19367.00 Crore, ₹1095.80 Crore and ₹1881.72 Crore respectively totalling to ₹22344.52 Crore, which represents an increase of about 22% over the Revised outlay for the year 2012-13.

Let me now enumerate some qualitative aspects of the Budget Estimates for 2013-14.

5.6 Capital component of our Government expenditure has stagnated at around 1.5 - 2% of our GSDP during the past 10 years. Sustenance of the growth momentum will require larger quantum of Capital investment. Keeping this in view, Capital investment in our budget has been stepped up by 25% over Revised Estimates for 2012-13. With this increased allocation, it is estimated that the capital expenditure would go up to nearly 3% of the GSDP.

5.7 Allocations for maintenance and upkeep of Capital assets has also been enhanced by 15% from ₹3123.32 Crore to ₹3591.82 Crore.

5.8 Priority to allocation for development expenditure i.e. expenditure on Social and Economic Services for attaining higher levels of social and economic development is one of the goals of public expenditure management. We have been trying to provide larger allocation for developmental expenditure in the last few years. Accordingly, the ratio of developmental expenditure to total expenditure has gone up from 55% in 2006-07 to nearly 70% in 2013-14.

5.9 With increase in Plan investment, the share in Plan outlay is increasing in recent years. The Plan: Non Plan ratio has gone up from about 27% in 2006-07 to about 59% in 2013-14.

5.10 The Budgeted Expenditure for 2013-14 will be financed through estimated revenue receipts of ₹51298.98 Crore, recovery of loans and advances of ₹240.29 Crore and borrowing and other receipts of ₹8763.82 Crore. The State's dependence on borrowing has reduced with net borrowing estimated at ₹4985.60 Crore for FY 2013-14 which is only 1.71% of GSDP.

6. Sectoral Highlights

I wish to mention here that although higher allocations have been made for all departments, but I do not intend to take more time of the House to elaborate allocation of all departments. Now, I wish to enumerate some highlights of expenditure proposals under some major sectors.

6.1 Social Services

6.1.1 Health and Family Welfare Department

₹2192.18 Crore under both Plan and Non-Plan has been allocated for Health and Family Welfare Department, which is about 21% more than the present year's allocation. Effort has been made to reduce the out of pocket expenditure for health care by increasing the outlay for provision of medicine in the Government run hospitals.

- **Universal free distribution of medicine:** The State Government has decided to put in place a mechanism for

universal free distribution of medicine to citizen under Odisha State Medical Services Corporation which will handle procurement of drugs in an efficient and cost effective manner. Provision of ₹5.00 Crore has been made towards paid up capital for setting up the corporation. Provision for purchase of drugs has been increased from ₹104.56 Crore in 2012-13 to ₹202.56 Crore in 2013-14.

- **Odisha State Treatment Fund (OSTF):** Government have recently started Odisha State Treatment Fund with a provision of ₹10.00 Crore, a scheme for poor patients getting treatment free of cost. Maximum financial assistance is upto ₹3.00 lakh for poor patient.
- **Augmentation of Intake Capacity of Government Medical Colleges:** To meet the shortfall in availability of doctors in the State, Government have decided to increase the under graduate seats from 150 to 250 each in the existing 3 Government Medical Colleges. ₹91.00 Crore has been provided in the budget for required infrastructure of these institutions as against ₹32.30 Crore made in 2012-13.
- **State Share of NRHM :** ₹200.00 Crore has been provided as State Share for the schemes implemented under NRHM.
- **Provision for Construction of Buildings :** For infrastructure development of Medical Colleges, staff quarters, Sub-centre buildings and new PHC buildings, ₹260.95 Crore has been provided under State Plan including Thirteenth Finance Commission Grants which is 163% excess than the current years' provision.

- **Externally Aided Project :** For Odisha Health System Project Fund ₹40.00 Crore has been provided. It aims at strengthening of Public Health Management Systems.
- **Health Management Information System:** For development of Health Information System, Government have decided to introduce Health Management Information System from the year 2013-14 onwards. Funds to the tune of ₹10.00 Crore has been provided in the BE for 2013-14 for the purpose under State Plan.
- **Mo Masari Scheme:** The scheme was launched during the current year 2012-13 with allocation of ₹4.00 Crore. In order to substantially scale up in the coverage under this scheme in the malaria endemic areas allocation for this scheme has been increased to ₹10.00 Crore.

6.1.2 School and Mass Education Department

Total allocation in School and Mass Education Department is enhanced from ₹6525.40 Crore this year to ₹7142.83 Crore for 2013-14. This is the largest allocation among all Departments which constitutes about 12% of the total budget allocation.

- As against ₹505.00 Crore, in 2013-14 ₹650.00 Crore is provided towards State matching Contribution for Sarva Sikshya Abhiyan (SSA).
- ₹125.00 Crore is provided for distribution of bicycles to Class-X students' to the girl students and SC and ST students of different schools including the schools managed by ST and SC Development Department against ₹45 Crore this year.

- ₹110.00 Crore is provided under Rashtriya Madhyamika Sikshya Abhiyan (RMSA) towards State matching Contribution.
- Government has taken due care for establishment of 'Model Schools' in backward districts of the State particularly in tribal districts. ₹42.95 Crore has been proposed in the budget.
- ₹215.00 Crore has been provided towards State Share for implementation of Mid Day Meal (MDM) Scheme compared to ₹160 Crore this year.
- In 2013-14, Government has made provision of ₹15 Crore for construction of 2nd Sainik School at Sambalpur.
- There is proposed provision of ₹1.20 Crore for B.Ed College at Kandhamal for teachers' training.
- To ensure People-Teacher ratio as per RTE-SSA norm at elementary level, 14757 Siksha Sahayaks have been engaged.

6.1.3 Higher Education Department

₹1449.50 Crore has been provided for Higher Education together under Plan and Non Plan sector for the year 2013-14.

- The State Government has taken note of the need to improve the quality of Higher Education in the State and to improve gross enrolment ratio. Keeping this in view, two new schemes for comprehensive development of Universities and Government Colleges have been proposed. Allocation of ₹49.12 Crore and ₹51.00 Crore have been made for the new schemes.

- ₹1.50 Crore has been provided towards exemption of tuition fees and examination fees of the students of flood and draught affected areas.
- ₹19.50 Crore has been provided for Professional Scholarship and ₹6.03 Cr. has been provided for other Scholarships.
- ₹830.17 Crore has been provided for grant in aid to Non-Government Aided Colleges.
- ₹162.34 Crore has been provided for grant in aid to Universities.
- ₹20.00 Crore has been provided for modernisation of quality education as a new scheme.
- ₹18.60 Crore has been provided towards state share for opening of Government Colleges in the districts with low Gross Enrolment Ratio.

6.1.4 Panchayati Raj Department

₹3218.98 Crore is provided both under Plan and Non-Plan as against current year's ₹2563.83 Crore with more than 26% increase in allocation.

- ₹747.91 Crore has been provided as grant-in-aid to P.R. Institutions on the recommendation of the 13th Finance Commission which is 16% excess than the current years' provision.
- ₹706.44 Crore has been provided in the budget towards assistance to Panchayati Raj Institutions as per the recommendation of the 3rd State Finance Commission.

- Allocation under Gopabandhu Gramin Yojana has been enhanced from ₹165.00 Crore to ₹225.00 Crore.
- ₹350.00 Crore has been provided under BRGF programme being implemented in 20 districts.
- ₹164.03 Crore has been provided towards State share of Indira Awas Yojana for providing houses to the BPL families.
- ₹100.00 Crore has also been provided for the scheme 'Mo Kudia'.
- ₹52.50 Crore has been provided in the budget for the World Bank assisted Targeted Rural Initiative for Poverty Termination and Infrastructure (TRIPTI).
- ₹164.00 Crore has been provided towards State matching contribution under Mahatma Gandhi National Rural Employment Guarantee Scheme.
- **A new scheme for construction of Cement Concrete Roads (C.C Roads) with allocation of ₹10.00 lakh per Gram Panchayat has been launched. ₹2.00 lakh has been provided under Non Plan and ₹8.00 lakh has been provided under State Plan for each Gram Panchayat. Accordingly, allocation of ₹498.88 Crore is made under State Plan for this scheme.**
- ₹60.00 Crore and ₹7.50 Crore have been provided for repair of Grama Panchayat roads and non-residential buildings respectively.
- ₹5.00 Crore is allocated under 'Aam Admi Bima Yojana' to provide life insurance coverage for the landless

agricultural labourers. 5 lakh beneficiaries are provided insurance coverage under the scheme.

- ₹1.00 Crore has been provided for the New State Plan Scheme 'Gram Sabha Sashakti Karan Karyakrama (GSSK).

6.1.5 ST and SC Development Department

The total allocation to the Department is ₹1964.03 Crore against current year's ₹1605.71 Crore with an increase of more than 22% in budgetary provision.

- ₹265.89 Crore has been provided in the Non-Plan towards pre-matric scholarship.
- ₹230.00 Crore is now provided under State Plan for completion of 1168 ST Girls and Boys Hostels and construction of 900 new Hostels.
- ₹111.21 Crore has been provided for infrastructure development of Educational Institutions and construction of Staff quarters in ST and SC Development Department Schools under State Plan.
- ₹59.57 Crore has been provided for special plan in KBK districts which is 113% excess than the current years' allocation.
- ₹180.00 Crore has been provided under Special Central Assistance to Tribal Area Sub-Plan under State Plan to augment income of tribal people through different income generating programme which is 12% more than the current years' allocation.

- ₹155.00 Crore has been provided under State Plan towards infrastructure development in TSP areas under the scheme Article 275(1) of Constitution of India.
- ₹43.50 Crore has been provided under Non-Plan for maintenance and repair of School, Hostel buildings and staff quarters.

6.1.6 Women and Child Development Department

Outlay of ₹3358.22 Crore has been provided under Plan and Non-Plan for Women and Child Development Department which is about 24% higher than the current years' provision.

- **Social Security Pension Schemes:** To Provide Social Security Pension to the senior citizens, differently abled persons and widows, an outlay of ₹1149.48 Crore has been provided during the year 2013-14 which is 25.18% more than the current year.
- **MAMATA:** The Conditional Cash Transfer Maternity Benefit Scheme with the primary objective of providing partial wage compensation for pregnant and nursing mothers to enable them to rest adequately during their pregnancy and after delivery. An amount of ₹222.63 Crore has been provided in the year 2013-14.
- **Supplementary Nutrition Programme:** ₹560.00 Crore has been provided for continuation of this ICDS Programme.
- **National Family benefit scheme:** ₹30.50 Crore under State Plan has been provided for this scheme by which financial assistance of ₹10,000/- will be paid to a BPL family in the event of death of its primary bread earner.

- **Financial Assistance for the Women's Self Help Groups:** Mission Shakti, a campaign for the holistic empowerment of women was launched in 2001. Currently, 4.8 lakh SHGs are functioning in Odisha, covering around 58 lakh members. To provide further impetus to women working under mission shakthi it is proposed that a financial assistance of ₹10,000 would be given to one lakh SHGs in 2013-14 under mission shakthi in both urban and rural areas. Funds to the tune of ₹100 Crore would be earmarked for the purpose. Such assistance would enable the SHGs to procure equipments that will help them to reduce drudgery. The time, so saved by the women, can be productively used to learn skills that would help them to generate additional income and also to participate in community development work. This assistance may also be used for improving the functioning of the SHGs and making it more self reliant.
- **Provision towards Winter Allowance for Pensioners:** It is proposed to provide Winter Allowance @₹200/- to all pensioners across the State during the year 2013-14 for which an amount of ₹72.00 Crore has been provided.
- **Construction of Anganwadi Centre Building :** In order to provide better service delivery to the children between 0-6 years of age, pregnant women and lactating mothers an amount of ₹70.00 Crore has been provided for construction of AWC Building under State Plan during the year 2013-14.

6.1.7 Labour and Employees State Insurance Department

₹69.73 Crore has been provided in the budget under Plan and Non-Plan for this Department including ₹20.00 Crore towards State share of Rashtriya Swasthya Bima Yojana (RSBY).

6.1.8 Employment and Technical Education and Training Department

₹455.86 Crore has been provided in the budget under Plan and Non-Plan for this Department. The Department provides support under State Plan to the Technological Universities, Engineering Colleges, Polytechnics, ITIs and SDCs in Government sector to make up the critical gap of infrastructure.

- In order to improve quality of technical education in the state, two new schemes namely, Infrastructure Development of Technical Universities and Engineering Colleges and Infrastructure Development of Polytechnics have been launched. Allocations of ₹53.50 Crore and ₹15.00 Crore have been made for the new schemes.
- **Craftsman Training:** An amount of ₹37.79 Crore has been proposed towards capital expenditure for existing and new ITIs/SDCs.
- The programme of expenditure includes capital expenditure for establishment of Special ITI for Physically Challenged at Barang, Cuttack and State Share of Expenditure of ₹4.00 Crore for on-going infrastructure development of 05 ITIs and 10 SDCs at 5 LWE affected districts viz; Deogarh, Gajapati, Sambalpur, Rayagada and Malkangiri.

6.2 Economic Services

6.2.1 Forest and Environment Department

Allocation of ₹665.19 Cr has been made for Forest and Environment Department in the budget estimate for the year 2013-14 including State Plan outlay for ₹315.44 Cr.

- ₹90 Cr has been provided to the externally assisted Odisha Forest Sector Development Project for afforestation and distribution of sapling for growing trees outside the forest area.
- Odisha is the first state to formulate a comprehensive climate change action plan. Among other things, this action plan envisages a massive afforestation for mitigating the adverse impact of the risks of climate change. Accordingly, **the State Government has decided to launch a large scale programme for increasing green cover in the State in an intensive and mission mode during the 12th Five Year Plan. Resources available under all on-going forestry schemes will be pooled together for this programme and in addition ₹35.00 Crore is proposed under State Plan.**
- ₹5.00 Crore has been provided for management and development of Elephant Corridor in the State during the year 2013-14.
- In order to provide benefit to kendu leaf workers, the procurement price of kendu leaves has been increased from 40 paisa per Kerry of 20 leaves to 60 paisa per Kerry for the 2013 crop. About 4 lakh 95 thousand eligible leaf pluckers have been covered under 'Janashree Bima Yojana' and enrolment of binding labourers is in progress.

6.2.2 Industries Department

An Outlay of ₹27.48 Crore has been provided in the budget for Industries Department both under plan and non-plan.

6.2.3 MSME Department

Outlay of ₹70.26 Crore has been provided in the budget of this Department both under plan and non-plan.

6.2.4 Handloom, Textile and Handicrafts Department

Outlay of ₹130.88 Crore has been provided in the budget of this Department both under plan and non-plan. The main objective of this Department is to provide large number of employment, enhance productivity and upgrade the economic as well as social status of the poor handloom weavers, sericulturists and the handicraft artisans.

- **Handloom and Sericulture Sector:** This is the second largest employment generating sector next to agriculture under primary sector. Under this sector, it has been estimated to provide self-employment to about 103000 handloom weavers along with 35300 Tassar, Mulberry and Eri rearers under different schemes by increasing their capacity building, providing training and market support. It has been planned to take up construction of one Sericulture Training Institute during the year. In social sector also, many programmes like Mo Kudia Yojana and Madhu Babu Pension Schemes are to be implemented in convergence with other Departments and insurance schemes, supply of solar lantern, supply of torch and boot to the sericulturists

etc. under special package. A total of ₹63.20 Crore has been kept under this sector during 2013-14.

- **Handicraft Sector:** Odisha is famous for its handicrafts which is again an integrated part of our art and culture. There are as more as around 50 crafts practised in the State. The main motto under this sector is to provide large number of employment in enhancing the productivity of around 10000 handicraft artisans by way of increasing their capacity building, providing training and market support. One Handloom and Handicraft Museum is also going to be constructed to attract national and international tourists. A total of ₹16.80 Crore has been kept under this sector during the financial year 2013-14.

6.2.5 Science and Technology Department

An out lay of ₹49.48 Crore has been provided in the Budget of this Department under Plan and Non-plan.

- During 2012-13, ₹5.00 Crore was provided for establishment of a new Planetarium at Sambalpur in order to spread awareness in the field of astronomy, astrophysics and space science. Additional allocation of ₹4.34 Crore has been provided in 2013-14 for the purpose.
- ₹3.00 Crore has been provided for development of Bio-Technology Laboratories in different Institutions and Universities which will be used by Researchers and students.
- ₹1.00 Crore has been provided for construction of a green building for OREDA.

- ₹8.00 Crore has been provided to ORSAC for different programmes.
- ₹3.50 Crore has been provided for the new scheme – Non-conventional sources of Energy.

6.2.6 Information and Technology Department

Allocation for Information and Technology Department is ₹125.42 Crores both under Plan and Non-plan.

- ₹24.00 Crores has been provided towards implementation of e-Governance Projects as per National e-Governance Programme.
- ₹12.00 Crore has been provided for infrastructure development of IIIT, Bhubaneswar.
- Provision of ₹35.70 Crore has been made from the 13th Finance Commission Grant for incentivising issue of UID.
- Provision of ₹19.00 Crores has been made for infrastructure development of 2nd IT-SEZ namely Infovalley (Infocity-II).
- The e-District project has been successfully piloted in 2 districts i.e. Ganjam and Mayurbhanj to provide citizen centric services. It is proposed to be extended to all Districts during 2013-14 for which ₹10.66 Crores has been provided. This would strengthen institutional mechanism for delivery of services guaranteed under Odisha Right to Public Services Act.

6.2.7 Planning and Co-ordination Department

Total provision of ₹1374.88 Crores has been made for Planning and Co-ordination Department under Plan and Non-plan.

- ₹80.00 Crores has been provided for Western Odisha Development Council.
- ₹120.00 Crores has been provided in the budget for continuance of Biju KBK Yojana for the development of most backward regions like KBK.
- ₹28.50 Crore has been made for implementation of Biju Kandhamala O Gajapati Yojana.
- ₹540.00 Crore has been provided in the budget for implementation of Integrated Action Plan in Tribal and Backward Districts.
- ₹192.20 Crores has been made for implementation of Special Development Programme.
- Provision of ₹40.00 Crores has been made under Special Problem Fund.

6.2.8 Food Supplies and Consumer Welfare Department

An outlay of ₹1373.77 Crores has been provided in the Budget of this Department under both Plan and Non-plan.

- In order to strengthen food security of the poor and vulnerable section of our society, the scheme – food subsidy – rice @ ₹2.00 per Kg has been modified to rice @ ₹1.00 per Kg and implemented w.e.f. 01.02.2013. Accordingly ₹1312.05 Crores has been allotted for rice @

₹1.00 per Kg scheme for the year 2013-14 against allocation of ₹1140.57 cores for the year 2012-13. This scheme is meant for 3690119 BPL families, 535402 APL families in 8 KBK districts, boarders of SC and ST Hostels and differently abled persons.

- For implementation of Arnapurna Scheme, provision of ₹5.20 Crore has been made towards subsidy to OSCSC Ltd.
- Gram Panchayat, Women SHG and Co-operatives are being encouraged to take up PDS as retailers so as to reduce private involvement in PDS.
- A sum of ₹9.00 Crore has been made towards grants for digitization of ration cards which will prevent use of fake ration cards and ensure that benefits of PDS reach the targeted consumers.

6.2.9 Transport Department

An out lay of ₹157.83 Crore has been provided in the Budget of this Department both under Plan and Non-plan.

- **₹100.00 cores has been provided for new scheme – Equity contribution for development of commercially viable Railway projects in the State during the year 2013-14.**
- ₹8.00 cores has been provided towards share capital investment in OSRTC for purchase of new buses.
- **In order to improve connectivity in remote tribal areas, it is proposed to implement a new scheme “Rural Transport Connectivity” under which entrepreneurs will be provided with interest subvention as well as exemption in road tax and permit fees. Under this scheme 1000 small transport**

vehicles will be provided for operating in rural tribal areas. ₹2.00 Crores has been provided for the new scheme. Besides improving connectivity in the remote areas, this will also generate employment to at least 1000 rural entrepreneurs.

6.2.10 Commerce Department

Total provision of ₹62.92 Crores under Plan and Non-plan has been provided for Commerce Department

- ₹3.80 Crores has been provided for construction of Jetties and Waiting Hall under RIDF.
- Provision of 1.35 Crore has been provided for construction of Satapada Jetty.
- ₹3.00 cores has been provided for procurement of modernised printing machinery and equipments for Government Press.

6.3 Infrastructure Development

6.3.1 Works Department

A total provision of ₹2531.68 Crore including ₹1200.00 Crore under State Plan has been provided in the year 2013-14 as against a total provision of ₹2258.55 Crore made during the year 2012-13. Improvements of 615 Kms of roads and construction of 15 nos of bridges have been targeted during 2013-14.

- Under State Plan, outlay of ₹450.00 Crore has been provided under Rural Infrastructure Development Fund (RIDF), ₹70.00 Crore under Central Road Fund (CRF),

₹73.50 Crore under Externally Aided Projects (EAP), ₹94.00 Crore under One Time ACA, ₹36.81 Crore for Special Area Programme for KBK.

- Improvement of road connectivity is necessary to foster economic activities in the state. With the objective of double laning of state highways, a new scheme “State Highways Development Project” is launched. Under this scheme, it is proposed to widen 5587 Km road including 75 no. of bridges and 10 no of ROBs/ Flyovers during the 12th Five Year Plan with the estimated outlay of ₹3000 Crore. Preparatory work for 475 Km of road has already been completed. For the new scheme, a sum of ₹100.00 Crore has been provided during 2013-14.
- Another new scheme of “Improvement PWD roads in Urban Areas” has been launched for which ₹75.00 Crore has been provided.
- A sum of ₹53.00 Crore has been provided for road Projects under PPP mode.
- A sum of ₹34.00 Crore has been provided for Nabakalebar road.
- An amount of ₹747.83 Crore has been provided under Non-Plan for maintenance of Roads and Bridges.
- Allocation of ₹273.47 Crore has been made under Non-Plan for maintenance of Non-Residential building including ₹30.00 Crore for repair and renovation of Government School and College building which are at least 30 years old.

6.3.2 Housing and Urban Development Department

A total provision of ₹2385.46 Crore has been made in the year 2013-14 including ₹1162.40 Crore under State Plan as against a total provision of ₹1574.67 Crore made during the year 2012-13.

- A sum of ₹125.00 Crore has been provided for allocation for water supply with primary emphasis on covering uncovered and partially covered urban wards.
- A sum of ₹19.52 Crore has been provided from RLTA for providing drinking water to urban poor in KBK District with emphasis on maximizing household connections.
- An allocation of ₹321.84 Crore has been provided under Urban Sewerage and Sanitation.
- A sum of ₹312.96 Crore has been provided under JnNURM and UIDSSMT Projects. Besides, a sum of ₹126.72 Crore has also been provided for completion of on-going dwelling units under Integrated Housing Slum Development Project (IHSDP) and on-going as well as new project under Rajiv Awas Yojana (RAY).
- A new initiative has been taken to provide financial assistance to ULBs for construction of Cement Concrete Road for which a sum of ₹125.00 Crore has been provided.
- Similarly, a sum of ₹18.60 Crore has been provided for introduction of City Bus Services under Non-JnNURM mode and ₹5.00 Crore towards capacity development to improve urban governance as new initiatives.

- A sum of ₹42.00 Crore has been provided for allocation for Odisha Urban Infrastructure Development Fund (OUIDF) under Externally Aided Projects (EAP) which will focus on projects relating to Solid Waste Management, Slum Rehabilitation, Water Supply and Affordable Housing.
- A sum of ₹5.00 Crore has been provided for transit accommodation for slum re-development and rehabilitation and ₹2.00 Crore for development of night shelter.
- A sum of ₹158.25 Crore has been provided as grants to ULBs under 13th Finance Commission Award.
- Assignment of share from Entry Tax to ULBs has been enhanced from ₹307.34 Crore in 2012-13 to ₹500.00 Crore in 2013-14.
- A sum of ₹10.00 Crore has been provided under Non-Plan for supply of drinking water in the areas other than drought declared ULBs.
- Total provision of ₹186.68 Crore has been made under Non-Plan for maintenance of residential / non-residential building, water supply projects and urban roads and bridges.

6.3.3 Rural Development Department

A total provision of ₹2032.57 Crore has been made in the year 2013-14 against the total provision of ₹1720.54 Crore made during the year 2012-13.

- Biju Setu Yojana (BSY) was launched in the year 2011-12 by the State Government for construction of 400 rural

bridges. Having regard to the response of the scheme, it has been decided to include 200 more rural bridges under the scheme. A sum of ₹150.00 Crore has been provided for Biju Setu Yojana.

- A sum of ₹76.00 Crore has been provided under the award of 13th Finance Commission for maintenance of rural roads and bridges.
- A sum of ₹220.00 Crore has been provided for roads and bridges and Rural Water Supply under RIDF.
- A sum of ₹70.67 Crore has been provided under State Plan for development of important roads of economic and tourism importance.
- Allocation for up-gradation of rural roads has been increased from ₹80.00 Crore to ₹120.00 Crore.
- A sum of ₹68.40 Crore has been provided in the budget for maintenance of PMGSY Roads.
- A sum of ₹30.00 Crore has been provided for repair and renovation of Government Schools which are at least 30 years old.
- An amount of ₹240.00 Crore has been provided towards State share of Rural Water Supply and Sanitation Scheme for completion of 1200 Rural Piped Water Supply Projects and installation of 35000 Spot Sources (Tube Wells and Sanitary Wells).
- An amount of ₹55.99 Crore has been provided towards State share of Centrally Sponsored Scheme for Rural Sanitation.

6.3.4 Energy Department

₹743.56 Crore has been provided in the budget of the Energy Department both under Plan and Non-Plan.

- In order to supply quality power to consumers and to address the problem of low voltage in the rural areas, it is proposed to commission 550 nos. of 33/11 KV Sub-Stations over a period of two years. This project would require investment of ₹1650 Crore. After commissioning of these sub-stations, all the Blocks of the State will have 2-3 nos. of 33/11 KV sub-stations as per their requirement. This will also reduce the AT&C loss level up to 5%. A sum of ₹200.00 Crore has been provided for this new project.
- To expand and strengthen the transmission network in the KBK and other unviable areas, it is proposed to provide ₹300.00 Crore to Odisha Power Transmission Corporation Ltd (OPTCL) by way of equity infusion in 5 years. Accordingly ₹50.00 Crore is proposed for equity support to OPTCL during 2013-14.
- ₹50 Crore has been provided under Biju Gram Jyoti to take up electrification of habitations and for system improvement.
- To provide electricity to the un-electrified habitations in the urban areas, ₹20.00 Crore has been provided under Biju Saharanchal Vidyutikaran Yojana.
- To take up several energy conservation measures, ₹10.00 Crore has been provided.
- An amount of ₹135.00 Crore is proposed to be provided for implementation of CAPEX programme during 2013-14.

- An amount of ₹10.00 Crore is proposed to be provided for installation of a new Grid Substation for Nabakalebar.
- ₹15.00 Crore is provided for shifting of transformers located in Schools, Colleges, Anganwadi centres etc.
- ₹21.00 Crore is provided for System strengthening the Elephant Corridors in order to reduce the risk of electrocution of elephants.
- ₹5.00 Crore is provided for electrification of Samuka Beach Project
- ₹5.00 Crore is provided for electrification of IIT, Bhubaneswar
- In addition to this, ₹5.00 Crore is provided in this budget for construction of building of the Odisha Electricity Regulatory Commission.

6.4 General Services

6.4.1 Home Department

Provision of ₹2713.32 Crore has been made for Home Department under Plan and Non-plan in the Budget Estimate for 2013-14, which is significantly higher than the current year's provision of ₹2343.33 Crore.

- Provision of ₹61.97Crore has been made under State Plan in the Budget Estimate for 2013-14 for construction of Integrated Reception Centre-cum-Mahila and Sishu Desk in Police Stations and other Police Buildings.
- The Odisha Auxiliary Police Force has been created for absorbing 4855 tribal Special Police Force (SPO) as regular constables and adequate provision has been made for this purpose in the budget.

- Similarly, budget provision has also been made for raising of 2 composite specialised I.R. Battalions having both security and engineering components which would undertake construction of roads in highly naxal affected areas.
- ₹115.04 Crore has been provided under Non-Plan for Security Related Expenditure (SRE) and ₹39.63 Crore under Modernisation of Police Force Scheme.
- An amount of ₹50.00 Crore has been provided under State Plan for overall development of Jail Organisation out of which ₹48.82 Crore has been earmarked for construction and up-gradation of jails and residential buildings.
- An amount of ₹58.31 Crore has been provided under State Plan for improvement of the Fire Service organisation, which includes ₹5.35 Crore for procurement of fire fighting equipments and ₹52.96 Crore for construction of Fire Station and residential buildings.
- In order to wean away the misguided youths from Naxal Organizations and to bring them back to mainstream, the State Government have notified an attractive Surrender and rehabilitation scheme with provision of financial assistance for their rehabilitation. Provision of ₹2.69 Crore has been made under Non-plan for this purpose.
- An amount of ₹69.00 Crore has been provided under State Plan for construction of court buildings and ₹6.00 Crore has been provided for construction of residential buildings for District and Sessions Court and support staff.

- Provision of ₹10.61 Crore has been made under Non –Plan towards establishment of 34 additional Courts of Additional District and Sessions Judge to take up trial of serious crimes against Women on fast track basis.

6.4.2 Revenue and Disaster Management Department

Provision of ₹1344.84 Crore has been made for Revenue and Disaster Management Department under Plan and Non-plan in the BUDGET ESTIMATE for 2013-14 as against the current year's provision of ₹1204.98 Crore.

- An amount of ₹32.00 Crore has been provided for construction of office buildings and ₹18.00 Crore has been provided for construction of residential buildings under State Plan for improvement of infrastructure in field level Revenue offices.
- ₹9.25 Crore has been provided towards State share of National Land Records Modernization Programme (NLRMP) to develop a modern, comprehensive, updated and transparent Land Records Management System.
- Provision of ₹5.00 Crore has been made in the BE for 2013-14 under State Plan under the Scheme for distribution of homestead land to the homestead less families and agricultural lands to the landless families.
- Provision of ₹3.00 Crore has been made in the BE for 2013-14 for opening of new RI Training Institutes.
- Provision of ₹10.00 Crore has been made in the BE for 2013-14 under State Plan for Automation/Computerisation of Revenue Offices and Capacity Building therein. In

addition to this provision of ₹5.13 Crore has been made for strengthening I.T. infrastructure in Revenue Offices.

- Provision of ₹453.31 Crore and ₹200.00 Crore has been made towards State Disaster Response Fund (SDRF) and National Disaster Response Fund (NDRF) respectively in the BE for 2013-14 under Non-plan.

6.4.3 General Administration Department

₹184.02 Crore has been provided in the Budget for this Department under both Plan and Non-Plan.

- ₹9.64 Crore out of State Plan has been earmarked for Construction of OAT Building at Cuttack during the financial year 2013-14.
- ₹8.00 core has been provided for protection of Government land in State Capital region.

6.4.4 Law Department

₹201.58 Crore has been provided in the Budget for this Department both under Plan and Non-Plan for the ensuing year against current year provision of ₹193.98 Crore.

- ₹7.75 Crore has been provided towards Gants to Shree Jagannath Temple and Temple Administration against the current year provision of ₹5.15 Crore.

6.5 Other Sectors

6.5.1 Information and Public Relation Department

₹65.45 Crore has been provided in the Budget in the BE for 2013-14 for this Department both under Plan and Non-Plan against the provision of ₹42.28 Crore in the BE for 2012-13.

6.5.2 Sports and Youth Services Department

₹74.54 Crore has been provided in the Budget for this Department both under Plan and Non-Plan. The State Plan allocation has been increased from ₹17.00 Crore in 2012-13 to ₹38.00 Crore in 2013-14.

- ₹10.00 Crore has been provided under State Plan for the first time for construction of Mini Stadium at Block level.
- ₹8.00 Crore has been earmarked for Development of Kalinga Stadium Sports Complex in Bhubaneswar against the current year provision of ₹4.61 Crore.
- India's burgeoning brigade of youths is considered to be major source of our global competitive advantage. India's youthful population, with a median age of 25, stands in contrast to China and Japan whose median age is 35 and 44 respectively. We need to craft appropriate policy responses to optimally harness this demographic dividend. In this connection, I wish to inform the honourable members that our Government will soon come out with a comprehensive youth policy. Pending that, however, I do not wish to miss this opportunity to float a new scheme to create space for our youths to participate in public affairs, more particularly in the delivery of public services and welfare schemes. Under the 'Biju Yuva Sashaktikaran Yojana', we propose to offer internship to 5000 youths in district and sub-district level offices at a monthly stipend of ₹1500/- in order to utilize their dynamism and energy for promoting social development. ₹3.00 Crore has been provided for the new scheme under State Plan.

6.5.3 Culture Department

₹70.98 Crore has been provided in the Budget for this Department under both Plan and Non-Plan against current year provision of ₹59.17 Crore including ₹16.25 Crore for preservation of Monuments and Buddhist Heritage.

6.5.4 Tourism Department

₹74.83 Crore has been provided in the Budget for this Department under both Plan and Non-Plan against the current year provision of ₹65.20 Crore.

- ₹20.00 Crore has been provided in the budget for development of tourist infrastructure.
- In order to attract international tourist ₹10.00 Crore has been provided in the budget for organisation of international events and advertisements.

6.5.5 Excise Department

Provision of ₹56.54 Crore has been made for Excise Department under Plan and Non-plan in the BUDGET ESTIMATE for 2013-14 as against the current year's provision of ₹52.54 Crore. Out of this, a sum of ₹3.50 Crore is earmarked for construction of Range and charge offices.

6.5.6 Odisha Legislative Assembly

₹46.19 Crore has been provided in the Budget for Odisha Legislative Assembly. This includes provision of ₹10.00 lakh for Health Insurance Scheme for the Ex-MLAs.

7. Institutional Reforms for better Financial Management:

7.1 Hon'ble Governor in his address to this House has elaborated the initiatives taken by the State Government for better financial management and improvement in the quality of public expenditure including online preparation of budget for Financial Year 2013-14. I would like to highlight a few other citizen centric e-services launched by the commercial tax organization.

7.2 The Commercial Tax Organisation is providing e-Services to the dealers for payment of taxes, filing of returns, registration, amendment of registration certificate and issue of Way bills and statutory forms. More such business centric e-services like issue of Clearance Certificates to the dealers and Certificate of No Deduction/ Deduction Tax at Source to the works contractor are proposed to be rolled out in near future. Besides, business intelligence tools will be applied for improving voluntary tax compliance and for tracking tax evasion. Due to above mentioned reforms; there is efficiency and transparency in tax administration and hassle free business environment.

7.3 Establishment of Programme Delivery and Outcome Monitoring Unit: It was announced in the previous budget speech for setting up a dedicated "Programme Delivery and Outcome Monitoring Unit" in Finance Department for undertaking concurrent monitoring and evaluation as well as impact assessment of all flagship programmes by engaging high quality independent consultants. Hon'ble members would be happy to know that the selection process of consultants is in final stage and the unit will be operational very soon. Provision

of ₹5.00 Crore is proposed to be made for the purpose in the Budget Estimates for 2013-14.

8. Right to Public Services

Odisha Right to Public Services Act, 2012 approved by this august House in the previous session reflects our strong commitment to ensure efficiency, transparency, timeliness and accountability in provision of basic services to the citizens. The current scope covers 34 services across 7 departments. Now, the Government guarantee its citizens to provide these services within a specified time frame. Three services of Finance Department under Commercial Taxes organization have been kept under the pervue of the act. More and more services will be brought under the fold of this act in coming years.

9. Application of asset management principle for maintenance of infrastructure assets:

As a part of reforms in the roads sector, the State Government has introduced 'asset management principles' for the first time in preparation of maintenance budget for the road network of the Works Department. In the first phase, about 8,000 km of State Highways and Major District Roads have been included. This initiative is taken for the first time in the State which will be extended to Other District Roads in the coming years. Use of modern technology in assessing the road condition has been introduced with the help of Central Road Research Institute (CRRRI). In addition to above, about 1650 no of bridges have been investigated to prepare maintenance budget for bridges for appropriate strengthening and rehabilitation.

The asset management output is also being used to widen all the State Highways to two lane standard and Major District roads to intermediate lane standard in a prioritised manner. This initiative has opened a systematic approach for maintenance planning of the roads and bridges of the State to ensure better utilisation of public fund for which the State Government is committed.

10. Budget Estimates - Compliance with the FRBM Targets:

10.1 The State Government have amended the FRBM Act in line with the recommendations of 13th Finance Commission and have also drawn up a fiscal correction path. It mandates the State Government to maintain revenue balance, contain fiscal deficit within 3% of GSDP and limit the debt to GSDP ratio at 29.8% in 2013-14. All the three fiscal indicators have been kept well within the FRBM targets in the Budget Estimates for 2013-14.

10.2 The total revenue expenditure is estimated at ₹49394.37 crore during the financial year 2013-14. Thus, after achieving revenue balance, a surplus of ₹1904.61 crore has been projected in the Budget Estimates for 2013-14 which is 0.65% of GSDP. The Fiscal Deficit is projected at ₹5945.13 crore which is 2.03% of GSDP.

10.3 The year end debt stock for the financial year 2013-14 is estimated at ₹45561.12 crore which is 15.58% of GSDP.

11. Tax Proposal

11.1 Our efforts during past 12 years has been to enhance tax/GSDP ratio without imposing new taxes. We have achieved

fair measure of success in this endeavour by focusing on enhancing the efficiency and effectiveness of the tax administration. We are however, conscious of the need for additional resource mobilisation for sustaining the growth momentum in the State economy. In this context, let me inform the members about the constraints we have been facing in raising adequate revenue from our mineral resources in absence of favourable and supportive Central policies. Despite our repeated request to Government of India to fix royalty @20% Ad-valorem for the major minerals, the same has not been accepted. Besides, timely revision of royalty at the interval of 3 years is not ensured by Central Government.

11.2 More importantly, due to boom in the international prices of many minerals, super normal profits are being enjoyed by the mining lessees. The State Government has time and again suggested imposition of Mineral Resources Rent Tax @ 50% of the surplus rent earned by mining lessees in respect of iron ore. However, this has not been accepted by the Central Government. A number of lessees continue to enjoy the benefits of 'deemed extension' provision under the relevant law, whereas the State Government is deprived of a substantial amount of revenue, which otherwise would have been payable by the lessees on the renewal of their leases.

11.3 At this juncture, let me take a leaf out of the priceless wisdom of Kautilya's Arthashastra, and I quote,

***“Mines are the source of wealth;
from wealth, comes the power of Government”***

Accordingly, I propose to raise additional revenue from mineral sector by revising the stamp duty on instruments of mining lease and renewal of mining leases by making requisite amendment in the Indian Stamp Act, 1899, as in force in the State of Odisha. Requisite amendment will be introduced in the house during the current session of Assembly.

11.4 As I have already mentioned in para-6.2.1 that the procurement price of kendu leaves has been increased from 40 paisa per Kerry of 20 leaves to 60 paisa per Kerry for the 2013 crop in order to provide benefit to the kenduleaf workers. For this purpose, the State Government would forgo the non-tax revenue of about ₹100 Crore it used to receive towards royalty from kenduleaf trading. Accordingly, estimate of receipts from forest and wildlife is made for ₹30.00 Crore for 2013-14 compared to ₹117.00 Crore estimated for 2012-13.

12. Conclusion

Hon'ble Speaker Sir, I have now come to an end of my budget presentation. Before concluding however, I wish to place on record that from the year 2000 onwards our Government, under the visionary and forward looking leadership of Shri Naveen Patnaik, has made earnest endeavour to ensure peaceful enjoyment of prosperity – 'Yogakshema' in the words of venerable Kautilya – by all the citizens of the State irrespective of their caste, creed, faith and place of origin. This would not have been possible without the blessings of Lord Jagannath and continued and unstinted good will of the people of the State. We had inherited a State with practically empty coffers. There was absolutely no fiscal space for spending on development and welfare programme. We inherited a staggering debt burden.

Incidence of poverty was highest in Odisha among all States and so was the incidence of infant mortality. Over these twelve years, we have managed to bring about a radical transformation in the economic and social land scape of Odisha. Ensuring food and nutrition security as well as health and employment security has been corner-stone of our public policy. This is not to say that we have fulfilled all the expectations and aspirations of our people. As a matter of fact, strong and robust performance of our programmes and policies has raised the bar for us. I would like to assure all the members of the august House as also every citizen of the State that we shall continue to work diligently with due humility to steadily climb ladder of sustainable and inclusive development and prosperity. I wish to conclude with the following lines of Utkalmani Gopabandhu Das for a resurgent Odisha :

“ଉତ୍କଳ-ତନୟେ ଦିଅ ନବ ବଳ,
 ଉତ୍କଳ-ପାଦପେ ରସମୟ ଫଳ,
 ଉତ୍କଳ-ସରିତେ ପବିତ୍ର ଜୀବନ,
 ଉତ୍କଳ-କାନନେ ସ୍ୱର୍ଗୀୟ ସୁମନ,
 ଉତ୍କଳ-ଆକାଶେ ନବ ଯଶଃ ରବି,
 ଉତ୍କଳ-ପ୍ରକୃତି ଧରୁ ନବ ଛୁବି ”

I, once again extend my sincere thanks to you, the Leader of the House, Hon'ble Chief Minister, Hon'ble Leader of Opposition and all Hon'ble members of this august House for giving me a patient hearing.

'Jai Hind'
“ Bande Utkala Janani ”
