



GOVERNMENT OF ODISHA

Speech of

**Shri Prasanna Acharya**

Minister, Finance

in the

**Odisha Legislative Assembly**

on the occasion of presentation of

the Vote on Account

for the

**Financial Year 2014-2015**

*The 7th February, 2014*



**Hon'ble Speaker Sir,**

At the outset, I express my gratitude to you for giving me this opportunity to present the Vote on Account Budget for the year 2014-15. I also express my sincere thanks to all the Hon'ble Members of this August House for their wholehearted support and co-operation.

2. It is obligatory on my part to indicate as to why we are presenting a Vote-on-Account Budget. The term of the 15<sup>th</sup> Lok Sabha & 14<sup>th</sup> Assembly will expire within a few months and general elections are to be held. The model Code of Conduct will come into force soon after announcement of the elections. Customarily the New Government has the prerogative to formulate new programmes and schemes. Accordingly, instead of presenting a full-fledged budget we propose to seek a Vote-on-Account to enable the Government to incur expenditure for the first four months of the financial year 2014-15 on existing establishment, schemes and projects.

3. The basic goal of our Government has been to push forward the growth process and no doubt we have achieved considerable success in this regard. There is, however, need to consolidate and carry forward these programmes in the coming years.

4. The State Government have undertaken a set of reform measures to accelerate the pace of development. Because of fiscal measures undertaken by the State Government in improving revenue generation and ensuring fiscal discipline, several positive outcomes have been achieved. I would like to high-light a few of them.

- The State's own revenue as % of GSDP has increased from 5.05% in 1999-2000 to 8.93% in 2012-13 (i.e. from ₹2420.56 cr. to ₹23112.23 cr.)
- The State's own tax revenue as a percentage of GSDP has increased from 3.56% in

1999-2000 to 5.81% in 2012-13 (i.e. from ₹1704.08 cr. to ₹15034.20 cr.)

- The revenue deficit has been eliminated since 2005-06, much ahead of the target fixed by the 12<sup>th</sup> Finance Commission.
- The State Plan expenditure in 1999-2000 was ₹2484.00 cr. As against this, the approved State Plan outlay for 2013-14 is ₹21500.00 cr. In spite of the huge financial burden on account of payment of Salary and Pension at increased rates, the Plan size for 2014-15 has been estimated at ₹35000.00 cr. with a step up of ₹13500.00 cr.
- The Capital Outlay which was of the order of ₹799.00 cr. only during 1999-2000 increased to ₹5622.18 cr. in 2012-13.
- The ratio of Interest Payment to Total Revenue Receipt which was as high as 21.03% in 1999-2000 has come down to 6.39% in 2012-13 against the target of 15% prescribed by the 12<sup>th</sup> Finance Commission.

- The State Government have neither resorted to over draft nor to ways and means advance from Reserve Bank of India since 01.12.2004.

5. Despite our good performance in many areas, it is to be noted that our resources are limited but our requirements are many. The State's progress depends on higher mobilization of resources and proper utilization of such resources.

6. Keeping in view various needs and aspirations of the people our popular government under the leadership of Hon'ble Chief Minister is committed to social and economic upliftment of the poor and downtrodden section of the society. Despite limited resources our Government have provided funds out of its own resources, for continuance of existing programmes like "Mo Kudia Yojana", Biju KBK Yojana", "Gopabandhu Gramin Yojana", "Madhubabu Pension Yojana", "MAMATA", "Cement Concrete Road", "Megalift Projects", etc.

7. Before presenting the Budget Estimates and Vote on Account 2014-15, let me outline the Revised Estimates for the current financial year.

8. In the Revised Estimates for 2013-14, the total expenditure from consolidated is estimated at ₹62,792.17 crore. Total Revenue Receipt is estimated at ₹53,810.15 crore and Revenue Expenditure at ₹51,657.88 crore. Thus, the Revenue surplus is estimated at ₹ 2152.27 crore in the Revised Estimates for 2013-14. The fiscal deficit is estimated to be contained at ₹ 5923.05 crore which would be 2.03% of GSDP.

9. You are aware that Union Government have decided to go for an interim Budget. The exact amount of Central Assistance including share in Central Taxes would be known after the regular Union Budget is passed. After discussion with the officials of Planning Commission and taking into account the resource estimates for the year 2014-15 the State's plan size has been fixed at

₹35000.00 cr. The plan size may under-go change after discussion at the level of Hon'ble Chief Minister with Deputy Chairman, Planning Commission later.

**10.** The tentative size of the State Plan for 2014-15 has been estimated at ₹35000.00 cr. including ₹2000.00 cr. for Public Sector Undertakings as against the Annual Plan size of ₹21500.00 cr. for the current financial year. Needless to say that such increase in Plan size has become possible because of better fiscal discipline and management.

**11.** The availability of Revenue Receipt of the Financial Year 2014-15 has been worked out at ₹62916.76 cr. and the Revenue Expenditure has been estimated at ₹61796.64 cr. The revenue receipt may decline in view of global recession which has affected the Country and the State. However, revenue surplus is anticipated at the end of the financial year 2014-15. The estimated

revenue surplus is of the order of ₹1120.13 cr. On the other hand, in the Capital Account, the estimated expenditure would be more by ₹3176.74 cr. compared to Capital receipts. It is estimated that there would be a deficit to the extent of ₹3176.74 cr. In toto, the deficit in the Consolidated fund has been estimated at ₹2056.61 cr. and the same amount has been estimated as surplus in the Public Account. On the whole, the expenditure in the consolidated fund has been matched with the Revenue Receipt, Capital Receipt and the Net Surplus in the Public Account taken together.

**12.** His Excellency, the Governor has already mentioned the details of the important 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.

Despite limited resources we have made provisions for different schemes & continuing

Programmes. I am giving an outline of provisions for different important continuing schemes & programmes for information of this august house.

- Gopabandhu Gramin Yojana ₹225.00 cr.
- Biju KBK Yojana ₹120.00 cr.
- Mo Kudia Yojana ₹150.10 cr.
- Accelerated Irrigation Benefit Programme ₹1430.00 cr.
- Externally Aided Projects ₹2325.00 cr.
- Rastriya Krishi Vikash Yojana ₹ 550.00 cr.
- Jawaharlal Nehru National Urban Renewal Mission ₹480.00 cr.
- Additional Central Assistance for Left Wing Extremist Affected Districts ₹540.00 cr.
- Backward Region Grant Fund (District Component) ₹440.00 cr.
- Rural Infrastructure Development Fund ₹2200.00 cr.
- NSAP ₹800.00 cr.
- MAMATA ₹222.63 cr.
- Biju Setu Yojana ₹163.00 cr.

- Mega Lift Projects ₹225.00 cr.
- State Highways Development Project ₹187.00 cr.
- Biju Krushak Kalyan Yojana ₹90.00 cr.
- Cement Concrete Road ₹498.56 cr.
- Equity contribution for development of commercially viable Railway Projects in the State executed through SPVs ₹100.00 cr.
- Biju Kandhamal 'O' Gajapati Yojana ₹28.50 cr.
- Biju Saharanchal Bidyutikaran Yojana ₹20.00 cr.
- Construction of Check Dams ₹187.00 cr.
- Agriculture Feeder in High Agriculture Load Area ₹100.00 cr.
- Exploitation of Ground Water in Water Deficit Areas ₹170.00 cr.

**13.** Keeping in view the requirement of funds for expenditure on payment of salary, pension, interest, repayment of principal, relief, old age pension, scholarship of ST & SC students, State's share under Centrally Sponsored Plan Schemes and other essential expenditure under Non-Plan, State Plan, Central Plan and Centrally Sponsored Plan schemes, a sum of ₹34829.36 cr. has been proposed in the Vote on Account for seeking approval of this august House to defray expenses during the first four months of the financial year that is from April to July, 2014.

**14.** Needless to emphasize that our Government have been consistently making efforts for the last fourteen years to usher in an era of development and progress in the State. Our programmes have been designed in such a manner that the benefits would help the poor and economically weaker sections of the society. Much has been done but a great deal remains to be achieved in future.

**15.** I once again express my sincere thanks to the Hon'ble Leader of the House, Hon'ble Leader of Opposition and all the Hon'ble Members of this House for their kind co-operation, constructive suggestions and unstinted support at different points of time. I also thank the Hon'ble Speaker for giving me this opportunity to speak a few words while presenting this Vote-on-Account Budget for the year 2014-15. This is the concluding session of the 14<sup>th</sup> Assembly. In this context, I pray for peace, prosperity and wellbeing of the people of the State to All mighty.

**Jai Hind**

