BUDGET SPEECH

(BUDGET 2009-2010)
Hon'ble Speaker Sir,

At the very outset in the First Session of the Fourteenth Assembly, I would like to extend hearty congratulation to you, the Leader of the House, Hon'ble Chief Minister, Hon'ble Leader of the Opposition and all Hon'ble Members. I express my gratitude to the Leader of the House Hon'ble Chief Minister and all the Hon'ble Members for giving me this opportunity to present the full fledged budget for the Financial Year 2009-10 and hope to get unhesitant cooperation of all.

2. It is my good luck to present this budget again as Finance Minister in the Government led by Hon'ble Chief Minister Shri Naveen Patnaik. In the preceding years, it was a challenge for us to set right the deteriorating financial condition of the State. We had accepted the challenge with all humility. We had faced all adverse situations with patience and sincerity. We could be able to move forward the State finance in a more disciplined way with the help and co-operation of the people. The way the people of the State reposed faith in the able leadership of Shri Naveen Patnaik in the last General Election, I express my gratitude to them through you.

3. As you know, Elections to both the State Assembly and Lok Sabha were held in the month of April, 2009. Therefore, the State Government had presented a Vote on Account for the first four months of Financial Year 2009-10 in the Legislative Assembly and got approval of the House. Hence, I present the full fledged budget for the Financial Year 2009-10 today.

4. The State Government is sincerely committed to the economic development of the State and to provide social justice to the people as well as to create a society free from hunger in the State. The State Government has been trying always to bring smile in the faces of the poor and to achieve the overall development of the State.
5. The scope to raise revenue as per our requirement is very limited in a developing state like Orissa. Despite this, augmentation of revenue and proper utilization thereof can pave way for progress of the State. By using the available resources, focus has been given in the budget to the development of education, improvement in the quality of health services, development of agriculture and allied services, expansion of irrigation, improvement of water supply and sanitation services, development of infrastructure, welfare of the aged, disabled persons, women, ST & SC people and other economical weaker sections of the society and also to complete the incomplete projects on priority basis.

6. The financial condition of the State can be assessed from the vital fiscal indicators like revenue deficit, fiscal deficit and primary deficit. In the past years since the receipts were less than the expenditure, the State was faced with continuous revenue deficit and fiscal deficit. We had to repay higher amount of loan and interest thereon continuously from the Financial Year 1984-85 till 2005-06. In the Financial Year 1999-2000 the revenue deficit of the State was at the level of Rs.2574.20 crores. With the aim of bringing about improvement in the deficit fiscal situation of the State, the State Government in the last few years had taken some expenditure rationalization and revenue generation measures under the fiscal reform programme. As a result, at the end of financial year 2005-06, the State achieved revenue surplus of Rs.481.19 crore for the first time after a gap of 22 years. Not only that this revenue surplus scenario continued in subsequent years.

7. It needs no mention that there has been much improvement in the fiscal situation of the State due to the sincere and disciplined efforts of the Government. Consequently, from 1st December, 2004 the Government have neither resorted to Ways and Means Advance nor Over Draft from the Reserve Bank of India. Letter of Credit is being issued to the concerned Departments as per their requirement for different developmental works of the State.
8. It is admitted that growth in capital expenditure is an indicator of success. As a consequence of the improvement in the fiscal situation of the State during last few years our capital expenditure has increased. While, the capital expenditure was only at Rs. 799.00 crore in the financial year 1999-2000, it reached the level of Rs.1451.47 crore during the financial year 2006-07. Similarly, while the capital expenditure was at Rs. 2843.41 crore during the Financial Year 2007-08, it is estimated at Rs. 3259.62 in the Revised Estimate for 2008-09 and 3594.33 crore in the Budget Estimate for 2009-10.

9. As you know, the plan size of the State has been fixed at Rs. 9500.00 crore for the Financial Year 2009-10. This is more than two and half times of the plan outlay of Rs.3250.00 crore of the State for 2004-05. This increase in the plan size of the State during last 5 years will definitely boost the economic development of the State.

10. The State Government have introduced Revised Salary and Pension on the recommendations of the 6th Pay Commission for Government employees and pensioners with effect from 1st January, 2006. More than 4 lakh Government employees and 2.49 lakh pensioners have been benefited by this. Provision has been made in the current year's budget for the teachers working in the Colleges and Universities of the State for payment of revised salary as per U.G.C. recommendations and also for payment of revised salary for judicial officers of the State.

11. Another significant achievement of the State Government is that the debt stock of the State had been reduced after a long gap of 61 years. It is worth mentioning that while the debt continuously increased and was Rs. 37249.51 crore at the end of the Financial Year 2006-07, it came down to Rs. 36311.61 crore at the end of the Financial Year 2007-08. As per the mandate of the 12th Finance Commission, the interest payment should be contained within 15% of revenue receipts. Viewing it from that angle this has come down to 14.43% in our State at the end of 2007-08.
12. Due to the success achieved in the fiscal front, the State Government has been receiving debt relief from the Central Government continuously from the financial year 2005-06 till 2008-09 at the rate of Rs. 381.90 crore per annum. It is expected that the same amount of debt relief will be received during the financial year 2009-10.

13. You are aware that the global economic recession has affected the world economy. In this context it is apprehended that State's revenue generation efforts may be adversely impacted. There is already decline in collection of State's Own Tax, Non-tax and share in Central Taxes from the beginning of the current Financial Year. In order to arrest this, it is indispensable to take strong steps for generation of more revenue as well as curtailment of unnecessary expenditures.

14. Despite limited resources, the State Government have made necessary provision in different sectors keeping in view the expectations of the people from a transparent and responsible Government in a democratic and welfare State. Government is committed for the fulfillment of the basic needs of the people like, electricity, road, water, land, agriculture, industry and infrastructure. Out of own resources the State Government have provided requisite allocation for "Mo Kudia Yojana", "Madhu Babu Pension Yojana", "Biju K.B.K Yojana", "Gopabandhu Gramin Yojana", "Biju Gramayoti Yojana" "provision of rice @ Rs. 2 per Kg." " Critical maintenance of irrigations projects" and for other essential schemes.

15. Taking in to account the State's own tax, Non-Tax, Share from Central Taxes and Grant-in-Aid from the Centre the total Revenue Receipt has been estimated at Rs. 26550.09 crore and revenue expenditure has been estimated at Rs.28919.19 crore during the Financial Year 2009-10. Hence, revenue deficit is estimated to be Rs.2369.10 crore. On the other hand, in the Capital account, the estimated expenditure would be less than Rs.544.07
crypted to receipts. In toto the deficit in the Consolidated Fund has been estimated at Rs.1825.03 crore taking both Revenue Account and Capital Account into consideration and an equal amount has been estimated as surplus in the Public Account. On the whole, the receipts and expenditure have been balanced taking into account the Revenue Account, Capital Account and Public Account together. Thus, it is a balanced budget with revenue deficit.

16. His Excellency, the Governor has already indicated the achievements of the State Government in different sectors along with the proposed action to be taken in the coming days. I do not want to bother you by repeating the same. Now I want to highlight the provisions made in some important Plan and Non-Plan sectors.

- Our economy is agriculture based. Hence, the State Government is all along committed to the development of agriculture and the farmers. We shall have to increase the pace of development in agriculture, co-operation, fisheries and animal resources sectors for speedy progress of the State. Therefore, our popular Chief Minister is laying stress on agriculture oriented programmes. For this, State Government have implemented new "State Agriculture Policy, 2008". The policy focuses on the socio economic wellbeing of the farmers along with qualitative change in agriculture sector. In order to implement the New Agriculture Policy and provide fertilizer, seeds, pesticides and implements at subsidized rates to the farmers, Government have made provision of Rs.44.50 crore in the Budget for 2009-10.

- You will be happy to know that Orissa has been one of the pioneers in the Country in implementing successfully the Water Shed Development Programme. State Government have started a new scheme "JEEBIKA" for extension of livelihood programme through 460 watershed projects in six tribal dominated districts like Koraput, Malkangiri, Raygada,
Nawarangpur, Kandhamal and Mayurbhanj at a project outlay of Rs.90.00 crore.

While Rs.120.00 crore has been provided in the Budget for 2009-10 for Rashtriya Krishi Vikash Yojana, Rs. 20.00 crore has been provided towards state share for newly implemented National Project Management of Soil Health and Fertility.

State Government have taken a decision for establishment of an Agriculture College at Bhawanipatna for extension of agricultural education and for this purpose Rs.10 crore has been provided in the Budget.

Our Government is committed for the development of Agriculture Sector and economic development of the farmers. Therefore, the interest rate of Cooperative Banks on crop loan has been reduced from 7% to 5% and Rs.40 crore has been provided in the budget towards interest subvention.

As per the recommendation of the Vaidyanathan Committee Rs.8.00 crore has also been provided towards state share for revival of Cooperative Institutions.

While Rs. 3.00 crore was provided in the original budget for 2008-09 for crop insurance, the same has now been increased to Rs.7.00 crore.

You all know that the development of Agriculture cannot be possible without the improvement of irrigation. So State Government has given priority for development of Water Resources.

While there was a provision of Rs.800.00 crore in the original budget of 2008-09 for Accelerated Irrigation Benefit Programme, it has been increased to Rs.1153.00 crore in the budget for financial year 2009-10.
As against the provision of Rs. 195.00 crore towards Rural Infrastructure Development Fund in the original budget for 2008-09, there is a provision of Rs.255.00 crore in the budget for 2009-10.

There is a provision of Rs.120.00 crore in the budget for 2009-10 towards Biju Krushak Vikash Yojana.

Similarly, there is a provision of Rs.21.00 crore in the budget towards maintenance of Critical Flood Control and Anti Sea Erosion works.

Provisions of Rs. 36.00 crore, 21.00 crore and 26.00 crore have been made in the budget for Critical maintenance of Major, Medium and Minor Irrigation Projects respectively.

Development of Fisheries and Animal Resource is helpful towards improvement of Agriculture. So our Government have made all out efforts for providing required funds in this sector.

While Rs.6.00 crore was provided in the original budget for 2008-09 towards Assistance for Rural Infrastructure Development Fund under this Department, the same has been increased to Rs.30.00 crore in the budget for Financial Year 2009-10. Out of this while Rs.26.00 crore is meant for construction of Livestock Aid Centres and Veterinary Hospitals Rs.4.00 crore has been kept for construction of road to fishing harbour and Jetty.

An amount of Rs. Rs.5.00 crore has been provided in the Budget for 2009-10 towards establishment of Livestock Aid Centres at Gram Panchayat level.

A sum of Rs. 10.00 crore has been provided in the budget as assistance to OMFED for development of milk production as well as milk producers.

Industrial Development facilitates economic growth along with creation of extensive employment opportunities. The Government under the leadership of Hon'ble Chief Minister Sri Naveen Patnaik has given priority on establishment of industries in order to create
employment opportunities for the youth. All steps have been taken to attract the private investors to establish industries in Orissa.

- The State Government have established the Single Window Clearance Mechanism and formulated one of the best Rehabilitation and Resettlement Policy for this purpose.

- Government have formulated a new policy for Micro, Small and Medium Enterprise and a sum Rs.1.00 crore has been provided in the Budget in order to implement the same.

- A sum of Rs.9.77 crore has been provided for promotion of Handloom and Handicrafts Industries.

- Our Government is committed for the welfare and development of poor and downtrodden people of the society. State Government has launched a dwelling house scheme named "Mo Kudia" out of own resources. Rs.60.00 crore have been provided in the budget for 2009-10 for this purpose.

- A sum of Rs.324.00 crore has been provided towards Backward Region Grant Fund for 19 districts.

- While Rs. 110.00 crore was provided in the original budget of 2008-09 for "Gopubandhu Gramina Yojana" meant for development of Rural people in 11 coastal districts, the same has been augmented to Rs. 165.00 crore.

- A amount of Rs. 100.00 crore has been provided towards State Share in the Budget for 2009-10 for National Rural Employment Guarantee Scheme.

- Similarly, Rs. 15.66 crore has been provided towards State Share under Swarna Jayanti Gramya Swa Rojgar Yojana.
A sum of Rs.308.12 crore has been provided in the Budget for Rural Local Bodies as per the recommendation of the Second State Finance Commission.

In order to provide employment to the unemployed youth Rs.10.10 crore has been provided towards State Employment Mission.

An amount of Rs.110.25 crore has been provided for MLALAD fund.

A sum of Rs. 80.00 crore has been provided towards Grant to Western Orissa Development Council.

A sum of Rs. 120.00 crore has been provided in the Budget for 2009-10 for "Biju KBK Yojana".

It is the moral responsibility of every democratic Government to provide good health services to the people. State Government is aware of this and provision has been made in different schemes keeping in view the requirements.

While a sum of Rs.7.50 crore was provided in the original budget for 2008-09 for Acharya Harihar Cancer Institute, the same has been increased to Rs.10.00 crore in the budget for 2009-10.

A sum of Rs.7.00 crore has been provided to complete the incomplete works of Capital Hospital.

An amount of Rs.3.20 crore has been provided in the budget for 2009-10 for installation of Drug Testing and AIDS Testing Machines and for the Drugs and Food Testing Laboratory.

While there was a provision of Rs.3.84 crore in the original budget for 2008-09 for Dietary charges of Indoor Patients, the same has been increased to 7.21 crore in the budget for 2009-10.

While there was a provision of Rs.14.60 crore towards purchase of medicines for Government Hospitals, the same has been increased to Rs.23.47 crore in the budget for 2009-10.
Similarly, while there was a provision of Rs. 28.41 crore for purchase of equipments in Government Hospitals in the original budget for 2008-09, the same has been increased to 30.28 crore in the budget for 2009-10.

A sum of Rs.61.00 crore has been provided towards State Share under National Rural Health Mission.

A sum of Rs. 5.00 has been provided in the budget for construction of 50 Primary Health Centre buildings.

There cannot be improvement in the education of the State without development of Primary and Secondary Education. So in this regard the Government have been making efforts for development of infrastructure and improvement in quality of education. A sum of Rs.255.00 crore has been provided in the budget for 2009-10 towards State's Share of Sarba Sikhya Abhiyan.

While Rs.5.00 crore was provided in the original budget for 2008-09 for the Centrally Sponsored Programme, "SUCCESS" which is meant for establishment of new Model High Schools, Development of Infrastructure of High Schools and for incentive to girl students, the same has been increased to Rs.12.88 crore in the Budget for 2009-10.

An amount of Rs.15.00 crore has been provided in the Budget for 2009-10 towards State share of Centrally Sponsored Plan for establishment of Model Schools in backward blocks.

A sum of Rs.11.00 crore has been provided towards State matching contribution for Kasturba Gandhi Balika Vidyalaya.
While Rs.114.40 crore was provided in the original budget towards Grant-in-Aid salary of Non-Government High Schools, the same has been increased to Rs.204.93 crore in the budget for 2009-10.

While there was a provision of Rs.5.40 crore in the original budget for 2008-09 towards Grant-in-aid salary of Non-Government Primary Schools, the same has been increased to Rs.9.66 crore in the Budget for 2009-10.

The State Government have always been giving emphasis on development of Higher Education. So adequate provision has been made in the current year's Budget.

While Rs.283.01 crore was provided in the original budget for 2008-09 towards salary of Aided Colleges, the same has been increased to Rs.483.58 crore in the budget for 2009-10. Out of this amount, a sum of Rs.119.02 crore has been earmarked for arrear salary.

While Rs.10.60 crore was provided as Block Grant to Colleges (notified during 2004) in the original budget for 2008-09, the same has been increased to Rs.11.60 crore in the original budget for 2009-10.

A sum of Rs. 5.00 crore has been provided in the budget for Infrastructure Development of Ravenshaw University.

Provision of Rs.5.00 crore has been made for scholarship for students prosecuting their studies in professional courses.

The State Government have taken different remarkable steps for allround development of ST, SC, Minority and Other Backward Classes with enhancement of the Scholarship of these students and construction of hostels for them.
An amount of Rs. 50.00 crore has been provided in budget for construction of 1000 hostels for ST and SC Girl Students.

Government have taken a decision to establish a B.Ed. College at Kandhamal and Rs. 4.50 crore has been provided in the Budget for this purpose.

While Rs.136.87 crore was provided in Plan and Non-plan sectors towards Pre-matric Scholarship of S.C and S.T Students, in the original Budget for 2008-09 the same has been increased to Rs.201.27 crore in the Budget for 2009-10.

A sum of Rs.20.00 crore has been provided in the Budget for 2009-10 for maintenance, renovation etc. of educational institutions and hostels maintained by the S.T. & S.C. Welfare Department.

You are aware that Government have provided Rice @ Rs.2/- per Kg. to the Below Poverty Line families in the State and Above Poverty Line families in K.B.K districts from the month of August, last year. Accordingly Rs.847.85 crore has been provided in the current year's Budget. It is a landmark step taken by the Government so that no people will remain in starvation in the State.

Government have been always giving emphasis on development of rural areas and improvement of rural infrastructures. A sum of Rs.10.00 crore has been provided in the Budget for 2009-10 of Rural Development Department towards maintenance of Roads constructed under PMGSY.

Similarly, while Rs.15.00 crore was provided in the original Budget for 2008-09 towards improvement and widening of rural roads, the same has been increased to Rs.20.00 crore in the Budget for 2009-10.

An amount of Rs.25.00 crore has been provided under State Plan for completion of incomplete roads and bridges.
A sum of Rs.75.50 crore has been provided towards State Government Assistance in construction of roads under PMGSY.

Rs. 29 crore has been provided in the State Plan towards Constituency Wise Allocation for repair of rural roads.

Rs. 111.36 crore has been provided towards the State's share under Rural Water Supply and Sanitation.

There will be economic development in the State along with creation of ample employment opportunities, if there is development in the field of Information Technology. While Rs.4.20 crore was provided in the original Budget for 2008-09 for establishment of IIIT at Bhubaneswar, the same has been increased to Rs.7.00 crore in the Budget for 2009-10.

A sum of Rs. 5.50 crore has been provided in the Budget for 2009-10 towards OCAC Incubation Tower.

A sum of Rs.1.00 crore has been provided in the Budget for implementation of E-smart Panchayat.

While Rs.20.64 crore was provided in the original Budget for 2008-09 towards implementation of E-Governance project as per National E-Governance Programme, the same has been increased to Rs.23.12 crore in the budget for 2009-10.

A sum of Rs.10.00 crore has been provided in the Budget for 2009-10 towards "Rastriya Swasthya Bima Yojana" for welfare of the labourers in the State.

Modernisation of Police organisation, Infrastructure Development and engagement of more police personnel are essential in order to improve the law and order situation of the State. A sum of Rs.43.31 crore has been provided for this purpose in the Budget.
Naxal problem has become a concern for all of us. Government have decided to give engagement to 2100 tribal youth as Special Officers in Naxal affected districts like Gajapati, Rayagada, Koraput, Malkanagiri and Kandhamal and accordingly Rs.9.41 crore has been provided in the Budget.

An amount of Rs.10.00 crore has been provided in the Budget for 2009-10 for establishment of 4th and 5th IR Battalions.

For control of law and order situation a sum of Rs.10.64 crore has been provided in the Budget for establishment of Special Operation Group.

In order to provide protection against fire hazards in different parts of the State it is essential to establish more Fire Service Stations in the State. Accordingly, Rs.30.00 crore has been provided in the Budget of 2009-10 for establishment of 30 new Fire Service Stations.

While Rs.30.00 crore was provided in the original Budget for 2008-09 towards duty call allowance of Home Guards, the same has been increased to Rs.51.87 crore in the Budget for 2009-10.

Government have always given emphasis on development of Urban areas and its infrastructure development. While Rs.95.23 cr. was provided under Jawaharal Nehru Urban Renewal Mission in the original budget for 2008-09, Rs.250.00 crore has been provided in the budget for 2009-10 for the same purpose.

A sum of Rs.25.00 crore has been provided in the current year's budget for different Urban Local Bodies as per the recommendations of the 2nd State Finance Commission.

A sum of Rs.3.00 crore has been provided for Water Supply to the proposed IIT.
In order to publicise and disseminate development programmes of the state in different sectors among the people a sum of Rs.3.00 crore has been provided in the budget of I & PR Department for making documentaries through Orissa Remote Sensing Application Centre.

A sum of Rs.5.00 lakhs has been provided in the budget for welfare of working Journalists.

Government have taken many steps to provide social security for destitute women and old people and to promote empowerment of women.

While Rs.172.63 crore was provided in the original budget for 2008-09 towards National Old Age Pension, the same has been increased to Rs.257.17 crore in the budget for the financial year 2009-10.

While Rs.72.00 crore was provided in the original budget for 2008-09 towards Madhubabu Pension Yojana in State Plan, a sum of Rs.120.00 crore has been provided in the Financial Year 2009-10. By this, 2 lakhs additional beneficiaries will get the pension.

While Rs.96.07 crore was provided in the original budget for 2008-09 under Supplementary Nutrition Programme, Rs. 180.57 crore has been provided in the budget for the Financial Year 2009-10 for the same purpose.

A sum of Rs. 50.00 crore has been provided towards financial assistance to eligible 1 lakh Women Self-help Groups.

You will be happy to know that special provision of Rs.10.00 crore has been made in the budget for 2009-10 for Welfare of the disabled persons.

A sum of Rs.4.00 crore has been provided under State Plan for supply of Cycles to School going SC and ST Girl Students.

Provisions of Rs.18.00 crore, Rs.40.00 crore, Rs.60.00 crore and Rs.15.00 crore have been made in the budget for 2009-10 towards Special repairs of Government residential Building at New Capital
Bhubaneswar, improvement of roads in New Capital, Improvement of roads in Districts Headquarters and improvement of roads in and around Sambalpur/ Cuttack/ Berhumpur respectively.

- A sum of Rs.10.00 crore has been provided in the budget for 2009-10 for construction of Railway Over Bridge near proposed IIT site and road to IIT site.

- A sum of Rs.60.00 crore has been provided in the budget for 2009-10 for completion of incomplete projects in Capital including Railway Over Bridge at Lingaraj Road passenger Halt.

- In view of our State facing different natural calamities, Rs.8.50 crore has been provided the budget for establishment of Doppler Weather Radar Station for having an advance warning system.

- A sum of Rs.60.00 crore has been provided in the Budget for 2009-10 for construction of new Tahasils and other office buildings.

- While Rs.2.83 crore was provided in the budget for 2008-09 for State Share under national land records modernization programme and computerization of land records, registration offices and correction of land records the same has been increased to Rs.17.83 crore in the budget for 2009-10.

- While there was no provision in the budget for 2008-09 towards Grant-in-Aid to Orissa Disaster Mitigation Authority (OSDMA) for restoration and rehabilitation works, a sum of Rs.10.00 crore has been provided in the budget for 2009-10 for this same purpose.

- A sum of Rs.2.00 crore has been provided in the budget for 2009-10 towards electricity connection to the proposed IIT.

- Similarly, while Rs.65.00 crore was provided in the budget for 2008-09 towards state share for "Rajiv Gandhi Gramin Viduti Karan Yojana", the same has been increased to Rs.80.00 crore in the budget for 2009-10.

- Besides, while Rs.1651.97 crore was provided in the original budget for 2008-09 towards maintenance of roads, bridges, buildings, water
supply, irrigation and flood control works, the same has been increased to Rs.1876.96 crore in the budget for 2009-10.

An amount of Rs.690.00 crore has been provided in the budget for 2009-10 towards Externally Aided Projects.

17. I would like to place before you that previously State Government was not able to leverage proportionate Central assistance owing to inadequate provision of funds for State share of Centrally Sponsored Schemes. But as a result of improvement in the finances of the State due to persistent efforts of the State Government, it has been possible to provide adequate state share for Centrally Sponsored Plan Schemes. There has been increase in State Share for Centrally Sponsored Plan Schemes from year to year. In the budget for 2009-10 a sum of Rs.1133.17 crore has been provided for this purpose.

18. The strong resolve and commitment of the Hon'ble Chief Minister, with the good wishes and support of the people there has been perceptible improvement in many fields during the last nine years. But a lot need to be done for all round development of the State. I hope and believe that the budget for the financial year 2009-10 will pave the way for fulfillment of the hope and aspiration of the people of the State and accelerate the pace of development.

19. Speaker Sir! While presenting the full fledged budget for 2009-10 I solicit the Co-operation of all members of this August House. I conclude my speech with sincere thanks to you, the Leader of the House, Hon'ble Chief Minister, Hon'ble Leader of the opposition and all the Hon’ble members.

JAI HIND
BANDE UTKAL JANANI
SRI PRAFULLA CHANDRA GHADAI
MINISTER, FINANCE