

# Highlights of Budget Estimates for 2018-19

Today on 23<sup>rd</sup> March, 2018, Hon'ble Minister, Finance Sri Sashi Bhushan Behera presented an investment, growth, development and welfare oriented Annual Budget for 2018-19 in the Odisha Legislative Assembly with an outlay of ₹1,20,028 crore, which is about 12.3% more than the Annual Budget, 2017-18.

Like previous years, this year also the Budget was presented in two parts. "Agriculture Budget" and "General Budget". The comparative position of the outlays for 2017-18 (BE) and 2018-19(BE) are as follows:

(₹ in crore)			
Sl. No	Item	2017-18 (B.E.)	2018-19 (B.E.)
1.	Administrative Expenditure	47,465	50761
2.	Programme Expenditure	52,800	62,000
3.	Disaster Response Fund	1,824	1,865
4.	Transfers from the State	4,822	5,402
	<b>Total</b>	<b>1,06,911</b>	<b>1,20,028</b>

## 1. Qualitative Aspects of the Budget

- ❖ For the first time, the outlay of **₹62,000 crore** for Programme Expenditure is more than half of the total budget size.
- ❖ The allocation for **Agriculture and Allied sectors** in this Budget has been substantially enhanced to **₹16,765 crore** in 2018-19.
- ❖ Allocation of **₹19,678 crore** for Education and Skills sector.
- ❖ Allocation of **Rs.6,160 crore** for Health sector.
- ❖ Investment of about **Rs.3,000 crore** for **Piped Water Supply Projects**.
- ❖ Allocation of **Rs.22,684 crore** for development of SCs and STs for identified Schemes in the Programme budget.
- ❖ Capital outlay of **₹24,567 crore** is **5.5% of GSDP**.
- ❖ Outlay for development expenditure is more than 70% of total budget.
- ❖ Tax GSDP Ratio for 2018-19 (BE) would be 6.44%.
- ❖ Revenue surplus projected at 2.25% of GSDP.
- ❖ Fiscal Deficit kept within the prescribed limit of 3.5% of GSDP.

## 2. New Initiatives

- ❖ **Rs.1,250 crore** for the new programme “**Ama Gaon Ama Bikash**” to take up developmental activities based on the feedback of the people on the ground.
- ❖ Additional **Rs.250 crore** is provided under “**Welfare of Farmers**”. The details will be worked out later by Agriculture & Farmer’s Welfare Department.
- ❖ **Rs.50 crore** for the new scheme “**KHUSHI**” to ensure menstrual hygiene among the adolescent girls and women.
- ❖ A new universal eye care programme ‘**Mukyamantri Chakshyu Jatna Karyakarm - SUNETRA**’ with an outlay of Rs. 682 crore over a five year period was announced by Hon’ble Chief Minister. **Rs.87 crore** is proposed for the purpose for 2018-19.
- ❖ A new programme ‘**NIRMAL**’ with an outlay of **Rs. 70 crore** in 2018-19 will help upgrade standards of various ancilliary services including sanitation, hygiene and security in health institutions.
- ❖ A new initiative “**Digital Health**” with an outlay of **Rs.10 crore** will successfully build on Nowrangpur pilot.
- ❖ **Rs.90 crore** for providing free diagnostic services under ‘**NIDAN**’.
- ❖ **Rs.125 crore** for the new scheme “**Ama Ghare LED Light**” Karyakram in which each poor household will be provided with 4 LED bulbs free of cost.
- ❖ **Rs. 20 crore** for recently announced **Odisha Handlooms & Handicrafts Development and Promotion Council**
- ❖ **Rs.30 crore** for the new scheme “**Green Mahanadi Mission**” to protect the river Mahanadi for enhancing water availability and to improve livelihood.
- ❖ **Rs.100 crore** for procurement of millets for utilization in Government schemes under Odisha Millet Mission
- ❖ A new initiative ‘**Biju Yuva Vahini**’ with allocation of **Rs.90 crore** within the umbrella scheme ‘**Biju Yuva Sashaktikaran Yojna**’ for nurturing leadership and volunteerism, promoting culture of sports & sportsmanship, healthy living among youth, establishing vibrant youth connect platforms and engaging with youth across the State.
- ❖ **Rs.50 crore** for the new scheme ‘**Mo School Abhiyan**’ for development of infrastructure of Secondary schools in the State involving the public as well as the old students. The Government will provide twice the amount donated by any person for various purposes such as science laboratory, library, sports etc.
- ❖ **Rs.20 crore** for the new scheme “**Mukhyamantri Medha Bruti**” to provide incentive to 40 thousand meritorious students with one time scholarship of the amount of Rs.5000/-.

- ❖ **Rs. 30 crore** for construction of **100 hostels for OBC/ SEBC**.
- ❖ **Rs.60 crore** for the new scheme “**Mukhyamantri Kalakara Sahayata Yojana**” for payment of pension to women artists above 45 years age and male artists above 60 years of age at the rate of Rs.1200 per month. Fifty thousand beneficiaries would be covered under the Scheme.
- ❖ **Rs.15 crore** provided for “**Sun and Sand Marathon**” at Konark for which is provided.
- ❖ **Rs.7 crore** provided for development of Bakulabana.
- ❖ Odisha became the first State in the country to ink a historic partnership with Hockey India to sponsor all national hockey teams- Junior and Senior, Men and Women- for a period of 5 years.

### Department-wise allocation

(₹ in crore)

D. No	Department	Administrative Expenditure	Programme Expenditure	Disaster Response Fund	Transfer from State	Grand Total
1	Home Department	4,238.33	1,036.06	-	-	5,274.39
2	General Administration and Public Grievance Department	178.89	224.84	-	-	403.74
3	Revenue And Disaster Management Department	919.39	154.43	-	-	1,073.82
4	Law Department	298.54	46.56	-	-	345.10
5	Finance Department	24,530.17	-	-	-	24,530.17
6	Commerce Department	73.22	12.49	-	-	85.70
7	Works Department	1,453.72	2,811.17	-	-	4,264.88
8	Odisha Legislative Assembly	63.54	-	-	-	63.54
9	Food Supplies and Consumer Welfare Department	76.98	1,071.58	-	-	1,148.56
10	School and Mass Education Department	8,528.84	5,958.25	-	-	14,487.10
11	Scheduled Tribes & Scheduled Castes Development, Minorities & Backward Classes Welfare Department	747.40	2,666.15	-	-	3,413.55
12	Health and Family Welfare Department	2,137.08	4,022.89	-	-	6,159.96
13	Housing and Urban Development Department	564.98	2,895.28	-	1,701.54	5,161.80
14	Labour & Employees' State Insurance Department	111.96	21.90	-	-	133.86
15	Sports & Youth Services Department	30.39	310.62	-	-	341.01
16	Planning and Convergence Department	47.45	887.98	-	-	935.43
17	Panchayati Raj and Drinking Water	391.69	9,633.20	-	3,700.46	13,725.35

D. No	Department	Administrative Expenditure	Programme Expenditure	Disaster Response Fund	Transfer from State	Grand Total
	Department					
18	Public Grievances and Pension Administration	2.10	-	-	-	2.10
19	Industries Department	4.80	307.65	-	-	312.45
20	Water Resources Department	1,217.02	8,979.03	-	-	10,196.05
21	Transport Department	67.83	522.89	-	-	590.73
22	Forest & Environment Department	457.65	348.52	-	-	806.17
23	Department of Agriculture and Farmers' Empowerment	769.29	3,741.88	-	-	4,511.16
24	Steel & Mines Department	60.85	52.69	-	-	113.54
25	Information & Public Relations Department	45.30	142.50	-	-	187.80
26	Excise Department	90.87	10.00	-	-	100.87
27	Science & Technology Department	13.74	41.39	-	-	55.13
28	Rural Development Department	1,171.26	4,411.20	-	-	5,582.46
29	Parliamentary Affairs Department	47.56	0.04	-	-	47.60
30	Energy Department	29.56	1,953.74	-	-	1,983.29
31	Handlooms, Textiles & Handicrafts Department	60.94	128.99	-	-	189.93
32	Tourism Department	14.78	198.38	-	-	213.16
33	Fisheries & Animal Resources Development Department	431.09	462.34	-	-	893.43
34	Co-Operation Department	124.36	1,039.61	-	-	1,163.97
35	Public Enterprises Department	2.83	5.00	-	-	7.83
36	Department of Women & Child Development and Mission Shakti	22.61	3,424.22	-	-	3,446.82
37	Electronics & Information Technology Department	2.11	110.76	-	-	112.87
38	Higher Education Department	1,297.86	993.81	-	-	2,291.67
39	Skill Development & Technical Education Department	281.04	344.41	-	-	625.45
40	Micro, Small & Medium Enterprises Department	65.33	146.25	-	-	211.58
41	Department of Social Security & Empowerment of Persons with Disability	49.04	2,513.45	-	-	2,562.49
42	Disaster Management	3.38	221.19	1,865.00	-	2,089.57
43	Odia Language, Literature and Culture Department	35.23	146.69	-	-	181.91
	<b>Grand Total</b>	<b>50,761.00</b>	<b>62,000.00</b>	<b>1,865.00</b>	<b>5,402.00</b>	<b>1,20,028.00</b>

### 3. Sectoral Highlights (Agriculture and Allied Activities):

- ❖ Allocation of **Rs.16,765 crore** to Agriculture through separate Budget. Rise of 134% when the first Agriculture Budget was presented in 2013-14 with outlay of **Rs.7,162 crore** .
- ❖ The State Government has been repeatedly demanding the Government of India to increase the **MSP**. We are happy that Government of India have announced it in the Union Budget of 2018-19 to enhance MSP to one and half times the cost of production. We welcome the step. However, we demand that the cost of production needs to be assessed on realistic basis for fixing the MSP.
- ❖ The outlay for the Agriculture Budget is about 12.3% of the total outlay proposed to be provided in the Budget Estimates for 2018-19
- ❖ Enhanced outlay of about **Rs.155 crore** for Integrated Watershed Management Programme.
- ❖ Emphasis on soil conservation activities with enhanced allocation of Rs.602 crore.
- ❖ Rs.100 crore for Corpus Fund for procurement and distribution of quality seeds to the farmers.
- ❖ Corpus fund for ensuring availability of fertilizers with allocation of Rs.100 crore.
- ❖ Rs.450 crore is provided for undertaking Farm Mechanisation Programme of the State Government.
- ❖ Allocation of Rs.350 crore is made under National Mission on Agriculture Extension and Technology to enable delivery of appropriate technology and improved agronomic practices to the farmers.
- ❖ Allocation for Rs.104 crore has been made under National Horticulture Mission to promote horticulture, floriculture and spices.
- ❖ A sum of **Rs.1,802 crore** has been allocated for **Parbati Giri Mega Lift Irrigation Scheme**.
- ❖ An outlay of Rs.2,629 crore has been provided in 2018-19 for 8 ongoing AIBP Projects for which funding has been tied up from Long Term Irrigation Fund (LTIF) under NABARD.
- ❖ An outlay of Rs.344 crore has been provided for construction of about 2000 check dams under Mukhya Mantri Adibandha Tiaryi Yojana - MATY.
- ❖ Allocation of Rs.120 crore is made to revive additional 690 defunct L. I. points.
- ❖ **Rs.540 crore** is provided for Deep Bore Well Scheme, **Rs.290 crore** under **Biju Krushak Vikas Yojana** for community lift irrigation projects.
- ❖ A sum of Rs.250 core has also been proposed for Agriculture Department to take up micro-irrigation under PMKSY.

- ❖ To minimize conveyance loss in canals, a sum of Rs.130 crore is being proposed under Canal Lining and System Rehabilitation Programme (CLSRP) to complete about 150 km of canal lining work.
- ❖ An outlay of Rs.1000 crore has been provided for flood control and drainage work.
- ❖ Rs.470 crore has been provided towards Interest Subvention on crop loans to Co-operative as well as Commercial Banks.
- ❖ Allocation of Rs.400 crore is made towards the State's share for the premium for Pradhan Mantri Fasal Bima Yojana to provide quick relief and adequate compensation to the farmers.
- ❖ Rs. 73 crore has been proposed for development of Brackish Water Aquaculture, Marine Fisheries Intensive Aquaculture and Inland Fisheries.
- ❖ Allocation of Rs.20 crore is made for development of infrastructure for the Fisheries Sector including Farms, Fishing Harbours, Fish Landing Centres, construction of cement concrete road to shrimp clusters etc.
- ❖ Rs.51 crore is provided under Blue Revolution to undertake different activities such as fish seed rearing centres, integrated development of reservoirs, rejuvenation of water bodies and capacity building of fish farmers. This includes a provision Rs.20 crore for development of fishing harbor at Balaramagadi.
- ❖ **Rs.88 crore** provided under the umbrella scheme of '**White Revolution**' for development of dairying and livestock management.
- ❖ Provision of **Rs. 53 crore** has been made for installation of 5 lakh LPD Dairy Plant near Bhubaneswar.
- ❖ Allocation of Rs.90 crore has been made under Biju Krushak Kalyan Yojana.

#### **4. Sectoral Highlights (General Budget):**

- ❖ Rs.1,800 crore is provided for Sarba Sikhya Abhiyan, Rs.808 crore for Mid-day Meal Scheme and Rs.500 crore for Rashtriya Madhyamika Sikshya Abhiyan, all of which will have a State share of 40 per cent. In addition, Rs.85 crore is also provided as cooking cost for the Mid-day meals.
- ❖ Allocation for **Rs.309 crore** is made under the **Gangadhar Meher Sikhya Manakbrudhi Yojana (GMSMY)** to provide school bags to all children from Class-I to V, free text books and school uniform including shoes to all children from Class-I to VIII and free bicycles to all students reading in Class-IX of Government and Government aided schools, Sanskrit tols and Madrasas.
- ❖ **Rs.250 crore** is provided under **Odisha Adarsha Vidyalaya** to meet the establishment and running the schools.

- ❖ A sum of **Rs.50 crore** is provided under **Mo School Abhiyan** for infrastructure development of schools. The Government will provide twice the amount donated by any person for various purposes such as science laboratory, library, sports etc.
- ❖ **Rs.34 crore** is provided for providing **Laptop to meritorious students** on their completion of higher secondary education.
- ❖ **Rs.200 crore** for construction of hostels for ST girls and urban hostel complexes under the scheme **AKANKSHYA**
- ❖ A sum of **Rs.39 crore** is proposed under **Anwasha**, to provide free quality education to ST and SC students in the best English medium schools in urban areas.
- ❖ **Rs.177 crore** for infrastructure development of higher education institutions
- ❖ Allocation of **Rs.223 crore** is made under **Rashtriya Uchatara Sikshya Abhiyan (RUSA)** for improving the overall quality of State higher education and Technical Education institutions.
- ❖ A sum of **Rs.280 crore** is proposed for infrastructure development of Technological Universities and Engineering Colleges, Engineering Schools and Polytechnics and ITIs
- ❖ A sum of **Rs.19 crore** will be provided for **Odisha State Self Employment Mission** and skill development of youth through ITIs.
- ❖ **Rs.700 crore** is provided under “**Mukhya Mantri Swasthya Seva Mission**” for Public Health Response, Health Investment Promotion Policy, Development of Infrastructure of the existing Medical Colleges and Peripheral Healthcare Institutions and financial assistance upto **Rs.3 lakh** to needy and poor patients to cover the cost of treatment for critical illness.
- ❖ **Rs.365 crore** is provided for the establishment of **new Medical Colleges** which will help increase the availability of doctors.
- ❖ **Rs.52 crore** is provided for “**Sishu O Matru Mrityuhara Sampurna Nirakaran Abhiyan (SAMPURNA)**” for accelerated reduction of Infant Mortality Rate (IMR) and Maternal Mortality Rate (MMR).
- ❖ **Rs.304 crore** is provided under the scheme **Niramaya** for free supply of medicines through **Odisha State Medical Corporation**
- ❖ **Rs.1,370 crore** is provided for **National Health Mission**.
- ❖ Proposal of an outlay of **Rs.1,000 crore** for rural water supply and **Rs.350 crore** for urban water supply under **BASUDHA**.
- ❖ **Rs. 509 crore** for operation and maintenance of water supply systems.

- ❖ A **Mega Water Supply Project** with estimated project cost of **Rs.489 crore** taken up in EPC mode to resolve the water supply problem in Berhampur and 53 adjoining villages through drawal of water from Janivilli Reservoir.
- ❖ Construction of **two barrages on rivers Koel and Ib** for water availability for **Rourkela and Sundergarh** towns.
- ❖ Drinking water supply to 645 villages in 7 districts with an estimated cost of **Rs.550 crore** under 4th State Finance Commission funds.
- ❖ Water supply facility in all 691 directly affected villages in 8 mineral bearing districts at the cost of Rs.450 crore under OMBADC funds.
- ❖ Mega Piped Water Supply to be taken up out of the funds under District Mineral Foundation.
- ❖ **Total investment for Piped Water Supply Projects during 2018-19 about Rs.3,000 crore.**
- ❖ Rs.1,000 crore for the rural component and Rs.200 crore for the urban component of Swachh Bharat Mission.
- ❖ **Rs.3,592 crore** is provided for rural housing through convergence of PMAY Gramin and Biju Pucca Ghar.
- ❖ Another **Rs.400 crore** is provided for construction of urban dwelling units. Thus, total **Rs.3,992 crore** is provided for housing sector.
- ❖ **Rs.155 crore** is provided for our Maternity Benefit Programme “**MAMATA**”, and another Rs.89 crore for Pradhan Mantri Matru Vandana Yojana (PMMVY)
- ❖ Rs.2,035 crore is provided under ICDS scheme for the scheme which is being financed by the Centre and the State in the ratio of 60:40 Provision of Rs.300 crore is made towards State support for implementation of ICDS.
- ❖ **Rs.40 crore** is provided under the new Scheme **Malatidevi Prak Vidyalaya Paridhan Yojana** for distribution of uniform for children undergoing Pre-school education.
- ❖ **Rs.550 crore** under the scheme **Mukhyamantri Mahila Sashaktikarana Yojana** towards financial assistance to Women Self Help Groups and their federations under Mission Shakti.
- ❖ **Rs.1486 crore** is provided under **Madhubabu Pension Yojana** for Old Age, Widow and Disability Pensions. Rs.863 crore is provided under National Social Assistance Programme.
- ❖ **Rs.902 crore** for distribution of rice @Rs.1/- per kg.
- ❖ A provision of Rs.29 crore is made for fair price shop automation to ensure complete transparency in the distribution of entitlements.

- ❖ Rs.1283 crore is provided towards material component of MGNREGA as the wage component is directly transferred to the beneficiaries through DBT.
- ❖ Provision of Rs.1,991 crore is made for transfer to PRIs on the basis of the recommendations of 14th Finance Commission and Rs.1,709 crore on the recommendations of the 4th State Finance Commission.
- ❖ **Rs.400 crore** is provided under the new scheme Urban Transformation Initiative (UNNATI) for improvement of urban infrastructure.
- ❖ Provision **Rs.125 crore** to upgrade the public transport system of Bhubaneswar on a PPP mode.
- ❖ Provision of Rs.404 crore is made for transfer to ULBs on the basis of the recommendations of 14th Finance Commission and Rs.1,197 crore on the recommendations of the 4th State Finance Commission.
- ❖ Rs.250 crore is provided under the CSS AMRUT and Rs.47 crore for National Urban Livelihood Mission.
- ❖ Rs.300 crore is provided under JICA assisted EAP for improvement of sewerage system in Bhubaneswar and Cuttack.
- ❖ **Rs.530 crore** is provided under Odisha Distribution System Strengthening Programme (ODSSP) for establishment of new 33x11 sub-stations.
- ❖ Provision of Rs.125 crore is made under State Capital Region Improvement of Power System (SCRIPS) to provide 24X7 uninterrupted stable power supply.
- ❖ Provision of **Rs.350 crore** for Double Laning of State Highways under **State Highway Development Programme (SHDP)**; **Rs.80 crore** for road Projects under PPP mode; **Rs.100 crore** for **Biju Expressway** to improve connectivity in Western Odisha and KBK districts; Rs.400 crore for Central Road Fund projects. A provision of **Rs.714 crore** has also been made for maintenance.
- ❖ Rs.2,900 crore is provided under Pradhan Mantri Gram Sadak Yojana (PMGSY) for construction of 5000 Kms of roads.
- ❖ To ensure connectivity to the habitations not eligible under PMGSY, a sum of Rs.400 crore will be provided under Mukhya Mantri Sadak Yojana.
- ❖ Rs.600 crore is provided under Biju Setu Yojana for completion of 313 nos. of bridges.
- ❖ **Rs.100 crore** is provided under the new scheme **Connecting Unconnected Villages** to provide road connectivity to 142 remotest and inaccessible villages of 17 Left Wing Extremist (LWE) affected districts.
- ❖ **Rs.400 crore** is provided for **development of Railway Projects** in the State.

- ❖ Rs.20 crore is provided for completion of railways projects of strategic importance through SPVs.
- ❖ Rs.405 crore is provided for construction of buildings for courts, police, fire services and jails as well as equipment.
- ❖ Outlay of **Rs.190 crore** is made for **Handloom, handicrafts, sericulture and textile sector** and **Rs.212 crore** is provided for **MSME sector**.
- ❖ The outlay for Industries Department is increased substantially to **Rs.312 crore**, mainly towards pending benefits under IPR.
- ❖ Rs.120 crore is provided under Biju KBK Yojana for effective implementation of Bijli, Sadak and Pani projects in KBK Districts
- ❖ Rs.2,090 crore is provided for Disaster Management including Rs.8,65 crore under SDRF and Rs.1,000 crore under NDRF.

## 5. FRBM Compliance for 2018-19 (BE)

- ❖ The estimated **Revenue Surplus** at **2.25 per cent** of GSDP has adhered to the FRBM limit of zero Revenue Deficit.
- ❖ The **Fiscal Deficit** is projected at **3.50 per cent of GSDP**.
- ❖ The **Interest Payment to Revenue Receipt (IP/RR) Ratio** is targeted at **5.49 per cent** which is below FRBM limit of 15 per cent.
- ❖ The outstanding **debt to GSDP ratio** at the end of FY 2018-19 is estimated at **20.73 per cent of GSDP** which is below the FRBM limit of 25 per cent.
- ❖ **The Budget for FY 2018-19 is FRBM compliant.**

## 6. Financial Management reforms

- ❖ **Integration of SBI e-pay with IFMS:** Odisha IFMS has been integrated with SBI e-Pay to provide payment gateway service for facilitating Online and Offline payment of Taxes in Odisha Treasury Portal. This new initiative facilitates Multi-account settlement, payment through debit and credit card and internet banking of all major banks.
- ❖ **Integrated Financial Management System (IFMS 2.0):** The IFMS system will be further upgraded so that the entire chain of financial transaction from Drawing and Disbursing Officer to Accountant General becomes digital and paperless with the implementation of E-Praman and E-Signature.
- ❖ **"ARPAN" portal for online revision of pension:** "ARPAN" portal for online revision of pension will provide hassle free service to the pensioners.