



Government of Odisha

# BUDGET

2015 -16

## General Part-II



Presented by  
**Shri Pradip Kumar Amat**  
Minister, Finance

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## **Part-II**

### **General**

**Speaker Sir,**

Now I would go to the General Budget.

#### **2. Macro Economic Outlook**

**2.1** The global economy is still struggling to gain momentum and overall growth is expected to rise moderately though divergent trends are at work in major economies. Low growth in advanced economies has brought down prices of commodities, crude oil and iron ore.

**2.2** In the advance estimate released for 2014-15, National economy is projected to grow at faster pace of 7.4 per cent in the current fiscal as against 6.9 per cent in 2013-14. The economy has started moving up and the inflation and current account deficit have been brought under control.

**2.3** Emerging out of a period of slowdown during 2011-12 to 2013-14, the growth of State's economy is picking up and anticipated to grow at the rate of 8.08 per cent in 2014-15 as per the advance estimates of Gross State Domestic Product at factor cost. The advance estimate shows that the State's economy is likely to grow faster than the national economy. However, keeping in view the uncertainties still persisting in the context of global, national and regional economies; the growth rate of GSDP in 2015-16 is projected at 8 per cent at constant prices and 12 per cent at current prices as the underlying assumptions for the fiscal indicators.

### **3. Highlights of Fiscal Management in the State**

**3.1** Consequent upon the turnaround in State's finances since 2005-06 in terms of revenue balance; fiscal deficit being within 3 per cent of GSDP, debt stabilisation and improved revenue performance, there is ample scope to claim that the State has been consistently following a prudent path in managing its finances. All the fiscal indicators mandated in Odisha Fiscal Responsibility and Budget Management Act, 2005 have been maintained at the desired level. In order to bring in transparency in fiscal management, we are causing independent annual review of the compliance to Odisha Fiscal Responsibility and Budget Management Act, 2005 and the review report is being laid in the Legislative Assembly.

**3.2** The State has been able to meet the committed revenue expenditure towards salary, pension and interest payment from State's own revenue since 2011-12. Thus, a fiscal space could be created for higher Capital and Plan investment.

**3.3** With improved fiscal space, we have been able to substantially improve our investment in physical, social and human capital. The State plan outlay of the State has increased by about eight times from Rs.5105.00 crore in 2007-08 to Rs.38810.00 crore in 2014-15 budget estimates. Capital outlay has gone up from Rs.2843.41 crore in 2007-08 to Rs.13657.72 crore in 2014-15 budget estimates. The liquidity position of the State has also been very carefully managed during the period.

**3.4** Revenue collection has been affected during the year 2014-15 for the reasons beyond the control of the State Government. State's own revenue has been adversely affected due to closure of mines as per orders of Hon'ble Supreme Court resulting in reduced extraction and less dispatch of minerals. There

has also been considerable reduction in Central Assistance for State Plan and share in central taxes on account of lower level of realization of Central Taxes. Besides, CST compensation has also not been received in time during the year. All these factors have contributed to reduced resource flow during the year.

**3.5** On the other hand, the expenditure during 2014-15 has been affected by factors like imposition of model code of conduct in connection with General Elections-2014, presentation of Annual Budget, 2014-15 in the month of July, 2014 etc. In spite of the major portion of the working season being affected for the above reasons, the State Plan expenditure during the first three quarters of the current year has been **Rs.19,381.22 crore** compared to Rs.10,935.13 crore spent during the corresponding period of previous year; which represents a growth of about 77 per cent.

**3.6** We have projected a sharp increase of about 76 per cent in Capital outlay for the year 2014-15 for creation of different infrastructure projects. The capital outlay is partly financed through generation of surplus on revenue account and partly through public debt. We have been making provision for market borrowing in previous years as well. It was possible to finance the capital outlay out of additional revenue receipts and available cash balances. However, during the current year, due to substantial shortfall in central transfer as well as own revenue and falling cash balances, it would not be possible to protect the capital outlay without resorting to market borrowing. Hence, we are going for budgeted market borrowing during 2014-15 for financing the higher capital outlay. However, I assure the House that our fiscal health permits us to carry a higher debt burden than the present level of public debt and we are exercising utmost prudence in choosing the source of borrowing, timing and the type of

instruments. Further, the proceeds of the borrowing would be strictly applied for creation of capital assets.

**3.7** In the Revised Estimates for 2014-15, it is proposed to generate revenue surplus at 1.09 per cent of GSDP and contain the Fiscal Deficit at 2.94 per cent of GSDP. The tax-GSDP ratio is 6.20 per cent and the year-end debt stock to GSDP ratio would be 15.04 per cent as against the permissible level of 29.5 per cent.

#### **4. Budget Estimates of the Financial Year 2015-16**

**4.1** 2015-16 will be the first year of the award period of the 14<sup>th</sup> Finance Commission. Government of India are likely to place the Action Taken Report on the recommendation of the 14th Finance Commission in the Budget Session of the Parliament. The details of the recommendations and its implications on State's finances are not yet known. Under similar circumstances we had a full-fledged budget in 2005-06 and went for Vote-on-Account in 2010-11.

The Government of India in the meantime has abolished the Planning Commission and has formed National Institution for Transforming India Aayog (NITI Aayog) in its place. However, no clear picture has emerged as to the allocative role of the new entity nor is there any indication about the level of Central Assistance for State's Annual Plan 2015-16. On receipt of indications about such financial implications necessary adjustment will be made at the Supplementary stage.

**4.2** However, for us the financial year 2015-16 is a special year. This is the year of “*Nabakalebar-2015*” which will be held during the period of March-July, 2015, after an interval of nineteen years. The abode of Lord *Jagannath* represents the nerve centre of the cultural landscape of Odisha. The symbolism associated with

*Nabakalebar* holds greater significance to the process of renewing and revitalising the ever-flowing eternal spirit of Odisha and its people. To make this great event a grand success, the Government machinery would be fully involved. We are, therefore, going for this full-fledged budget at this stage.

**4.3** While formulating the budget, emphasis has been laid on creation of physical, social and human capital in the State. We have taken a number of valuable inputs from the civil society in the pre-budget consultation process and have tried to accommodate many of them like emphasis on collection of arrear revenue, enhancement of capital outlay, provision of funds for distribution of quality seeds, fertiliser, ware housing and cold storage facilities for post-harvest management. We have also taken into account the likely availability of resources and fiscal targets prescribed in the Fiscal Responsibility and Budget Management Act, 2005.

**4.4** State's own revenue receipts in 2015-16 have been estimated on the basis of the trend of collection during first three quarters of the current year. In the absence of recommendations of the 14<sup>th</sup> Finance Commission, estimates for devolution of Central Taxes have been worked out on the basis of anticipated receipt of share in Central Taxes during the current fiscal. Similarly, in the absence of any indication about allocation of Central Assistance for State Plan, nominal growth over current year's level is projected in 2015-16.

**4.5** Accordingly, the total revenue receipts for the year 2015-16 on account of State's share in central taxes, State's Own tax and Non-tax revenue and grants from Centre has been estimated at **Rs.70,940.50 crore**. We propose to achieve Tax/GSDP ratio of 6.11 per cent in 2015-16 compared to revised estimates of 6.20 per cent in 2014-15.

**4.6** Total Non-Plan expenditure is estimated at **Rs.43956.32 crore** in 2015-16 including provision of Rs.16778.40 crore, Rs.8593.20 crore, Rs.4,350.00 crore and Rs.4,877.35 crore towards salaries, pension, interest payment and expenditure for maintenance of capital assets respectively.

**4.7** I have laid the report of the 4<sup>th</sup> State Finance Commission and the Explanatory Memorandum as to the Action Taken on the recommendations of the Commission in this august house today. The State Government is committed to transfer of adequate resources to the Panchayati Raj institutions and Urban Local bodies in order to strengthen the process of democratic decentralisation of governance through fiscal empowerment of the local self-governments. We have accepted most of the recommendations of the 4<sup>th</sup> State Finance Commission. The total transfers from the State resources during the period 2015-2020 would be **Rs.12792.77 crore**. This would be over and above the grants to be recommended by the 14<sup>th</sup> Finance Commission. We propose to transfer **Rs.1222.13 crore** to Panchayati Raj Institutions and **Rs.864.21 crore** to the Urban Local Bodies totalling to **Rs.2086.34 crore** in 2015-16.

**4.8** State's Annual Plan outlay has been fixed at **Rs.44,150.00 crore** for the financial year 2015-16, which includes an outlay of **Rs.40,150.00 crore** for the Government sector and **Rs.4,000.00 crore** for the Public Sector Undertakings.

**4.9** The outlay for Central Plan and Centrally Sponsored Plan is proposed at **Rs.349.55 crore** and **Rs.31.91 crore** respectively.

**4.10** Thus, the total expenditure proposed in the Budget Estimates for 2015-16 including Debt repayment is **Rs.84487.77 crore**.

**4.11** We propose to finance the budgeted outlay of expenditure in 2015-16 through estimated revenue receipts of **Rs.70,940.50 crore**, recovery of loans and advances of **Rs.240.29 crore** and borrowing and other receipts of **Rs.13306.99 crore**.

**4.12** We have estimated revenue surplus of **Rs.5101.51 crore** in 2015-16 which is 1.47 per cent of GSDP. The estimated fiscal deficit of Rs.10400.28 crore would be 2.99 per cent of GSDP. The fiscal deficit would be financed through net borrowing of Rs.9893.68 crore and net surplus from Public Account of Rs.506.61 crore.

**4.13** Let me now turn to the qualitative aspects of the Budget. Investment in infrastructure is the key to faster economic growth. Keeping this in view, the State could break the capital investment barrier of 3 per cent of GSDP after a long period. In the budget estimates, 2015-16, it is proposed to further enhance the capital outlay to about 4.35 per cent of GSDP. Besides, the Loans and Advances given, grants for creation of capital assets and other expenditure for capital formation put together account for Rs.9736.70 crore which is 2.80 per cent of GSDP. The Allocation for maintenance and upkeep of Capital assets has also been enhanced to **Rs.4877.35 crore**.

**4.14** With increase in Plan investment, the share of Plan outlay has been increasing in recent years. There is a clear shift in the expenditure pattern with continuous increase in share of development expenditure which consists of the expenditure on social and economic sector. The share of Development expenditure has increased from 55.36 per cent in 2006-07 to 75.33 per cent in 2015-16.



Now I would like to highlight some of the key sectoral interventions proposed in the budget.

## **5. Social Sector**

Economic growth aside, good governance is considered vital to ensuring favourable social and developmental outcomes by alleviating poverty, eliminating illiteracy through quality education, affordable health care facility and Social Security for all. Social sector expenditure plays an important role in creating human capital and improving quality of life of the people in general and of the vulnerable sections of the society in particular. Keeping this in view, the outlay for the social sector is proposed to be increased to **Rs.29092.19 crore**. This represents 8% per cent increase over the revised estimates for 2014-15.

### **5.1 Health and Family Welfare Department**

We have been striving to provide health care in a socially equitable, accessible and affordable manner to the people of the State. Our emphasis is on creation of health infrastructure, state of art medical equipment for diagnosis and treatment, emergency health care, special intervention for reduction of infant mortality and maternal mortality, bio-medical waste management, free distribution of quality medicine, provision of diet in the Government run hospitals. We are also committed to provide assistance from Odisha State Treatment Fund to the poor and needy to meet the out of pocket expenditure for critical illness.

Accordingly, budgetary allocation for Health and Family Welfare Department has been substantially stepped up in recent years. Total amount of **Rs.3855.88 crore** has been provided under both Plan and Non-Plan for the year 2015-16.

- **Universal free distribution of medicine:** Odisha State Medical Corporation (OSMC) will take up supply and distribution of free drugs in the health facilities at different level for which a sum of **Rs.202.56 crore** will be provided towards purchase of drugs.
- **Odisha Emergency Ambulance Services (108):** For continuation of emergency health care services we are providing **Rs.32.00 crore**.
- **Odisha State Treatment Fund (OSTF):** In order to provide financial assistance up to Rs.3.00 lakh to the poor and needy suffering from critical illness we propose to provide **Rs.20.00 crore** in 2015-16.
- **Provision for Construction of Buildings:** For creation of infrastructure for the health care institutions, **Rs.665.61 crore** is being provided.
- **Purchase of Equipment: Rs.87.00 crore** is provided for purchasing equipment for health institutions.
- **Five new Government Medical Colleges :** The State Government plans to open five new Government Medical Colleges for which work will start this year. These colleges will be in the districts of Bolangir, Koraput, Mayurbhanj, Balasore and Puri.
- **Special intervention for reduction of IMR and MMR:** Infant Mortality Ratio (IMR) and Maternal Mortality Ratio (MMR) are two critical health indicators. We propose to provide **Rs.50.00 crore** towards Maternity & Child Care to bring about further reduction in IMR & MMR.
- **Emergency Fund For Epidemics :** We propose to create an emergency fund for epidemics with provision of **Rs.6.00 crore**. Besides we propose to provide a sum of **Rs.33.50 crore**

towards Bio Medical Waste Management, Public Health Laboratories, Telemedicine, Cancer Screening and Blood Banks.

- **National Health Mission (NHM) :** This Centrally Sponsored Scheme has been helpful in improvement of health care facilities. We propose to provide **Rs.1088.32 crore** for various components of NHM out of which the State's share comes to **Rs.287.08 crore**.

## 5.2 School and Mass Education Department

Investment in education is an investment in the future. The outlay of School and Mass Education Department has been enhanced from **Rs.9327.12 crore** in 2014-15 to **Rs.9979.49 crore** in 2015-16. This is the largest allocation among all Departments which constitutes about 12 per cent of the total budgetary allocation.

- “Distribution of free bicycles to Class-X students” is a proactive initiative to retain students at Secondary School level. An outlay of **Rs.125.00 crore** is proposed for this purpose.
- Second Sainik School is coming up at Sambalpur. **Rs.25.00 crore** is being made available for this.
- The flagship schemes such as Sarva Sikshya Abhiyan(SSA), Rashtriya Madhyamika Sikshya Abhiyan(RMSA), Mid-Day Meal and establishment of ‘Model Schools’ in 173 educationally backward blocks will get a provision of **Rs.1860.38 crore, Rs.94.34 crore, Rs.797.32 crore** and **Rs.188.99 crore** respectively.
- We further propose to provide **Rs.30.00 crore** from our own plan funds towards recurring cost of Model Schools through the new scheme “Odisha Adarsha Vidyalaya”.

### 5.3 Higher Education Department

Quality higher education augurs well for future. We propose to provide **Rs.1989.11 crore** under both Plan and Non Plan.

- Allocation of **Rs.115.00 crore** for Universities, **Rs.70.00 crore** for Government Colleges & **Rs.25.00 crore** for Non-Government Aided Colleges is proposed towards infrastructure development.
- Modernisation of quality education, provision of Laptop to +2 pass out meritorious students, self-defence training to girl students and Scholarship to students pursuing professional education will receive an allocation of **Rs.100.60 crore**.
- Towards increased access to education loan at an affordable rate an interest subvention will be provided with an outlay of **Rs.4.00 crore**.
- Rastriya Uchchar Shiksha Abhiyan (RUSA) aims at improvement in the quality of Higher Education. Provision of **Rs.85.00 crore** is made for the Scheme.

### 5.4 Panchayati Raj Department

Empowering Local Self Governments is a constitutional commitment. Our Government has a pro-active approach in promoting the process of democratic and financial decentralisation. Including the devolution of funds, assignment from taxes and grant-in-aid recommended by the 4<sup>th</sup> State Finance Commission, a total sum of **Rs.7057.10 crore** is provided in the budget.

- **In terms of the Explanatory Memorandum on the Action Taken Report on the recommendations of the 4<sup>th</sup> State Finance Commission we propose to transfer Rs.1222.13 crore to the Panchayati Raj Institutions in 2015-16.**

- “Gopabandhu Gramin Yojana” and construction of Cement Concrete Road (C.C. Road) will receive an allocation of **Rs.225.00 crore** and **Rs.196.88 crore** respectively.
- Shelter security is an important aspect of socio-economic intervention. It has a bearing on disaster mitigation and adds to the sense of security at the individual household level. In order to provide “Pucca Ghar” to all by 2019, we have revamped the existing scheme “*Mo Kudia*” and renamed it as “Biju Pucca Ghar Yojana”. The outlay for the scheme is enhanced to **Rs.700.00 crore** from Rs.330.10 crore in 2014-15. This enhanced outlay will help provide 96,600 houses. Besides, **Rs.1286.16 crore** will be provided under “Indira Awas Yojana” (IAY) for construction of 1,68,200 houses.
- MGNREGA will receive **Rs.1471.76 crore** for creation of 5.08 crore man-days. Besides, schemes such as “Backward Region Grant Fund” (BRGF) and “Rajiv Gandhi Panchayat Sashastrikan Yojana” (RGPSY) will receive **Rs.436.51 crore**, & **Rs.100.00 crore** respectively.
- “National Rural Livelihood Mission” (NRLM) will get **Rs.365.66 crore** to extend livelihood support to 2,89,970 number of SHGs and impart employable skills to of 80,000 rural youths of the State.

## 5.5 ST and SC Development Department

In order to promote economic and social development of Scheduled Tribes, Scheduled Castes, Other Backward Classes and Minorities, a sum of **Rs.2372.34 crore** is proposed to be provided in the Budget under Plan and Non-Plan.

- An outlay of **Rs.119.06 crore** will be provided towards infrastructure development in TSP area under Article 275 (i) of the Constitution of India and **Rs.115.41 crore** will be provided

under Special Central Assistance to Tribal Area Sub-Plan and a sum of **Rs.60.00 crore** will be made available for Special Plan in KBK districts.

- For the educational development of the weaker sections of the society, a sum of **Rs.709.04 crore** will be provided towards scholarship of ST & SC students, **Rs.42.98 crore** towards scholarship to OBC/SEBC students, **Rs.12.27 crore** for scholarship to students of minority communities. Besides, **Rs.42.00 crore** will be provided under “Odisha Girl Incentive Programme”(OGIP) for scholarship to ST/SC Girls.
- For creation of educational infrastructure **Rs.400.00 crore** will be provided under State Plan for construction of Hostels for ST Girls’ and Boys’, similarly **Rs.100.00 crore** is to be provided for infrastructure development of Educational Institutions and construction of staff quarters.
- A sum of **Rs.15.00 crore** will be provided for development of minorities under Multi-Sector Development Project.

## **5.6 Women and Child Development Department**

Women and Child development forms core aspect of our social welfare administration. Total outlay of **Rs.4160.63 crore** is provided under Plan and Non-Plan for Women and Child Development Department.

- An outlay of **Rs.1,133.79 crore** is proposed to be provided towards Social Security Pension to the senior citizens, differently abled persons and widows. Further **Rs.120.00 crore** will be provided towards Winter and Summer Allowances to these pensioners.
- Financial assistance of **Rs.10,000/-** is paid to a BPL family in the event of death of its primary bread earner under National Family Benefit Scheme for which **Rs.48.38 crore** is proposed.

- With the primary objective of providing partial wage compensation to pregnant and nursing mothers enabling them to rest adequately during their pregnancy and after delivery the Conditional Cash Transfer Maternity Benefit Scheme- *MAMATA* has been in operation. A sum of **Rs.222.63 crore** will be provided for the Scheme.
- ICDS Programme will receive **Rs.843.68 crore**. Besides, **Rs.300.00 crore** is proposed for construction of Anganwadi Centre Buildings.

## 6. Infrastructure Development

Infrastructure development is an essential pre-requisite to accelerate the growth process and to facilitate capital formation. The outlay for infrastructure development will go up from Rs.12728.53 crore in 2014-15 to **Rs.14232.58 crore** in 2015-16.

### 6.1 Works Department

An outlay of **Rs.4145.12 crore** is proposed for Works Department. This includes Rs.2485.89 crore provided under State Plan for improvement of 950 Kms of roads and construction of 34 nos. of bridges.

- Provision of **Rs.929.73 crore** and **Rs.352.11 crore** is made for maintenance of Roads & Bridges and maintenance of buildings respectively.
- Works taken up under Rural Infrastructure Development Fund (RIDF), Central Road Fund (CRF), Externally Aided Projects (EAP) and Special Area Programme for KBK will receive an allocation of **Rs.700.00 crore**, **Rs.148.89 crore**, **Rs.262.00 crore** and **Rs.50.00 crore** respectively.
- A sum of **Rs.400.00 crore** will be provided for Double Lanning of 75 kms. of State Highways under State Highway

Development Programme (SHDP). Similarly, a sum of **Rs.100.00 crore** will be provided for road Projects under PPP mode and **Rs.70.00 crore** will be made available for improvement of PWD roads in Urban Areas.

- Further, a sum of **Rs.30.00 crore** will be provided for the new scheme “Biju Expressway” to improve connectivity in Western Odisha and KBK districts which will also act as an economic corridor between Jagdalpur and Rourkela.

## **6.2 Housing and Urban Development Department**

Urban centres act as engines of growth and the level of urbanisation is one of the key indicators of development. The challenges of urbanisation are unique and demanding. A sum of **Rs.2925.29 crore** is provided for various housing and urban development activities.

- In terms of the Explanatory Memorandum on the Action Taken Report on the recommendations of the 4<sup>th</sup> State Finance Commission, we propose to transfer **Rs.864.21 crore** to the Urban Local Bodies in 2015-16 out of which the assignment of share from Entry Tax to ULBs will go up from Rs.500.00 crore in 2014-15 to Rs. 600.00 crore.
- For provision of water supply to un-covered and partially covered urban wards, allocation of **Rs.120.00 crore** is made under State Plan and **Rs.223.31 crore** is provided for maintenance of water supply projects and urban roads under Non-Plan.
- Provision of **Rs.33.86 crore** is made for National Urban Livelihood Mission (NULM) and in line with the National Urban Livelihood Mission, a sum of **Rs.10.00 crore** is provided for launching ‘Odisha Urban Livelihood Mission’ (OULM) in all the 77 left out ULBs of the State.



- A sum of **Rs.229.00 crore** is provided for “Swachh Bharat Mission” to comprehensively address the sanitation issues in the urban areas.
- It is proposed to implement Underground Sewerage System for the newly created Corporation areas of Sambalpur and Rourkela with a total outlay of **Rs.957.74 crore**. For this purpose **Rs.24.00 crores** is provided in the budget for carrying out pre-project activities.
- A sum of **Rs.586.59 crore** is provided under JnNURM and UIDSSMT Projects including provision for Integrated Housing Slum Development Project (IHSDP) & Rajiv Awas Yojana (RAY).
- A sum of **Rs.70.00 crore** is provided for Odisha Urban Infrastructure Development Fund (OUIDF) under Externally Aided Projects (EAP). Besides, provision of **Rs.70.00 crore** is made for providing urban infrastructure in slums of Berhampur Town with the assistance of World Bank.
- It would be appropriate here to mention that, in order to address the housing issues in both rural and urban areas comprehensively, the Government is proposing to thematically integrate all the housing related initiatives of all the Departments both in Urban and Rural areas by setting up **Odisha Housing Mission** (OHM) during the year 2015-16. This will help in focused monitoring of the various schemes under the housing sector.

### **6.3 Rural Development Department**

Investment in rural development is an important component in improving infrastructure in rural areas with consequential impact on quality of life. A sum of **Rs.5974.97**

**crore** is provided in the year 2015-16 including outlay of Rs.4730.81 crore under State Plan.

- A sum of **Rs.1800.00 crore** is provided under Pradhan Mantri Gram Sadak Yojana (PMGSY) for construction of 3,000 Kms of roads.
- A sum of **Rs.250.00 crore** is provided under “Mukhya Mantri Sadak Yojana” with assistance from NABARD. A sum of **Rs.150.00 crore** is provided for Biju Setu Yojana (BSY) for construction of ongoing bridges and for taking up of 28 new bridges to establish all-weather connectivity in rural areas. Similarly, **Rs.450.00 crore** is provided for construction of ongoing bridges and improvement of rural roads under RIDF.
- A sum of **Rs.85.00 crore** is provided for improvement of arterial roads to provide connectivity to unconnected habitations in KBK Districts under State Plan and **Rs.250.00 crore** is provided for construction of steel bailey bridges in the remote areas of IAP Districts.
- A sum of **Rs.727.11 crore** is provided for Water Supply and sanitation Organization for providing safe drinking water through 1000 rural piped water supply schemes and installation of 30000 tube wells and sanitary wells in rural areas.
- An amount of **Rs.666.70 crore** is provided towards “Swachh Bharat Mission”(formerly ‘Nirmal Bharat Abhiyan’).

#### **6.4 Energy Department**

Energy security plays a foundational role in building a robust economy and improving the quality of life. A sum of **Rs.1187.20 crore** is provided for Energy Department both under Plan and Non-Plan.

- A sum of **Rs.310.00 crore** is proposed for construction of 550 Nos. of 33/11 KV Sub-stations for up-gradation of the

distribution system, **Rs.245.00 crore** for CAPEX programme in power sector, **Rs.28.15 crore** for strengthening the power infrastructure in Elephant Corridor and **Rs.11.00 crore** for energy conservation and energy efficiency measures.

- A sum of **Rs.210.00 crore** is provided for reconstruction of the cyclone damaged transmission and distribution infrastructures in Berhampur and Gopalpur with assistance from Asian Development Bank. Further, a sum of **Rs.50.00 crore** is proposed for “State Capital Region Improvement of Power System” (SCRIPS) for providing a disaster resilient power system in the Capital city.
- A sum of **Rs.50.00 crore** is provided under “Biju Gram Jyoti” to take up electrification of habitations and for system improvement.

## **7. Manufacturing & Industrial Sector**

Industrialization is the most important engine of growth. It generates large scale employment. Our State is rich in minerals and hence possesses huge potential for value addition and downstream industries. In order to promote industrialization with focus on manufacturing, the State is going for a number of key interventions including formulating a new Industrial Policy Resolution, 2015.

### **7.1 Industries Department**

Without industrial development, we can not put our State’s economy on a higher growth trajectory. To create a conducive environment for investment in the industrial sector, an outlay of **Rs.45.58 crore** is proposed in the budget. The significant interventions are VAT reimbursement, Up-gradation of Industrial Infrastructure facility in Steel and Metallurgical cluster, Development of National Investment Manufacturing Zone

(NIMZ) at Kalinga Nagar; financial assistance for Project Development Expenditure of PCPIR at Paradeep; a new Land Bank Scheme and establishment of Technology Development Centre under IDCOL.

It is relevant to note that, the Government is in the process of finalising Industrial Policy Resolution, 2015. Once the contours of the new policy are in place the Government will explore exact financial requirement and take necessary steps during the course of financial year 2015-16.

## **7.2 MSME Department**

Micro, Small and Medium Enterprise Sector has been contributing significantly to the economy of the State and has great potential for employment generation. An outlay of **Rs.113.61 crore** is provided in the budget to facilitate the following important initiatives-Biju Atma Nijukti Yojana (BANY), National Mission on Food Processing(NMFP), Incentives for Food Processing Industries & Capacity Building of the Entrepreneurs, VAT Reimbursement and Subsidy under MSME Policy 2009.

## **7.3 Handloom, Textile and Handicrafts Department**

Handloom, Sericulture and Handicraft sectors together count as the second largest employment generating sector next to agriculture and primary sector. An Outlay of **Rs.151.49 crore** is provided in the budget. The significant activities are : Promotion of Handloom, Textile and Handicraft Industries and Sericulture; Infrastructure and Technology Development for Handicrafts; rebate on sale of Handloom clothes etc.

Under the Chief Minister's Special Package for Weavers, Artisans and Tassar growers, it has been targeted to cover 45,000 handloom weavers, 15,000 sericulture farmers and 12,000

handicraft artisans under Life Insurance Schemes for which beneficiary premium will be provided from the State budget. Besides, 50,000 handloom weavers and 14,000 sericulture farmers will be covered under Health Insurance Schemes for which beneficiary premium is provided from the State budget.

## **8. Skill Development and Employment Generation**

Skill development is an important prerequisite to create more employment opportunities, improve the employability of the unemployed youth. Keeping this in mind, our Government is laying greater emphasis on skill development.

### **8.1 Labour and Employees State Insurance Department**

Empowerment of workers and Social security of labourers of both organized and un-organized sector are of significant importance. **Rs.198.68 crore** is provided for the Department including provision of **Rs.142.53 crore** under State Plan.

- **Rs.131.66 crore** is provided for Social Security for Un-organised Workers under the Scheme “Rastriya Swasthya Bima Yojana” (RSBY). **Rs.6.00 crore** is provided for the rescue and rehabilitation of migrant labourers subjected to exploitation.

### **8.2 Employment and Technical Education and Training Department**

We have set up the State Employment Mission for skill up-gradation, training and employment. We are committed to improve employability of youths through systematic training to optimize sustainable employable opportunities. An outlay of **Rs.711.47 crore** is proposed in the budget.

- A sum of **Rs.330.00 crore** is provided for infrastructure Development of Technical Universities/Engineering colleges, Engineering Schools, Polytechnics and ITIs.
- Outlay of **Rs.32.00 crore** is provided for Odisha State Employment Mission to impart Skill Development Training and **Rs.105.00 crore** is provided for Odisha Skill Development Project to be implemented with assistance from Asian Development Bank.
- A sum of **Rs.36.95 crore** is provided under the Rastriya Uchhatara Sikshya Abhiyan.

## 9. Other Economic Services

### 9.1 Forest and Environment Department

An allocation of **Rs.718.62 crore** is proposed for Forest and Environment Department in the budget estimate including State Plan outlay for **Rs.256.54 crore**. For increasing green cover in the State **Rs.121.36 crore** is being provided.

### 9.2 Science and Technology Department

An out lay of **Rs.52.58 crore** is provided in the Budget under Plan and Non-plan. The important interventions are development of Bio-Technology Laboratories in different Institutions and Universities, use of Solar Photo-Voltaic (SPV) for electrification of Sevashram/Ashram/Utkal Balashram and provision of Rooftop Solar Power Plant in Government Buildings, distribution of Solar Lantern and Solar powered drinking water project for non-IAP Districts, promotion of the use of Improved Chullah in Primary Schools and Anganwadi Centres, procurement of equipment for the Planetarium at Sambalpur.

### **9.3 Information Technology Department**

The proposed allocation for Information Technology Department is **Rs.175.04 crore**. It will fund the activities like Horizontal Connectivity & IT Infrastructure, e-Governance Projects under National e-Governance Programme (NeGP), infrastructure development of IIIT, Bhubaneswar, development of Infocity-IT-SEZ, Infrastructure for State Data Centre and Innovative Projects.

### **9.4 Planning and Co-ordination Department**

An outlay of **Rs.1385.40 crore** is proposed for Planning and Co-ordination Department. The important provisions are **Rs.50.00 crore** as Special Grant for Western Odisha Development Council (WODC) for special projects, **Rs.40.00 crore** towards State Viability Gap Fund (VGF), **Rs.127.90 crore** for the Special Development Programme, **Rs.120.00 crore** for Biju KBK Yojana, **Rs.100.00 crore** for Rural Connectivity in Backward, Tribal and Left Wing Extremist Affected Areas, **Rs.28.50 crore** for Biju Kandhamala O Gajapati Yojana and **Rs.540.00 crore** for utilisation of Additional Central Assistance (ACA) for LWE affected districts.

### **9.5 Food Supplies and Consumer Welfare Department**

Ensuring food security of the people and promotion of consumer welfare are among the core priorities of the Government. The State has come a long way in handling the challenges of food security. This prime area of concern to ensure food security for all continues to engage our attention. An outlay of **Rs.1559.44 crore** is proposed in the Budget.

To ensure food security for the poor and vulnerable section of our society, a sum of **Rs.1402.99 crore** is made available for provision of rice @ Rs.1.00 per Kg. Besides, a sum of **Rs.5.00 crore** is provided for Digitization of Ration Cards to eliminate fake ration cards.

## **9.6 Transport Department**

An out lay of **Rs.226.07 crore** is proposed in the Budget both under Plan and Non-plan.

- Provision of **Rs.80.00 crore** is proposed for equity contribution for development of commercially viable Railway projects in the State and **Rs.10.00 crore** is proposed towards State contribution for Khurda-Bolangir Railway Link Project.
- A sum of **Rs.40.00 crore** is proposed for modernization of Bhubaneswar Railway Station and **Rs.6.00 crore** for “Biju Gaon Gadi, Yojana”

## **9.7 Commerce Department :**

Total provision of **Rs.82.07 crore** under Plan and Non-plan has been provided for Commerce Department including **Rs.4.30 crore** for up-gradation of Satapada Jetty.

## **10. General Services**

Maintaining Law and Order, peace and harmony is the key to good governance and is a basic need for fostering growth and stability of the State. Adequate provision is proposed to be made for administration of justice, internal security and revenue administration in the budget.



## 10.1 Home Department

Provision of **Rs.3611.88 crore** is made under Plan and Non-plan in the Budget Estimate.

- Outlay of **Rs.120.76 crore** is provided under the State Plan under the ‘National Scheme for Modernization of Police and other Forces’ which includes provision for construction and fortification of Police Station Buildings, residential buildings for police organisation and purchase of Equipment.
- Besides a sum of **Rs.144.00 crore** is provided out of State’s own resources for construction of Police Station Buildings, residential buildings for police organisation and purchase of Equipments.
- A sum of **Rs.35.00 crore** is provided under State Plan for overall improvement of Jail Organisation, for construction and up-gradation of jails and residential buildings and purchase of need based equipment like cell phone jammer, baggage scanner, CCTV System, Video Conferencing System, etc.
- Outlay of **Rs.28.50 crore** is provided under State Plan for overall development of the Fire Service organisation, which includes procurement of fire fighting equipment, construction of Fire Station buildings and residential buildings.
- Provision of **Rs.63.20 crore** is made under State Plan for Infrastructure Development of Judiciary which includes construction of court buildings and residential buildings under National Scheme for Modernisation for Courts.

## 10.2 Revenue and Disaster Management Department

Our State has created a national bench mark in effectively handling natural calamities as was evident in handling of “Phailin-2013” and “Hudhud-2014”. Disaster mitigation is a continuous

process. The Government is determined to consolidate the best practices tested on ground and constantly improve our preparedness to handle natural disasters. Provision of **Rs.2272.19 crore** is made for Revenue and Disaster Management Department under Plan and Non-plan in the Budget.

- Provision of **Rs.475.98 crore** and **Rs.200.00 crore** is made towards State Disaster Response Fund (SDRF) and National Disaster Response Fund (NDRF) respectively.
- Provision of **Rs.14.00 crore** is made for construction of Flood Shelters.
- A sum of **Rs.420.00 crore** is provided for World Bank assisted ‘Odisha Disaster Recovery Project’(ODRP) for reconstruction of damaged houses and allied infrastructure such as, internal roads, water supply, sanitation, etc. in Ganjam, Puri and Khurda Districts, **Rs.198.00 crore** and **Rs.202.00 crore** is provided for National Cyclone Risk Mitigation Programme (NCRMP) and NCRMP (Additional Financing) respectively.

### **10.3 General Administration Department**

An outlay of **Rs.300.37 crore** is provided in the Budget for this Department under both Plan and Non-Plan. A sum of Rs.2.00 crore is provided for implementation of Odisha Right to Public Service Act, **Rs.1.00 crore** for Awareness Campaign Strengthening Public Service delivery and **Rs.13.00 crore** for CMGI.

### **10.4 Law Department**

Total provision of **Rs.297.41 crore** is proposed for this Department both under Plan and Non-Plan.

- In order to facilitate speedy disposal of cases and increase accessibility to Justice Delivery System, the Government has

proposed to open 50 new courts in different parts of the State including some of the most inaccessible areas. For this purpose adequate provision is made in the budget.

- A sum of **Rs.25.38 crore** is provided towards Grants to Shree Jagannath Temple out of which **Rs.2.00 crore** is for establishment of English Medium Residential School, **Rs.3.00 crore** for Housing Scheme for poor and needy *sevak* families.

## **11. Other Sectors**

### **11.1 Information and Public Relation Department**

A sum of **Rs.63.30 crore** is provided in the Budget under Plan and Non-Plan including **Rs.1.00 crore** towards welfare of working journalist & **Rs.1.55 crore** for participation in national events & special celebrations.

### **11.2 Sports and Youth Services Department**

Youth are the hope of the future. Sports persons of the State have made remarkable achievements in the field of hockey, weight lifting, athletics and chess at the national and international level. The State Government have taken a decision for direct recruitment of meritorious sports persons in Odisha Police.

A sum of **Rs.94.88 crore** is provided in the Budget under Plan and Non-Plan.

- **Rs.38.01 crore** is earmarked for Development of sports infrastructure.
- **Rs.11.00 crore** is provided for construction of Mini Stadiums.

### 11.3 Culture Department

The rich cultural heritage of Odisha is marked by its antiquity, diversity and continuity. This patrimony of our forefathers needs to be protected, preserved and celebrated.

An outlay of **Rs.87.45 crore** is provided in the Budget which includes **Rs.16.25 crore** for preservation of Monuments and Buddhist Heritage and **Rs.3.00 crore** for revival of *Bhagabat Tunji*.

### 11.4 Tourism Department

Odisha has unlimited potential for tourism promotion. Tourism industry has tremendous spin off effect on various activities such as hospitality industry, handicrafts and textiles and so on.

In order to promote tourism in the State **Rs.148.68 crore** is provided in the Budget under both Plan and Non-Plan

- **Rs.105.15 crore** is provided for development of tourist infrastructure & accommodation.
- In order to attract international tourists, **Rs.27.00 crore** is provided for organisation of international events and advertisements.

## 12. Puri Nabakalebar -2015

**12.1** The social and cultural life of Odisha and its people revolve around the nucleus of Lord *Jagannath*. The *Rath Yatra* is a global phenomenon. Our Government has taken concrete steps to ensure the grand success of *Nabakalebar-2015*.

- We have taken up a number of projects for infrastructure development and strengthening of existing services and amenities in the temple city of Puri and periphery areas. Provision will be made in the Budget of different implementing

Departments to ensure that the infrastructure and the services are put in place before the festival.

- An outlay of **Rs.20.00 crore** is provided for Nabakalebar-2015 including expenditure on regular niti, Rath nirman, incentives to Palia sevaks & Daita Pati Nijogs, sevak welfare and Koth Bhog.
- On the occasion of *Nabakalebar-2015*, for the first time, we are providing one-time grant of **Rs.5.00 crore** for indexed *Jagannath* Temples of the State, particularly the temples of historical importance located in various parts.
- Odisha is an attractive tourist destination. Promotion of tourism calls for various tourism friendly initiatives. In order to ensure safety and security of tourists and to ensure various facilities and measures, it is proposed to set up a contingent of **Tourism Police**. The Nabakalebar offers an opportunity to put in place a structured tourism police mechanism. It will be deployed during the festival. Specific budget provision of **Rs.3.00 crore** is proposed in the budget of Tourism Department in 2015-16.
- A sum of **Rs.40.00 lakh** will be provided towards arrangement of free transportation of pilgrims from Malatipatapur Bus Stand to Puri Town during *Nabakalebar-2015-16*.
- Round the clock power supply during the festival is critical for continuance of basic services in the township of Puri. Therefore, **Rs.67.00 crore** is proposed to be made for improvement of power infrastructure in Puri for *Nabakalebar*.

### **13. Initiatives for better Financial Management**

**13.1** We have taken a number of initiatives for better financial management and improvement in the quality of public expenditure. Besides, a few more citizen centric e-services have

also been launched by the Finance Department. I would highlight a few such initiatives:

**13.2 Establishment of a Centre of Excellence in Fiscal Policy:** Research support and academic input for formulation of fiscal policy and taxation measures is a felt need of the State Government. We are, therefore, proposing to put up an institutional structure in collaboration with Xavier University, Bhubaneswar for research contribution in the fields of revenue and taxation, fiscal management and public expenditure. We propose to provide **Rs.12.00 crore** for creation of the Centre of Excellence in Fiscal Policy in 2015-16.

**13.3 Introduction of new e-services in Integrated Financial Management System (IFMS):** The Integrated Financial Management System (IFMS) is being implemented as a Mission Mode Project under the National e-Governance Action Plan (NeGP). Important financial management functions of the State Government will be carried out in a single platform in the IFMS. It will enable prompt and efficient access to reliable financial data, which will strengthen financial control mechanism in Government through a centralised system.

**13.3 e-Services in Commercial Taxes:** The Commercial Tax Organisation of our State is providing a number of e-Services to the dealers. It will bring about efficiency and transparency in tax administration and create a hassle free business environment.

**13.4 Arrear Recovery Monitoring:** Collection of outstanding arrear revenues provides a scope for augmenting our financial resources. Systematic monitoring of the arrears and prompt follow-up action to expedite collection either through legal or administrative measures could be possible through a suitable MIS.

We propose to put in place a Focused Arrear Recovery Monitoring System and vigorously pursue the collection of arrears.

### **13.5 Improvement of the profile of Public Expenditure:**

Improvement in efficiency and effectiveness of public expenditure is an important area of public financial management. Skewedness and asymmetry in the pattern of public expenditure is an area of concern. The expenditure profile needs to be refined in order to inculcate a performance culture in public expenditure so as to help improve the quality of delivery of services and provide value for public money spent. We will put in place an institutional mechanism to improve the effectiveness of public expenditure.

## **14. Budget Estimates - Compliance with the FRBM Targets**

**14.1** The Odisha Fiscal Responsibility and Budget Management (FRBM) Act mandates the State Government to maintain revenue balance, contain fiscal deficit within 3 per cent of GSDP and limit the debt to GSDP ratio at 25 per cent in 2015-16. All the three fiscal indicators have been kept well within the FRBM targets in the Budget Estimates for 2015-16.

**14.2** The total revenue expenditure is estimated at Rs.65838.99 crore during the financial year 2015-16. Thus, after achieving revenue balance, a surplus of Rs.5101.51 crore has been projected in the Budget Estimates for 2015-16 which is 1.47 per cent of GSDP. The Fiscal Deficit is projected at Rs.10400.28 crore which is 2.99 per cent of GSDP.

**14.3** The year end debt stock for the financial year 2015-16 is estimated at Rs.56640.13 crore which is 16.27 per cent of GSDP.

**15. Conclusion :** The father of the nation Mahatma Gandhi, who stood for non-violence described poverty as the worst form of violence. Our Government under the able leadership of Hon'ble Chief Minister Shri Naveen Patnaikji accords top priority to the measures aiming at the removal of poverty. I believe this Budget represents another step towards that goal.

**'Jai Hind'**  
**"Bande Utkala Janani"**



