

# ODISHA BUDGET 2012-13

## A quick response

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### **Overall State Finance:**

- Financial year 2012-13 fiscal consolidation is impressive, said the finance minister, GoO
- The total budget size is estimated with Rs. 52030.70 Cr. Which is an increase of 16.18% over 2011-12 RE.
- Plan budget increased by 19.26% to Rs. 17680.21 Cr. (Government sector Rs. 15200 Cr and PSUs Rs. 2000 Cr) over Rs. 14823.70 Cr. Of 2011-12 RE.
- Non Plan budget is estimated with Rs. 34350.49 Cr which is 15% more over the previous year. This includes of Rs. 12342.75 Cr, Rs. 5800 Cr, Rs. 4511.59 Cr and Rs. 3123.32 Cr towards salaries, pension, interest payment and maintenance of capital assets.
- Revenue expenditure for the state is estimated with Rs. 41431.97 Cr which is around 80% of total state budget.
- Like the previous years, the state budget has estimated of Rs. 2410.77 Cr of revenue surplus in the current year.
- Net debt incurred during the current year is Rs. 3260.54 Cr and the total debt stock for the state is Rs. 43054.46 Cr which is

#### **Focus Area in Budget 2012-13**

- Budget proposals to consolidate and strengthen interventions made for ensuring food, employment and health security for the citizens of our state.
- Efforts to upgrade the state of infrastructure enabling the state economy for high growth. For this emphasis will be given to the public private partnership mode extensively.
- Increasing in capital expenditure
- Strengthen the social security cover for the weaker sections and vulnerable groups as well as to provide larger allocation for enrichment of human capital

#### **Tax Measures**

- Value Added Tax (VAT) to increase from 4% to 5%
- Sugar and textile Fabrics are added under this increased VAT

#### **Institutional Reforms**

- Budget preparation and tax collection through online electronic mode.
- "Programme Delivery and Outcome monitoring Unit" to monitor and evaluation as well as impact assessment of all flagship programmes.
- Two new departments have been created such as Micro, Small and Medium Enterprise Department with Rs. 52.50 Cr and Employment and Technical education and Training Department with Rs.353.20 Cr allocations.

98.20% of total revenue receipt and 16.55% of GSDP.

- Budget estimate for interest payment is Rs. 4511.59 Cr which is 10.29% of total revenue receipt of the state.
- The total receipt for the state is estimated at Rs. 49439.31 Cr which comprises of Rs. 43842.74 Cr of revenue receipt and Rs. 5569.57 of capital receipt.
- State's Own Tax – GSDP ratio is estimated at 6% in the current year.
- State's own tax revenue is estimated at 16.5% increase over 2011-12 RE whereas non tax revenue is at 0.04%.

## **Health and Family Welfare**

- Allocation for the department increased from Rs. 1481.54 Cr in 2011-12(RE) to Rs.1820.40 Cr in 2012-13(BE) which is 25 % more than the previous year. The share of department allocation to GSDP is only 0.70%.
- State budget has allocated an amount of Rs 142.72 Cr towards capital expenditure which was nil since 2008-09.
- Allocation for purchase of medicines has been substantially increased from Rs.50.00 Cr to Rs.104.56 Cr which is 110% more than the previous year's allocation.
- Allocation towards providing diet to the indoor patient is Rs 22.72 Cr, which is 37% excess over the previous year's allocation
- A **new scheme** - Emergency Medical Ambulance for Purchase of Ambulance, Rs 10.00 Cr from Odisha Health System Project Fund has been allocated during current financial year. Initially 15 districts will be covered.
- For infrastructure development of Medical Colleges, staff quarters, Sub-centre buildings and new PHC buildings, Rs.99.30 Cr has been provided under State Plan including Thirteenth Finance Commission Grants.
- An outlay of Rs.3.00 Cr has been provided under the scheme to hold Health Camps in the inaccessible areas.

- To enhance the intake capacity of all the three Medical Colleges of our state Rs.32.30 Cr has been allocated under State Plan

### **School and Mass Education**

- There is no new scheme in the current budget for school and mass education department.
- Though the budget of the school and mass education department has increased by 20.67 percent to Rs. 6537.40 Cr but as a percentage of GSDP, the education budget is only 2.51 percent which was 2.53 percent in 2011-12(RE).
- The quantum increase in department budget is only due to the transfer of the Mid-day meal scheme from WCD department to the school and mass education department. Nearly about Rs 686 Cr has been added to the department budget under Mid-day meal programme.
- Elementary education budget within the School and mass education department has increased by 27.88%. In 2011-12(RE) elementary education budget was Rs 3334.26 Cr which increased to Rs 4263.99 Cr in 2012-13(BE).
- The departmental capital expenditure is only Rs. 11.05 Cr which was Rs 216.47 Cr in 2011-12(RE).

### **Agriculture**

- Agriculture Budget of the state hikes 30 percent for the financial year 2012-13(2011-12-Rs 1167.98 Cr & 2012-13-Rs 1519.31 Cr) in comparison to the previous year budget provision.
- Agriculture Budget for 2012-13 constitutes 2.92 percent of the state budget provision (Rs 52030 Cr) and 0.58 percent of the GSDP (Rs 260171Cr).
- Plan allocation for agriculture increases by 39% for the year 2012-13(2011-12-Rs 811.10 & 2012-13-Rs 1128.96) which will definitely be helpful for more positive impacts for the sector.

- Size of plan budget from the total departmental budget (agriculture) constitutes 74 percent which is expected to meet the lacking of capital assets in the sector.
- Budget under state plan (State Plan Rs 1003.47 Cr, Non Plan-Rs 390.35Cr, and Central Plan Rs 15.49 Cr & CSP-Rs 110.00 Cr) is still the dominating factor among all the budgetary components which is 66 percent in the 2012-13 budgetary provision for agriculture.
- Budget under Rashtriya Krushi Vikask Yojana(RKVY) increases by 84.47 percent from the previous year budget provision( 2011-12-Rs 212.86Cr & 2012-13 Rs 392.66 Cr).
- Under Integrated Watershed Management Programme (IWMP), the state share has increased to 210.89 percent from the previous year budget provision(2011-12 Rs 8.54Cr & 2012-13 Rs 26.55 Cr )
- Odisha Rural livelihood Programme (JEEBIKA) also achieved 47.53 percent hike from the last year budget provision(2011-12 Rs 15 Cr & R2012-13 Rs 22.13 Cr)

## **Rural Development**

- Budget allocation for the department has been stepped up by 10.44% to Rs. 1720.54 Cr over 2011-12 BE.
- Biju Setu Yojana(**new scheme**) is to be set up for construction of 400 bridges over a period of 4 years in order to improve the road net work. For this Rs. 140 Cr has been provided in the current year.
- In addition Rs. 71 Cr has been provided for maintenance of rural roads and bridges under 13<sup>th</sup> Finance Commission's award and Rs. 195 Cr for roads and bridges under RIDF.
- Rs. 50 Cr is allocated under state plan for development of important rural roads of eco – tourism importance.
- For up gradation of rural roads, the allocation is made with Rs. 80 Cr, which is Rs. 70 Cr more over previous year.
- Rs. 61 Cr is provided for maintenance of PMGSY roads.

- The department has allocated Rs. 25 Cr for repair and renovation of government schools which are 30 years old.
- A state share of Rs. 195 Cr is provided for Rural water supply and Sanitation Scheme for completion of 1000 water supply projects and installation of 15000 spot sources.
- Rs. 25 Cr is allocated as state share to Rural Sanitation Scheme.

### **Women & Child Development**

- The budget allocation for Women and child development department decreased from Rs. 3116.49 Cr in 2011-12(RE) to Rs. Rs.2723.69 Cr in 2012-13(BE).
- As percentage to GSDP, the departmental budget is only 1.05 percent which was 1.38 in 2011-12 RE.
- The allocation under pension for destitute has been increased than the previous year. This year the budget is estimated at Rs 919.19 Cr which was 484.47 cr. during 2011-12 RE.
- **A New Scheme** MAMATA has been launched for providing nutrition and health care support to the pregnant and lactating women. Rs.275.70 Cr has been allocated for this scheme under State Plan

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