



GOVERNMENT OF ORISSA

ORISSA BUDGET IN BRIEF

1984-85



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ORISSA BUDGET IN BRIEF 1984-85

Public Finance Division
Bureau of Statistics and Economics, Orissa, Bhubaneswar

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P R E F A C E

"Orissa Budget in Brief", a regular publication of Bureau of Statistics & Economics is compiled and issued every year after the presentation of State Budget in the Assembly. The publication contains salient features of the State Budget in a concise form by means of statistical tables supported by analytical notes, graphs and charts for a particular year in comparison with those of the earlier 9 years.

The contents of this publication have undergone drastic changes since 1980-81 to accommodate the growing requirements of readers and departments of Government. The classification of revenue receipts of the Government into (a) Tax and (b) Non-tax revenue, and tax revenue further subdivided into (i) Shared taxes and (ii) State's own taxes and non-tax into (i) State's own non-taxes excluding interest received from Departmental Commercial undertakings, (ii) Grants and contributions from the Central Government and classification of expenditure into (a) plan and (b) non-plan have been provided to make this publication more useful. A special feature of this publication is the inclusion of important features of the Central Government Budget, 1984-85.

The compilation, scrutiny and analysis of large mass of budgetary data within a very short period was ably done by the staff and officers working in the Public Finance Division. The Bureau of Statistics & Economics, Orissa acknowledges with gratitude the co-operation of Finance Department for preparation of this publication and the Orissa Government Press, Madhupatna for its early printing. Readers are requested to put forward comments and suggestions for improvement of this publication. Such suggestions are always welcome and will be taken into consideration in planning this publication in future.

B. DAS

Director

*Bureau of Statistics and
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INTRODUCTION

The Budget is the most important financial document of the Government which contains transactions of Government for three consecutive years. This is prepared every year and presented to the State Legislature under Article 202 (1) of the Constitution of India. It is called the financial Statement of the Government. It contains Actuals for the preceding year, the Revised Estimates for the current year and the Budget Estimates for the ensuing year. The entire finance of the State Government is divided into three distinct categories, namely :—

- (i) Consolidated Fund of the State of Orissa,
- (ii) Contingency Fund of the State of Orissa,
- (iii) Public Account of the State of Orissa.

The expenditure from the Consolidated Fund should either be charged or voted by the State Legislature. This fund has in turn three divisions—

(1) The first division deals with the proceeds of taxation including the share of Union taxes obtained through the awards of Finance Commissions, duties, Fees for services rendered, fines and penalties, receipts from non-tax revenue like Forest, Irrigation, Power, Royalties, Interest receipts, Grants in aid and many other receipts classed as Revenue of the State. It also deals with all expenditure which includes the expenditure for collection of taxes and other receipts, interest payment and servicing of public debt, expenditure of social and developmental services and many other expenditure classed as the Revenue Expenditure of the State. This part (both revenue and expenditure) of the Consolidated Fund is called the "Revenue Account" of the State. Finally it presents the picture of the revenue surplus or deficit for the year. (2) The second division deals with expenditure met usually from borrowed funds with the object either of creating concrete assets of a material Character or of reducing recurring liabilities. This is also called as Capital Outlay outside the Revenue Account. This includes capital investment on improvement of Public Health, Agricultural Improvement and Research, Industrial Development Multi-purpose River Schemes, Irrigation, Navigation, Embankment and Drainage works, Electricity Schemes, Public Works, Transport and Communication etc. (3) The third division consists of loans raised by Government and loans and advances made by Government together with the repayment of loans

and recoveries of the loans and advances paid. The former is called Public debt which includes permanent debt, floating debt, loans from the Central Government and other loans from different sources such as Reserve Bank [of India, Life Insurance Corporation of India, National Co-operative Development Corporation, Khadi and Village Industries Commission etc. Loans and advances made by the State Government are paid to Local Funds such as Municipalities, Panchayati Raj Institutions Grama Panchayats, Market Committees, District and other Local Fund Committees, Co-operative Institutions, Bank Cultivators, Statutory Corporations, Boards, Government Companies, Displaced Persons, Backward Tribes, Orissa Loans Stipend Fund and Government Servants. These institutions and individuals borrow money from the Government and also repay it with interest or in some cases without interest.

Part II of the State Budget is the Contingency Fund of the State. The State Government maintains this fund under Article 267 (2) of the Constitution of India to meet unforeseen and emergent expenditure on schemes for which funds have not been voted by the Legislature till such time as the funds are voted.

Part III of the Budget is the Public Account of the State. Public money received by or on behalf of the State Government which cannot be credited to the Consolidated Fund are credited to this Fund. For payment out of the Public Account no demand is required to be presented to the Legislature. These payments are of the nature of banking transactions. This fund has two divisions, namely (a) Debt and Deposits and (b) Remittances. The first division comprises receipts and payments other than those falling under debt head pertaining to part I in respect of which Government incurs a liability to repay the money received or has a claim to recover the amounts paid together with repayments of the former and recoveries of the later. Unfunded debt of State Provident Fund comes under this division. Few reserve funds have been created for special purposes and deposits are made in those funds by appropriation from Revenue Account. These funds are Depreciation Reserve Funds of Government Commercial Undertakings, Sinking funds for amortisation of loan, other reserve

funds like Orissa Famine Relief Fund, Zamindari Abolition Fund, Local Funds and few other transactions such as Departmental and Permanent Advances, Suspense Account, etc. The second division includes merely adjusting heads under which appear remittances of cash between treasuries, transfers between different accounting circles and remittances between the State Government and Reserve Bank of India, State Government, Railways, Post and Telegraph Department, Defence, credits and debits taken to the adjusting heads in the division are eventually cleared by adjustment under final heads.

The combined effect of the transaction in the Consolidated Fund, the Contingency Fund and the Public Account presents the overall budgetary

position and the surplus or deficit thereof. The opening cash balance of the Government Account added or subtracted by the surplus or deficit in the overall transactions of the year produces the closing cash balance for the year.

The receipts and expenditure up to 1982-83 presented in the publication represent Actuals, but those for 1983-84 and 1984-85 are the Revised Estimates and Budget Estimates, respectively. The figures utilised in this publication are net and have been arrived at after adjusting the refunds from revenue receipts and recoveries from expenditure. For the sake of convenience, following symbols have been used throughout this publication.

* for Revised Estimate

@ for Budget Estimate

BUDGET IN BRIEF, 1984-85

The total revenue of Orissa in 1984-85 has been estimated at Rs. 842.0 crores and the revenue expenditure is expected to be Rs. 835.7 crores. The year is expected to close with a revenue surplus of Rs. 6.3 crores. The revenue receipts have increased from Rs. 792.3 crores in 1983-84 to Rs. 842.0 crores in 1984-85. The increase of about Rs. 49.7 crores of revenue in the Budget is mainly due to increase in receipt under State's own-tax revenue, own non tax revenue and shared taxes. The decrease of about Rs. 8.0 crores in Grants and Contributions from Central Government during 1984-85 (B. E.) is mainly due to less allocation to the State made under Non Plan grants-in-aid from the Central Government, particularly under grants according to Article 275 (1) of the Constitution recommended by the Seventh Finance Commission. The provision under the above grant is nil during the Budget Estimate in comparison to Rs. 9.4 crores in the Revised Estimate. In spite of the decrease of return under Grants-in-aid and Contributions, the total revenue receipt in the Budget increased appreciably in comparison to that of Revised Estimate for the reason stated above.

2. Revenue receipts have increased under State's own taxes and shared taxes except Estate Duty. As the receipt under this tax forms only an insignificant part in the State Budget, the impact of this decline does not merit any consideration. Turn over under Sales Tax in the Budget has been estimated at Rs. 137.0 crores as against Rs. 120.4 crores in the Revised Estimates. The excess of Rs. 16.6 crores or 13.8 per cent over the Revised Estimates look spectacular. Similarly the receipt under Taxes and Duties on Electricity is expected to be Rs. 6.0 crores or 18.3 per cent more in the Budget than the Revised Estimates. The total turn over under State's own tax revenue is expected to be Rs. 33.0 crores or 15.4 per cent more in the Budget Estimate over the Revised Estimate. The transfer under shared taxes is expected to increase by Rs. 15.9 crores or 7.2 per cent in the Budget than the Revised Estimate. One significant feature noticed in this year's Budget is that the own tax revenue of the State exceeds the total transfer under shared taxes. The Budget Estimate for the year shows that the State's own tax revenue will exceed the amount of shared taxes by Rs. 10.5 crores. As regards States non-tax revenue,

the Budget is expected to generate an additional turnover of Rs. 8.7 crores or 7.5 per cent over the Revised Estimate. Forest revenue is expected to increase by Rs. 6.7 crores or 12.6 per cent in the Budget over the Revised Estimate. Interest receipts have been assumed Rs. 2.1 crores less in the Budget than the Revised. Both State's own tax and non-tax sources are expected to yield Rs. 41.7 crores or 12.6 per cent more in the Budget than the Revised.

3. The total expenditure of the State in the Revenue Account has been estimated at Rs. 835.7 crores in the Budget Estimate of 1984-85 as against Rs. 785.6 crores in the Revised Estimate of 1983-84. The excess of expenditure in the Budget Estimate to the extent of Rs. 50.1 crores over the Revised Estimate is due to excess of expenditure made on drought relief and payment of additional dearness allowance and other dues under Non Plan expenditure. A sum of Rs. 245.4 crores (Net) has been provided for Plan Schemes in the Revenue Account and it is made up of items as shown below :-

| | Gross | Reco- veries | Net |
|---|-------|-----------------|-------|
| (a) Schemes included in State Plan. | 155.3 | (—)10.4 | 154.9 |
| (b) Schemes included in Central Plan. | 41.9 | (—)0.8 | 41.1 |
| (c) Schemes included in Centrally Sponsored Plan. | 58.3 | (—)8.9 | 49.4 |
| Total | 255.5 | (—)10.1 | 245.4 |

4. The outgo from the Consolidated Fund on Revenue and Capital Account taken together during 1984-85 has been estimated at Rs. 1,081 crores. Receipt from the tax and non-tax sources of the State are of the order of Rs. 372.3 crores. Devolution of shared taxes, Central assistance for plan schemes and other grant and loan assistance from Government of India are estimated at Rs. 67.5 crores. Borrowings from the open market and other sources like Reserve Bank of India, Life Insurance Corporation and National Co-operative

Development Corporation and recovery of loans and advances are estimated at Rs. 525.8 crores. With the cash surplus in the Public Account during the year and opening cash deficit of Rs. 41.0 crores, the

year is estimated to close with a deficit cash balance of Rs. 34.0 crores. The Budget for the year 1984-85 therefore is expected to close with an overall surplus of Rs. 7.0 crores.

BUDGET IN BRIEF, 1984-85

(REVENUE RECEIPTS)

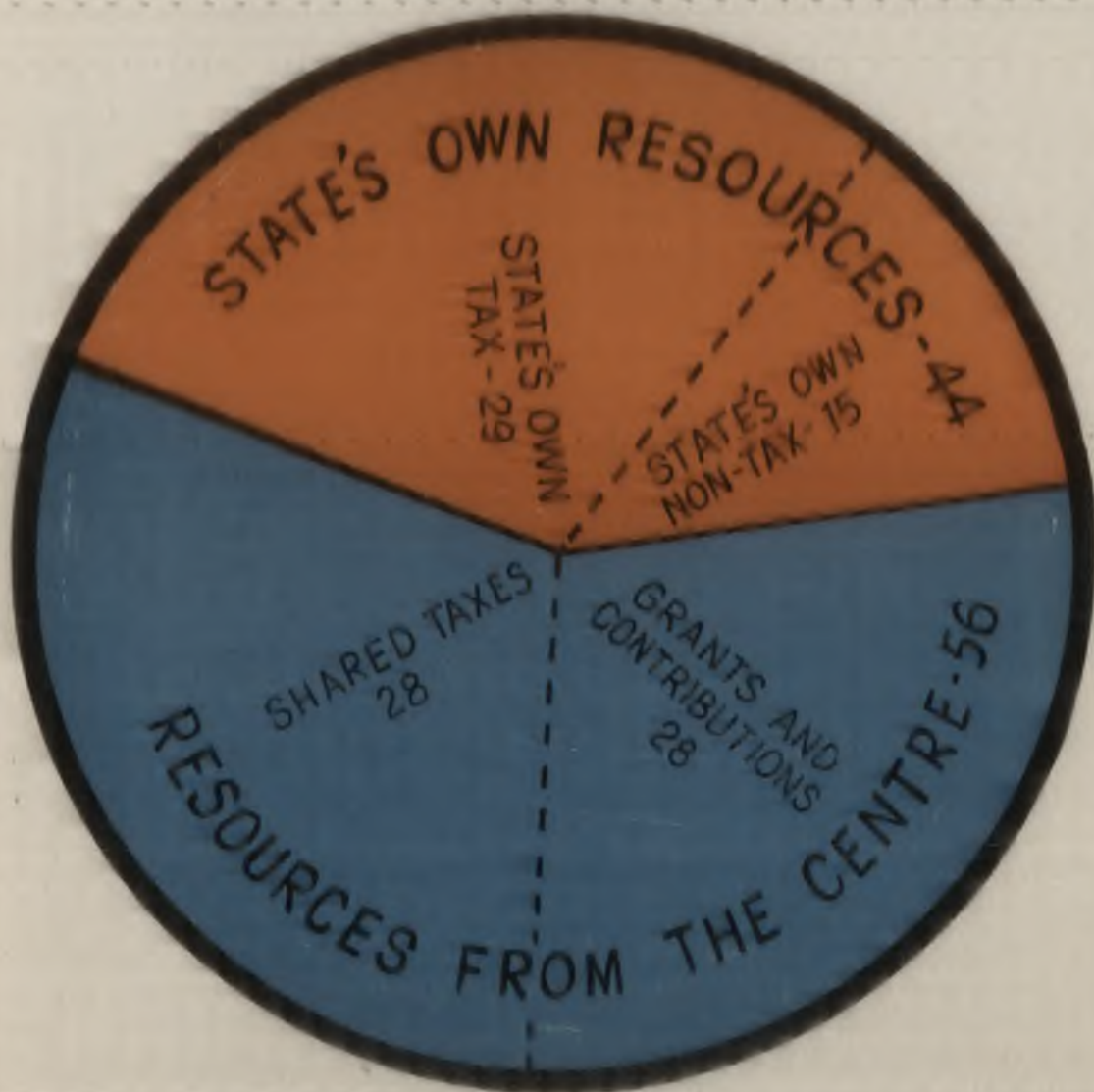
Table No. 1

(Rs. in crores)

| | | | |
|--|-------|---|-------|
| A—TAX REVENUE (a+b) | 484.7 | B—NON-TAX REVENUE (c+d) | 357.3 |
| (a) SHARED TAX | 237.1 | (c) STATE'S OWN NON-TAX | 125.4 |
| (i) Union Excise Duties | 191.2 | (i) General Services | 8.9 |
| (ii) Taxes on Income other than Corporation Tax. | 45.7 | (ii) Social and Community Services | 9.9 |
| (iii) Estate Duty | 0.2 | (iii) Economic Services (Except Forest) | 22.5 |
| (b) STATE'S OWN TAX | 247.6 | (iv) Forest | 60.0 |
| (i) Taxes on Agricultural Income | Neg | (v) Interest, Dividends and Profits | 24.1 |
| (ii) Land Revenue | 12.4 | (d) GRANTS AND CONTRIBUTIONS FROM CENTRAL GOVERNMENT. | 231.9 |
| (iii) Stamps and Registration fees | 14.1 | (i) Statutory | Nil |
| (iv) State Excise Duties | 16.5 | (ii) Others | 231.9 |
| (v) Taxes on vehicles | 18.0 | C—STATE'S OWN RESOURCES (b+c) | 373.0 |
| (vi) Taxes and Duties on Electricity | 38.7 | D—RESOURCES TRANSFERRED FROM CENTRAL GOVERNMENT. | 469.0 |
| (vii) Taxes on Goods and Passengers | 5.2 | E—TOTAL REVENUE RECEIPTS (C+D). | 842.0 |
| (viii) Entertainment Tax | 5.7 | | |
| (ix) Sales Tax | 137.0 | | |

BUDGET 1984-85

THE RUPEE
COMES FROM



BUDGET IN BRIEF, 1984-85
(REVENUE EXPENDITURE)

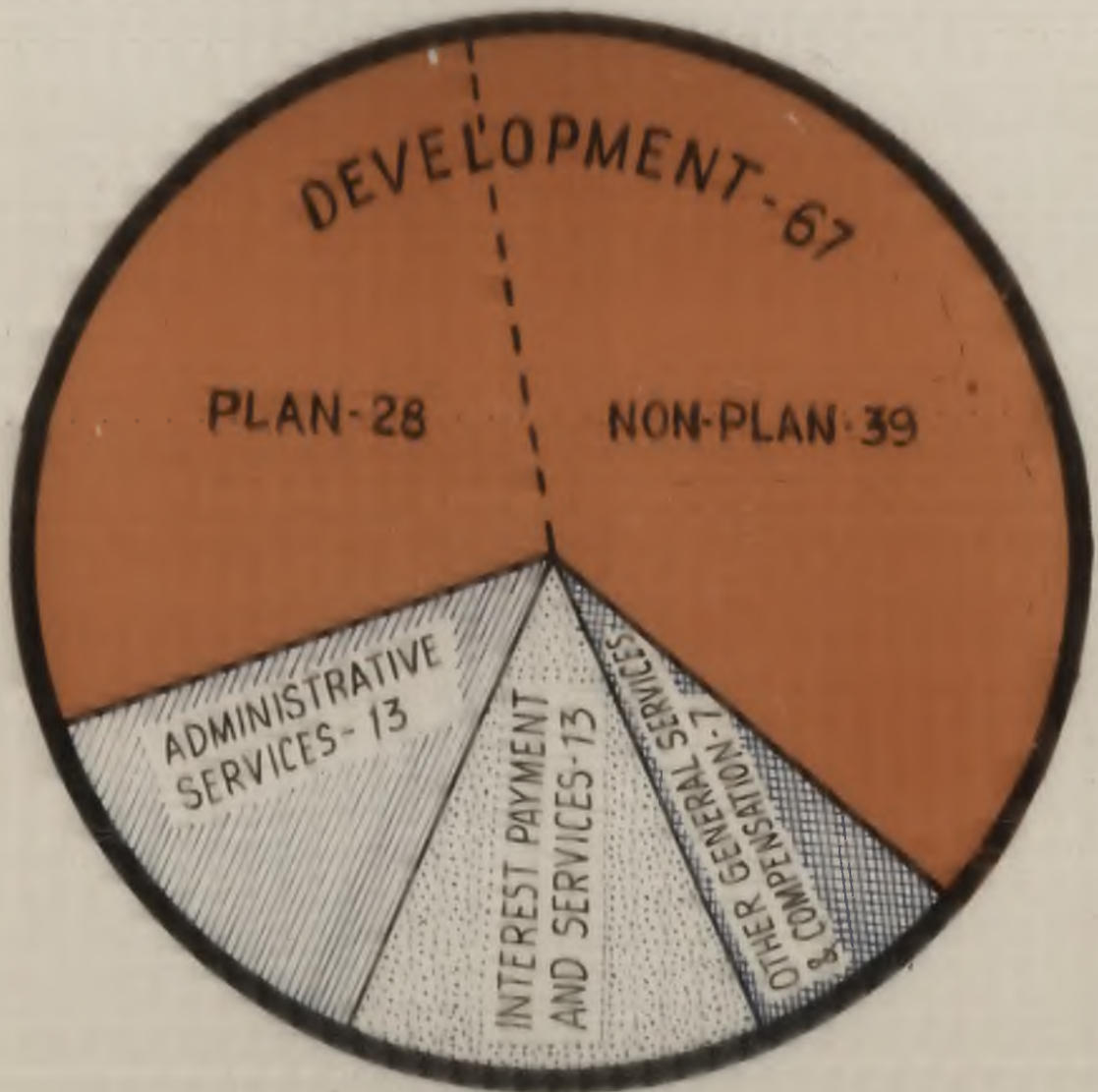
Table No. 2

(Rs. in crores)

| Serial No. | Items | Plan | Non- Plan | Total |
|---------------|---|-------|--------------|----------|
| (1) | (2) | (3) | (4) | (5) |
| A. | GENERAL SERVICES | 8.7 | 259.8 | 268.5 |
| (a) | Organs of State | Nil | 9.7 | 9.7 |
| (b) | Fiscal Services | 6.8 | 23.1 | 29.9 |
| (c) | Interest payment and Servicing of Debt | Nil | 106.0 | 106.0 |
| (d) | Administrative Services | 1.9 | 105.5 | 107.4 |
| (e) | Pension and Miscellaneous General Services | Nil | 15.5 | 15.5 |
| B. | SOCIAL AND COMMUNITY SERVICES | 121.4 | 228.1 | 349.5 |
| (a) | Education, Art and Culture | 22.4 | 143.7 | 166.1 |
| (b) | Medical, Public Health, Sanitation, Water Supply and Family Welfare. | 55.1 | 43.4 | 98.5 |
| (c) | Social Security and Welfare | 36.1 | 16.8 | 52.9 |
| (d) | Relief on account of Natural Calamities | Nil | 8.7 | 8.7 |
| (e) | Others (Secretariat Social and Community Services, Housing, Urban Development, Information and Publicity, Labour and Employment, other Social and Community Services and Scientific Services and Research). | 7.8 | 15.5 | 23.3 |
| C. | ECONOMIC SERVICES | 115.3 | 97.2 | 212.5 |
| (a) | General Economic Services | 6.1 | 15.9 | 22.0 |
| (b) | Agriculture and Allied Services | 94.9 | 53.4 | 148.3 |
| (c) | Industry and Minerals | 11.5 | 3.5 | 15.0 |
| (d) | Water and Power Development | 2.2 | 9.8 | 12.0 |
| (e) | Transport and Communication | 0.6 | 14.6 | 15.2 |
| D. | COMPENSATION AND ASSIGNMENT TO LOCAL BODIES AND PANCHAYATI RAJ INSTITUTIONS. | Nil | 5.2 | 5.2 |
| E. | TOTAL EXPENDITURE (A+B+C+D) | 245.4 | 590.3 | 835.7 |
| F. | SURPLUS | .. | .. | (+) 6.3 |

BUDGET 1984-85

THE RUPEE
GOES TO



REVENUE RECEIPTS

1. Revenue receipt of the State is divided into two broad Categories, such as Tax revenue and Non-tax revenue. Tax revenue is further subdivided into—(a) shared taxes and,—(b) States own tax. Non-tax revenue is divided into—(a) own Non-tax and (b) Grants and Contribution from central Government. The table also presents index of growth of the total revenue and *per capita* revenue receipts

2. Shared taxes which were contributing about 47 per cent during 1975-76 has been estimated to increase to 49 per cent during the Budget Estimate of 1984-85. Similarly the contribution of State's own tax revenue which was 53 per cent during 1975-76 has been estimated to decrease to 51 per cent during the Budget Estimate of 1984-85. The total tax revenue during 1984-85 has been estimated at Rs. 484.7 crores, i. e. an increase of Rs. 4.89 crores over the Revised Estimate of 1983-84 and Rs. 108.8 crores increase over 1982-83 (Accounts). This increase is due to receipt of larger share from Union Excise Duties and larger outturn of tax revenue from different State taxes. Both Shared taxes and State's own taxes have maintained rising trend throughout the period from 1975-76 to 1984-85.

3. Total non-tax revenue during 1975-76 was Rs. 133.0 crores and it has been estimated at Rs. 357.3

crores during 1984-85, i. e., a rise of 169 per cent. The State's own Non-tax revenue has been presented after excluding interest received from Departmental Commercial Undertakings. The grants and contributions to the State were Rs. 89.5 crores during 1975-76 and has been estimated at Rs. 231.9 crores in 1984-85 (B. E.), recording an increase of 159 per cent during the period of 10 years.

4. The total revenue receipt which was Rs. 262.9 crores in 1975-76 has been estimated at Rs. 842.0 crores in 1984-85 (B. E.). The increase of Rs. 49.7 crores in revenue receipt during 1984-85 as compared to 1983-84 is mainly due to higher receipts under State's own tax revenue and shared tax revenue. The contribution of State's own taxes, State's own Non-taxes, shared taxes and Grants and contribution have been estimated to be 29 per cent, 15 percent, 28 per cent and 28 per cent, respectively of the total State revenue during 1984-85. The index of growth has increased from 100 to 320 and the maximum increase of 76 points was observed during 1982-83 (Accounts) over the year 1981-82. As regards the *per capita* revenue receipts, it was Rs. 109.5 in 1975-76 and has been estimated to increase to Rs. 300.7 in the Budget Estimate of 1984-85, showing an increase of 175 per cent during these years.

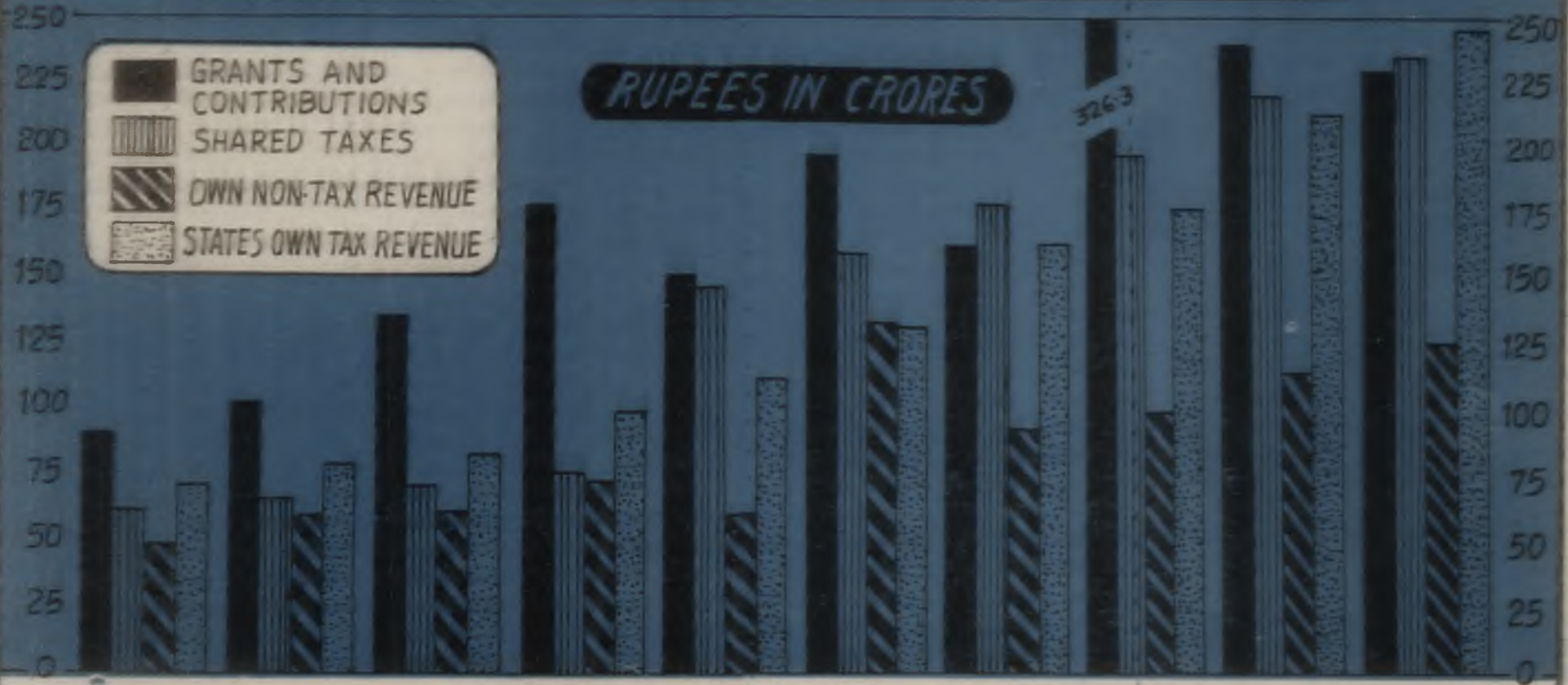
REVENUE RECEIPTS

Table No. 3

(Rs. in crores)

| Year | Tax Revenue | | | Non-Tax Revenue | | | Total Revenue Receipts | Index of Growth | Per capita Revenue Receipts |
|-------------|--------------|-------------------------|-----------|-----------------|--------------------------|---------------|------------------------|-----------------|-----------------------------|
| | Shared Taxes | State's Own-Tax Revenue | Total Tax | Own Non-Tax | Grants and Contributions | Total Non-Tax | | | |
| (1) | (2) | (3) | (4) | (5) | (6) | (7) | (8) | (9) | (10) |
| 1975-76 .. | 61.5 | 68.4 | 129.9 | 43.5 | 89.5 | 133.0 | 262.9 | 100 | 109.5 |
| 1976-77 .. | 65.2 | 80.8 | 146.0 | 58.1 | 101.8 | 159.9 | 305.9 | 116 | 122.4 |
| 1977-78 .. | 69.4 | 83.7 | 153.1 | 59.3 | 134.4 | 193.7 | 346.8 | 132 | 138.7 |
| 1978-79 .. | 75.7 | 98.4 | 174.1 | 70.5 | 178.5 | 249.0 | 423.1 | 161 | 169.2 |
| 1979-80 .. | 144.3 | 112.1 | 256.4 | 61.3 | 149.9 | 211.2 | 467.6 | 178 | 179.8 |
| 1980-81 .. | 160.0 | 132.6 | 292.6 | 133.5 | 195.2 | 328.7 | 621.3 | 236 | 239.0 |
| 1981-82 .. | 180.7 | 165.6 | 346.3 | 93.0 | 162.2 | 255.2 | 601.5 | 229 | 222.8 |
| 1982-83 .. | 197.2 | 178.7 | 375.9 | 99.3 | 326.3 | 425.7 | 801.6 | 305 | 296.9 |
| 1983-84* .. | 221.2 | 214.6 | 435.8 | 116.7 | 239.8 | 356.5 | 792.3 | 301 | 283.0 |
| 1984-85@ | 237.1 | 247.6 | 484.7 | 125.4 | 231.9 | 357.3 | 842.0 | 320 | 300.7 |

Revenue Receipts



1975-76 76-77 77-78 78-79 79-80 80-81 81-82 82-83 83-84 84-85

RE. BE.

STATE'S OWN TAX REVENUE

The table presented below deals with the State's Own-Tax Revenue from 1975-76 to 1984-85. The estimated increase in Land Revenue during 1984-85 over the revised is mainly due to increase of rates and cess on land. Out of Rs. 12.4 crores of receipt from Land Revenue, an amount of Rs. 10.4 crores is expected to come from the above sources. Stamps and Registration Fees shows an increasing trend throughout the decade. The increase in receipts under Stamps and Registration Fees during 1984-85 over 1983-84 (R. E.) is mainly due to increase in Sales of Stamps under Stamps (Non Judicial) and Stamps (Judicial). Receipts from Excise Duties has been estimated at Rs. 16.5 crores during 1984-85 (B. E.) as against Rs. 14.1 crores during 1983-84 (R. E.). This increase is due to larger receipts from Country fermented liquors, foreign liquors and spirits, medicinal and toilet preparations containing Alcohol, Opium, etc. Receipts under "Taxes on Vehicles" has been estimated at Rs. 18.0 crores in 1984-85 (B. E.) as against Rs. 15.4 crores during 1983-84 (R. E.). The Taxes and Duties on Electricity, which was contributing Rs. 6.7 crores in 1975-76 has been estimated

at Rs. 38.7 crores in 1984-85 (B. E.), an increase of about more than five times. Entertainment Tax, which was contributing about Rs. 1.3 crores during 1975-76 has been estimated to increase to Rs. 5.7 crores during 1984-85 (B. E.). The trend of Revenue Receipts from Sales Tax has shown an upward trend during all the years and specifically the increase is the highest during 1984-85. This is mainly due to—(a) effective functioning of tax collection machinery and (b) price rise which yielded more revenue.

2. The total Own-Tax Revenue has increased from Rs. 68.4 crores to Rs. 2,47.6 crores, an increase of about more than three times or 262 per cent during the decade ending 1984-85. The *per capita* State's Own-Tax Revenue has increased from Rs. 28.5 in 1975-76 to Rs. 88.4 in 1984-85, recording an increase of more than three times during a period of 10 years. Sales Tax and Taxes and Duties on Electricity together constitute 71 per cent of the total State's Own-Tax Revenue and the remaining 29 per cent are expected to be contributed by remaining seven State taxes during 1984-85 (B. E.).

STATE'S OWN TAX REVENUE

Table No. 4

(Rs. in Crores)

| Year | Taxes on Agricultural income | *Land Revenue | Stamps and Registration Fees | State Excise Duties | Taxes on vehicles | Taxes and Duties on Electricity | Taxes on Goods and Passengers |
|-----------|------------------------------|---------------|------------------------------|---------------------|-------------------|---------------------------------|-------------------------------|
| (1) | (2) | (3) | (4) | (5) | (6) | (7) | (8) |
| 1975-76 | 0.1 | 3.2 | 5.3 | 6.1 | 5.7 | 6.7 | 2.0 |
| 1976-77 | 0.1 | 4.4 | 5.1 | 6.7 | 5.5 | 8.0 | 2.2 |
| 1977-78 | 0.1 | 4.8 | 5.6 | 7.0 | 6.2 | 8.5 | 2.5 |
| 1978-79 | Neg. | 5.5 | 6.6 | 7.2 | 7.1 | 11.9 | 2.8 |
| 1979-80 | Neg. | 4.7 | 7.2 | 7.8 | 8.3 | 12.6 | 2.8 |
| 1980-81 | Neg. | 7.1 | 7.8 | 9.2 | 9.7 | 16.9 | 2.3 |
| 1981-82 | Neg. | 11.1 | 9.3 | 11.0 | 12.1 | 22.9 | 1.3 |
| 1982-83 | Neg. | 10.0 | 10.8 | 13.1 | 13.8 | 23.3 | 1.7 |
| 1983-84* | | 11.7 | 12.0 | 14.1 | 15.4 | 32.7 | 4.0 |
| 1984-85 @ | | 12.4 | 14.1 | 16.5 | 18.0 | 38.7 | 5.2 |

| Year | Entertainment Tax | Sales Tax | | | Total | Total Own-Tax Revenue | Per-Capita State's Own-Tax (in Rs.) |
|------------|-------------------|-------------------|---------------------------|-------------------|-------|-----------------------|-------------------------------------|
| | | State's Sales Tax | Sales Tax on Motor Spirit | Central Sales Tax | | | |
| (1) | (9) | (10) | (11) | (12) | (13) | (14) | (15) |
| 1975-76 .. | 1.3 | 29.3 | 0.8 | 7.9 | 38.0 | 68.4 | 28.5 |
| 1976-77 .. | 1.7 | 30.7 | 0.9 | 15.5 | 47.1 | 80.8 | 32.3 |
| 1977-78 .. | 1.9 | 27.8 | 2.4 | 16.9 | 47.1 | 83.7 | 33.5 |
| 1978-79 .. | 2.1 | 35.0 | .. | 16.2 | 55.2 | 98.4 | 39.4 |
| 1979-80 .. | 2.8 | 46.4 | .. | 19.5 | 65.9 | 112.1 | 43.1 |
| 1980-81 .. | 3.0 | 56.4 | .. | 20.2 | 76.6 | 132.6 | 51.0 |
| 1981-82 .. | 3.6 | 68.2 | .. | 26.1 | 94.3 | 165.6 | 61.3 |
| 1982-83 .. | 3.9 | 78.7 | .. | 23.4 | 102.1 | 178.7 | 66.2 |
| 1983-84 * | 4.3 | 90.4 | .. | 30.0 | 120.4 | 214.6 | 76.6 |
| 1984-85 @ | 5.7 | 100.4 | .. | 36.6 | 137.0 | 247.6 | 88.4 |

(*) The Land Revenue includes rates and cess on Mining Royalties and other receipts

SHARED TAX

Table No. 5—presents the receipts under shared taxes. Among Shared taxes, the Union Excise Duties and Taxes on Income other than corporation Tax are important. Receipts under Union Excise Duties was Rs. 33.8 crores in 1975-76 and has gone up to Rs. 191.2 crores in 1984-85 (B.E.). The basic Union Excise Duties in 1984-85 (B.E.) is Rs. 77 crores more than the Revised Estimate of 1983-84. The maximum increase in basic Union Excise Duties was recorded during 1979-80, When the share of Orissa increased from Rs. 38.0 crores in 1978-79 to Rs. 100.7 crores in 1979-80, as the divisible pool of Union Excise Duties was enlarged from 20 per cent to 40 per cent of total turnover on the recommendations of the Seventh Finance Commission. Receipts under "Taxes on Income other than Corporation Tax", which accounted for Rs. 27.4 crores in 1975-76 are estimated to increase to Rs. 45.7 crores during 1984-85. The State's share under Estate Duty is a negligible amount of only Rs. 0.2 crores

during 1984-85. The contribution of Union Excise Duties and Taxes on Income other than Corporation Tax contributed 55 per cent and 45 per cent, respectively in 1975-76 to the total shared tax and their proportions are expected to be 81 per cent and 19 per cent, respectively in the Budget Estimate of 1984-85.

2. The index of growth of total tax revenue is expected to be 373 in 1984-85 (B.E.) and the maximum growth was recorded during 1979-80. During the same year, the increase in *per capita* tax revenue was the maximum in comparison to other years which increased from Rs. 69.6 to Rs. 98.6 an increase of Rs. 29.0 in a single year. This increase in *per capita* was due to higher State share made available under Union Excise Duties. The *per capita* tax revenue was Rs. 54.1 in 1975-76 and has been estimated to reach at Rs. 173.1 in 1984-85, an increase of about more than three times

SHARED TAXES AND TOTAL TAX REVENUE

Table No. 5

(Rs. in crores)

| Years | Union Excise Duties | | | Taxes on Income other than corporation Tax | Estate Duty | Shared Taxes (Total) | State's Own Taxes (Total) | Tax Revenue (Total) | Index of total Tax | Per capita Tax Revenue (in Rs.) |
|--------------|---------------------|------------|-------|--|-------------|----------------------|---------------------------|---------------------|--------------------|---------------------------------|
| | Basic | Additional | Total | | | | | | | |
| (1) | (2) | (3) | (4) | (5) | (6) | (7) | (8) | (9) | (10) | (11) |
| 1975-76 .. | 26.2 | 7.6 | 33.8 | 27.4 | 0.3 | 61.5 | 68.4 | 129.9 | 100 | 54.1 |
| 1976-77 .. | 31.4 | 9.1 | 40.5 | 24.3 | 0.4 | 65.2 | 80.8 | 146.0 | 112 | 58.4 |
| 1977-78 .. | 33.0 | 10.8 | 43.8 | 25.2 | 0.4 | 69.4 | 83.7 | 153.1 | 118 | 61.2 |
| 1978-79 .. | 38.0 | 10.9 | 48.9 | 26.4 | 0.4 | 75.7 | 98.4 | 174.1 | 134 | 69.6 |
| 1979-80 .. | 100.7 | 11.2 | 111.9 | 32.3 | 0.1 | 144.3 | 112.1 | 256.4 | 197 | 98.6 |
| 1980-81 .. | 110.1 | 12.2 | 122.3 | 37.5 | 0.2 | 160.0 | 132.6 | 292.6 | 225 | 112.5 |
| 1981-82 .. | 127.9 | 15.1 | 143.0 | 38.0 | (—)0.3 | 180.7 | 165.6 | 346.3 | 267 | 128.3 |
| 1982-83 .. | 141.5 | 13.3 | 154.8 | 42.3 | 0.1 | 197.2 | 178.7 | 375.9 | 289 | 139.2 |
| 1983-84 * .. | 160.5 | 14.6 | 175.1 | 45.9 | 0.2 | 221.2 | 214.6 | 435.8 | 335 | 155.6 |
| 1984-85 @ .. | 168.2 | 23.0 | 191.2 | 45.7 | 0.2 | 237.1 | 247.6 | 484.7 | 373 | 173.1 |

NON-TAX REVENUE

1. Non-Tax revenue of the State Government Consists of (i) Own non-tax and (ii) Grants and contributions from the Central Government.

2. Grants-in-aid from Central Government to the State have been broadly divided into two groups, namely, (i) statutory and (ii) others. Grants under Article 275 (i) of the Constitution recommended by Finance Commission comes under the purview of Statutory Grants. Other Grants-in-aid includes grants for State Plan Schemes, Social Welfare Schemes, Irrigation, Navigation, Community Development Projects, National Extension Service, Local Development Works, Public Health, Family Welfare, Grants in lieu of Tax on Railway Passenger Fares, Assistance for Natural Calamities, Relief and Rehabilitation of Displaced persons, etc. Statutory grant accounted for Rs. 60.1 crores during 1975-76, maintained an increasing trend up to 1978-79 and thereafter it has declined every year according to the recommendations of the Seventh Finance Commission. Grants under "Others" shows an increasing trend for all the years except 1981-82 and 1983-84 (R. E.). The maximum increase was recorded during 1982-83 (A. C.) over the year 1981-82, and this increase is mainly due to more provisions under Block Grants, and Relief on account of Natural Calamities. In the Budget Estimate of 1984-85, Statutory grant is estimated to be nil and others constitute cent per cent of the total grants and contributions from the Central Government.

3. Receipts under Own non tax was Rs 43.5 crores in 1975-76 and it has been estimated at Rs 125.4 crores in the Budget Estimate of 1984-85,

an increase of 188 per cent during the decade. General Services, Social and Community Services and Economic Services were Rs. 3.4, Rs. 4.6 and Rs. 18.9 crores during 1975-76 and are estimated to increase to Rs. 8.9, Rs. 9.9 and Rs. 22.5 crores, respectively during the Budget Estimate of 1984-85. The maximum increase in General Services was recorded during 1980-81 to the extent of Rs. 63.6 crores as against Rs. 7.3 crores in 1979-80. This was mainly due to loans from Central Government for non-productive purposes written off as per the recommendation of Seventh Finance Commission. Out of Rs. 63.6 crores, Rs. 56.7 crores was provided to the State Government for above purpose during 1980-81. In 1984-85, out of the provision of Rs 125.4 crores of revenue under Own non-tax, Forest alone contributes 48 per cent and the rest 52 per cent of revenue is expected to come from all other sources such as General Services, Social and Community Services, Economic Services and Interest, Dividends and Profits. Receipts under total Own non tax have increased Rs. 8.7 crores in the Budget over the Revised due to more receipt recorded under Forest, Mines and Minerals, Agriculture, Multipurpose River Projects and Roads and Bridges, etc.

4. Total non-tax revenue was Rs. 133.0 crores in 1975-76 and it has increased to Rs. 357.3 crores in the Budget Estimate of 1984-85, an increase of about 169 per cent during the decade. Grants and contributions from Central Government and State's own non tax revenue are expected to contribute 65 per cent and 35 per cent respectively to the total non tax revenue in the Budget Estimate of 1984-85.

NON-TAX REVENUE

Table No 6

(Rs. in crores)

| Year | Grants and Contribution from Central Government | | | Own Non-Tax | | | | | Total Non-Tax (Col. 4 + Col. 10) | |
|----------------------|---|--------|-------|------------------|-------------------------------|-----------------------------------|--------|---|----------------------------------|-------------------|
| | Statutory | Others | Total | General Services | Social and Community Services | Economic Services (except Forest) | Forest | Interest ² and dividends and profits | | Total Own Non-Tax |
| (1) | (2) | (3) | (4) | (5) | (6) | (7) | (8) | (9) | (10) | (11) |
| 1975-76 | 60.1 | 29.4 | 89.5 | 3.4 | 4.6 | 18.9 | 12.4 | 4.2 | 43.5 | 133.0 |
| 1976-77 | 61.0 | 40.8 | 101.8 | 9.3 | 6.0 | 23.0 | 14.1 | 5.7 | 58.1 | 159.9 |
| 1977-78 | 71.5 | 62.9 | 134.4 | 4.9 | 9.6 | 20.9 | 19.1 | 4.8 | 59.3 | 193.7 |
| 1978-79 | 78.1 | 100.4 | 178.5 | 5.6 | 7.0 | 26.7 | 26.6 | 4.6 | 70.5 | 249.0 |
| 1979-80 | 41.6 | 108.3 | 149.9 | 7.3 | 7.6 | 13.4 | 28.0 | 5.0 | 61.3 | 211.2 |
| 1980-81 | 37.7 | 157.5 | 195.2 | 63.6 | 6.9 | 16.9 | 37.3 | 8.8 | 133.5 | 328.7 |
| 1981-82 | 29.0 | 133.2 | 162.2 | 8.1 | 11.2 | 19.9 | 46.6 | 7.2 | 93.0 | 255.2 |
| 1982-83 | 19.2 | 307.1 | 326.3 | 6.9 | 11.1 | 20.7 | 47.3 | 13.4 | 99.4 | 425.7 |
| 1983-84 | 9.4 | 230.4 | 239.8 | 6.3 | 9.4 | 21.5 | 53.3 | 26.2 | 116.7 | 356.5 |
| 1984-85 [@] | .. | 231.9 | 231.9 | 8.9 | 9.9 | 22.5 | 60.0 | 4 | 125.4 | 357.3 |

(²) Excludes interest receipts from the Departmental Commercial Undertakings

EXPENDITURE UNDER REVENUE ACCOUNT

1. The entire expenditure of the State Government under Revenue Account has been divided into four broad divisions, such as—

- (i) Expenditure on General Services
- (ii) Expenditure on Social and Community Services
- (iii) Expenditure on Economic Services, and
- (iv) Miscellaneous Services

2. Expenditure on General Services, which was Rs. 870 crores in 1975-76 has been estimated at Rs. 268.5 crores during 1984-85. In 1984-85, 40 per cent of the total expenditure on General Services are expected to be spent under Administrative Services, 39 per cent under interest Payment and servicing of Debt, 11 per cent under Fiscal Services, 6 per cent under Pension and Miscellaneous Services and 4 per cent under Organs of State. Expenditure during 1984-85 has increased about Rs. 21 crores under Organs of State, Rs. 16.3 crores under Interest payments, Rs. 22.1 crores under Administrative Services, Rs. 3.3 crores under Pension and Miscellaneous General Services and a decrease of Rs. 0.7 crores under Fiscal services over the Revised Estimate of 1983-84.

3. The total expenditure under Social and Community Services during the period from 1975-76 to 1984-85, shows an increasing trend except the year 1983-84 (R. E.). It rose from Rs. 109.8 crores in 1975-76 to Rs. 349.5 crores in 1984-85, showing an increase of 218 per cent during this period. Out of the total expenditure on Social and Community Services in 1984-85 48 per cent is expected to go for Education, Art and Culture, 28 per cent to Medical, Public Health, Sanitation and Water-Supply, 15 per cent to Social, Security and Welfare, 2 per cent to Relief on account of Natural Calamities and the remaining 7 per cent to others. Provision under Relief on account of Natural Calamities during 1982-83 (A. C.) was the highest. Education, Medical and Public Health have always taken a major share during this period. Education, Art and Culture increased from Rs. 59.2 crores in 1975-76 to Rs. 166.1 crores in 1984-85, an increase of about more than two times. So also the expenditure under Medical, Public Health,

Sanitation, Water-Supply and Family Welfare which accounted for Rs. 24.6 crores in 1975-76 is expected to increase to Rs. 98.5 crores in 1984-85, a rise of more than four times or 300 per cent during the decade.

4. The expenditure on Economic services has increased from Rs. 62.8 crores in 1975-76 to Rs. 212.5 crores in 1984-85, (B. E.) an increase of about 238 per cent. In 1984-85, 70 per cent of the total expenditure on Economic Services are expected to go for Agriculture and Allied Services, 10 per cent for General Economic Services, 7 per cent for Transport and Communication, 6 per cent for Water and Power Development and the remaining 7 per cent for Industry and Minerals. However, it indicates arising trend in the expenditure under Economic Services for all the years, except 1981-82. This is due to less provision made under Transport and Communication, Particularly in Roads and Buildings and Water and Power Development.

5. The total expenditure under Revenue Account of the State rose from Rs. 261.6 crores in 1975-76 to Rs. 835.7 crores in 1984-85 (B. E.). In 1975-76 the Plan expenditure was 13 per cent and the remaining 87 per cent was Non-Plan expenditure. The expenditure on Plan and Non-Plan Schemes during 1984-85 has been estimated at Rs. 245.4 crores and Rs. 590.3 crores, respectively. During the decade expenditure on Plan Schemes has increased about 7 times and Non-Plan Schemes a little over two times. However, the data show that about 71 per cent of total expenditure under Revenue Account is expected to be spent under Non-Plan Schemes and the rest 29 per cent under Plan Schemes in the Budget Estimate of 1984-85.

7. The *per capita* revenue expenditure was Rs. 109.0 during 1975-76 and it has been estimated to increase to Rs. 298.5 during 1984-85 (B. E.). During this decade, it has shown an increase of 174 per cent in the *per capita* level. This is due to higher provision of expenditure made under all sectors of development, Particularly, Education, Art and Culture, Medical, Public Health, Agriculture, Industry and Minerals, Social Security and Welfare and Administrative Services, etc.

Table No. 7

TOTAL REVENUE EXPENDITURE
(A) EXPENDITURE ON GENERAL SERVICES

(Rs. in crores)

| Year | Total Revenue Expenditure | | | Index of Growth | Per capita Expenditure (in Rs.) | (a) Organ of State (Total Non-Plan) | (b) Fiscal services | | | (c) Interest payment and servicing of Debt (Total Non-Plan) |
|-------------|---------------------------|----------|-------|-----------------|---------------------------------|-------------------------------------|---------------------|----------|-------|---|
| | Plan | Non-Plan | Total | | | | Plan | Non-Plan | Total | |
| (1) | (2) | (3) | (4) | (5) | (6) | (7) | (8) | (9) | (10) | (11) |
| 1975-76 .. | 33.7 | 227.9 | 261.6 | 100 | 109.0 | 3.0 | 0.6 | 10.4 | 11.0 | 35.2 |
| 1976-77 .. | 47.5 | 240.8 | 288.3 | 110 | 115.3 | 4.4 | 1.1 | 11.6 | 12.7 | 38.9 |
| 1977-78 .. | 70.5 | 248.5 | 319.0 | 122 | 127.6 | 4.7 | 1.8 | 11.7 | 13.5 | 43.2 |
| 1978-79 .. | 98.2 | 279.8 | 378.0 | 145 | 151.2 | 3.5 | 2.3 | 12.5 | 14.8 | 45.9 |
| 1979-80 .. | 107.7 | 341.2 | 448.9 | 172 | 172.6 | 6.8 | 4.3 | 14.3 | 18.6 | 50.1 |
| 1980-81 .. | 142.0 | 398.5 | 540.5 | 207 | 207.9 | 7.1 | 4.6 | 15.2 | 19.8 | 50.4 |
| 1981-82 .. | 138.8 | 434.8 | 573.6 | 219 | 212.4 | 5.0 | 7.0 | 17.9 | 24.9 | 67.0 |
| 1982-83 .. | 170.5 | 654.1 | 824.6 | 315 | 305.4 | 5.9 | 6.7 | 21.1 | 27.8 | 79.7 |
| 1983-84* .. | 222.8 | 562.8 | 785.6 | 300 | 280.6 | 7.6 | 6.7 | 23.9 | 30.6 | 89.7 |
| 1984-85@.. | 245.4 | 590.3 | 835.7 | 319 | 298.5 | 9.7 | 6.8 | 23.1 | 29.9 | 106.0 |

Table No. 7—(Contd.)

(Rs. in crores)

| Year | (d) Administrative Services | | | (e) Pension & Miscellaneous Services | | | (A) Total of General Services (a+b+c+d+e) | | |
|-------------------------|-----------------------------|----------|-------|--------------------------------------|----------|-------|--|----------|-------|
| | Plan | Non-Plan | Total | Plan | Non-Plan | Total | Plan | Non-Plan | Total |
| (1) | (12) | (13) | (14) | (15) | (16) | (17) | (18) | (19) | (20) |
| 1975-76 .. | 0.3 | 33.6 | 33.9 | 1.0 | 2.9 | 3.9 | 1.9 | 85.1 | 87.0 |
| 1976-77 .. | 0.6 | 32.6 | 33.2 | 0.4 | 3.6 | 4.0 | 2.1 | 91.1 | 93.2 |
| 1977-78 .. | 1.5 | 30.6 | 32.1 | 0.5 | 3.8 | 4.3 | 3.8 | 94.0 | 97.8 |
| 1978-79 .. | 0.6 | 34.1 | 34.7 | (—)1.0 | 4.5 | 3.5 | 1.9 | 100.5 | 102.4 |
| 1979-80 .. | 0.6 | 40.4 | 41.0 | 0.3 | 5.8 | 6.1 | 5.2 | 117.4 | 122.6 |
| 1980-81 .. | 1.0 | 48.8 | 49.8 | 1.5 | 7.4 | 8.9 | 7.1 | 128.9 | 136.0 |
| 1981-82 .. | 1.1 | 61.7 | 62.8 | (—)1.0 | 8.9 | 7.9 | 7.0 | 160.5 | 167.5 |
| 1982-83 .. | 0.7 | 68.8 | 69.5 | 0.5 | 11.3 | 11.8 | 7.9 | 186.8 | 194.7 |
| 1983-84 ⁵ .. | 0.6 | 84.7 | 85.3 | .. | 12.2 | 12.2 | 7.4 | 218.1 | 225.5 |
| 1984-85 [@] .. | 1.9 | 105.5 | 107.4 | .. | 15.5 | 15.5 | 8.7 | 259.8 | 268.5 |

(B) EXPENDITURE ON SOCIAL AND COMMUNITY SERVICE

Table No. 7—(Contd.)

(Rs. in crores)

| Year | (a) Education Art and Culture | | | (b) Medical, Public Health, Sanitation, Water-Supply and Family Welfare | | | (c) Social Security and Welfare | | |
|-------------------------|----------------------------------|--------------|--------|---|--------------|-------|------------------------------------|--------------|-------|
| | Plan | Non- plan | Total | Plan | Non- plan | Total | Plan | Non- plan | Total |
| (1) | (21) | (22) | (23) | (24) | (25) | (26) | (27) | (28) | (29) |
| 1975-76 .. | 5.0 | 54.2 | 59.2 | 6.7 | 17.9 | 24.6 | 6.5 | 9.1 | 15.6 |
| 1976-77 .. | 6.6 | 58.9 | 65.5 | 12.0 | 16.8 | 28.8 | 7.8 | 7.9 | 15.7 |
| 1977-78 .. | 9.6 | 62.7 | 72.3 | 13.9 | 16.2 | 30.1 | 10.5 | 8.2 | 18.7 |
| 1978-79 .. | 12.9 | 68.4 | 81.3 | 18.5 | 18.4 | 36.9 | 8.3 | 9.0 | 17.3 |
| 1979-80 .. | 6.3 | 81.2 | 87.5 | 19.4 | 25.8 | 45.2 | 8.4 | 11.5 | 19.9 |
| 1980-81 .. | 7.5 | 99.6 | 1,07.1 | 23.5 | 31.4 | 54.9 | 13.4 | 12.9 | 26.3 |
| 1981-82 .. | 9.4 | 1,06.3 | 1,15.7 | 28.8 | 34.8 | 63.6 | 19.7 | 13.5 | 33.2 |
| 1982-83 .. | 11.2 | 1,27.8 | 1,39.0 | 45.9 | 38.0 | 83.9 | 26.9 | 16.5 | 43.4 |
| 1983-84 ¹ .. | 19.4 | 1,41.4 | 1,60.8 | 50.7 | 43.2 | 93.9 | 30.0 | 17.0 | 47.0 |
| 1984-85 ² .. | 27.4 | 1,43.7 | 1,66.1 | 55.1 | 43.4 | 98.5 | 36.1 | 16.8 | 52.9 |

Table No. 7—(Contd.)

(Rs. in crores)

| (1) | (d) Relief on account of Natural Calamities | | | (e) Others ‡ | | | (B) Social and Community Services—Total (a+b+c+d+e) | | |
|-----------------|---|----------|--------|--------------|----------|-------|---|----------|--------|
| | Plan | Non-plan | Total | Plan | Non-plan | Total | Plan | Non-plan | Total |
| | (30) | (31) | (32) | (33) | (34) | (35) | (36) | (37) | (38) |
| 1975-76 | .. | 3.9 | 3.9 | 0.5 | 6.0 | 6.5 | 18.7 | 91.1 | 1,09.8 |
| 1976-77 | 0.1 | 3.6 | 3.7 | 0.5 | 8.0 | 8.5 | 27.1 | 95.1 | 1,22.2 |
| 1977-78 | 0.5 | 3.6 | 4.1 | 0.7 | 8.4 | 9.1 | 35.2 | 99.1 | 1,34.3 |
| 1978-79 | 0.4 | 3.6 | 4.0 | 0.7 | 8.3 | 9.0 | 40.8 | 1,07.7 | 1,48.5 |
| 1979-80 | .. | 8.7 | 8.7 | 1.4 | 10.6 | 12.0 | 35.5 | 1,37.8 | 1,73.3 |
| 1980-81 | .. | 10.6 | 10.6 | 30.0 | 12.3 | 42.3 | 74.5 | 1,66.7 | 2,41.2 |
| 1981-82 | .. | 14.8 | 14.8 | 4.9 | 13.3 | 18.2 | 62.8 | 1,82.7 | 2,45.5 |
| 1982-83 | .. | 1,71.1 | 1,71.1 | 3.6 | 15.0 | 18.6 | 87.6 | 3,68.4 | 4,56.0 |
| 1983-84 ‡ | .. | 30.1 | 30.1 | 5.0 | 14.9 | 19.9 | 1,05.1 | 2,46.6 | 3,51.7 |
| 1984-85@ | .. | 8.7 | 8.7 | 7.8 | 15.5 | 23.3 | 1,21.4 | 228.1 | 3,49.5 |

‡ Others include Secretariat, Social and Community Services, Housing, Urban Development, Information and Publicity, Labour and Employment, Other Social and Community Services and Scientific Services and Research.

(C) EXPENDITURE ON ECONOMIC SERVICES AND MISCELLANEOUS

Table No. 7--(Contd.)

(Rs. in crores)

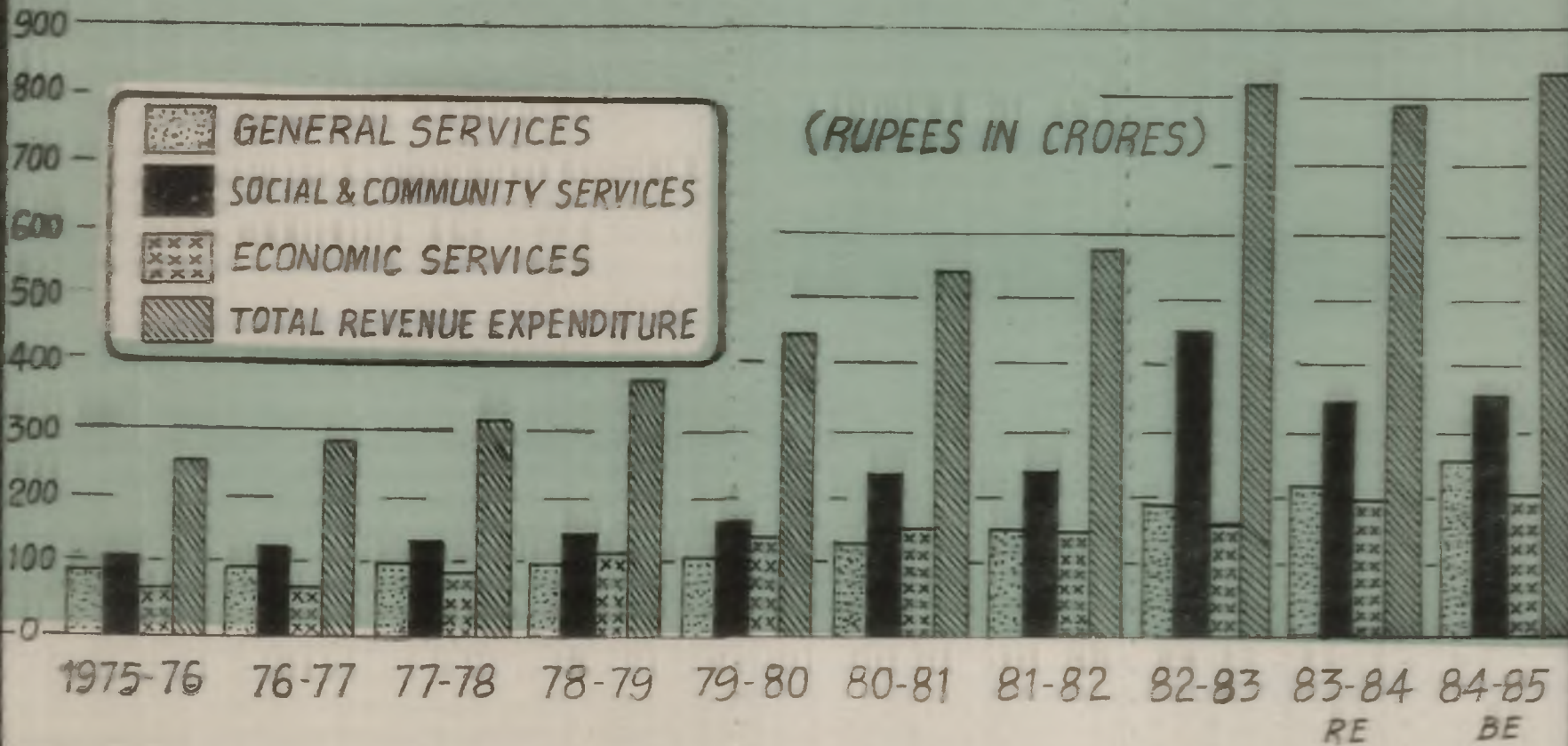
| Year | (a) General Economic Services | | | (b) Agriculture and Allied Services | | | (c) Industry and Minerals | | |
|--------------|-------------------------------|----------|-------|-------------------------------------|----------|-------|---------------------------|----------|-------|
| | Plan | Non-Plan | Total | Plan | Non-Plan | Total | Plan | Non-Plan | Total |
| (1) | (39) | (40) | (41) | (42) | (43) | (44) | (45) | (46) | (47) |
| 1975-76 | 0.9 | 4.3 | 5.2 | 10.3 | 28.0 | 38.3 | 0.7 | 2.1 | 2.8 |
| 1976-77 | 1.8 | 4.7 | 6.5 | 14.5 | 27.1 | 41.6 | 0.8 | 2.1 | 2.9 |
| 1977-78 | 1.9 | 4.4 | 6.3 | 26.9 | 28.1 | 55.0 | 1.1 | 2.0 | 3.1 |
| 1978-79 | 3.1 | 5.1 | 8.2 | 47.1 | 31.0 | 78.1 | 2.7 | 2.5 | 5.2 |
| 1979-80 | 6.5 | 7.3 | 13.8 | 48.9 | 43.4 | 92.3 | 2.9 | 2.2 | 5.1 |
| 1980-81 | 4.5 | 8.9 | 13.4 | 50.8 | 47.1 | 97.9 | 3.8 | 2.4 | 6.2 |
| 1981-82 | 4.9 | 10.3 | 15.2 | 57.7 | 45.3 | 103.0 | 4.8 | 2.7 | 7.5 |
| 1982-83 | 4.7 | 11.9 | 16.6 | 62.9 | 54.7 | 117.6 | 5.7 | 3.0 | 8.7 |
| 1983-84* | 6.0 | 13.4 | 19.4 | 93.0 | 54.7 | 147.7 | 8.9 | 3.4 | 12.3 |
| 1984-85 (ii) | 6.1 | 15.9 | 22.0 | 94.9 | 53.4 | 148.3 | 11.5 | 3.5 | 15.0 |

Table No.7—(Concl'd.)

(Rs. in crores)

| Year | (d) Water and Power Development | | | (e) Transport and Communication | | | (C) Total Economic Services (a+b+c+d+e) | | | (D) Compensation and assignments to local bodies and P. R. institutions (Total Non-Plan) |
|--------------|---------------------------------|----------|-------|---------------------------------|----------|-------|---|----------|-------|--|
| | Plan | Non-Plan | Total | Plan | Non-Plan | Total | Plan | Non-Plan | Total | |
| (1) | (48) | (49) | (50) | (51) | (52) | (53) | (54) | (55) | (56) | (57) |
| 1975-76 .. | 0.7 | 8.2 | 8.9 | 0.5 | 7.1 | 7.6 | 13.1 | 49.7 | 62.8 | 2.0 |
| 1976-77 .. | 1.0 | 9.6 | 10.6 | 0.2 | 8.4 | 8.6 | 18.3 | 51.9 | 70.2 | 2.7 |
| 1977-78 .. | 1.1 | 9.6 | 10.7 | 0.5 | 8.2 | 8.7 | 31.5 | 52.3 | 83.8 | 3.1 |
| 1978-79 .. | 1.2 | 19.2 | 20.4 | 1.4 | 10.5 | 11.9 | 55.5 | 68.3 | 123.8 | 3.3 |
| 1979-80 .. | 7.9 | 13.0 | 20.9 | 0.8 | 16.5 | 17.3 | 67.0 | 82.4 | 149.4 | 3.6 |
| 1980-81 .. | 1.1 | 14.5 | 15.6 | 0.2 | 26.4 | 26.6 | 60.5 | 99.2 | 159.7 | 3.6 |
| 1981-82 .. | 1.3 | 13.6 | 14.9 | 0.3 | 15.7 | 16.0 | 69.0 | 87.6 | 156.6 | 4.0 |
| 1982-83 .. | 1.4 | 7.4 | 8.8 | 0.3 | 17.8 | 18.1 | 75.0 | 94.8 | 169.8 | 4.1 |
| 1983-84* .. | 2.0 | 6.0 | 8.0 | 0.4 | 15.5 | 15.9 | 110.3 | 93.0 | 203.3 | 5.1 |
| 1984-85 @ .. | 2.2 | 9.8 | 12.0 | 0.6 | 14.6 | 15.2 | 115.3 | 97.2 | 212.5 | 5.2 |

Revenue Expenditure



CAPITAL RECEIPTS

1. The following table shows the Capital receipts of the Government of Orissa. Capital receipt has been grouped into three broad divisions, namely, (a) Public Debt and Loans and Advances (b) Contingency Fund (c) Public Account. Public Account includes State Provident Fund, Reserve Funds, Deposits and Advances, Suspense, Miscellaneous and Remittances.

2. The total capital receipts during 1975-76 was Rs. 494.0 crores and it has increased to Rs. 1477.9 crores in the Budget Estimate of 1984-85. The increase during the decade is about 199 per cent. Out of the provisions of Rs. 1477.9 crores made in

the 1984-85 Budget under the Capital receipts, Public Account constitutes 51 per cent, Public Debt 47 per cent and the remaining 2 per cent by Loans and Advances and Contingency Fund. Receipt under contingency Fund during 1982-83 (AC) was the highest in the series, to the extent of Rs. 96.0 crores to meet a very unusual situation in the State by Natural calamities. Public Account has shown an increasing trend for all years except 1976-77, 1981-82 and 1983-84. This decline is due to fall in receipts under the heads "Deposits and Advances, Suspense, Miscellaneous and Remittances", for the above years.

Table No. 8

CAPITAL RECEIPTS

(Rs. in crores)

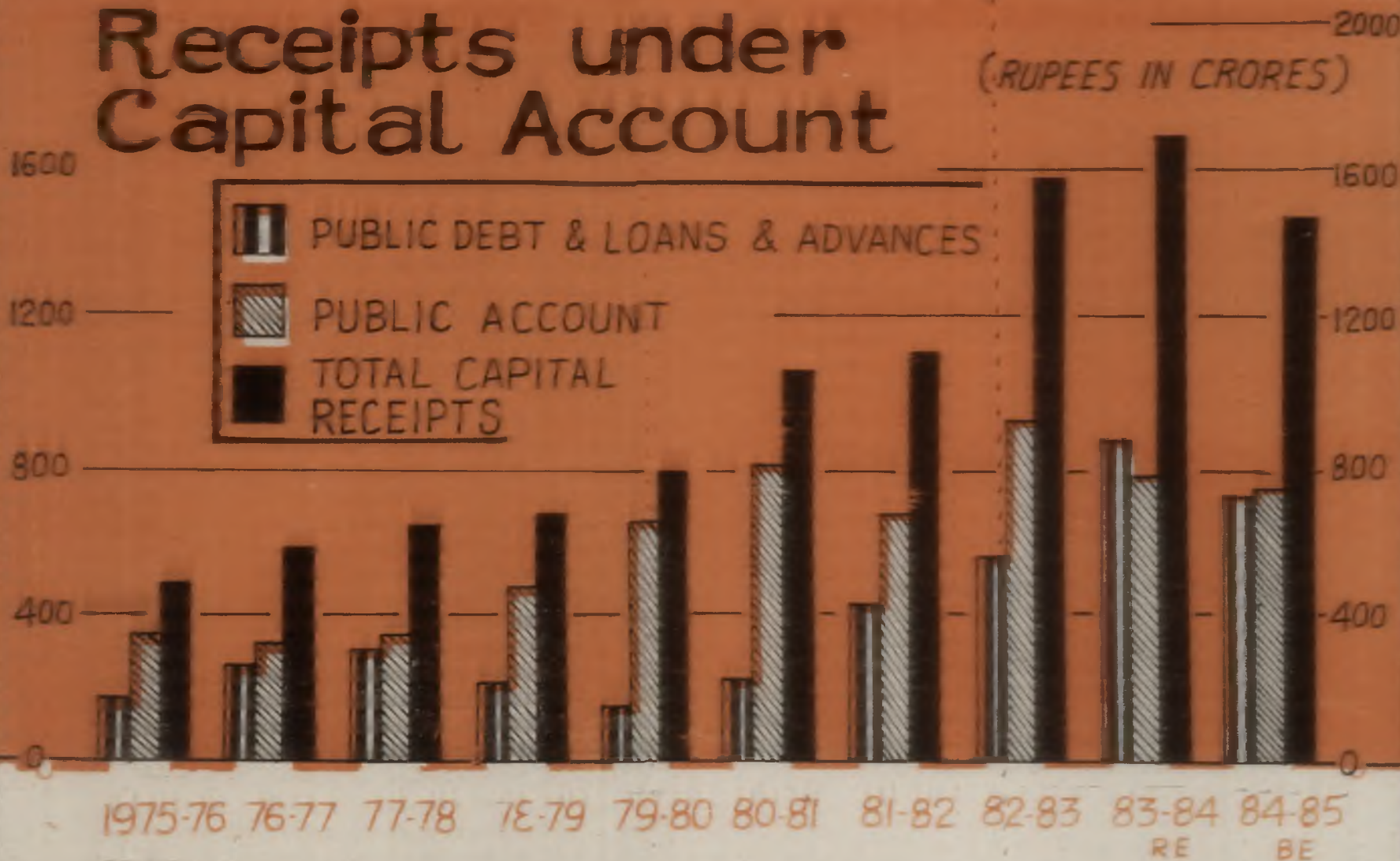
| Consolidated Fund (I) | | | | | | |
|-----------------------|---------------------------------------|--|---------------------|--------------------|------------------------------|-----------------------|
| Year | Public Debt | | | Loans and advances | Consolidated Fund(*) (Total) | Contingency fund (ii) |
| | Internal debt of the State Government | Loans and advances from the Central Government | Public debt (Total) | | | |
| (1) | (2) | (3) | (4) | (5) | (6) | (7) |
| 1975-76 | 81.0 | 51.8 | 132.8 | 15.4 | 411.1 | 1.1 |
| 1976-77 | 191.0 | 54.8 | 245.8 | 11.9 | 563.6 | 10.7 |
| 1977-78 | 227.6 | 71.8 | 299.4 | 11.8 | 658.0 | 4.2 |
| 1978-79 | 81.9 | 100.9 | 182.8 | 13.2 | 619.1 | 4.1 |
| 1979-80 | 16.5 | 118.4 | 134.9 | 9.9 | 612.4 | 7.7 |
| 1980-81 | 65.4 | 138.1 | 203.5 | 15.3 | 840.2 | 13.2 |
| 1981-82 | 283.5 | 123.3 | 406.8 | 25.4 | 1033.7 | 10.8 |
| 1982-83 | 350.7 | 180.5 | 531.2 | 23.8 | 1356.6 | 96.0 |
| 1983-84* | 673.7 | 173.5 | 847.2 | 41.6 | 1681.1 | 40.0 |
| 1984-85(m) | 498.7 | 198.5 | 697.2 | 26.3 | 1565.6 | .. |

| Public Account (iii) | | | | | | Capital Receipts (Total) |
|----------------------|-----------------------|--------------|--|------------------------|------|--------------------------|
| Year | State provident Funds | Reserve Fund | Deposits and advances, Suspense, Miscellaneous and remittances | Public Account (Total) | | |
| | (1) | (8) | (9) | (10) | (11) | (12) |
| 1975-76 | 18.3 | 6.2 | 320.2 | 344.7 | | 494.0 |
| 1976-77 | 18.5 | 7.6 | 303.7 | 329.8 | | 588.2 |
| 1977-78 | 22.0 | 9.2 | 309.8 | 341.0 | | 656.2 |
| 1978-79 | 26.0 | 9.7 | 436.4 | 472.1 | | 672.2 |
| 1979-80 | 28.2 | 13.4 | 609.7 | 651.3 | | 803.8 |
| 1980-81 | 33.5 | 17.8 | 770.4 | 821.7 | | 1053.7 |
| 1981-82 | 41.6 | 14.5 | 624.5 | 680.6 | | 1113.0 |
| 1982-83 | 55.8 | 14.0 | 852.9 | 922.7 | | 1573.7 |
| 1983-84* | 54.7 | 12.9 | 709.2 | 776.8 | | 1705.4 |
| 1984-85 @ | 57.0 | 10.8 | 686.6 | 754.4 | | 1477.9 |

*This column has not been included in the totals under column (12)

Receipts under Capital Account

(RUPEES IN CRORES)



CAPITAL EXPENDITURE OUTSIDE THE REVENUE ACCOUNT

The table presented below shows the expenditure (not met from revenue) under three broad heads, such as: (i) General Services, (ii) Social and Community Services and (iii) Economic Services. The total capital expenditure outside the Revenue Account was Rs. 58.9 crores in 1975-76 and it has been estimated at Rs. 232.9 crores in 1984-85 (B. E.) Within this decade, the increase of capital outlay outside the Revenue Account was about 309 per cent. In 1975-76, Economic Services took lion share of 89 per cent of the total capital expenditure outside the Revenue Account and it has subsequently increased to about 94 per cent in the Budget Estimate of 1984-85.

2. The Budget Estimate for the year 1984-85, has been estimated to increase by 10 per cent over the Revised Estimate of 1983-84. Capital expenditure outside the Revenue Account maintains an increasing trend throughout the decade, except the years 1976-77 and 1981-82. The decline in expenditure is mainly under Economic Services such as investment in Industrial and Financial institutions, Food, Animal Husbandry, Fisheries Forests, Roads and Bridges and Co-operation etc.

3. The cumulative total of capital expenditure outside the Revenue Account has come to Rs. 1901.2 crores in the State by the end of 1984-85, as against Rs. 548.2 crores during the 1975-76, an increase of about Rs. 1353.0 Crores during the decade.

CAPITAL EXPENDITURE OUTSIDE THE REVENUE ACCOUNT

Table No. 9

(Rs. in crores)

| Year | A—General Services | | | B—Social and community Services | | |
|-------------|--------------------|----------|-------|---------------------------------|----------|-------|
| | Plan | Non-plan | Total | Plan | Non-plan | Total |
| (1) | (2) | (3) | (4) | (5) | (6) | (7) |
| 1975-76 .. | 1.0 | 0.5 | 1.5 | 3.9 | 0.8 | 4.7 |
| 1976-77 .. | 1.4 | 0.7 | 2.1 | 4.6 | 0.9 | 5.5 |
| 1977-78 .. | 1.1 | 0.3 | 1.4 | 6.4 | 0.1 | 6.5 |
| 1978-79 .. | 2.5 | 0.3 | 2.8 | 7.7 | .. | 7.7 |
| 1979-80 .. | 2.6 | 0.1 | 2.7 | 9.1 | 0.2 | 9.3 |
| 1980-81 .. | 2.4 | 0.5 | 2.9 | 11.4 | .. | 11.4 |
| 1981-82 .. | 1.7 | 0.5 | 2.2 | 8.9 | 0.7 | 9.6 |
| 1982-83 .. | 1.5 | 0.3 | 1.8 | 10.8 | 0.3 | 11.1 |
| 1983-84* .. | 2.1 | 3.5 | 5.6 | 9.9 | 1.5 | 11.4 |
| 1984-85@ | 3.8 | 0.3 | 4.1 | 10.0 | 0.1 | 10.1 |

CAPITAL EXPENDITURE OUTSIDE THE REVENUE ACCOUNT

Table No. 9

(Rs. In crores)

| Year | C—Economic Services | | | Total Expenditure (A+B+C) | | | Cumulative Total |
|------------|---------------------|----------|-------|---------------------------|----------|-------|------------------|
| | Plan | Non-plan | Total | Plan | Non-plan | Total | |
| (1) | (8) | (9) | (10) | (11) | (12) | (13) | (14) |
| 1975-76 .. | 40.3 | 10.4 | 50.7 | 45.2 | 11.7 | 56.9 | 548.2 |
| 1976-77 .. | 44.4 | 3.5 | 47.9 | 50.4 | 5.1 | 55.5 | 603.7 |
| 1977-78 .. | 69.1 | 1.4 | 70.5 | 76.6 | 1.8 | 78.4 | 682.1 |
| 1978-79 .. | 91.7 | 4.7 | 96.4 | 101.9 | 5.0 | 106.9 | 789.0 |
| 1979-80 .. | 121.2 | (-)-3.5 | 117.7 | 132.9 | (-)-3.2 | 129.7 | 918.7 |
| 1980-81 .. | 156.7 | 16.8 | 173.5 | 170.5 | 17.3 | 187.8 | 1106.5 |
| 1981-82 .. | 154.1 | 2.0 | 156.1 | 164.7 | 3.2 | 167.9 | 1274.4 |
| 1982-83 .. | 172.3 | (-)-2.8 | 169.5 | 184.6 | (-)-2.2 | 182.4 | 1456.8 |
| 1983-84*.. | 194.3 | 0.2 | 194.5 | 206.3 | 5.2 | 211.5 | 1668.3 |
| 1984-85@ | 218.6 | 0.1 | 218.7 | 232.4 | 0.5 | 232.9 | 1901.2 |

CAPITAL DISBURSEMENTS

1. The following table presents capital disbursements of the Government of Orissa. The total disbursement was Rs. 506.3 crores during 1975-76 and it has been estimated at Rs. 1,477.2 crores in the Budget Estimate of 1984-85 and this shows an increase of 192 per cent within this decade.

2. The total capital disbursement during 1984-85 has been estimated at Rs. 1,477.2 crores as against the Revised Estimate of Rs. 1,678.6 crores in the previous year. The decrease of Rs. 201.4 crores in the Budget is mainly due to allotment of no provision under contingency fund and smaller provision under Public debt and Loans and Advances. Repayment of Public Debt was Rs. 507.6 crores during 1984-85 (Budget Estimate) as against Rs. 690.6 crores in the Revised Estimate. Repayment under internal debt of the State Government has decreased during 1984-85 as compared to 1983-84. But repayment to

the Central Government has increased during 1984-85 as compared to 1983-84.

3. A sum of Rs. 240.4 crores (net) has been provided in the Capital Account for Plan Schemes and it is made up of the following items.

| | Gross | Recoveries | Net |
|---|--------------|-----------------|--------------|
| (a) Schemes included in State Plan. | 255.6 | (-)41.8 | 213.8 |
| (b) Schemes included in Central Plan. | 19.7 | (-)0.9 | 18.8 |
| (c) Schemes included in Centrally Sponsored Plan. | 7.8 | Nil | 7.8 |
| Total | 283.1 | (-)-42.7 | 240.4 |

CAPITAL DISBURSEMENTS

Table No. 10

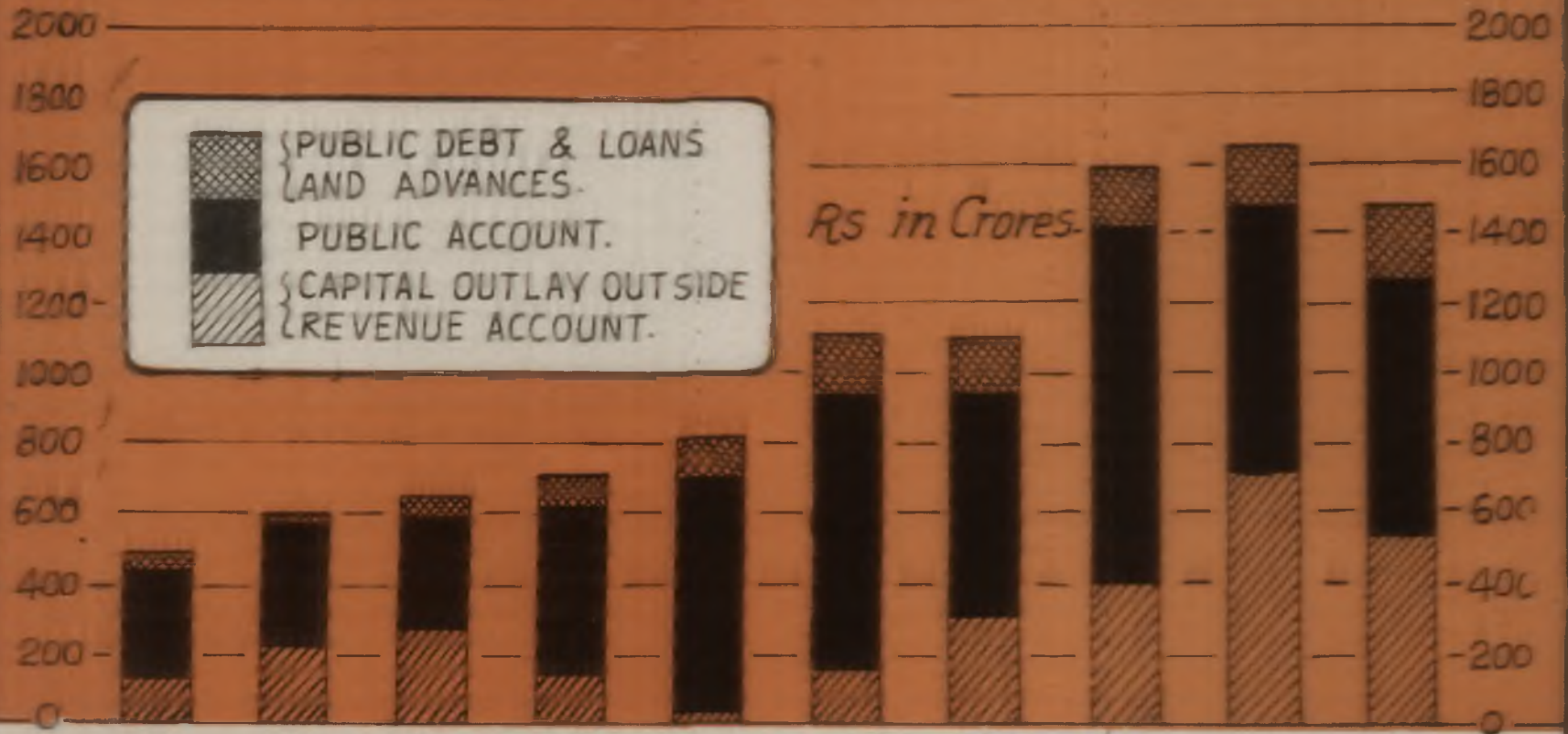
(Rs. in crores)

| Year | Consolidated Fund (I) | | | | | | Capital expenditure outside Revenue Account |
|--------------|-----------------------------------|--|---------------------|--------------------|----------|-------|---|
| | Public Debt | | | Loans and Advances | | | |
| | Internal debt of State Government | Loans and Advances from Central Government | Public debt (Total) | Plan | Non-Plan | Total | |
| (1) | (2) | (3) | (4) | (5) | (6) | (7) | (8) |
| 1975-76 .. | 71.0 | 31.0 | 102.0 | 5.3 | 10.8 | 16.1 | 56.9 |
| 1976-77 .. | 177.6 | 20.6 | 198.2 | 28.1 | 11.4 | 39.5 | 55.5 |
| 1977-78 .. | 222.0 | 23.9 | 245.9 | 25.4 | 6.4 | 31.8 | 78.4 |
| 1978-79 .. | 77.5 | 25.8 | 103.3 | 24.1 | 10.6 | 34.7 | 106.9 |
| 1979-80 .. | 6.4 | 21.0 | 27.4 | 5.5 | 8.9 | 14.4 | 129.7 |
| 1980-81 .. | 29.1 | 89.3 | 118.4 | 18.7 | 23.9 | 42.6 | 187.8 |
| 1981-82 .. | 253.0 | 36.2 | 289.2 | 12.6 | 14.7 | 27.3 | 167.9 |
| 1982-83 .. | 322.8 | 49.1 | 371.9 | 9.5 | 21.1 | 30.6 | 182.4 |
| 1983-84* .. | 630.4 | 60.2 | 690.6 | 8.9 | 29.0 | 37.9 | 211.5 |
| 1984-85 @ .. | 435.7 | 71.9 | 507.6 | 8.0 | 23.9 | 31.9 | 232.9 |

| Year | Public Account (III) | | | | | | Capital disbursements (Total) |
|--------------|---------------------------|-----------------------|----------------------|--------------|---|----------------------------|-------------------------------|
| | Consolidated Fund (Total) | Contingency Fund (II) | State Provident Fund | Reserve Fund | Deposits and advances, suspense, miscellaneous and remittance | Public Account Total (III) | |
| | (9) | (10) | (11) | (12) | (13) | (14) | |
| 1975-76 .. | 436.6 | 0.8 | 7.4 | 9.8 | 313.3 | 330.5 | 506.3 |
| 1976-77 .. | 581.5 | 0.2 | 8.8 | 13.1 | 292.9 | 314.8 | 608.2 |
| 1977-78 .. | 675.1 | 8.0 | 10.1 | 12.5 | 284.2 | 306.8 | 670.9 |
| 1978-79 .. | 622.9 | 3.7 | 12.6 | 12.3 | 450.7 | 475.6 | 724.2 |
| 1979-80 .. | 624.4 | 7.1 | 15.7 | 23.7 | 614.1 | 653.5 | 832.1 |
| 1980-81 .. | 899.3 | 10.8 | 19.7 | 19.9 | 737.4 | 777.0 | 1,136.6 |
| 1981-82 .. | 1,057.9 | 6.9 | 23.7 | 7.6 | 619.8 | 651.1 | 1,142.4 |
| 1982-83 .. | 1,499.5 | 105.4 | 28.9 | 13.4 | 868.4 | 910.7 | 1,601.0 |
| 1983-84* .. | 1,725.7 | 40.0 | 15.5 | 12.8 | 670.3 | 698.6 | 1,678.6 |
| 1984-85 @ .. | 1,608.1 | .. | 20.0 | 11.1 | 673.7 | 704.8 | 1,477.2 |

NOTE—Column 9 has not been included in the total in column (15)

Disbursement Under Capital Account



1975-76 76-77 77-78 78-79 79-80 80-81 81-82 82-83 83-84 84-85

R.E. B.E.

OVERALL RECEIPTS AND DISBURSEMENTS

1. The table presents the combined receipts and expenditures under both Revenue and Capital Account. During the decade 1975-76 to 1984-85 (B. E.) the total revenue receipts of the State has increased from Rs. 262.9 crores to Rs. 842.0 crores an increase of about 220 per cent. This increase is mainly due to various additional taxation measures implemented by the State Government to finance successive Five-Year Plans, better Collection of existing taxes and devolutions of more resources under the recommendations of successive Finance Commissions. Similarly receipts under Capital Account which was Rs. 494.0 crores during 1975-76 has been estimated at Rs. 1,477.9 crores during 1984-85. During this decade, receipts under Capital Account are expected to increase to about 199 per cent. During the decade 1975-76 to 1984-85 the total receipt (Revenue and Capital Account) has increased from Rs. 756.9 crores to Rs. 2,319.9 crores, an increase of about 207 per cent.

2. Expenditure under Revenue Account was Rs. 261.6 crores during 1975-76 and it is expected to come up to Rs. 835.7 crores in the Budget

Estimate of 1984-85 a rise of 219 per cent. Similarly the expenditure under Capital Account has gone up from Rs. 506.3 crores in 1975-76 to Rs. 1,477.2 crores in 1984-85. During this decade, it is expected to record an increase of about 192 per cent. The total disbursement (under Revenue and Capital Account) has been estimated at Rs. 2,312.9 crores during 1984-85 which is about more than three times or 201 per cent higher than that of 1975-76.

3. During 1975-76 to 1984-85, the Revenue Budget discloses deficit for the year 1982-83 and surplus for the rest 9 years. Similarly, the Capital Budget discloses deficit for 8 years and surplus for 2 years. The total Budget (Revenue and Capital) for the decade discloses surplus for 3 years and deficit for 7 years. The surplus of Rs. 80.8 crores and deficit of Rs. 82.9 crores during 1980-81 under Revenue Account and Capital Account respectively were the highest in the series. Revenue Account and Capital Account are estimated to show surplus to the extent of Rs. 6.3 crores and Rs. 0.7 crore respectively during 1984-85 (Budget Estimate). The Budget therefore is expected to close with an overall surplus of Rs. 7.0 crores.

OVERALL RECEIPTS AND DISBURSEMENTS (REVENUE AND CAPITAL ACCOUNT)

Table No. 11

(Rs. in crores)

| Year | Receipt | | | Disbursement | | | Surplus (+) or Deficit (-) | | |
|----------|-----------------|-----------------|---------|-----------------|-----------------|---------|----------------------------|-----------------|---------|
| | Revenue Account | Capital Account | Total | Revenue Account | Capital Account | Total | Revenue Account | Capital Account | Total |
| (1) | (2) | (3) | (4) | (5) | (6) | (7) | (8) | (9) | (10) |
| 1975-76 | 262.9 | 494.0 | 756.9 | 261.6 | 506.3 | 767.9 | (+)1.3 | (-)12.3 | (-)11.0 |
| 1976-77 | 305.9 | 588.2 | 894.1 | 288.3 | 608.2 | 896.5 | (+)17.6 | (-)20.0 | (-)2.4 |
| 1977-78 | 345.8 | 656.4 | 1,003.2 | 319.0 | 670.9 | 989.9 | (+)27.3 | (-)14.5 | (+)13.3 |
| 1978-79 | 423.1 | 672.2 | 1,095.3 | 378.0 | 724.2 | 1,102.2 | (+)45.1 | (-)52.0 | -)6.9 |
| 1979-80 | 467.6 | 803.8 | 1,271.4 | 448.9 | 832.1 | 1,281.0 | (+)18.7 | (-)28.3 | (-)9.6 |
| 1980-81 | 621.3 | 1,053.7 | 1,675.0 | 540.5 | 1,136.6 | 1,677.1 | (+)80.8 | (-)82.9 | (-)2.1 |
| 1981-82 | 601.5 | 1,113.6 | 1,715.1 | 573.6 | 1,142.4 | 1,716.0 | (+)27.9 | (-)28.8 | (-)0.9 |
| 1982-83 | 801.6 | 1,573.7 | 2,375.3 | 824.6 | 1,601.0 | 2,425.6 | (-)23.0 | (-)27.3 | (-)50.3 |
| 1983-84* | 792.3 | 1,705.6 | 2,497.9 | 785.6 | 1,678.6 | 2,464.2 | (+)6.7 | (+)27.0 | (+)33.7 |
| 1984-85@ | 842.0 | 1,477.9 | 2,319.9 | 835.7 | 1,477.2 | 2,312.9 | (+)6.3 | (+)0.7 | (+)7.0 |

OVERALL POSITION OF FUNDS AND CASH BALANCE

1. The entire transactions of the State Government operates in three funds such as (i) Consolidated Fund, (ii) Contingency Fund and (iii) Public Account. The Consolidated Fund of the State has shown deficits during these 10 years. The deficit of Rs. 142.9 crores in 1982-83 was the highest in the series. Contingency Fund has shown surplus for six years and deficit for two years. In 1983-84 (R.E.) and 1984-85 (B. E.) the net transaction in the "Contingency Fund" is nil. Excepting the years 1978-79, 1979-80 Public Account discloses surplus for all the years. In 1984-85 "Public Account" has generated a surplus of Rs. 49.6 crores. Public Account has often provided the support to the consolidated fund.

2. The year 1983-84 (Revised Estimate) which opened with an overall cash balance of (—) Rs. 74.7 crores is expected to close with an overall cash balance of (—) Rs. 41.0 crores as shown below:—

| | (Rs. in crores) |
|---------------------------------------|-----------------|
| Opening Balance on the 1st April 1983 | (—) 74.7 |
| Consolidated Fund | (—) 44.5 |

| | (Rs. in crores) |
|--|-----------------|
| Contingency Fund | — |
| Public Account | (+) 78.3 |
| Estimated closing balance on the 31st March '84. | (—) 41.0 |

3. The Budget for the year 1984-85 which is estimated to open with an overall balance of (—) Rs. 41.0 crores is expected to close with an overall cash balance of (—) Rs. 34.0 crores as shown below:—

| | (Rs. in crores) |
|--|-----------------|
| Opening Balance for the year 1984-85 | (—) 41.0 |
| Consolidated Fund | (—) 42.6 |
| Contingency Fund | — |
| Public Account | (+) 49.6 |
| Estimated Closing balance on the 31st March '85. | (—) 34.0 |

OVERALL POSITION OF FUNDS AND CASH BALANCE

Table No. 12

(Rs. in crores)

| Year | Consolidated Fund (i) | Contingency Fund (ii) | Public Account (iii) | Total (i + ii + iii) | Opening Balance | Closing Balance | Addition (+) or Withdrawal (—) |
|-----------|--------------------------|--------------------------|-------------------------|-------------------------|-----------------|-----------------|--------------------------------------|
| (1) | (2) | (3) | (4) | (5) | (6) | (7) | (8) |
| 1975-76 | (—) 25.5 | (+) 0.3 | (+) 14.2 | (—) 11.0 | (—) 4.9 | (—) 16.0 | (—) 11.0 |
| 1976-77 | (—) 17.9 | (+) 0.5 | (+) 15.0 | (—) 2.4 | (—) 16.0 | (—) 18.4 | (—) 2.4 |
| 1977-78 | (—) 17.1 | (—) 3.8 | (+) 34.2 | (+) 13.3 | (—) 18.4 | (—) 5.0 | (+) 13.4 |
| 1978-79 | (—) 3.8 | (+) 0.4 | (—) 2.5 | (—) 6.9 | (—) 5.0 | (—) 11.9 | (—) 6.9 |
| 1979-80 | (—) 12.1 | (+) 4.6 | (—) 2.2 | (—) 9.7 | (—) 11.9 | (—) 21.6 | (—) 9.7 |
| 1980-81 | (—) 59.2 | (+) 12.4 | (+) 44.8 | (—) 2.0 | (—) 21.6 | (—) 23.5 | (—) 2.0 |
| 1981-82 | (—) 24.2 | (—) 6.1 | (+) 29.4 | (—) 0.9 | (—) 23.5 | (—) 24.4 | (—) 0.9 |
| 1982-83 | (—) 142.9 | (+) 80.6 | (+) 12.0 | (—) 50.3 | (—) 24.4 | (—) 74.7 | (—) 50.3 |
| 1983-84* | (—) 44.6 | .. | (+) 78.3 | (+) 33.7 | (—) 74.7 | (—) 41.0 | (+) 33.7 |
| 1984-85** | (—) 42.6 | .. | (+) 49.6 | (+) 7.0 | (—) 41.0 | (—) 34.0 | (+) 7.0 |

DEBT POSITION OF THE STATE

Public debt of the State Government includes (i) Permanent Debt, (ii) Floating Debt, (iii) Loans from the Central Government and (iv) Loans from others. In 1975-76 total debt of the Government of Orissa was Rs. 691.8 crores, which is expected to come up to Rs. 1,731.2 crores in 1984-85 (Budget Estimate), thus showing an increase of 150 per cent during the 10 years period ending 1984-85. Out of total estimated outstanding debt of Rs. 1,731.2

crores in 1984-85 (Budget Estimate), an amount of Rs. 1,321.9 crores of loans are from the Central Government. This accounts for 76 per cent of the total debt of the State in the year 1984-85 (B. E.). As regards the *per capita* debt burden, an increasing trend is observed during the decade. In 1975-76 *per capita* debt burden was Rs. 288.2 which has increased to Rs. 618.3 in 1984-85 (Budget Estimate) an increase of more than two times during the decade.

DEBT POSITION OF THE STATE

Table No. 13

(Rs. in crores)

| Year | Debt position of the State as on the 31st March | | | | Total | Index | Per capita Debt Burden (in Rs.) |
|------------|---|-----------------|-----------------------------------|-------------------|---------|-------|---------------------------------|
| | Permanent Debt | Floating Debt** | Loans from the Central Government | Loans from Others | | | |
| (1) | (2) | (3) | (4) | (5) | (6) | (7) | (8) |
| 1975-76 | 102.1 | 7.3 | 559.9 | 22.5 | 691.8 | 100 | 288.2 |
| 1976-77 | 108.0 | 11.5 | 594.1 | 25.9 | 739.5 | 107 | 295.8 |
| 1977-78 | 116.1 | 7.1 | 642.0 | 27.9 | 793.1 | 115 | 317.2 |
| 1978-79 | 123.1 | .. | 717.1 | 32.5 | 872.7 | 126 | 349.1 |
| 1979-80 | 130.0 | .. | 814.5 | 35.8 | 980.3 | 142 | 377.0 |
| 1980-81 | 138.3 | 24.0 | 863.5 | 39.9 | 1,065.7 | 154 | 409.9 |
| 1981-82 | 158.4 | 22.0 | 950.7 | 52.3 | 1,183.4 | 171 | 438.3 |
| 1982-83 | 182.5 | 44.4 | 1,082.1 | 58.1 | 1,367.1 | 198 | 506.3 |
| 1983-84* | 231.3 | 47.5 | 1,195.3 | 67.6 | 1,541.7 | 223 | 550.6 |
| 1984-85(a) | 293.6 | 40.5 | 1,321.9 | 75.2 | 1,731.2 | 250 | 618.3 |

**It does not include loans for which the State Government have given guarantee.

STATE PLAN EXPENDITURE/OUTLAY

1. The following table shows sector-wise State Plan Expenditure and Outlays. The broad sectors are:—

2. The Sixth Plan Outlay of the State is Rs. 1,570.2 crores. Its distribution among various sectors is given below:—

| | Sl. No. | Development Sector | Percentage Shares |
|-------------------------------------|---------|---------------------------------|-------------------|
| (a) Agriculture and Allied Services | 1. | Agriculture and Allied Services | 22.0 |
| (b) Co-operation | 2. | Co-operation | 2.2 |
| (c) Water and Power Development | 3. | Water and Power Development | 49.5 |
| (d) Industries and Minerals | 4. | Industry and Minerals | 6.2 |
| (e) Transport and Communication | 5. | Transport and Communication | 6.3 |
| (f) Social Services, and | 6. | Social Services | 13.1 |
| (g) Miscellaneous | 7. | Economic Services | 0.1 |
| | 8. | General Services | 0.6 |

3. During 1984-85, an outlay of Rs. 400.0 crores has been made out of which Rs. 184.7 crores will be spent on Water and Power Development Sector. Thus, the proposed outlay of this sector will constitute 46 per cent of the total. Besides this, Agriculture and Allied Services alone constitute 22 per cent, Social Services 14 per cent, Transport and Communication 7 per cent, Co-

operation 2 per cent, Industry and Minerals 8 per cent and Miscellaneous 1 per cent.

4. The *per capita* expenditure during the First Plan was Rs. 12.6 which increased to Rs. 178.5 during the fifth Plan. The *per capita* plan outlay during 1984-85, has come to Rs. 142.9.

SECTOR-WISE STATE PLAN EXPENDITURE/OUTLAY

Table No. 14

(Rs. in crores)

| Plan/Period | Agriculture and Allied Services | Co-operation | Water and Power Development | Industries and Minerals | Transport and Communication | Social services | Miscellaneous | Total | <i>Per capita</i> (in Rs.) |
|----------------------------------|---------------------------------|--------------|-----------------------------|-------------------------|-----------------------------|-----------------|---------------|---------|----------------------------|
| (1) | (2) | (3) | (4) | (5) | (6) | (7) | (8) | (9) | (10) |
| Expenditure First Plan (1951-56) | 5.1 | 0.2 | 4.8 | 1.1 | 2.7 | 4.5 | .. | 18.4 | 12.6 |
| Second Plan (1956-61) | 17.9 | 1.0 | 39.7 | 3.9 | 6.0 | 14.9 | 3.2 | 86.6 | 49.5 |
| Third Plan (1961-66) | 40.0 | 2.4 | 80.9 | 20.3 | 38.4 | 38.3 | 4.3 | 224.6 | 114.5 |
| Annual Plan (1966-67) | 5.8 | 0.7 | 19.4 | 4.9 | 7.6 | 5.1 | 0.6 | 47.1 | 23.5 |
| 1967-68 | 8.1 | 0.7 | 18.1 | 3.7 | 6.9 | 6.5 | 0.1 | 44.1 | 21.5 |
| 1968-69 | 4.7 | 0.3 | 17.1 | 3.3 | 2.9 | 5.3 | 0.1 | 33.7 | 16.0 |
| Fourth Plan (1969-74) | 46.5 | 6.8 | 114.0 | 21.0 | 16.6 | 90.3 | 4.0 | 249.3 | 106.1 |
| Fifth Plan (1974-78) | 67.5 | 9.9 | 259.9 | 13.2 | 28.6 | 71.1 | 3.4 | 453.6 | 178.5 |
| Annual Plan (1978-79) | 37.3 | 4.8 | 103.0 | 5.6 | 10.3 | 27.3 | 2.0 | 190.3 | 76.1 |
| 1979-80 | 45.0 | 5.5 | 97.8 | 7.4 | 13.4 | 24.0 | 1.9 | 195.0 | 75.0 |
| Sixth Plan (1980-81) | 52.7 | 6.5 | 128.7 | 12.6 | 14.8 | 30.9 | 1.9 | 248.1 | 95.4 |
| 1981-82 | 61.8 | 6.0 | 139.3 | 14.5 | 17.9 | 33.5 | 2.0 | 275.0 | 101.8 |
| 1982-83 | 64.6 | 9.2 | 151.3 | 18.0 | 17.5 | 38.3 | 1.9 | 300.8 | 111.4 |
| Outlay (1983-84) | 76.7 | 7.0 | 165.7 | 23.0 | 22.9 | 47.9 | 1.8 | 345.0 | 123.2 |
| 1984-85 | 89.2 | 8.4 | 184.7 | 31.2 | 25.6 | 56.4 | 4.5 | 400.0 | 142.9 |
| 1980-85 | 345.4 | 34.5 | 776.9 | 97.2 | 98.5 | 205.5 | 12.2 | 1,570.2 | 114.6 |

*Miscellaneous constitutes Economic Services & General Services.

1. Introduction

Under Article 112 of the Indian Constitution a statement of estimated receipts and expenditures of the Central Government is laid before the Parliament in respect of every financial year which begins from 1st April and ends in 31st March. The Budget for 1984-85 was presented by Mr. Pranab Kumar Mukharjee, the Union Finance Minister in the Lok Sabha on the 29th February 1984

2. Revised Estimates for 1983-84

2.1. The Central Plan outlay in 1983-84 is now estimated at Rs. 14,059 crores which has been made possible by an increase in the budgetary support by Rs. 1,007 crores over the Budget Estimates. Budgetary supports for Railway Plan outlay and Posts and Telegraphs plan outlay has been increased by Rs. 100 crores and Rs. 203 crores respectively. For space projects like INSAT and extension of television coverage in the Transport and Communication Sector, some additional funds have been provided. In order to maintain the progress of the Visakhapatnam Steel Plant, the budget provision has been stepped up by Rs. 250 crores. For Chemicals and Fertilisers, the enhanced allocation of Rs. 133 crores is largely due to the fall in internal resources and change in the pattern of financing. In the Energy sector, coal projects get additional funds of Rs. 39 crores to expedite the on-going projects. For the new rural landless employment guarantee programme launched during the current year, Rs. 100 crores have been set apart. To improve the capital base of IDBI a special provision of Rs. 130 crores has been made. Also provision has been increased for the welfare of scheduled castes/tribes and other backward classes and important social sectors like health and family welfare.

2.2. The Central assistance for State's and Union territories plan has been increased by Rs. 392 crores from Rs. 4,462 crores to Rs. 4,854 crores. This includes advance plan assistance of Rs. 190 crores to State affected by failure of monsoon particularly in the first half of the current year. Additional plan assistance of Rs. 82 crores has been provided to the State of Assam, a large part of which is for relief and rehabilitation of the riot victims in that State.

2.3. Utmost care has been taken to contain the non plan expenditure. However, there were certain unavoidable expenditures among which an additional

provision of Rs. 400 crores has been made for ways and means advances to State Governments and Technical credits under rupee-trade agreements. The short term loans to States for agricultural inputs have been stepped up by Rs. 110 crores. There is an increase of Rs. 300 crores in loans to the State Governments as their share of small savings will be higher on account of higher collections. An additional non-plan grant of Rs. 150 crores has been provided to as many as 15 States as the second part of the current year witnessed floods, cyclones and hailstorm in those States. Apart from these, an additional non-plan assistance amounting to Rs. 500 crores has been provided to States out of which an amount of Rs. 400 crores would help the States to clear part of their deficits of 1982-83. The provision for Defence has been increased from Rs. 5,971 crores to Rs. 6,350 crores in the Revised Estimates. The interim relief and bonus sanctioned to the Government employees in the current year would cost about Rs. 280 crores. Subsidy on imported and domestic fertilisers will go up by Rs. 250 crores to Rs. 1,048 crores as the consumer price of fertilisers was reduced in June 1983. Revised Estimates also include additional provision of Rs. 502 crores for subscription towards higher quota in the IMF. This however will have no net impact on the budget as payments for subscription towards quota are matched by corresponding receipts. Taking these and other variations into account, the non-plan expenditure in the Revised Estimates is placed at Rs. 24,773 crores against the Budget Estimates of Rs. 21,984 crores.

2.4. Coming to revenue receipts, the Budget Estimates of receipts from income-tax and customs duties are likely to be achieved. Corporation tax receipts will be higher by Rs. 203 crores due to larger payments by oil companies. Union excise duties are also estimated to be Rs. 85 crores higher mainly due to larger collection of cesses on crude oil and coal. The Centre's tax revenue after paying the State's share of taxes is estimated at Rs. 15,700 crores as against the Budget Estimates of Rs. 15,450 crores. Under non-tax revenues, the dividend from railways is likely to be Rs. 1.7 crores less than the Budget Estimates. This decrease will however, be more than offset by increases under other heads and total non-tax revenue as the current year is expected to show an improvement of Rs. 130 crores over the Budget Estimates.

2.5. Under the capital receipts the net collections under small savings during the current year may amount to Rs. 2,200 crores against the Budget Estimates of Rs. 1,700 crores. The repayment of Technical credits is expected to be Rs. 1,150 crores as against Rs. 800 crores in the Budget. The receipt, net of expenditure, will be Rs. 350 crores against Rs. 200 crores in the Budget Estimates. Receipts from special deposits of non-Government provident funds and the like are estimated to be Rs. 190 crores which is higher than the Budget Estimates of 1983-84. Taking into account the deposits of surplus funds of Soil sector, additional recoveries of ways and means and short term advances to the State Governments and other variations, capital receipts in the current year are estimated, at Rs. 15,965 crores as against the Budget Estimates of Rs. 12,656 crores.

2.6. Thus the total receipts are estimated to go up from Rs. 33,250 crores to Rs. 36,929 crores leaving a budgetary deficit of Rs. 1,695 crores for the current year as against the Budget Estimates of Rs. 1,586 crores. This excludes the special loan assistance of Rs. 400 crores provided to States for clearing their overdrafts at the end of the previous year 1982-83.

A. Budget Estimates for 1984-85

3.1. The approved plan outlay of the Centre, States and Union Territories will be Rs. 30,132 crores as against Rs. 25,480 crores in 1983-84. The Central Plan outlay for 1984-85 is Rs. 17,351 crores which represents an increase of 25 per cent over the approved plan outlay of Rs. 13,870 crores in 1983-84. The plan outlay for the States and Union Territories is placed at Rs. 12,781 crores as compared with the final approved outlay of Rs. 11,678 crores in 1983-84. Central assistance for the plan of States and Union Territories will be Rs. 5,050 crores as against Rs. 4,462 crores in 1983-84 Budget Estimates, representing an increase of 13.2 per cent over the allocation made for the current year. It has been proposed to increase the additional assistance to States in order to protect their plans as far as possible. For those States who have managed their finances well a suitable scheme has been worked out to provide some additional assistance to them in 1984-85.

3.2. Maximum support is being provided to a number of programmes that benefit the people directly. These include the IRDP, NREP and the two new programmes announced by the Prime Minister on the 15th August, 1983, namely, the Rural Landless Employment Guarantee Programme and the

scheme for providing self employment opportunities to the educated unemployed. The total allocation for various programmes of the Ministry of Rural Development would be Rs. 932 crores which is nearly double the amount of Rs. 480 crores provided in 1983-84. For the IRDP an allocation of Rs. 216 crores is being provided which is to be matched by States. For the NREP, the outlay for 1984-85 is Rs. 230 crores, which will again be matched by States. The allocation for Rural Landless Employment Guarantee Programme, which seeks to provide employment for 100 days in a year to at least one member of every rural landless family, is being stepped up to Rs. 400 crores in 1984 as against the provision of Rs. 100 crores in 1983-84. This together with NREP, will provide 550 million man days of work in rural areas in 1984-85. An allocation of Rs. 25 crores is being made for the programme for providing self employment opportunities to the educated unemployed. In the plan for 1984-85, Rs. 243 crores have been earmarked for the accelerated rural water supply programme. The States on their part are expected to provide Rs. 364 crores for this purpose under minimum needs programme. Over 50,000 problem villages are expected to be provided with drinking water facilities during 1984-85. A provision of Rs. 36 crores has been made for the Integrated Child Development Services, a scheme to help women and children in backward areas, urban slums and tribal areas of the country. A total allocation of Rs. 78 crores is being provided for various schemes of the Department of Social Welfare in 1984-85. The provision in the Central plan for the various programmes benefiting the Scheduled Castes and Scheduled Tribes and other backward classes has been increased to Rs. 209 crores in 1984-85 as compared to Rs. 176 crores only in 1983-84. Plan outlay for the programmes in education and culture has been substantially stepped up to Rs. 204 crores in 1984-85 as compared to Rs. 155 in 1983-84. Likewise the plan outlay for health and family welfare programmes has also been increased by nearly 32 per cent from Rs. 460 crores in 1983-84 to Rs. 605 crores in 1984-85. The total amount allocated to the 20-Point Programme in the Central plan is Rs. 4,038 crores, which is an increase of about 47 per cent over the current year's provision. Inclusive of the outlays to be provided by the States and Union Territories, the total provision for the 20-Point Programme will be Rs. 11,858 crores, representing nearly 40 per cent of the total annual plan outlay of the Centre, States and Union Territories.

3.3. The agricultural Sector will continue to receive high priority during the plan 1984-85. The total outlay for the various programmes of the Ministry of Agriculture will be Rs. 758 crores compared to Rs. 556 crores in the current year. The outlay includes Rs. 38 crores for the National Oil Seeds Development Project which with other ongoing programmes, visualises an additional production of 64 lakh tonnes during 1984-85. The total provision for various power projects adds to Rs. 1,74 crores, representing a 44 per cent increase over 1983-84. The provision for projects of the Department of Coal is Rs. 1,310 crores as against Rs. 1,06 crores in 1983-84. The allocation for railways in 1984-85 is Rs. 1,650 crores, which is 23 per cent higher than the current year. An allocation of Rs. 201 crores is being made for the development of ports, including Rs. 27 crores for the deepening of the Madras harbour. For petroleum, an outlay of Rs. 3,127 crores is being provided, which includes a sum of Rs. 2,65 crores for exploration and production and the rest for refining and marketing. The target for production of crude oil in 1984-85 is about 30 million tonnes. Higher allocations have been provided for steel, non-ferrous metals, paper, cement which are very important for Country's industrial development. Apart from this the incentive schemes for better performance in certain selected areas, like electricity boards, rural water-supply schemes, environmental improvement in urban slums, construction of field channels in command area development projects and adult education, etc. which was initiated in 1983-84, will continue in 1984-85. A lump sum provision of Rs. 200 crores is being made for this purpose.

3.4. In order to provide the maximum possible outlay for the plan, special care is being taken to ensure that non-plan expenditure is kept at the minimum. For the plan 1984-85 a provision of Rs. 6800 crores has been made for defence as against the Revised Estimates of Rs. 6,350 for 1983-84. Interest payments for 1984-85 are estimated at Rs. 5,600 crores as against Rs. 4,850 crores in the current year of 1983-84. A provision of Rs. 850 crores has been made for food subsidy. The requirement for subsidy on indigenous and imported fertilisers is placed at Rs. 1,080 crores. Export promotion and market development have been allocated an amount of Rs. 530 crores. A lump sum provision of Rs. 300 crores has been made in 1984-85 for payment of additional instalment of

dearness allowances, pensionary relief to Central Government employees. Including these and *inter alia*, provisions which are in the nature of adjustments, total non-plan expenditure in 1984-85 is estimated at Rs. 26,066 crores against Rs. 24,773 crores in Revised Estimates for 1983-84.

3.5. Turning to receipts the gross tax revenues for 1984-85 are estimated at Rs. 22,993 crores compared with Rs. 20,946 crores in the Revised Estimates for 1983-84. The States share of taxes in 1984-85 is estimated at Rs. 5,739 crores as against Rs. 5,246 crores in 1983-84. The net tax revenues of the Centre will thus be Rs. 17,254 crores compared with Rs. 15,700 crores in the current year of 1983-84. The dividend from Railways and Posts and Telegraphs will be higher by Rs. 106 crores than the Revised Estimates for 1983-84. Receipts from market loans are placed at Rs. 4,100 crores against Rs. 4,000 crores in 1983-84. Small Savings Collections are estimated at Rs. 2,400 crores against Rs. 2,200 crores in the Revised Estimates for 1983-84. External assistance net of repayments is estimated at Rs. 2,089 crores compared with Rs. 1,902 crores. Also the Budget for 1984-85 includes a receipt of Rs. 200 crores from National Deposit Scheme. Taking into account these and other variations in receipts, the total receipts in 1984-85 are estimated at Rs. 40,501 crores. These receipts include the effect of changes in fare and freight rates of the Railways. The total expenditure is placed at Rs. 42,536 crores. The overall budgetary gap at existing rates of taxation will thus be Rs. 2,035 crores.

Important proposals for Tax Relief and Taxation in the Budget

3.6. *Direct Taxes*—In order to provide some relief to the salaried tax payer, it has been proposed to revise substantially the entire rate structure relating to non-corporate income taxes. The rate of tax in the first slab of taxable income ranging from Rs. 15,001 to Rs. 20,000 has been reduced to 20 per cent from the present rate of 25 per cent. The maximum marginal rate of tax on incomes over Rs. 1 lakh is being reduced from 60 per cent to 55 per cent. In the income slab of Rs. 25,001 to Rs. 30,000 the new rate will be 30 per cent against 35 per cent at present, in the income slab of Rs. 30,001 to Rs. 60,000, the new rate will be 45 per cent as against 50 per cent at present and in the income slab of Rs. 70,001 to Rs. 80,000 the new rate will be 50 per cent as against 55 per cent at present. The above-

proposal will provide relief at all levels of incomes and in particular to the fixed income groups. The loss of revenue in the proposed rate schedule, assuming no change in the number of tax-payers and the assessed incomes in different income slabs is calculated at Rs. 180 crores. But as lowering the tax rates means increase in the coverage of tax payers in different tax slabs, the net revenue loss in the proposed rate schedule is estimated at Rs. 59 crores only. So far as the business and professional incomes are concerned, it has been assumed that the reduction in the rates will encourage better compliance and reporting which may partly cover the revenue loss. For some years, the Income-tax Act has contained provisions empowering the Central Government to "acquire" immovable property having a fair market value exceeding Rs. 25,000. This power is exercisable in situations where the declared consideration for transfer of the property is less than the fair market value of the property. To eliminate unproductive work in handling a large number of relatively small value cases and also taking into account the rise in the market prices, the provision has been modified and accordingly this power will be exercised only in cases where the fair market value exceeds Rs. 50,000. As a further simplification, it is being provided that the prescribed statement will have to be filed before the registering officer only in cases where the value of consideration for the transfer exceeds Rs. 25,000 as against Rs. 10,000 at present. In order to discourage tax avoidance and tax evasion, it is provided that there will be compulsory audit of accounts in all cases where the annual turnover exceeds Rs. 20 lakhs or where the gross receipts from a profession exceeds Rs. 10 lakhs. With a view to curbing the practice of benami holding of property it is proposed that it will henceforth be obligatory in all cases to give notice to the Commissioner of Income-tax in the prescribed form within one year of the acquisition of the property which will enable the Department to initiate appropriate action.

3.7 Under the corporate sector, the tax rates are not being changed. Last year while, raising the surcharge payable by companies from 2.5 per cent to 5 per cent, the companies were given the option to make deposits of the additional surcharge with the IDBI. Now it is further provided that the companies can henceforth exercise this option in respect of the entire amount of the surcharge payable by them. It has also been decided to reduce the interest rates up to Rs. 4

crores being extended by IDBI under the soft loan scheme. The ceiling on the deductible amount of managerial remuneration is being raised from Rs. 5,000 to Rs. 7,500 per month. The ceiling in respect of perquisites will however remain unchanged. At present investors can receive dividends and interest on debentures without deduction of tax at source, if they furnish an exemption certificate from the Income-tax Officer or alternatively file a declaration to the effect that their income for the year is below the exemption limit. To avoid inconvenience to small investors, it has been proposed to provide that widely-held companies may, henceforth pay interest on debentures and dividend income up to Rs. 1,000 without deduction of tax at source provided that the payment is made by an account payee cheque or a bank draft.

3.8. In order to ensure that all private trusts and institutions strictly conform to the prescribed investment pattern and that such income or property is not used for providing benefit to the settlor or trustees, it is proposed to tax the defaulting trusts and institution at the maximum marginal rate of income-tax. Another undesirable practice noticed is the tendency of some corporate bodies to make large contributions to the so called welfare-funds. It is understood that the utilisation of these funds is discretionary and subject to no discipline. Hence, it is being provided that deductions will be available only in respect of contributions to such funds as are established under statute or an approved provident fund, superannuation fund or gratuity fund. This change is made with retrospective effect to avoid unnecessary litigation.

3.9. In respect of incentive for higher production and exports, some liberalisation were made last year and it has been proposed to continue these for longer period of time. It has been decided to continue the process of review introduced last year for avoidance of complication in the tax administration. In respect of Wealth Tax Act, the monetary ceiling of exemption in respect of one house owned by a tax-payer is being increased from the present level of Rs. 1 lakh to Rs. 2 lakhs. This is being done to take into account the increase in market value. In order to promote savings it is being proposed to raise the exemption limit in respect of specified financial assets from the present level of Rs. 1,65,000 to Rs. 2,65,000. Together with separate exemption of Rs. 35,000 available in respect

of units of the Unit Trust of India and proposed to be extended to deposits under National Deposit Scheme, the aggregate exemption in respect of the value of specified financial assets will rise to Rs. 3 lakhs as against the present ceiling of Rs. 2 lakhs.

3.10. The other changes proposed in respect of direct taxes are of relatively minor nature. After adjustment of the gain to the revenue on account of withdrawal or modification of certain concessions in regard to Income-tax, the proposal will lead to a net loss of Rs. 75 crores, of which the loss to the centre would be Rs. 36.32 crores and the loss to the states would be Rs. 38.68 crores.

3.11. *Indirect taxes*—It has been proposed to continue the auxiliary duties of customs and raise with certain exceptions the present effective rates by 5 percentage points. News print, Crude Petroleum, essential items like fertilisers, Petroleum products like Kerosene, high speed diesel oil would not be subject to increase in auxiliary duty. This proposal is expected to yield an additional revenue of Rs. 241.73 crores in a full year. It has been proposed to raise the customs duty on crude to Rs. 106 per metric tonne as against the present duty of Rs. 9.50 per metric tonne. The revenue gain from this measure will be Rs. 132.76 crores. This duty increase is to be absorbed by the Oil companies without raising the consumer prices on this account.

3.12. It is proposed to raise the basic customs duty on different items of iron and steel (Other than stainless steel) by 5 percentage points or 10 percentage points, depending upon the existing rates of duties. Also it has been proposed to levy a total customs duty of 20 per cent *ad valorem* on stainless still melting scrap which is present exempted from customs duty. These measures are expected to yield an additional revenue of Rs. 84.20 crores. The revenue gain on account of the proposal to increase the import duty on zip fasteners and parts thereof, magnetic tape and petroleum specialities, namely petroleum jelly, sodium petroleum sulfonate and liquid paraffin would be of the order of Rs. 5.32 crores.

3.13. In order to promote exports in the important sector of gems and jewellery, customs duty leviable on a number of gem and jewellery processing and manufacturing machines are proposed to be reduced from the respective existing rates to 4.0 per cent *ad valorem*. It has been proposed to reduce the customs duty on specified machines in

packing of food articles as well as by meat and food processing industries from the respective existing rates to 40 per cent *ad valorem*. The revenue sacrifice involved in the above proposals is of the order of Rs. 5.24 crores. To enable the indigenous machine tool manufactures to offer CNC Machine tools on competitive terms, it is proposed to reduce the customs duty on CNC systems to 35 per cent. The revenue sacrifice in this respect is of the order of Rs. 0.82 crore. To enable the paper industry to obtain its raw materials at reasonable prices and to relieve the pressure on forest resources, it is proposed to exempt totally wood chips from customs duty for making pulp for the manufacture of paper or paper board. Also on similar considerations, it has been proposed to reduce the duty on wood pulp imported for manufacture of paper from the existing levels to 30 per cent. These measures involve revenue sacrifice of the order of Rs. 1.10 crores.

3.14. It has been proposed to continue during 1984-85 the levy of special excise duties at the existing rates and with the existing exemptions. In view of the labour-intensive character of sugar industry, it is proposed to fully exempt Khandasari sugar from the levy of excise duty. The revenue sacrifice involved in this proposal is of the order of Rs. 16.42 crores. It is proposed to abolish the excise duty on electricity leaving it to the State Governments to tap this source, to whatever extent and in whatever manner they like. The abolition will be effective from 1st October, 1984.

3.15. Some relief has been provided in the textile sector. As a measure of relief in this area and with the overall objective of making polyester fabrics available at low prices, it is proposed to reduce the total excise duty on polyester-cotton blended yarn containing more than 40 per cent but less than 70 per cent polyester to Rs. 5 per Kg. Under the proposal for 1984-85, all blends over 40 per cent and below 70 per cent of polyester will pay the same reduced rate of duty as against the existing rates of duty which vary generally from Rs. 7.50 per Kg. to Rs. 22.50 per Kg. depending on the extent of polyester-cotton mix. For similar blends of polyester and viscose, the excise duty will get reduced to Rs. 10 per Kg. from the existing rates which vary from Rs. 11.25 per Kg. to Rs. 22.50 per Kg. The revenue sacrifice on these accounts is estimated at Rs. 33.25 crores in a full year. Attention has also been given to blended fabrics. The excise duty on polyester-cotton blended fabrics

containing more than 40 per cent but less than 70 per cent polyester will be reduced to 2 per cent *ad valorem*. The incidence of duty on such fabrics at present varies from 7.8 per cent to 17.8 per cent *ad valorem*. This concession would cost the exchequer Rs. 26.50 crores in a full year. It has been proposed that this duty at 2 per cent *ad valorem* be collected as additional excise duty in lieu of sales tax which will go to the States.

3.16 It is also proposed to reduce excise duty on cotton fabrics of less than 51 counts and of assessable value not exceeding Rs. 5 per square metre. Such fabrics at present pay excise duty at rates varying from 2.38 per cent to 3.56 per cent *ad valorem* in case of composite mills. Concessional rates of duty are allowed for independent processors processing powerloom and handloom fabrics. Now it is proposed to fully exempt handloom and powerloom fabrics processed by independent processors. The rate of duty for composite mill fabrics is being reduced to 1 per cent *ad valorem* retaining more or less the present differential between the independent processors and composite mills. This duty would be in the nature of additional excise duty in lieu of sales tax which will entirely go to the States. The proposal on cotton fabrics would entail a revenue sacrifice of Rs. 28.40 crores. It is proposed to reduce the duty incidence on cotton yarn and cellulosic spun yarn supplied to registered Handloom Co-operative Societies or approved organisations by about 50 per cent. This proposal would involve a loss of Rs. 3 crores to the exchequer in a full year. In order to recoup some of the revenue loss flowing from the above package of measures in respect of textile industry it is proposed to increase the incidence of additional excise duty in lieu of sales tax from 7.5 per cent to 10 per cent on man-made fabrics of assessable value exceeding Rs. 25 per square metre. This increase will not apply to those blended fabrics in respect of which duty is being reduced. The impact will be on the costlier fabrics which are consumed by affluent sections of the society. On this account, there will be a gain of Rs. 27 crores in a full year which will entirely accrue to the States. Excise duty on shoddy blanket, made from shoddy yarn by composite mills has been reduced by 7 per cent. Such shoddy blankets if processed by independent processors will be wholly exempt. The revenue loss on this account will be 1 crore in a full year.

3.17 As a further measure of relief in the paper industry, it has been proposed to reduce the basic

excise duty on printing and writing paper and also craft paper produced by large paper mill by Rs. 425 per metric tonne and corresponding concessions are being given on the duty leviable on such paper when unconventional raw materials are used in their manufacture. Simultaneously, the range of permissible unconventional raw materials is being expanded. No concession for use of unconventional raw material is presently available in the case of paper boards. Now it is proposed to reduce the basic excise duty payable on paper boards manufactured from at least 50 per cent unconventional raw materials from the present general level of 10 per cent *ad valorem* (Rs. 1,430) per metric tonne to Rs. 560, Rs. 900 or Rs. 1,120 per metric tonne depending on whether the clearances of paper and paper board from such Paper mills in the preceding financial year did not exceed 3,000 tonnes, 7,500 tonnes or 16,500 tonnes respectively. For larger paper mills using unconventional raw materials, the rate of basic excise duty on paper boards is being reduced to 7 per cent *ad valorem* (Rs. 925 per metric tonne). The proposals relating to the paper industry would entail a loss of Rs. 33 crores in excise duties in a full year.

3.18. It has been proposed to continue the concessions granted last year in respect of certain specified commodities to stimulate production. In the case of commercial vehicles and three axled vehicles the concession will be continued but the extent of duty concession granted in October 1983 is being reduced by 2½ percentage points. It is proposed to remove some models of light commercial vehicles from the purview of the exemption in order to establish parity among all models of such vehicles in the matter of the rate of excise duty. These proposals would entail a revenue loss of Rs. 45 crores in a full year. Concessions in the case of refrigerators, deep freezers, parts of refrigerating appliances, storage batteries and domestic electrical appliances will be continued in 1984-85. The total revenue sacrifice on these items would be to the tune of Rs. 19 crores. There is no concessions in 1984-85 for the tyres for buses and trucks as there is no further case for this concession in view of the price increases announced by this industry. With a view to provide relief to the china and porcelain industry it is proposed to reduce the basic excise duty from 30 per cent to 15 per cent on the items of this industry. This would entail a revenue loss of Rs. 15 crores. It has been proposed to reduce basic excise duty on table fans from 10 per cent to 5 per cent and on ceiling fans of a diameter not exceeding

107 Cms from 15 per cent to 7.5 per cent. Another proposal relates to the reduction of basic excise duties on evaporative type of coolers from 40 per cent to 30 per cent *ad valorem*. These proposals would involve a revenue sacrifice of Rs. 5.10 crores. As a rationalisation measure it is proposed to reduce the basic duty on winding wires from 10 per cent to 5 per cent and increase the basic duty on copper wire rods by Rs. 1,300 per metric tonne. On an overall basis this change will neither result in a loss nor gain in revenue. It is also proposed to exempt sound-recorded cassettes wholly from excise duty. As a general measure of relief it is proposed to fully exempt laundry soap manufactured by KVIC units and to reduce basic excise duty to 5 per cent from 10 per cent on certain mass consumption items such as, imitation jewellery, stainless steel utensils, glass chimneys for lanterns, high efficient wood burning stoves, umbrellas and saccharine. The revenue sacrifice involved in these concessions is Rs. 1.13 crores. It has also been proposed to increase the additional excise duty in respect of cigarettes. The present ratio between basic excise duty and additional excise duty is being altered to 1.75 : 1. This measure will result in the transfer of Rs. 42.89 crores from basic excise duty account to the additional excise duty account in the next financial year and

thus increase the accrual to the States. The total incidence of excise duty on cigarettes will remain unaltered.

3.19. The budget proposals for the year 1984-85 will yield additional revenue of Rs. 465.41 crores in customs duties and Rs. 33.10 crores in excise duties. There would be a transfer of Rs. 43.64 crores from basic duty account to the additional duty account. The concessions and reliefs aggregate Rs. 7.26 crores on the customs side and Rs. 222.43 crores on the excise side. The net yield from customs duties is Rs. 458.15 crores. The net loss from excise duties comes to Rs. 189.33 crores out of which centre's share would be Rs. 148.95 crores and State's share would be Rs. 40.38 crores. This takes into account the States' share from additional excise duties in lieu of sales tax to the extent of Rs. 52.31 crores. The accrual to the Central exchequer for the additional tax effort in a full year would be Rs. 309.20 crores. The budgetary deficit at the existing rates of taxation has estimated to be Rs. 2,035 crores. The tax measures proposed taken together with reliefs and concessions are estimated to yield net additional revenue of Rs. 272.88 crores to the centre. This leaves an uncovered deficit of Rs. 1,762 crores which is assumed to be a low figure and appropriate to the present economy.

TABLE No. I

Tax and Non-Tax Revenue and Capital Receipts of Government of India

(Rs. in crores)

| Serial No. | Items | Accounts, 1981-82 | Accounts, 1982-83 | Budget, 1983-84 | Revised, 1983-84 | Budget, 1984-85 |
|----------------------|---|-------------------|-------------------|------------------|------------------|------------------|
| (1) | (2) | (3) | (4) | (5) | (6) | (7) |
| A—TAX-REVENUE | | | | | | |
| 1 | Corporation Tax | 1,969.97 | 2,184.51 | 2,362.00 | 2,565.00 | 2,588.00 |
| 2 | Taxes on income other than Corporation Tax | 1,475.50 | 1,565.72 | 1,669.60 | 1,670.00 | 1,801.00 |
| 3 | Hotel Receipts Tax | 2.32 | 0.07 | | | |
| 4 | Other taxes on Income and Expenditure Interest Tax. | 231.67 | 265.47 | 156.00 | 170.00 | 190.00 |
| 5 | Entertainment Duty | 20.31 | 20.38 | 19.00 | 20.00 | 20.00 |
| 6 | Wealth Tax | 78.12 | 90.37 | 90.00 | 93.00 | 97.00 |
| 7 | Gift Tax | 7.74 | 7.71 | 8.50 | 8.50 | 8.50 |
| 8 | Land Revenue | 0.40 | 0.38 | 0.40 | 0.24 | 0.34 |
| 9 | Stamps and Registration | 11.54 | 13.36 | 12.46 | 13.06 | 13.35 |
| 10 | Customs | 4,300.36 | 5,119.41 | 5,879.03 | 5,879.03 | 6,649.70 |
| 11 | Union Excise Duties | 7,420.74 | 8,058.50 | 10,040.27 | 10,125.33 | 11,171.88 |
| 12 | State Excise Duties | 63.34 | 74.54 | 70.55 | 87.30 | 93.63 |
| 13 | Taxes on Vehicles | 7.11 | 7.77 | 9.97 | 8.41 | 12.30 |
| 14 | Sales Tax | 204.15 | 226.11 | 256.97 | 243.20 | 283.23 |
| 15 | Taxes on goods and passengers .. | 19.40 | 20.55 | 21.40 | 21.46 | 22.47 |
| 16 | Taxes and Duties on Electricity .. | 6.91 | 1.09 | 1.46 | 1.15 | 1.25 |
| 17 | Other Taxes and Duties on Commodities and Services. | 33.91 | 35.73 | 40.50 | 40.37 | 39.81 |
| 18 | TOTAL—GROSS TAX REVENUE | 15,847.49 | 17,695.67 | 20,688.11 | 20,946.05 | 22,992.46 |
| 19 | Less—Transfer to State Governments. | 4,274.48 | 4,639.32 | 5,178.25 | 5,245.59 | 5,738.60 |
| 20 | (A) NET TAX REVENUE | 11,573.01 | 13,056.35 | 15,459.86 | 15,700.46 | 17,253.86 |

| Sl. No. | Items | Accounts, 1931-82 | Accounts, 1982-83 | Budget, 1983-84 | Revised, 1983-84 | Budget, 1984-85 |
|---|--|-------------------|-------------------|-----------------|------------------|-----------------|
| (1) | (2) | (3) | (4) | (5) | (6) | (7) |
| B. NON-TAX REVENUE | | | | | | |
| 21 | Fiscal Services | 106.86 | 123.18 | 168.12 | 215.15 | 289.20 |
| 22 | Interest Receipts | 2,215.33 | 2,851.61 | 2,796.50 | 2,723.82 | 3,693.50 |
| 23 | Dividends and Profits | 321.16 | 419.00 | 377.64 | 413.51 | 379.19 |
| 24 | Others | 1,357.83 | 1,641.16 | 1,791.81 | 1,911.38 | 2,127.78 |
| 25 | (B) TOTAL—NON-TAX REVENUE. | 4,001.18 | 5,034.95 | 5,134.07 | 5,263.86 | 6,489.67 |
| 26 | TOTAL—(TAX + NON-TAX) (A + B) | 15,574.19 | 18,091.30 | 20,593.93 | 20,964.32 | 23,743.53 |
| CAPITAL RECEIPTS | | | | | | |
| 27 | Public Debt (Net) | 4,877.76 | 5,247.14 | 5,860.85 | 5,749.34 | 5,973.43 |
| 28 | Repayment of Loans and Advances | 2,173.00 | 3,372.49 | 3,267.00 | 3,872.28 | 3,904.78 |
| 29 | Other items (Net) | 2,397.77 | 3,863.42 | 3,528.13 | 6,342.69 | 6,878.72 |
| 30 | TOTAL—CAPITAL RECEIPTS | 9,448.53 | 12,483.05 | 12,655.98 | 15,964.31 | 16,756.93 |
| TOTAL—RECEIPTS (REVENUE + CAPITAL) | | 25,022.72 | 30,574.35 | 33,249.91 | 36,928.63 | 40,500.46 |

TABLE No. II
Revenue Expenditure of Government of India

(Rs. in crores)

| Sl. No. | Items | Accounts, 1981-82 | Accounts, 1982-83 | Budget, 1983-84 | Revised, 1983-84 | Budget, 1984-85 |
|----------------------------------|---|-------------------|-------------------|------------------|------------------|------------------|
| (1) | (2) | (3) | (4) | (5) | (6) | (7) |
| 1 | Education, Art and Culture and Scientific Services and Research. | 622.10 | 772.80 | 853.68 | 874.72 | 1,029.83 |
| 2 | Medical, Family Welfare and Public Health. | 125.00 | 154.78 | 176.65 | 182.25 | 208.55 |
| 3 | Labour and Employment | 76.99 | 83.43 | 104.39 | 104.47 | 111.90 |
| 4 | Broadcasting | 79.81 | 84.13 | 86.98 | 93.12 | 103.73 |
| 5 | Other Social and Community Services | 163.63 | 224.58 | 222.38 | 223.63 | 222.78 |
| 6 | Agriculture and Allied Services | 1,063.46 | 1,219.75 | 1,415.05 | 1,401.43 | 1,549.76 |
| 7 | Industries and Minerals | 865.40 | 1,231.77 | 1,299.18 | 1,543.48 | 1,901.76 |
| 8 | Foreign Trade and Export Promotion | 509.44 | 514.36 | 652.11 | 570.28 | 620.82 |
| 9 | Water and Power Development | 193.30 | 271.17 | 328.67 | 406.71 | 428.80 |
| 10 | Transport and Communications | 299.88 | 359.65 | 358.44 | 389.45 | 439.68 |
| 11 | Other Economic Services | 194.99 | 131.39 | 140.13 | 139.73 | 153.34 |
| 12 | Grants-in-aid to State and U. T. Governments for developmental expenses | 3,325.04 | 2,866.40 | 3,419.61 | 3,666.35 | 4,305.25 |
| 13 | General Services | 4.82 | 7.22 | 8.79 | 7.45 | 10.03 |
| 14 | Audit | 71.80 | 84.81 | 86.70 | 98.42 | 101.82 |
| 15 | Collection of Taxes and Duties | 145.15 | 173.59 | 191.66 | 209.56 | 227.54 |
| 16 | Currency, Coinage and Mint | 55.59 | 64.64 | 72.36 | 74.20 | 79.03 |
| 17 | Interest Payments | 3,194.68 | 3,937.61 | 4,700.00 | 4,850.00 | 5,600.00 |
| 18 | Administrative Services | 642.80 | 759.58 | 1,035.42 | 824.20 | 1,167.59 |
| 19 | Pensions and other Retirement Benefits. | 85.38 | 97.22 | 348.21 | 138.78 | 140.14 |
| 20 | Other Grants to State and Union Territories Governments. | 529.81 | 768.10 | 704.47 | 848.79 | 741.79 |
| 21 | Compensation and Assignment to Local Bodies. | 30.78 | 39.13 | 34.52 | 34.99 | 40.11 |
| 22 | Technical and Economic Co-operation with other countries. | 68.28 | 79.31 | 85.90 | 97.86 | 101.39 |
| 23 | Miscellaneous Grants | .. | .. | .. | .. | .. |
| 24 | Other General Services | 352.37 | 538.48 | 729.91 | 805.57 | 980.74 |
| 25 | Accounting Transfers and Write Backs | .. | .. | .. | .. | .. |
| 26 | Defence Expenditure (net) | 4,167.23 | 4,881.73 | 5,363.66 | 5,751.99 | 6,075.61 |
| TOTAL REVENUE EXPENDITURE | | 15,867.73 | 19,345.63 | 22,418.87 | 23,339.43 | 26,341.99 |

TABLE No. III

Expenditure in Capital Account of the Government of India

(Rupees in Crores)

| Sl. No. | Items | Accounts, 1981-82 | Accounts, 1982-83 | Budget, 1983-84 | Revised, 1983-84 | Budget, 1984-85 |
|---------|--|-------------------|-------------------|-----------------|------------------|-----------------|
| (1) | (2) | (3) | (4) | (5) | (6) | (7) |
| 1 | Scientific Services and Research | 54.60 | 72.02 | 80.87 | 82.46 | 150.89 |
| 2 | Medical Public Health and Water Supply | 12.28 | 11.30 | 13.83 | 13.63 | 19.25 |
| 3 | Housing and Urban Development | 60.57 | 64.13 | 70.49 | 85.52 | 84.63 |
| 4 | Broadcasting | 16.33 | 10.81 | 27.46 | 37.06 | 36.17 |
| 5 | Social Security and Welfare | 8.03 | 8.36 | 8.03 | 7.35 | 7.20 |
| 6 | Other Items | 24.73 | 22.53 | 22.77 | 19.69 | 24.11 |
| 7 | General Economic Services | 275.67 | 252.42 | 216.52 | 211.26 | 139.93 |
| 8 | Agriculture and Allied Services | 129.10 | 142.57 | 156.65 | 192.86 | 191.39 |
| 9 | Industry and Minerals | 1,478.62 | 1,750.35 | 1,758.00 | 2,304.08 | 2,183.94 |
| 10 | Water and Power Development | 496.70 | 631.64 | 561.53 | 688.15 | 893.92 |
| 11 | Transport and Communications | 305.16 | 253.07 | 330.12 | 348.92 | 402.48 |
| 12 | Railways | 657.17 | 602.74 | 550.00 | 569.45 | 760.00 |
| 13 | Posts and Telegraphs | 268.42 | 291.89 | 145.08 | 347.88 | 349.50 |
| 14 | General Services | .. | .. | 77.57 | 74.10 | 89.00 |
| 15 | Defence Expenditure | 484.57 | 526.57 | 607.34 | 596.01 | 724.39 |
| 16 | Other Expenditure | 26.86 | 218.07 | 156.95 | 662.84 | 247.43 |
| 17 | Loans and Advances | 6,248.08 | 9,769.17 | 7,633.95 | 9,443.37 | 9,889.31 |
| 18 | Total Capital Expenditure | 10,546.89 | 14,627.64 | 12,417.16 | 15,684.63 | 16,193.54 |
| 19 | TOTAL EXPENDITURE (BOTH REVENUE + CAPITAL) | 26,414.62 | 33,973.27 | 34,836.03 | 39,024.06 | 42,535.53 |
| 20 | Surplus or Deficit | (-) 1,391.90 | (-) 3,398.92 | (-) 1,586.12 | (-) 2,095.43 | (-) 2,035.07 |
| 21 | Overall Deficit | .. | .. | .. | .. | (+) 273.8 |
| | | | | | | (-) 1,762 |

* Effect of Budget Proposals

OGP—MP II (D. B. S. E.) 29—1.000—10.5 1984

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Sub. National Systems Unit,
National Institute of Educational
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