



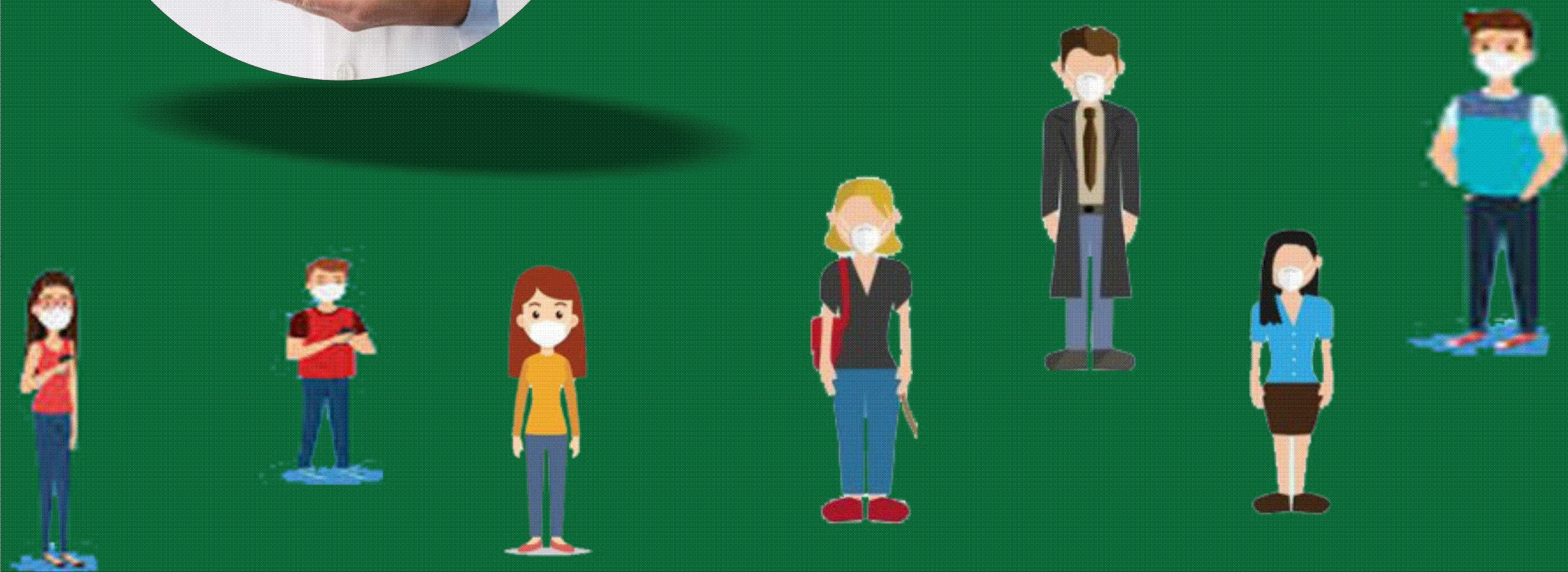
GOVERNMENT OF ODISHA

# People's Guide SUPPLEMENTARY BUDGET 2020-21



November, 2020

FINANCE DEPARTMENT



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## 1. Backdrop

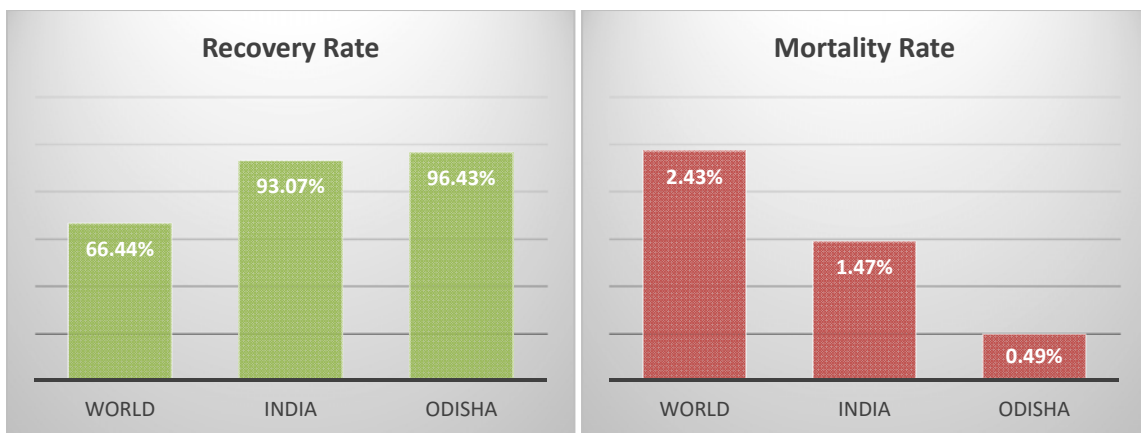
COVID-19 is a crisis of unprecedented nature. Severe shock to supply and demand sides of the economy have resulted in loss of millions of livelihoods. In the absence of any vaccine to fight the pandemic, world economies have been entrapped in successive lockdowns, impeding lives and livelihoods. An extended lockdown would cost dearly to the livelihoods and an unplanned exit from the lockdown would come at the expense of lives. A balance was to be charted and quick. The State responded by devising an exit strategy that sketched a gradual exit from the lockdown without overwhelming life risks.

## 2. State's success in managing COVID-19 crisis

2.1 Odisha's response to the pandemic was prompt. The lockdown gave the State a breather to put its bearings together. As citizens remained at homes, the State ramped up its health infra – setting up COVID-specific hospitals in each district, establishing quarantine centres, strengthening testing capacities while alerting the citizens of the dire consequences of the virus. Owing to its prompt disaster management skills, the number of people infected has been significantly lower than other states and the recovery rate is also reassuring. However, the economy and spending priorities needs serious reworking.

2.2 Odisha was the first state to separate COVID care from regular health care facilities. Designated COVID hospitals were set up in several districts much before the cases began to rise. Mandatory registration and quarantine for the citizens returning to the state restricted the maximum number of COVID cases to quarantine centers. Swift containment procedures have kept community transmission at bay. The World Health Organization (WHO) in their article, “**From governance to community resilience: Odisha's response to COVID-19**” has applauded the Odisha model of COVID management. Fighting coronavirus pandemic, the Odisha way, a story to tell is depicted in following charts.

**Chart 1: Recovery rate and mortality rate of World, India and Odisha as on 14<sup>th</sup> November 2020**



### 3. Context

3.1 The Annual Budget for the financial year 2020-21 for ₹1,50,000 crore with a capital outlay of ₹26,513 crore was presented in the Odisha Legislative Assembly on 18th February, 2020. The Budget was prepared in a situation when COVID was not in picture and GSDP growth assumed to continue at a rate surpassing National GDP growth. The transformational budget had laid down the plan of building a “New Odisha”. The focus of the budget was on reviving the health care – through upgradation of existing facilities and building new state-of-art medical infrastructure, skill development, boosting tourism, transforming rural and urban Odisha. The fiscal math was aligned prioritizing these agendas.

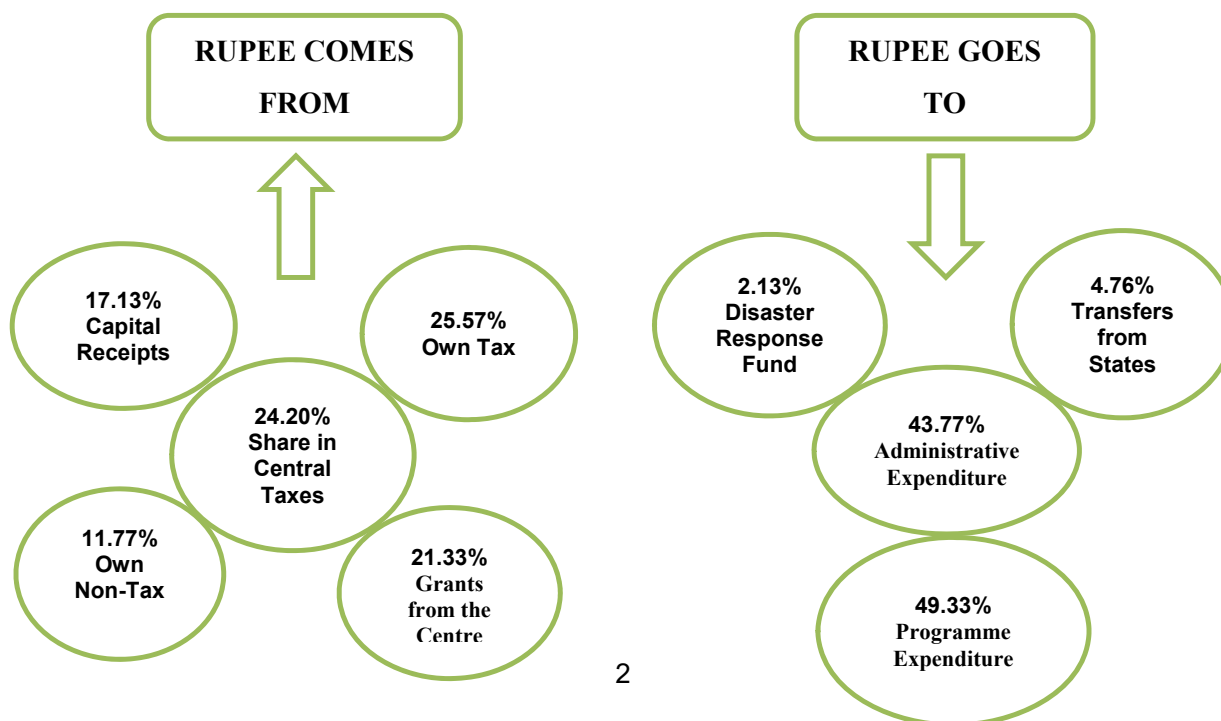
3.2 The pandemic has now completely changed the scenario. The COVID related lockdown has severely affected the resource realization. The spending priorities have changed, new priorities have come. Various developments have demanded additional provision to defray expenditure to meet such exigencies for effective COVID management, saving lives and providing livelihoods.

3.3 The impact of the pandemic is likely to continue for a longer period and there would be need to augment public spending in the areas of public health, livelihoods, agriculture & allied activities, MSME sector etc. All such developments necessitate alignment of the budget to the changed needs and priorities. The Supplementary Statement of Expenditure, 2020-21 primarily aims at addressing the new priorities through adjustment in the Annual Budget 2020-21.

### 4. Annual Budget 2020-21

The sources of funds (Receipts) and uses of funds (Expenditures) of the Annual Budget 2020-21 are given below in separate charts:

**Chart 2: Rupees comes from and Rupees goes to in FY 2020-21 (BE)**



The Department wise allocation in the Annual Budget 2020-21 is given in the table below:

**Table 1: Department-wise allocation in 2020-21 (BE)**

(₹ in crore)

D. No.	Department	Administrative Expenditure	Programme Expenditure	Transfer from the State	Disaster Response Fund	Grand Total
1	Home Department	4,851.48	655.90			5,507.38
2	General Administration and Public Grievance Department	212.45	210.15			422.60
3	Revenue And Disaster Management Department	1,009.64	325.70			1,335.34
4	Law Department	441.26	24.90			466.16
5	Finance Department	35,074.80	67.00			35,141.80
6	Commerce Department	71.65	19.63			91.28
7	Works Department	1,579.24	4,420.92			6,000.16
8	Odisha Legislative Assembly	121.03	0.00			121.03
9	Food Supplies and Consumer Welfare Department	80.01	1,816.77			1,896.78
10	School and Mass Education Department	10,862.05	6,596.37			17,458.42
11	Scheduled Tribes & Scheduled Castes Development, Minorities & Backward Classes Welfare Department	769.45	3,038.91			3,808.36
12	Health and Family Welfare Department	2,572.39	5,127.46			7,699.84
13	Housing and Urban Development Department	650.74	3,093.26	2,435.65		6,179.65
14	Labour & Employees' State Insurance Department	111.84	94.33			206.17
15	Sports & Youth Services Department	35.49	265.55			301.04
16	Planning and Convergence Department	51.00	1,130.23			1,181.23
17	Panchayati Raj and Drinking Water Department	385.17	12,511.33	4,709.35		17,605.85
18	Public Grievances and Pension Administration Department	2.18				2.18
19	Industries Department	5.55	544.45			550.00
20	Water Resources Department	1,283.18	8,091.28			9,374.46
21	Transport Department	111.44	733.12			844.56
22	Forest & Environment Department	482.60	651.97			1,134.57
23	Department of Agriculture and Farmers' Empowerment	866.58	5,950.55			6,817.13
24	Steel & Mines Department	62.72	119.50			182.22
25	Information & Public Relations Department	54.95	55.67			110.62
26	Excise Department	112.36	50.50			162.86
27	Science & Technology Department	14.76	85.24			100.00
28	Rural Development Department	1,227.16	4,322.26			5,549.42
29	Parliamentary Affairs Department	61.53	5.29			66.82
30	Energy Department	31.80	1,828.93			1,860.73
31	Handlooms, Textiles & Handicrafts Department	64.62	135.00			199.62
32	Tourism Department	15.56	385.13			400.69



D. No.	Department	Administrative Expenditure	Programme Expenditure	Transfer from the State	Disaster Response Fund	Grand Total
33	Fisheries & Animal Resources Development Department	451.71	759.31			1,211.02
34	Co-Operation Department	133.53	1,566.86			1,700.39
35	Public Enterprises Department	3.67	5.00			8.67
36	Department of Women & Child Development and Mission Shakti	21.40	4,053.24			4,074.64
37	Electronics & Information Technology Department	7.31	228.97			236.28
38	Higher Education Department	1,237.92	1,168.59			2,406.51
39	Skill Development & Technical Education Department	346.64	478.37			825.01
40	Micro, Small & Medium Enterprises Department	70.96	179.04			250.00
41	Social Security & Empowerment of Persons with Disability	70.22	2,954.04			3,024.26
42	Disaster Management	3.45	118.98		3,200.00	3,322.43
43	Odia Language, Literature and Culture Department	31.50	130.31			161.81
	<b>Grand Total</b>	<b>65,655.00</b>	<b>74,000.00</b>	<b>7,145.00</b>	<b>3,200.00</b>	<b>150,000.00</b>

## 5. The need for the Supplementary Budget

The State has been fighting the pandemic with a mission to save life and livelihood since March, 2020 and the battle against the virus is likely to continue for some more time. In the meantime, various developments have taken place necessitating additional provision to defray expenditure to meet such exigencies for effective COVID management, saving lives and providing livelihoods. Important reasons and circumstances, for which Supplementary provision has become necessary, among others, are as follows:-

- i) Additional requirement of funds for COVID-19 **pandemic management** including expenditure requirement for saving lives and providing livelihoods.
- ii) Post Budget announcements like packages related to **MSME sector, Covid-19 warrior special assistance, incentives to Health workers** etc.
- iii) Allocation for major projects identified for timely completion.
- iv) Additional requirement for ongoing Central Sector and Centrally Sponsored Schemes and new CSS Schemes launched by Government of India.
- v) Recoupment of advance taken from Odisha Contingency Fund.
- vi) Accounting adjustment under different Demands.

## 6. FRBM stipulation on number of Supplementary Budget

Section-8 (5) of Odisha Fiscal Responsibility and Budget Management Act, 2005 (FRBM Act) stipulates that not more than one Supplementary Statement of Expenditure shall be presented in one financial year. Provided that where expenditure has been made by taking advance from the Odisha Contingency Fund, special supplementary statements of expenditure shall be presented in course of the year exclusively for the purpose of recoupment of such advance.

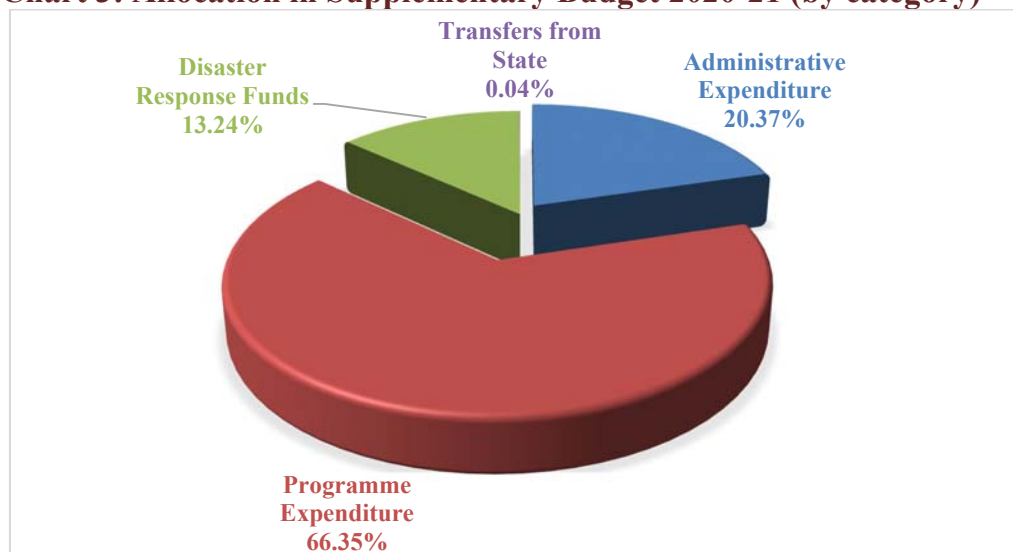
## 7. Supplementary Statement of Expenditure, 2020-21

The Supplementary Statement of Expenditure, 2020-21 for ₹11,200 crore was presented in the Legislative Assembly on 20<sup>th</sup> November, 2020 by Hon'ble Finance Minister Sri Niranjan Pujari. The broad break-up of the Supplementary Budget is as below:

**Table 2: Allocation in Supplementary Budget 2020-21 (by category)**  
(₹ in crore)

Category of Expenditure	Provision
Administrative Expenditure	2273
Programme Expenditure	7438
Disaster Response Funds	1484
Transfers from State	5
<b>Total</b>	<b>11200</b>

**Chart 3: Allocation in Supplementary Budget 2020-21 (by category)**



## 8. Focus of the Supplementary Budget

The primary focus of the Supplementary Budget, 2020-21 is COVID response related to health, food & social security, livelihoods, employment generation etc. Besides, to boost the domestic demand and revival of the state economy, the Supplementary Budget not only recognizes the volume of state spending but also its multiplier effect through efficient & effective utilization, completion of projects & schemes so as to deliver the benefit of people. The packages announced by Hon'ble Chief Minister like Covid-19 warrior special assistance, Handloom, Textile & Handicraft sector, MSME sector, Mission Shakti etc have been fully funded.

Along with this, the size of the current year's Supplementary Budget is about 7.5% of the 2020-21(BE), which adheres to the good practice of keeping the provision well below 10% of the Annual Budget. The outlay for Programme Expenditure constitutes about 66.35% of the total Supplementary provision.

## 9. Financing the Supplementary Budget

The Supplementary provision of ₹11,200 crore comprises of ₹2,273 crore towards Administrative Expenditure, ₹1,484 crore towards Disaster Management Funds, ₹5 crore towards Transfer to Local Bodies and ₹7,438 crore towards Programme Expenditure. The allocations under Administrative Expenditure and Transfers to Local Bodies are to be financed against adjustment and surrender. Allocation under Disaster Management Funds to be financed against year-end balance and anticipated receipts from NDRF. Programme Expenditure of ₹7,438 crore is to be partially financed by tied-up resources to the extent of ₹2,755 crore and balance requirement of ₹4,683 crore to be met out of savings and surrender during the year.

**Table 3: Financing the Supplementary Budget 2020-21**

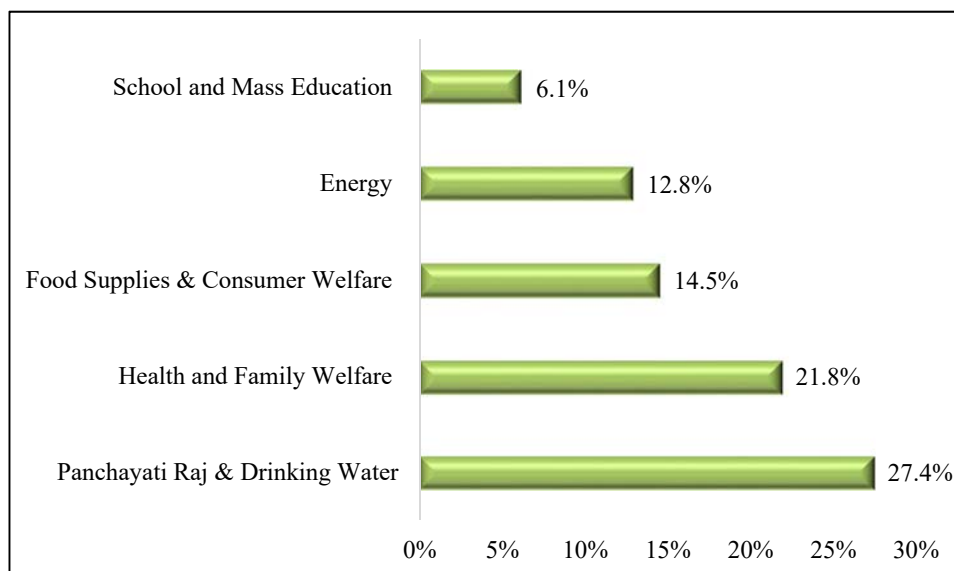
(₹ in crore)

Allocation		Source of Financing	
<b>I. Administrative Expenditure</b>	<b>2273</b>	<b>Adjustments/ surrenders of Expenditure</b>	<b>2273</b>
<b>II. Disaster Management Funds</b>	<b>1484</b>	<b>Total Disaster Management Funds</b>	<b>1484</b>
<i>a. SDRMF</i>	<i>984</i>	<i>Year-end balance</i>	<i>984</i>
<i>b. NDRF</i>	<i>500</i>	<i>Anticipated receipt from NDRF</i>	<i>500</i>
<b>III. Transfers to Local Bodies</b>	<b>5</b>	<b>Adjustments/ surrenders of Expenditure</b>	<b>5</b>
<b>IV. Programme Expenditure</b>	<b>7438</b>	<b>Total Programme Expenditure</b>	<b>7438</b>
		<i>Tied up resources</i>	<i>2755</i>
		<i>Surrender &amp; savings during the year</i>	<i>4663</i>

## 10. Provisions for Programme Expenditure and Priority Sectors

The outlay for Programme Expenditure mainly focuses in Social sector and Economic sector. Out of the total outlay of ₹7438 crore under Programme Expenditure, ₹2041 crore (27.4%) is allocated for Panchayati Raj & Drinking Water, ₹1627 crore (21.8%) is allocated for Health and Family Welfare, ₹1077 crore (14.5%) is allocated for Food Supplies & Consumer Welfare, ₹957 crore (12.8%) is allocated for Energy and ₹457 crore (6.1%) for School and Mass Education. Thus, in total ₹7,199 crore (97%) is allocated towards development expenditure within the Programme Expenditure.

**Chart 4: Share of Top 5 Departments in Programme Expenditure**



Broad sectoral outlay for Programme Expenditure is given below:

#### **A. Health care facilities:**

- A total sum of ₹1627 crore is allocated for public health care.
- ₹100 crore is provided for infrastructure development of medical colleges and primary and secondary health institution under Mukhya Mantri Swasthya Seva Mission.
- ₹409 crore is provided for Strengthening Ancillary Services in Health Sector, which include ₹305 crore for medical equipments and ₹104 crore for NIRMAL.
- ₹412 crore is provided for Biju Swasthya Kalyan Yojana, which include ₹330 crore towards medicine, ₹51 crore for emergency ambulance service and ₹30 crore for Odishs State Treatment Fund.
- ₹227 crore is provided for equipment for Medical Education.
- ₹26 crore is allocated for AYUSH-Ayush Services.
- ₹407 crore is provided for National Health Mission.

#### **B. Rural Development, Panchayati Raj & Drinking Water:**

- Total allocation of ₹2067 crore for Rural Development, Panchayati Raj & Drinking Water.
- ₹1514 crore is provided for rural housing through the convergence of PMAY Grameen - Biju Pucca Ghar.
- ₹500 crore allocate for Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGS) (material component).

- ₹18 crore is provided towards Ama Gaon Ama Bikash – PEETHA.
- ₹9 crore is provided for creation of livelihood opportunities under NRLM.

### **C. Food Security:**

- Total allocation of ₹1,077 crore for food supply and consumer welfare.
- ₹1,067 crore is provided towards COVID assistance @₹1000/- per household and balance requirement towards food subsidy for Supply of rice @ Rs.1/-per Kg.
- ₹10 crore is provided for Consumer Awareness Programme.
- ₹7 lakh is provided for State Consumer Helpline.

### **D. Education, Sports and Skill Development:**

- Total ₹580 crore is allocated for education, sports and skill development sector.
- ₹135 crore is allocated for Non-Govt Aided High School.
- ₹113 crore is proposed as Grants to Non-Government Colleges.
- ₹290 crore for Mid-day Meal Scheme and ₹22 crore is provided for Samagra Sikshya.
- ₹10 crore for Pradhan Mantri Kushal Vikash Yojana.

### **E. Fisheries and ARD :**

- Total allocation of ₹62 crore for Fisheries and Animal Resource Development.
- ₹19 crore is provided for Installation of 5 lakhs LPD Dairy.
- ₹43 crore is provided for Blue Revolution - Integrated Dev. & Management of Fisheries.

### **F. Micro, Small & Medium Enterprises Sector:**

- Total allocation of ₹55 crore allocated for Micro, Small & Medium Enterprises.
- ₹49 crore is provided as financial assistance to MSME Sectors
- ₹5 crore for Small Scale Industries / Promotion of MSME.

### **G. Handlooms, Textiles & Handicrafts:**

- Total allocation of ₹30 crore is provided for Handlooms, Textiles & Handicrafts
- ₹15 crore towards interest free working capital loan to Odisha State Handloom Weavers Co-operatives Society Ltd (BOYANIKA)
- ₹5 crore towards interest free working capital loan to Odisha Co-operatives Handicrafts Corporation Ltd (UTKALIKA)
- ₹9 crore towards interest free working capital loan to Sambalpuri Bastralaya Handloom Co-operatives Society Ltd, Bargarh
- ₹1 crore towards interest free working capital loan to Odisha Co-operatives Tassar and Silk Federation Ltd.(SERIFED)

## **H. Infrastructure Sector:**

- Total allocation of ₹1603 crore for infrastructure sector.
- ₹150 crore is provided for Odisha State Highway Development Project.
- ₹20 crore is provided for road construction in LWE affected areas.
- ₹647 crore is provided as Equity Support to OPTCL.
- ₹74 crore is provided for Integrated Power Development Scheme.
- ₹236 crore is provided for Odisha Transmission System Improvement Project.
- ₹450 crore is provided for under the Scheme for Special Assistance for Capital Expenditure.
- ₹26 crore is provided for renovation/ re-construction of Office buildings damaged by natural calamities.

## **I. Empowering women & children:**

- A total sum of ₹34 crore is allocated for empowerment of women and children.
- ₹12 crore is also provided under Supplementary Nutrition Programme-POSHAN.
- ₹22 crore under the scheme State Support for implementation of ICDS in the State.

## **J. Social security measures:**

- A sum of ₹23 crore is allocated for social security measures.
- ₹17 crore is provided towards welfare of vulnerable section of the society under National Social Assistance Programme.
- ₹6 crore is provided for National Action Plan for Senior Citizen.

## **K. Development of SC, ST, OBC & Minorities:**

- Total ₹5 crore allocated under Scheme for Development of other Backward Classes and denotified, nomadic and semi-nomadic Tribes.

## **L. Forest & Environment:**

- Total allocation of ₹19 crore for Forest and Environment.
- ₹14 crore is for National Mission for a Green India and ₹4 crore for Elephant Management Project.

## **M. Internal Security:**

- Total allocation of ₹230 crore for Internal Security.
- ₹31 crore for fire services equipment and construction.
- ₹15 crore for up-gradation of jails.
- ₹10 crore towards victim compensation fund.
- ₹79 crore for Modernization of Police Force.
- ₹70 crore towards infrastructure facility for judiciary.
- ₹24 crore towards cyber-crime prevention against women and children.

## 11. Provision for Non-Programme Expenditure:

Total outlay of ₹3762 crore for non-Programme Expenditure include ₹2,273 crore towards Administrative Expenditure, ₹1,484 crore towards Disaster Management Funds, ₹5 crore towards Transfer to Local Bodies

### A. Administrative Expenditure:

- ₹1913 crore is provided for repayment of short-term loan taken from CAMPA fund.
- ₹142 crore is provided for Salaries & other expenses of Medical Colleges.
- ₹80 crore is provided salary and other expenses of Higher Education institutions.
- ₹22 crore is provided towards grants and performance incentive to OLIC.
- ₹40 crore is allocated towards one-time Special assistance to Lord Jagannath Temple, Puri for COVID-19.
- ₹37 crore towards ST & SC Development, Minorities & Backward Classes Welfare.
- ₹21 lakh provided for setting up of a Centre of Excellence for Result based management and Social Innovation in Gopabandhu Academy of Administration.

### B. Disaster Response Funds:

- Additional provision of ₹1484 crore is proposed in the Supplementary Statement of Expenditure, 2020-21.
- ₹984 crore for State Disaster Response Mitigation Fund (SDRMF).
- ₹500 crore towards National Disaster Response Fund (NDRF).

### C. Transfers from State:

- Total provision for transfers to Local Bodies is ₹5 crore in the Supplementary Statement of Expenditure, 2020-21 is towards balance transfer as per recommendations of 5<sup>th</sup> State Finance Commission.

12. Department-wise Net provision in 2020-21 (BE) and Supplementary

**Table 4: Department-wise allocation in Supplementary Budget, 2020-21**

(₹ in crore)

D. No.	Department	2020-21 (BE)	2020-21 (Suppl.)
1	Home Department	5,507.38	230.67
2	General Administration and Public Grievance Department	422.6	4.79
3	Revenue And Disaster Management Department	1,335.34	0.00
4	Law Department	466.16	48.87
5	Finance Department	35,141.80	2,363.04
6	Commerce Department	91.28	1.05
7	Works Department	6,000.16	175.13
8	Odisha Legislative Assembly	121.03	0.03
9	Food Supplies and Consumer Welfare Department	1,896.78	1,078.30
10	School and Mass Education Department	17,458.42	456.50
11	Scheduled Tribes & Scheduled Castes Development, Minorities & Backward Classes Welfare Department	3,808.36	41.89
12	Health and Family Welfare Department	7,699.84	1,768.77
13	Housing and Urban Development Department	6,179.65	2.32
14	Labour & Employees' State Insurance Department	206.17	0.48
15	Sports & Youth Services Department	301.04	4.65
16	Planning and Convergence Department	1,181.23	-
17	Panchayati Raj and Drinking Water Department	17,605.85	2,046.11
18	Public Grievances and Pension Administration Department	2.18	-
19	Industries Department	550	0.00
20	Water Resources Department	9,374.46	22.37
21	Transport Department	844.56	1.07
22	Forest & Environment Department	1,134.57	21.55
23	Department of Agriculture and Farmers' Empowerment	6,817.13	0.00
24	Steel & Mines Department	182.22	-
25	Information & Public Relations Department	110.62	0.46
26	Excise Department	162.86	-
27	Science & Technology Department	100	2.21
28	Rural Development Department	5,549.42	26.29
29	Parliamentary Affairs Department	66.82	7.73
30	Energy Department	1,860.73	956.80
31	Handlooms, Textiles & Handicrafts Department	199.62	30.00
32	Tourism Department	400.69	30.00
33	Fisheries & Animal Resources Development Department	1,211.02	62.02
34	Co-Operation Department	1,700.39	7.07
35	Public Enterprises Department	8.67	0.05
36	Department of Women & Child Development and Mission Shakti	4,074.64	33.81
37	Electronics & Information Technology Department	236.28	8.70



<b>D. No.</b>	<b>Department</b>	<b>2020-21 (BE)</b>	<b>2020-21 (Suppl.)</b>
<b>38</b>	Higher Education Department	2,406.51	193.46
<b>39</b>	Skill Development & Technical Education Department	825.01	10.35
<b>40</b>	Micro, Small & Medium Enterprises Department	250	54.82
<b>41</b>	Social Security & Empowerment of Persons with Disability	3,024.26	22.51
<b>42</b>	Disaster Management	3,322.43	1,484.22
<b>43</b>	Odia Language, Literature and Culture Department	161.81	1.92
	<b>Grand Total</b>	<b>150,000.00</b>	<b>11,200.00</b>

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**BUDGET  
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**FINANCE DEPARTMENT, GOVERNMENT OF ODISHA**

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