

**SEVENTH LEGISLATIVE ASSEMBLY OF MIZORAM
(SEVENTH SESSION)**

LIST OF BUSINESS

FOR FOURTH SITTING ON FRIDAY, THE 9th OCTOBER, 2015
(Time 10:30 A.M. to 1:00 P.M. and 2:00 P.M. to 4:00 P.M.)

PRESENTATION OF BUDGET

PU LALSAWTA, Minister to present to the House :

The Annual Budget for the year 2015-2016 with allied papers.

NGURTHANZUALA
Secretary

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SPEAKER : Render therefore to all their dues: tribute to whom tribute is due; custom to whom custom; fear to whom fear; honour to whom honour. (Romans 13:7)

Today is scheduled for budget presentation. Therefore, we shall not take any other business. We are really obliged that, with the immense effort from our hon. Chief Minister, hon. Finance Minister, their respective Parliamentary Secretaries, the Officers and staffs of Finance Department, a regular budget could be presented today. We shall now call upon our hon. Minister to present annual budget for the year 2015-2016, with allied papers in this House.

PU LALSAWTA, MINISTER : Pu Speaker, with your kind permission, I hereby present before the House, the regular budget for 2015-2016 financial year for discussion and to be passed.

2. I have had presented the Vote on Account Budget for April – July 2015, in this House on 19th March, 2015. Again on 7th July, i also had presented the Vote on Account for August – October, 2015. I thank this house for passing these two Votes on Accounts. As we all know, 2015 is the first year in which the states got funds according to the recommendations of the 14th Finance Commission. This 14th Finance Commission has changed how the states avail funds. Besides, the Central Government also made a new system. The Planning Commission is also scrubbed and the National Institute for Transforming India (NITI Aayog) has been created in its place. Therefore, the funds which we got from Five Year Plans and Annual Plan as a Normal Central Assistance (NCA), Special Central Assistance (SCA) and Special Plan Assistance are no more available. Various states including Mizoram which are regarded as special category status no longer hold the same status. We are also informed that the system in which we used to get funds which is 90:10 was also changed. Due to this unavoidable circumstance, the presentation of two Votes on Accounts is inevitable.

3. The total amount which our state will get from 2015-2016 to 2019-2020 financial year according to the recommendation 14th Finance Commission is ₹30584.21 crore, as given in the following table: -

Year	PDRD Grant	Share of Taxes	Urban Local Bodies		SDRF	Total
			Basic	Performance		
2015-16	2139	2670	11.54	-	15	4835.54
2016-17	2294	3081	15.97	4.17	16	5411.68
2017-18	2446	3559	18.46	5.34	17	6045.80
2018-19	2588	4118	21.35	6.06	18	6751.41
2019-20	2716	4769	28.85	7.93	18	7539.78
Total	12183	18197	96.17	24.04	84	30584.21

4. Therefore, the main source of income of our State Government for these five years was from the Share of Taxes and Post-Devolution Revenue Deficit Grant (PDRD Grant). It has to be noted that the revenue we get from Urban Local bodies and State Disaster Response Fund (SDRF) are not available for other purposes.

5. It seems that the amount of fund we has to get from 14th Finance Commission is much more than what we got from 13th Finance Commission. However, all the Plan Funds were stopped in 14th Finance Commission. Besides, the matching share system is also changed from 90:10 to 50:50 which will requires much more money from the state as matching share.

6. The Planning Commission Used to formulate annual plan outlay every year within the Five Year Plan. Besides, we were also used to be given funds by the central Government according to the recommendation of Central Finance Commission for five years as a non-plan fund. From 2015-2016 onwards, all the funds given according to the recommendations of the 14th Finance Commission were given to the state government without separating Plan and Non-Plan Fund. The other means from which we get funds from the central government are from CSS, NEC and NLCPR meant for different schemes. The exact amount which has to be given to our state is not yet finalized by central government. Therefore, the amount appeared in this budget in this regard is also an approximate amount.

Budget Estimates 2015-2016

7. Pu Speaker, Let us now move to the Budget Estimates for the year 2015-2016.

Revenue Receipt

8. Revenue Receipt includes Tax Revenue and non-Tax Revenue Receipt. The expected amount for Tax Revenue during 2015-2016 is ₹ 326.56 crore under State's Own Tax Revenue, and ₹2413.72 crore under Central taxes. The total amount

expected is ₹2740.28 crore.

9. The total amount of expected non-Tax Revenue is ₹4435.17 crore. The amount of State's Own Tax revenue from that is ₹ 252.81 crore and the amount from availed from central government as grants-in-aid is ₹ 4182.36 crore. The non-plan funds from the total grant-in-aid is ₹ 2167.54 crore. The total plan fund is ₹ 2014.82 crore.

10. The amount of Tax Revenue which is expected from our state sources is ₹ 326.50 crore that is 11.92%. The State's Non-Tax Revenue will be ₹ 252.81 crore which is 5.7% of the total Non-Tax Revenue.

Capital Receipt

11. The expected Capital Receipt during 2015-2016 is ₹429.89 crore. Capital Receipt are those loans availed by the government for development works and the returned interest of loans and advances. The expected Non-Debt Receipt (Loans and advances return) is ₹40 crore. Internal Debt (sum borrowed by the government from various Financial Institutions) expected is ₹369.22 crore. Expected amount of loan from Central Government is ₹20.67 crore. Thus, the total public Debt expected will be ₹389.89 crore.

12. The expected amount of ₹2413.73 crore as Share of Taxes from Central Government was made according to the Union Budget. The amount as per 14th Finance Commission is ₹2670 crore. Share of Taxes could increase or decrease according to the amount of tax collected by the Central Government at the end of the Financial Year.

Increase in State Tax and Non-Tax

13. It is always necessary to find a way to increase our income. The government is also trying to find opportunity for this purpose. The revenue received from State Excise during last year i.e. 2014-15 is ₹4.91 crore. This is expected to be increased with the implementation of Mizoram liquor (Control and Protection) Act, 2014. Thus, the expected revenue from State excise has been increased to 35.68 during 2015-2016.

14. The Central Government has increased the rate of VAT collected from different tobacco products such as cigarettes, cigars, cigaritos and tobaccos from the

prevailing 20% to 30%. It is expected that an increase of ₹1.50 crore could be collected from this.

15. The Mizoram Entry Tax Draft Bill, 2015 which had already been passed in this House is also pursued to be implemented. Different new taxes are also expected from this.

16. Efforts have been made to amend the Mizoram (Land Revenue) Act, 2013 and the rules under it. Efforts have also been made to improve land survey, land allotment and measurement, land record management, land revenue assessment and collection which is expected to be completed during 2015-2016. A revenue of ₹1 crore is expected from here.

17. Attempts have been made to increase the revenue from Registration Fee and Stamp Duty under Land Revenue and Settlement Department. Mizoram Registration Rules, 2015 has been prepared under The Registration Act, 1908. ₹5 crore has been expected through this rule during this year.

18. Immense efforts are also required regarding State's Own Non-Tax Revenue. Particularly regarding the cost of water and electric supply, it is necessary to increase at a reasonably rate every year. Steps were also taken by different departments in this regard. Revision of electricity bill used to be done by the Joint Electricity Regulatory Commission (JERC) for Manipur and Mizoram as per the Multi-Year Tariff Regulations, 2014. The present tariff in Mizoram is much lower than those of other North Eastern States. Therefore, it is necessary to increase this tariff to increase our revenue.

Expenditure

19. The total expected expenditure under Consolidated Fund during 2015-2016 is ₹7,756.83 crore. The Gross Revenue Expenditure is ₹6,093 crore. The Gross Capital Expenditure will be ₹1,663.54 crore. The total expenditure under Consolidated Fund after excluding the expected return from Stock Suspense Head is ₹7,576.56 crore. The amount of net Revenue Expenditure during this period is 6091.29 crore. The amount of Net Capital Expenditure is ₹1,485.27 crore.

20. The total amount of expected Non-Plan Expenditure during 2015-2016 is ₹4,519.96 crore. Total expected expenditure under Plan fund is ₹3,097.78 crore.

Besides, there are subsidiary expenditures under CSS which are not included in Plan expenditure which amounts to ₹139.08 crore.

21. The amount of Plan outlay for 2015-2016 which is ₹3,097.78 crore including fund expected from CSS/NEC/NLCPR which is ₹1,873.71 crore. The remaining ₹1,224.07 crore is meant for Plan Sector under state government. This includes different loans which we will avail from various loans which we will avail from various Financial Institutions like NABARD, NCDC, PFC and central government and also the sum we have to receive from Externally Aided Project (EAP).

Uses of State Plan Fund

22. State plan fund is meant for different salaries and Revenue Expenditure, Grants-in-aid (Salaries and Non-salaries), State flagship programme NLUP and State Matching Shares which are under Plan Fund. Even though the amount required for State Matching Share could not be finalized due to the change in the sharing pattern. However, ₹111.40 has been kept so that the ongoing schemes under CSS/NEC/NLCPR will not be hindered during 2015-2016.

23. ₹60 crore has been kept for NLUP. This is meant for more important initiatives.

24. ₹3.61 crore has also been kept for rubber plantation under Soil & Water Conservation Department.

25. Under Animal Husbandry & Veterinary Department, ₹3.47 crore has been kept for the ongoing project of Animal Feed Plant, Ramrikawn. Besides, 13.12 crore has also been kept for a new project called Integrated Veterinary & Animal Husbandry Training Institute, Lungpuizawl, Lunglei.

26. ₹4.90 crore has been kept for 11 new irrigation scheme under Minor Irrigation Department.

27. Under Public Works Department, ₹3 crore has been kept for rehabilitation of West Phaileng-Marpara Road. Also, ₹9.87 crore has also been kept for different new works like Chuhvel-Sihtlang Road, R. Tuichang – Tumtukawn, Zote-Chhipphir Road, Zawngin-Suangpuilawn Road and Laki-Vahai Road.

28. Under Food, Civil Supplies & Consumer Affairs Department ₹27.59 crore has been kept for the ongoing construction work of 27 godowns.
29. ₹14.44 crore has been kept under Public health Engineering Department for the construction of several new WSS like Kelkang WSS, Lamchhip WSS, Khawruhlian WSS, Buangpui Solar Water Pumping System, Tuikum and Greater Serchhip WSS booster Pump House and Renovation of Ngopa WSS.
30. ₹11.34 crore has been allotted under Cooperation Department during 2015-2016 for the upliftment of different Cooperative societies under the scheme of Integrated Cooperative Development Project (ICDP) for four years.
31. Under Under Power & Electricity Department, ₹24.05 crore has been kept for 10% state matching share of Restructured Accelerated Power Development and Reforms Programme (RAPDRP) which had already been sanctioned by the central government.
32. ₹114.70 crore has been kept for the ongoing EAP Project under public Works department for the construction of Champhai-Zokhawthar Road and Chhumkhum – Changte road.
33. Another ₹57.87 crore has also been kept for North-Eastern Region Urban Development Programme (NERUDP) through EAP Project under UD&PA Department for Aizawl Water Supply and Sewerage & Sanitation Programme.
34. ₹34.10 crore has been kept for PSE Reforms & Restructuring under Mizoram Public Resource Management Programme (MPRMP) undertaken by Finance Department.
35. ₹10 crore has been kept for the construction of motor parking at Zodin Square under UD & PA.
36. ₹20 crore is estimated for MLA Local Area Development Fund. From this, each MLA will contribute ₹1lakh each for the expense of Mizoram State Aids Control Society which will amounts to ₹40 lakh. This will be given to the society as grants-in-aid.

Plan Sectoral Allocation

37. The Plan Outlay of ₹3,097.78 crore has been allocated in different sectors as follows:

i)	Agriculture & Allied Services	-	₹318.61 crore
ii)	Rural Development	-	₹292.45 Crore
iii)	Special Area Programme	-	₹97.38 crore
iv)	Irrigation & Flood Control	-	₹91.97 crore
v)	Energy	-	₹76.36 crore
vi)	Industry	-	₹27.17 crore
vii)	Transport	-	₹258.54 crore
viii)	Communication	-	₹15.50 crore
ix)	Science, Technology & Environment	-	₹3.09 crore
x)	General Economic Service	-	₹496.36 crore
xi)	Social Services	-	₹1,347.59 crore
xii)	General Services	-	₹72.76 crore

Non-Plan Service-wise Allocation

38. The total amount of Non-Plan Fund which amounts to ₹ 4,519.96 crore has been allocated to different services as follows:

(a)	Revenue Account		
(i)	General Services	-	₹2,190.26 crore
(ii)	Social Services	-	₹988.78 crore
(iii)	Economic Services	-	₹733.34 crore
(b)	Capital Account		
(i)	General Services	-	₹142.03 crore
(ii)	Economic Services	-	₹178.26 crore
(c)	Public Debt and Loans & Advances	-	₹287.29 crore

Budgetary Borrowings

39. Pu Speaker, as our income is not yet sufficient, it is necessary to borrow money. However, it is really necessary to be careful while borrowing. It is also not possible to borrow the desired amount. Besides, the central government limited the amount which we could borrow and we need to stick to that.

40. The amount which we are allowed to borrow during 2015-2016 is ₹426 crore. This is 3% of our expected GSDP of ₹14,204 crore.

41. Under this possible borrowing, different loans like Market loan and Negotiated loans will be availed for development works from NABARD, PFC and NCDC. Besides, Block loan will also be availed through central government for EAP Projects. Balances from Small Savings, General Provident Fund, Civil Deposits, etc. under Public Account are also considered in calculation of loans availed by the state. Thus, the total amount of Internal Debt and Loans & Advances which is expected to be availed is ₹ 389.89 crore.

Government debt

42. The amount of government debt is calculated from GSDP. For our kind information, the state debt expectation by Thirteenth Finance Commission during 2010-15 and actual amount are as follows:

Financial Year	TFC's Recommended Percentage	Liabilities In crore of Rupees	Actuals as Percentage of GSDP
2010 – 11 (Actuals)	87.3%	4496.86	74.23%
2011 – 12 (Actuals)	85.7%	4548.45	65.06%
2012 – 13 (Actuals)	82.9%	5114.20	63.51%
2013 – 14 (Actuals)	97.2 %	5608.47	54.47%
2014 – 15 (RE)	74.8 %	5863.71	46.91%

Pu Speaker, i would like to point out that we are lower in every year then the recommendation of the 13th Finance Commission. Our expected debt during 2015-2016 is ₹6,260.20 crore. This is 44.07 % from the estimated GSDP of ₹14,204.

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Revenue Surplus and Fiscal Deficit

44. Pu Speaker, the 13th Finance expected the States to have revenue surplus and to have a fiscal deficit of not more than 3% of their GSDP within five years (2015-16 to 2019-2020). We will try our level best to follow this fiscal parameter. In this Budget estimate also, it is expected that there will be a Revenue Surplus of ₹1084.16 crore and a Fiscal Deficit of ₹109.63 which is 0.77 % of the total GSDP.

Financial management and planning

45. Pu Speaker, as already mentioned, we shall not have any available fund for

Plan and Non-Plan Fund during 2015-2016 other than those we got Finance Commission. Thus, we need to increase our tax as well as non tax revenues. Rules of conduct which has to be followed by all departments have been made through the initiatives of our Hon'ble Chief Minister for proper usage of money. The finance department has also made memorandum for the same purpose. It is really important to abide with these rules at all times.

46. The Government also tried its level best to increase our income. It has raised the rate of rice which is used to be sold at ₹9.50 per KG to ₹ 15 per KG. A decision is also made to examine the functioning of our State Public Sector Enterprises. As a result, ZENICS, ZOHANDCO, and MAMCO are proposed to be eliminated. Also, ZIDCO and MIFCO are also proposed to be reformed and privatized. For those regular employees under these enterprises, the Mizoram State Public Sector Enterprises (Early Retirement) Rules, 2015 had already been formulated. It is proposed to be fulfilled during the year 2015-2016.

State Finance Commission Report

47. Pu Speaker, our Government has formed the first State Finance Commission to formulate the granting of funds for Autonomous District Councils and Local Bodies within the state. The Commission had submitted its report to the government on 19th February, 2015. If the government accepted its recommendations, the funding system of the three Autonomous District Councils, Aizawl Municipal Council and Village Councils will be improved.

Conclusion

48. Pu Speaker, 2015-2016 has been planned to be declared as Year of Consolidation. This means that it will be the first objective of the government to cut down expenditure as far as possible. Only the most necessary expenditure will be incurred. It also aims at decreasing the Civil Deposit which has been increasing for a long time. Meanwhile, the government administration and properties will be maintained as good as possible from all available Non-Plan Fund.

49. It is possible to know the approximate financial resources available for our state for the next five years. Therefore, it is the desire of the government to utilize it as most beneficial as possible. I would like to beg the cooperation and help of all my fellow members as well as the people of Mizoram to accomplish this mammoth task.

50. Pu Speaker, I would like to thanks my fellow members for their patience during my speech. I hereby present the Budget Estimate for 2015-2016 in this august house.

SPEAKER : Let the copy be distributed. As No. 147 our rules stated, there shall be a time gap of at least two days from the date of presentation of budget and its discussion. Fortunately, tomorrow and the day after tomorrow is a holiday. Therefore, discussion will be held on the 12th of this month.

Therefore, the House will be stand adjourned till 12th October, Monday.

Sitting is adjourned at 11:15 AM