

Mr. Speaker Sir, with your kind permission, I rise to present the budget for the year 2020-21.

2. It is a great privilege and honour for me to present the fourth budget of our Government. It is also an occasion to re-affirm our commitment to the principles which we had set for ourselves from the beginning.

3. Our Government's policies are people-oriented and our decisions are based on feedback from the people. This is evident from the decisions and actions of the past 3 years of this Government. Various initiatives taken, including 'Go to Hills', 'Go to Village', 'Meeyamgi Numit', 'Hills Leaders Day' and various schemes launched, including Chief Minister's Hakshelgi Tengbang (CMHT), Chief Minister's Shotharabashingi Tengbang (CMST), Start-Up Manipur and Stand-Up Manipur, are ample examples of the dedication of this Government to meet the needs and aspirations of the people of the State.

## Section I

### Governance, Economy and Development

4. Hon'ble members may kindly recall that, last year, we had presented a **deficit budget of Rs. 1,405 crore** for the year 2019-20. Efforts of our Government in 2019-20 was, therefore, directed towards exploring all possible avenues of additional resource mobilization and to cut down the unwanted expenditure, while meeting the developmental needs of the state.

5. At the time of presenting the budget, our open market borrowing during the fiscal 2019-20 was fixed at Rs. 800 crore. Based on actual figures from the finance accounts, we took up the matter with the finance ministry and have been able to get an approval for raising the additional borrowing of Rs. 594 crore. This has eased out our payments to a great extent.

6. Measures to bring more traders under GST regime and strict enforcement have resulted in improvement of GST collection. These measures had a tremendous impact on our SGST collection, thereby increasing the collection from Rs. 301 crore in 2017-18 to Rs. 695 crore in 2018-19. For 2019-20, we expect to achieve our revised target of Rs. 862 crore.

7. In order to improve our revenue collection through excise duties, we have changed the structure of excise duty. Instead of having a fixed duty structure for different kinds of liquor, we now have a graded structure in place for liquor issued to exempted categories in Manipur. As a result, a person consuming a premium quality liquor will have to pay higher duty. At the same time, license and renewal fees have also been doubled. All these measures are expected to increase annual revenue to Rs. 14 crore from the previous annual revenue of Rs. 8 crore.

8. Existing CSD canteens of armed and para-military forces draw their quota of liquor from the bonded warehouse outside the State, mainly from Dimapur. In order to set up a bonded warehouse in the State, Manipur Bonded Warehouse Rules has been amended, keeping it in conformity with the Manipur Liquor Prohibition Act, 1991. This will bring additional revenue of about Rs. 2.31 crore annually in the form of license fee and renewal fees.
9. The rates of VAT on petrol and diesel were enhanced to 25% and 14.5% with effect from 23<sup>rd</sup> October, 2019 respectively from the earlier rate of 21.2% and 10.6%. These measures are expected to enhance the annual VAT collection by about 29%.
10. We have notified the Rules for the State lotteries and the tender process is now on. It is expected to generate additional resource of Rs. 100 crore annually for the State.
11. In this session of the Assembly, I propose to introduce an amendment to the Manipur Professions, Trades, Callings & Employments Tax Act, 1981. This amendment aims to broaden the Professional tax base which will increase the tax collection. Professional Tax can be an important source of revenue for a State like Manipur which has limited options of raising additional revenues. Current ceiling of Rs. 2,500/- of the professional tax is fixed under the Article 276(2) of the Constitution. Since the last amendment was in 1989, we have written to the Ministry of Finance, Government of India to enhance the ceiling to Rs. 50,000/-.
12. The State Cabinet has approved the draft 'Manipur Municipalities Property Tax Rules, 2019'. Currently, suggestions are being invited from all stakeholders. Once it is brought into force it will bring in, approximately, additional annual revenue of Rs. 5 crore to the State.
13. On the expenditure front, we have imposed caps on budgetary outlays in the current financial year for certain expenditures from the Consolidated Fund of the State. **This is likely to result in expenditure reduction of about Rs. 130 crore in the current year.** At the same time, we have prioritised releases of funds under Centrally Sponsored Schemes (CSS) to implementing Departments to ensure that the subsequent tranches of releases from Government of India are not affected.
14. Mr. Speaker Sir, shedding the burden of the past, our Government is sincere in improving the overall financial management and financial health of the State. The Government has taken and proposes to take a number of initiatives. Let me list a few.
15. We launched the **Public Finance Management System (PFMS)** for Engineering Departments on 1<sup>st</sup> April, 2019. Through PFMS, we aim to expedite transfer of funds to vendors or beneficiaries without delay. PFMS enables real time monitoring of fund flow. This further enhances transparency in financial transactions and expedite transfer of funds to beneficiaries, thereby leading to better implementation of Government schemes and projects.
16. The practice of unhindered deposit in 8449 has caused huge damage to State's finances as it has created huge liabilities without any backing of resources. Moreover, it

shows in our Finance Accounts as “outstanding debt”. Our debt-GSDP ratio at 37.88%, as estimated in RE 2019-20, is alarming and is one of the highest in the country. It was probably done earlier to avoid lapse of plan funds. With the distinction of plan and non-plan gone, any unspent amount this year is a resource for the next year. Last year, we had restricted deposits in 8449. This year, we intend to eliminate it altogether.

17. We had started a pilot run of the e-KUBER payment system from 6<sup>th</sup> January, 2020 in the Imphal East treasury. Subsequently, this has been implemented across the State in all Treasuries from 11<sup>th</sup> February, 2020. Now, for the purpose of payments from treasuries, there will be no involvement of banks and it will be transacted directly through RBI. We will also be able to get the upto date cash position by the end of every day. This new system will expedite payment to the concerned payees, improve accounting and also enable better cash-flow management.

18. We have already initiated steps to roll out **e-GRAS** (online Government Receipts Accounting System) to enable online collection of Government fees, dues and other receipts. This measure will not only improve revenue collection for the Government but will also make it easier and simpler for the public to pay.

19. Mr. Speaker Sir, before I proceed further, I wish to place before this August House some important aspects of the state of the economy.

### **State of the Economy**

20. The Gross State Domestic Product (GSDP) for 2019-20 is estimated at **Rs. 30,131 crore** at current prices, an increase of **16%** over 2018-19. In the next financial year 2020-21, we estimate GSDP at the current prices to reach the level of **Rs. 33,569 crore** which is an increase of **11%** over 2019-20. With the various measures taken by our Government, we expect that this double digit growth will continue.

21. Increase in collection under State’s Own Tax Revenue (SOTR) deserves a mention. There has been a quantum jump in collection of our own tax revenue between **2016-17** and **2018-19**. In **2016-17**, the collection of tax revenue was **Rs. 586 crore**, which increased to **Rs.790 crore** in **2017-18**. In **2018-19**, it further increased to **Rs.1,046 crore**, an increase of **32 %** over 2017-18 level. While this is mainly on account of increase in collection of GST during the period, other sources of SOTR have also recorded healthy increase. In **2019-20** and **2020-21**, we are expecting SOTR collection to further increase to **Rs. 1,243 crore** and **Rs.1,324 crore** respectively.

22. Sir, it needs no re-iteration that Manipur depends heavily on the Central Government for its financial resources. The resource transfer from Government of India in any fiscal year constitutes about 90% of the total revenue receipt. Out of the unconditional grants from Government of India, the **State’s share in central taxes constitute the largest component**. Therefore, any change in our share in central taxes has a tremendous impact on the state’s finances.

23. Our problem of shortage of resources has been compounded by unrealistic assumptions by the 14<sup>th</sup> Finance Commission. There is a huge gap between the assessed share by the 14<sup>th</sup> Finance Commission and the actual devolution of central taxes by the Government of India. The cumulative shortfall in the first 4 years i.e. 2015-2019 is **Rs. 2265 crore**. In 2019-20 i.e. the last year of the 14<sup>th</sup> Finance Commission, the difference between the assessed tax devolution and actual tax devolution is projected at **Rs. 2348 crore**. Therefore, **the cumulative shortfall during the 14<sup>th</sup> FC Award period (2015-2020) will be Rs. 4613 crore** which is a substantial gap for a State like ours.

24. Mr. Speaker Sir, during the current year, the devolution of share of taxes from Government of India has shrunk, putting tremendous pressure on the fiscal health of our State. During the Vote-on Account of the Union Government presented in February last year, share of central taxes for Manipur was projected at **Rs. 5211 crore**, which was the basis of our resource estimate for the BE 2019-20. In the July 2019 Budget of the Union Government, it was **revised to Rs. 4992 crore**. In **RE 2019-20** of the Government of India, the share of Central Taxes for Manipur has been further **reduced** to only **Rs. 4048 crore**. There is thus a **downward revision of Rs. 1163 crore in the share of central taxes** for the year 2019-20 from our BE to the RE stage. Considering our narrow resource base, there is no way the State can fill this gap. As a result, despite our best efforts to raise additional revenues and cut down expenditure, some of which I mentioned earlier, **there is an increase in the estimated budget deficit of the current year from Rs. 1405 crore to Rs. 1720 crore**.

25. Speaker Sir, the shortfalls in State's share in Central Taxes along with increasing revenue expenditure have impacted the finances of the State very badly and the State has been frequently into the Ways and Means Advance and overdraft. Though WMA is a means to overcome temporary cash imbalance, it involves repayment liabilities and payment of interest. This further reduces our limited financial resources.

26. Our Government continues to face huge challenges on the fiscal consolidation front. The combined impact of **cumulative shortfall in share of Central Taxes on account of unrealistic projections by 14<sup>th</sup> FC, expenditure on development not covered by CSS/Central Grants** and **continuously increasing revenue expenditure** have made our task of keeping fiscal deficit and public debt under control very difficult. There was fiscal slippage in 2018-19 with fiscal deficit increasing to (-) 3.55% vis-a-vis (-) 1.40% in 2017-18. In order to overcome the fiscal challenges faced by the State, in the current year 2019-20, we had to resort to expenditure reduction.

27. Sir, I take this opportunity to place before the House some of the recommendations of the 15<sup>th</sup> Finance Commission for the year 2020-21. The full Report covering next 5 years i.e. 2021-26 will be out later during the next financial year. Let me briefly mention the highlights of the 15<sup>th</sup> FC recommendations for 2020-21.

- For 2020-21, the Commission has assessed **Rs. 6140 crore as tax devolution for the State**. Against this, the Govt. of India in its Budget 2020-21 has made provisions for **Rs. 5630 crore** as State's Share in Central Taxes for 2020-21.

- The Commission has recommended **revenue deficit grant of Rs. 2824 crore for Manipur for 2020-21**. However, **it has been made conditional** on rationalization of revenue expenditure on salary, pension and interest payment as well as improvement in mobilization of State's own resources. And the message is loud and clear in the Union budget of 2020-21. **Against Finance Commission's recommendation of a total of Rs. 74,340 crore as post-devolution revenue deficit grant for 14 states for 2020-21, budget provision by the central government is only Rs 30,000 crore. Therefore, in order to avail of the full amount of revenue deficit grant, we need to reform, perform and rationalise our revenue expenditure.**
- In the 14<sup>th</sup> Finance Commission, the recommendation was restricted to Gram Panchayats only. The 15<sup>th</sup> Finance Commission has recommended grants for **both Zilla Parishads and Gram Panchayats**. An amount of **Rs. 177 crore** is recommended for 2020-21. 50% of the amount will be tied to water and sanitation related activities and the remaining 50% will be untied.
- The Commission has recommended **Rs. 85 crore for urban local bodies**. Out of this, 50% will be tied to drinking water and solid waste management.
- Under **Relief and Disaster Management**, the Commission has recommended a total amount of **Rs. 47 crore** under the new **State Disaster Risk Management Fund**. Out of this, **Rs.42 crore** will be the **Central Share** and **Rs. 5 crore** the **State Share**. This is to be further divided into State Disaster Response Fund and State Disaster Mitigation Fund in the ratio of 80:20.
- The Commission has expressed its intentions to recommend grants for **Sector Specific Projects** from 2021-22. Relevant sectors for the State include **Health, Police Training & Housing, Maintenance Grants for PMGSY roads, Pre-Primary Schools, Grants for Judiciary, and Statistics**. To be eligible for Grants under these sectors, the State has to make certain preparations, in consultation with the Central Government.
- The Commission has recommended **performance based incentives** for certain areas, namely **agriculture, Power Sector reforms, enhancing trade including exports, incentives for education, promotion of domestic and international tourism and under Aspirational Districts Programme (ADP)**.

28. Sir, it is the resolve of our Government to present the true picture of the state of our economy without any inflation and depression of data. Like other aspects of public life, it is our firm belief that transparency should be maintained in public finance as well. We have tried not to curb critical allocation across all the sectors as well as committed expenditure, which we are duty bound to fulfil. **Given the circumstances, I am presenting a deficit budget of Rs. 1720 crore for 2019-20(RE) and Rs. 723 crore for 2020-21(BE).**

## Section II

### Investment, Expenditure and Policy Initiatives

#### Investing in Human Capital

29. Speaker Sir, for Manipur its talented people are the most important resource. We therefore believe that investing in our human capital is the need of the hour. Education has been given the topmost priority by our government. Investing in Education will pay rich dividends not only for our state but also for the nation. We have therefore enhanced the budgetary outlay for Education from **Rs. 1748 crore** in BE 2019-20 to **Rs. 2017 crore** in RE 2019-20 and further to **Rs. 2252 crore** in BE 2020-21. The '**Go To School' Mission (School Phagathansi Programme)** of this Government, started this fiscal, aims to provide quality education in government schools by providing quality teaching along with quality infrastructure. It has got an excellent response and, with the support of all Honourable members of this House, the results are already there to be seen. Considering the initial need to have good infrastructure, the budgetary allocation for this Programme has been enhanced from Rs. 25 crore to **Rs. 42.5 crore** in RE 2019-20.

30. Higher Education is critical to the development of the State. 4 (four) Government aided colleges have been converted into Government colleges. Of these, 2 are Women colleges and the other 2 are located in the Hill districts. This conversion will help provide quality higher education to female students and students belonging to the hill areas of the State. 19 new courses have been started in the Dhana Manjuri University, thereby opening up multiple study options to the students. We are continuing our support to the University and have allocated **Rs. 6 crore** in BE 2020-21.

#### Skill Development

31. Sir, acquisition of the right skills will greatly improve the employability of our youth. Apart from this, youth with the right skills can become entrepreneurs which will benefit the State's economy. Skill development programs have been taken up under various schemes including PMKVY (Pradhan Mantri Kaushal Vikas Yojana), SANKALP (Skills Acquisition and Knowledge Awareness for Livelihood Promotion) and STRIVE (Skill Strengthening for Industrial Value Enhancement) which have greatly benefitted the people of this state. The Budgetary Outlay under Skill Development has been enhanced from **Rs. 51 crore** in BE 2019-20 to **Rs. 71 crore** in BE 2020-21.

#### Health for All

32. The flagship Health Programme of our Government-**Chief Ministergi Hakshelgi Tengbang (CMHT)**-has ensured that poorer sections of the society have access to good healthcare services. We aim to continue to provide this support and a budgetary allocation of **Rs. 20 crore** has been made in BE 20-21.

33. The Jawaharlal Nehru Institute of Medical Sciences (JNIMS) is the premier medical institute of our state and has been providing quality secondary and tertiary healthcare to the people of this state. Considering the genuine requirement of this Institute, the budgetary support to JNIMS has been increased from the existing level of Rs. 95 crore in BE 2019-20 to **Rs. 103.34 crore** in RE 2019-20 and to **Rs. 116.4 crore** in BE 2020-21.

34. Proper management of biomedical waste generated from medical facilities is a critical area to ensure a healthy society. For this purpose, we have made a budgetary allocation of **Rs. 2 crore** in BE 2020-21.

35. The Budgetary Outlay under Medical, Health and Family Welfare Services has been enhanced from **Rs. 745 crore** in BE 2019-20 to **Rs. 846 crore** in BE 2020-21.

### **Drinking Water & Sanitation**

36. Sir, provision of safe drinking water and proper sanitation are priority areas of our Government. The Chingkheiching Water Treatment Plant is critical in our effort to provide safe drinking water to the areas in and around Imphal. As the project is in an advanced stage, an additional allocation of **Rs. 35 crore** has been made in RE 2019-20. For BE 2020-21, an allocation of **Rs. 15 crore** has been provided. All steps have been taken to start the implementation of NDB-assisted project of drinking water supply. A provision of **Rs. 82.5 crore** as State Component for this project has been kept in BE 2020-21.

37. The Imphal Sewerage Project Phase-I has been completed and is undergoing trial runs. This will be commissioned by March 2020. To enable the PHE department to operationalize the Imphal Sewerage System, a provision of **Rs. 10 crore** has been provided in RE 2019-20.

38. The budgetary outlay under Drinking Water & Sanitation has been enhanced from **Rs. 261 crore** in BE 2019-20 to **Rs. 426 crore** in RE 2019-20 and further to **Rs. 1017 crore** in BE 2020-21.

### **Bridging the Hills-Valley Divide**

39. Sir, this Government has taken great strides to bridge the divide between the valley and the hill areas of Manipur. Our various initiatives including 'Go to Hills', 'Hill Leaders Day' and 'Construction of Ima Markets in hill districts' are a testament to this fact. Pension for employees of the Autonomous District Councils had been a long standing demand and the Government has taken a decision to provide pension to ADC employees. The Government has allocated **Rs. 13.5 crore** & **Rs. 35.2 crore** for this purpose respectively in RE 2019-20 & BE 2020-21.

40. The Village Chiefs/ Chairman of the Hills are an important point of contact for the Government. They have a crucial role in the development of these villages. Due to

accommodation shortages faced by them in Imphal during their visits, our Government has taken a decision to construct a Guest House, for which an allocation of **Rs. 2 crore** has been made in BE 2020-21.

41. The budgetary outlay under Tribal Affairs & Hills has increased from **Rs. 676 crore** in BE 2019-20 to **Rs. 885 crore** in RE 2019-20 and further to **Rs. 912 crore** in BE 2020-21.

### **Doubling Farmers' Income**

42. Agriculture constitutes an important part of our State's economy and is the largest employment provider. Our Government is aware of the hurdles faced by our farmers and the agrarian economy. The Government has taken various steps to improve food production and at the same time increase the income of farmers. Speaker Sir, I am proud to proclaim that due to the consistent efforts of this Government, the State received the prestigious Krishi Karman award on 2<sup>nd</sup> January 2020 for highest foodgrain production under Category-III.

43. During the 2019 Kharif season, there was scarcity of rainwater. A drought was declared and a Compensatory Crop Plan was put into action to reduce the distress in the drought affected areas. An allocation of **Rs. 6.03 crore** was provided for this purpose and has been reflected in RE 2019-20.

44. The budgetary outlay for Agriculture has been enhanced from **Rs. 316 crore** in BE 2019-20 to **Rs. 329 crore** in RE 2019-20 and further to **Rs. 388 crore** in BE 2020-21.

45. Illegal cultivation of poppy plants has been fueling the drug menace in our society. This government is aware of this problem and has taken steps to curtail such activities. Mass destruction of poppy farms has been undertaken across the state. On the other hand, we also aim to provide farmers involved in poppy cultivation an alternative source of livelihood. We are introducing a scheme – ***Cultivation of horticulture crops as an alternative to poppy cultivation*** and, for the pilot run, a budgetary allocation of **Rs. 50 lakhs** have been provided in BE 2020-21.

46. Sir, increase in crop productivity requires effective irrigation. This government is committed to enhancing irrigation facilities so as to realize the full potential of our farmland. Accordingly, the capital outlay for Irrigation has been enhanced from **Rs. 336 crore** in BE 2019-20 to **Rs. 456 Crore** in RE 2019-20 and further enhanced to **Rs. 503 crore** in BE 2020-21. In order to expedite construction of field channel distribution system for the Thoubal Multipurpose Project and Dolaithabi Barrage Project, loans have been availed from NABARD under LTIF to complete the Project in 2020-21.

### Textile and Industries

47. Although the State does not have major industrial activity the Government believes that it can be an important source of employment as well as a major driver of economic growth for the State. The budgetary outlay for this sector has been enhanced from **Rs. 177 crore** in BE 2019-20 to **Rs. 186 crore** in BE 2020-21.

48. In our country, MSMEs contribute 30% of the country's GDP, and growth in MSMEs is an indicator of growth in the economy. Speaker Sir, I am proud to state that Manipur has emerged on the top in terms of the numbers of MSMEs registered among the North-Eastern States, as reported by the Ministry of MSME. This report, along with the State Government's data on new business registration, reveals a rapid growth of new businesses in the State. During the period 2005-19, 16,381 new businesses were registered. Out of this, 10,352 businesses, which is about 63%, were registered during 2017-19. The State Government has given an aggressive push to women-led entrepreneurship and this is evident from the report of the Ministry of MSME which shows Manipur as the top state in the country in terms of women-owned businesses. In Manipur, 50% of businesses are owned by women, while the national average is 20%.

49. A **Mega food park** will be set up in Yaithibi Khunou at an estimated cost of **Rs. 81.83 crore**. For this, land has already been allotted by the Government. Part funding will be from the Ministry of Food Processing Industries and part funding will be by loan from the **Food Processing Fund** of NABARD. The Manipur Food Industries Corporation Ltd. (MFICL) will be the implementing agency for this project.

### Rural Development

50. Sir, it is our firm belief that the development of the State cannot happen without the development of the rural areas. Various Centrally Sponsored Schemes and projects have been provided adequate support in the budget. To give an example, for improving the rural road infrastructure, this Government has provided additional support of **Rs. 43.11 crore** in RE 2019-20 under PMGSY (Pradhan Mantri Gram Sadak Yojana). The Budgetary outlay under Rural Development has increased to **Rs. 2714 crore** in B.E. 2020-21 from **Rs. 1869 crore** in R.E. 2019-20.

### Public Works

51. Sir, public works, including construction and maintenance of Government Buildings, Roads and Bridges, are a critical part of the Government. Considering their importance, the Budgetary Outlay under Public Works has been enhanced from **Rs. 855 crore** in BE 2019-20 to **Rs. 895 crore** in BE 2020-21.

52. The Government aims to take up the construction of the Imphal Ring Road with EAP funding. This project, once completed, will greatly reduce the traffic congestion seen in Imphal at present and will also give a strong boost to the economy. To take up the

initial studies and analysis of this project, an allocation of **Rs. 95 lakhs** has been provided in RE 2019-20. Further, an additional allocation of **Rs. 8.74 crore** has been made in RE 2019-20 under State Component of ADB assisted SRCIP (SASEC Road Connectivity Investment Program) for the work “Construction of Imphal-Kangchup-Tamenglong” road, to accelerate the pace of works.

### Tourism

53. Sir, our potential in tourism is immense. Tourism can not only provide steady revenue but can also generate jobs for the youth of the State. We have been hosting various festivals to generate interest and attract tourists from the rest of the country and from all over the world. We will continue to provide support for these festivals. In addition to this, there is a need to develop tourist spots and provide adequate facilities in tourist spots.

54. The Government is planning to develop tourist spots in all the districts of the state, for which an allocation of **Rs. 18 crore** has been made in BE 2020-21. The world’s tallest railway bridge is being constructed in Noney. We intend to make this area a tourist attraction, for which an allocation of **Rs. 3 crore** has been provided in BE 2020-21. An allocation of **Rs. 5.77 crore** has also been made in BE 2020-21 for infrastructure development of the integrated tourist destination and circuit.

55. The Imphal-Mandalay Flight service is likely to be introduced this year. A provision of **Rs. 7 crore** has been made in RE 2019-20 for this flight service. The Imphal-Mandalay bus service is also likely to start within this year and for this an allocation of **Rs. 50 lakh** has been made in RE 2019-20. These initiatives will not only boost cultural and economic ties but also bring in tourists. Medical tourism is another area where the State has great potential due to its affordable and high quality medical service.

### Forest & Environment

56. Sir, our Government gives high priority to environmental conservation and protection of forest cover and wildlife. The **Chief Minister’s Green Manipur Mission** is aimed at giving the much needed push to this area. For this mission a budgetary allocation of **Rs. 1 crore** has been provided in BE 2020-21.

57. Sir, an amount of **Rs. 97.72 Crore** has been sanctioned by the Ministry of Environment and Forest, Government of India for the project ‘*Rejuvenation and Conservation of Nambul River*’. The Project will help in making the entire 9.15 km stretch of Nambul River from Iroisemba to Heirangoithong pollution-free. This will also reduce the inflow of polluted water into Loktak. An amount of **Rs. 18 crore** has been released, till date, for the Project. Efforts are also being made to bring in more funds in the form of Centrally Sponsored Schemes and Projects, especially for the development of Loktak Lake.

58. The Budgetary Outlay for Forest & Environment has been enhanced from Rs. 232 crore in BE 2019-20 to **Rs. 354 crore** in RE 2019-20 and further to **Rs. 491 crore** in BE 2020-21.

### Journalists' Welfare

59. Sir, It is our endeavor to increase exchange of information and thoughts between the Government and the Public. The media is the medium to facilitate that exchange. It is the aim of our Government to look after the welfare of mediapersons. Under the Manipur Journalist Pension Scheme, monthly payments are made at the rate of Rs. 4000/- (for retired Journalists) and Rs. 2000/- (for family pensioners). We have enhanced the allocation for this pension scheme from **Rs. 5 lakhs** in BE 2019-20 to **Rs. 20 lakhs** in both RE 2019-20 & BE 2020-21.

### Scheduled Castes, Minorities and Other Backward Classes

60. The State cannot move ahead without improving the condition of our citizens, especially those categorized under Scheduled Castes, Minorities and the Other Backward Classes. Under Prime Minister's Jan Vikas Karyakaram (PMJVK), constructions of residential school buildings, hostels and water supply scheme and Sadbhavana Mandap in minority concentrated blocks are taken up.

61. The Government has been conducting various Entrepreneurship Development Programme (EDP), Skill Development Programme (SDP) and coaching programmes for students of Government schools. Pre-Matric, Post-Matric and Merit-cum-Scholarships are being offered for SCs, Minorities & OBCs.

62. The State Government will continue to provide assistance to Wakf Board for modernization of Madrassas and annual Haj pilgrimage. Accordingly, an amount of Rs. 1.50 crores and Rs. 50 lakhs have been earmarked in B.E. 2020-21 for the above purposes. The Budgetary outlay for Scheduled Castes, Minorities and Other Backward Castes has been enhanced from **Rs. 112 crore** from BE 2019-20 to **Rs. 275 crore** in BE 2020-21.

### Corpus Funds

63. Speaker Sir, it is important to ensure maximum flow of funds to the State to ensure higher pace of development. Proper flow of funds from the Centre under various Centrally Sponsored Schemes depends to a large extent on the provision of adequate State Matching Shares. Provision of adequate State Matching Share has been difficult as the actual requirement cannot be accurately assessed. There is often a wide variation between the anticipated and actual Central releases. Though we have attempted to provide State Matching Share for various Centrally Sponsored Schemes, in order to meet any shortfall, we have proposed to create a '**State Share Corpus**'. An allocation of **Rs. 200 crore** has been provided in this corpus for BE 2020-21.

64. In addition to the above, a separate '**Development Corpus**' has been created with an allocation of **Rs. 130 crore** in BE 2020-21. This corpus fund will be used to fund special projects which can bring real and tangible benefits to the State.

### Section III

#### Revised Estimate 2019-20 & Budget Estimate 2020-21

##### Revised Estimates 2019-20

65. In the Budget Estimate for 2019-20, total expenditure estimated was **Rs. 16,117 crore**. The total expenditure during RE 2019-20 has been revised to **Rs. 20,607 crore**. Out of the Revised Estimates for 2019-20, an amount of **Rs. 4,234 crore** is Charged expenditure under the Consolidated Fund of the State and the remaining amount of **Rs. 16,374 crore** is Voted expenditure.

66. Revenue receipts and capital receipts were estimated at **Rs.13,157 crore** and **Rs. 1,478 crore** respectively in Budget estimates 2019-20. This has now been revised to **Rs. 13,897 crore** and **Rs. 4,605 crore** in RE 2019-20 respectively. The Capital outlay increased significantly from the budget estimates of **Rs. 2,267 crore** to **Rs. 2,959 crore** in the revised estimates.

67. As I mentioned earlier, due to precarious financial situation, the State has gone into Ways and Means Advances (WMA) a number of times which has been repaid automatically as soon as the balance is positive. **All overall receipts and expenditure figures are inclusive of Ways and Means Advances and Repayments.**

68. Taking into account all receipts and expenditures, the current year is expected to have a budgetary deficit of **Rs. 1,720 crore** as against the deficit of **Rs. 1,405 crore** in BE 2019-20. The fiscal deficit for 2019-20 (RE) is projected at **Rs. 2670 crore**, which is **8.86%** of GSDP.

##### Budget Estimate 2020-21

69. Sir, let me turn to the Budget Estimates for the year 2020-21. The total receipts are estimated at **Rs. 20,146 crore**. The revenue receipts are estimated at **Rs. 18,083 crore** and capital receipts at **Rs. 2,063 crore**. Total estimates of State's own tax and non-tax receipts in the BE 2020-21 are **Rs. 1,325 crore** and **Rs. 257 crore** respectively. Receipt from the State's share in Central Taxes & Duties is estimated at **Rs. 5,630 crore** in BE 2020-21. This is an increase of 39% over RE 2019-20 estimates.

70. For the year 2020-21, I am proposing a total expenditure of **Rs. 21,224 crore** out of the Consolidated Fund of the State. Out of the total expenditure, an amount of **Rs. 2,066 crore** is Charged expenditure and the remaining amount of **Rs. 19,159 crore** is Voted expenditure.

71. Sir, total Revenue Expenditure is estimated at **Rs. 16,445 crore**. Capital outlay is estimated at **Rs. 3,356 crore**, which is an increase of **Rs. 397 crore** over Revised Estimates of 2019-20.

72. Sir, at the end, let me sum up by highlighting the likely fiscal position during the next year. Fiscal deficit is estimated at **Rs. 1,363 crore**. This is **4.06%** of the GSDP and it is beyond the prescribed limit of 3% fixed as per the State FRBM Act. The total outstanding debt is projected at **35.91%** of the GSDP during 2020-21 against revised estimates of 37.88%.

### **Concluding remarks**

73. Speaker Sir, this budget is not a 'Magic Pill' that can miraculously solve all the problems, constraints faced by the State in general and particularly the economy. There are serious issues facing the State's economy and this Government, through this budget, conveys its seriousness in tackling these issues to bring about real and holistic development to the State.

74. With this, I commend the Budget for 2020-21 to this August House.

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