

**GOVERNMENT OF KERALA**

**REVISED BUDGET SPEECH  
2016-17**

*By*

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**on**

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# I

## **Preface**

1. Sir, I am presenting the budget of state of Kerala for 2016-17 before the Legislative Assembly.
2. Sir, this is the centenary year of Sree Narayana Guru's historic proclamation "we do not belong to any particular caste or religion". This declaration has played a predominant role in defining Kerala over the last hundred years. The recent elections that brought this Government to power is yet another profound reassertion of the fact that the people of Kerala remain ardently committed to this hallowed ideal. Our people have resoundingly rejected very powerful and concerted attempts, hitherto unprecedented in scale, that were launched to perpetrate differences on the basis of caste and religion in our State. Kerala has proudly upheld its renascent traditions. Not only in our collective social life but also in our political and economic perspective, there is an underlying vision behind the renaissance traditions of our State. One of the subjects of my studies during my education was about the revolutionary moorings that underpin the teachings of Sree Narayana Guru. It is at the sublime height of this revolutionary consciousness that the Guru

made this proclamation that he does not belong to any caste or religion. It was during that period that some prominent persons in their acute short-sightedness and religious obscurantism rejected the teachings of the Guru and even filed legal proceedings against this. Our Government will fly high the banner of this glorious tradition of Kerala's renaissance and faithfully carry it forward. Sir, the first budget of the Left Democratic Front led by Pinarayi Vijayan will truly serve as a signboard to the transformation that Kerala will witness in the next five years.

3. I am fulfilling my duties today on a dawn heavily overcast with the black clouds that loom over the economy of our State. The steep decline in the prices of cash crops continues without respite. After nearly two decades, the growth in the state economy now lags the national average for the first time. If the gulf crisis persist further, it will certainly adversely affect our foreign exchange earnings. This will lead to the ebb of the strong and sustained momentum in Kerala economy witnessed from the close of the eighties.
4. We are not in a position to significantly influence the price of our cash crops. Neither are the developments in the gulf economy something that we can moderate. Therefore, this is the opportune time when the state government should intervene, with all its might, in our own economy and rapidly hasten growth

in its domestic output. However, the financial crisis of the state government has to a great extent drained the strength of the state government to intervene meaningfully.

5. The total outlay of the last three years was Rs.70152.80 crore. In addition, the Finance Minister had declared projects worth Rs.4730.79 crore in the budget speech. No doubt, these amounts are quite impressive. But in reality, the actual expenditure was only Rs.1503.63 crore, which is only 31.78 % of the target. Government was simply unable to find the funds required for the development projects.
6. One of the most decisive factors that determines the future growth of an economy is its capital outlay. Historically, capital expenditure in the state is low compared to other states, due to the relatively greater emphasis that the State has placed on its social sectors. A deviation from this was visible only during the tenure of the last LDF Government. Capital Expenditure of the Government increased to 10.64 % of Government expenditure during 2010-11. However in 2015-16, it slipped to 6.51 %. Today, 60-70% of the amount borrowed by government each year has to be set apart for meeting routine expenditure. In the award of the XIV Finance Commission, Kerala is expected to have no revenue deficit by this year. But based on the data available with me, if the situation in the last three years continues as such, then the revenue deficit may well exceed 20,000 crore

rupees. This inordinate rise is on account of the expenditure for paying arrears of pay revision. However, whatever be the reasons, the fact that all our borrowing does not suffice to meet our daily routine expenditure reflects the total financial deadlock that our economy finds itself today. This certainly is not the future that we look forward to. Therefore, we decided to explain the reasons for this situation to the public through a white paper. I do not intend to dwell upon details presented in that document that was placed before the State Legislature.

7. The reason behind this crisis is the sharp slump in state tax receipts. Rs 1,26,666.62 crore was the total tax that was to be collected as per the budget estimate for the last three years. In addition to this, an amount of Rs. 3,463.68 crore was also expected to be collected through additional resource mobilization. Thus the total amount would be Rs 1,30,130.3 crore. Only 81.63 % of the target could be collected. This is the primary reason behind the crisis. Mismanagement and corruption in tax administration are the main reasons behind the collapse in tax receipts.
8. In addition to this, anarchy in expenditure has also contributed to the present crisis. Decisions were taken in an ad-hoc manner, often without consulting Finance Department, outside the scope of what was specified in the budget.

9. Consequently, the State Treasury faced an intense ways and means squeeze. Plan expenditure had to be curtailed. Despite that, treasury operations could be stabilized only by temporarily postponing inevitable expenditure. The immediate short-term commitment of Rs. 6302 crore includes Rs. 1074 crore towards pension arrears, Rs. 1632 crore towards contractors' payment, Rs. 1431 crore towards the amount transferred to electronic ledger account, Rs. 800 crore towards the amount in queue and Rs. 1365 crore towards short term loans from Welfare Funds. This severe ways and means crunch will continue not only during current year but may well cast its shadows into the next year as well.
10. Sir, though I have briefly outlined the crisis that we find ourselves in, this is by no means to plead helplessness in moving forward. Income from taxes can be considerably enhanced by eliminating corruption and mismanagement. There will not be any curtailment of expenditure on relief schemes for the poor and protection of their employment sectors. Wherever possible, expenditure for creation of new institutions and posts, except in sectors like health, shall be postponed for the next two years. In this manner, the inordinate increase in revenue expenditure can be brought under control. Through this measure, revenue deficit can be reduced. More and more of our annual borrowing can then be allocated for capital expenditure. Using a portion of this

to leverage funds and mobilise resources that are multiple times this amount, Government can give a significant boost to public capital expenditure. If we are able to ensure capital investment of a lakh crore rupees in the State during the next five years, we will, undoubtedly, be able to bail out our State from the present morass of economic stagnation.

11. Sir, this is the development strategy in the Budget for 2016-17.

## II

### **Total Social Security**

12. Sir, “Bless us with food and clothing and save us from want” was what Sree Narayana Guru prayed for. Notwithstanding our dire financial straits, the LDF will abide by the promises to the poor in our State. The first decision of this Government was to increase the social security pensions. Along with this, Government is taking measures to realize the slogans “House for everyone” and “Electricity, water supply and toilets in every house”. This, put together with concerted programmes to raise quality standards both in schools where the poor study and public hospitals on which they depend, would make the architecture of a comprehensive total social security package.

#### ***Welfare Pensions***

13. All social security pensions are increased to Rs.1000. For this an additional amount of Rs.1000 crore is additionally earmarked. All



arrears of pensions estimated at more than a thousand crore will be disbursed before Onam. Pension at Rs.1000 from June onwards will also be disbursed. Furthermore, one month's pension will be given in advance.

14. Meticulous preparation for home delivery of welfare pensions involves time. This is the main hurdle for the disbursement of arrears. Pension can be disbursed in three ways (1) through the old system of money order (2) through bank account and (3) banking correspondents withdrawing the amount from bank and delivering the amount at the doorstep. Through Kudumbasree, the option preferred by each welfare pensioner will be identified. Apart from physically challenged persons, all other pensioners will be eligible for only one pension.
15. All persons in the State above 60 years will be brought under the umbrella of a pension cover. As a first step, all workers who are above 60 years and are working/have worked under Employment Guarantee Scheme will be given pension. Those who have been abandoned by husbands for more than five years will also be given widow pension.
16. Besides providing pension to all eligible persons, a contributory pension scheme will be introduced to provide a higher pension to those who desire so.

### ***Comprehensive Health Insurance***

17. Kerala spends the highest amount for medical care among all States. Huge medical expenses that may have to be incurred

often becomes a prime reason for driving families into abject poverty. A project anchored on the Public Health system to ensure complete free medical treatment for all diseases will be implemented.

18. The current Central Government Scheme RSBY finances in-patient treatment for an amount up to Rs. 30000. In addition to this, there are several parallel or complementary health financial assistance projects in various Departments. The aim is to launch a comprehensive health insurance project by integrating all these schemes. Karunya is the most important among them. At present, Karunya depends on the mercy of the Lottery Department. Assistance under Karunya will in future be made the right of the people.
19. Measures will be taken to extend the coverage through RSBY further. Except for a few sections, all labourers covered under employee guarantee schemes, will be brought under the free RSBY network. Free medical cover will be extended to all fatal diseases like cancer, heart disease, stroke, brain tumour, diseases of liver, kidney etc. care for all those who have RSBY health cards. It is estimated that nearly Rs. 1000 crore will be required for this massive insurance scheme. Besides this, steps will be taken to insure them for life with free premium.

### ***Housing***

20. If the UDF Government had not brought the EMS Housing Scheme and MN Laksham Veedu Scheme to a halt, our dream of

“Houses for All” would already have been realized by now. Withdrawing from these schemes mindlessly has derailed the entire housing programme in Kerala. Because of the shortage of funds with Government, more than one lakh partially complete houses are in various stages, with all the due instalments not given to the beneficiaries.

21. It is the goal of the LDF Government to fully resolve Kerala’s housing problem in the next five years. On this basis, efforts will be launched this year itself. Under the auspices of Local Self Governments, a comprehensive list of those who require houses shall be prepared and published. Only one house for a ration card will be allowed. Marks should be awarded to the applications based on the criteria prescribed by the State Government. Kudumbashree neighborhood groups - Ayalkootams will check the veracity of the applications. Thereafter, applications should be presented before the Grama Sabha. The final list shall be printed and distributed. Dividing the houses among Ward will not be permitted.
22. Based on this list, Local Self Government Institutions will be permitted to avail loan from Cooperative banks. Rupees two lakh will be provided as financial assistance for each house. The assistance will be Rs. 2.5 lakh for SCs and Rs. 3 lakh for STs. The interest of the loan will be provided to banks directly by the State Government. The principal amount should be remitted back from the development fund of Local Self Government

Institutions. Permission will be given to complete the construction of houses with contribution from generous well-wishers, voluntary work, beneficiary contribution etc. This will be implemented by integrating with IAY scheme.

23. Construction of pre-fabricated houses will ensure timely completion and limit the expenditure within the approved outlay. The models of houses which can be constructed with the subsidized amount shall be provided through accredited agencies. Local Self Government Institutions can enter into contract with agencies accredited by Government. Priority will be given to those who are willing to construct houses in this way.
24. Government will also formulate a scheme to complete houses that have been partially completed. Local Self Government Institutions shall prepare the list of the incomplete houses. Separate lists shall be prepared for those who had received full financial assistance and those who could not complete construction due to non-receipt of full financial assistance. The amount due can be provided to the latter category from the EMS Housing scheme. Social organizations, groups who take initiative in such activities and religious and charitable institutions are active in the housing sector. This is my appeal to them. You should take initiative to complete those partially constructed houses even after availing financial assistance from Government. After assessing the amount required for each house, it would be easier for these organizations to complete the construction than Government.

25. At least three cents of land will be made available for the landless. Government can either acquire land or provide puramboke land for this. For purchasing land and building, Rs. 3 lakh can be provided to the beneficiaries in cities and Rs. 2 lakh to those in rural areas under EMS Housing Scheme.

### ***Ashraya Scheme***

26. Ashraya Scheme will be expanded. The entire list of destitute persons will be prepared by the Local Self Government Institutions. Marks will be given based on the criteria fixed by Government and the list will be published after scrutiny by the Kudumbasree, and houses will be selected based on priority and availability of funds.
27. Over time, Ashraya has become just another variant of a housing scheme. What is needed instead is to formulate specific family-centred schemes for uplifting each family from poverty. There is no other scheme which gives this degree of freedom to local level planners. For the expansion of Ashraya Scheme, Rs. 50 crore is additionally earmarked for Kudumbasree.

### ***Social Justice Department Schemes***

28. It is quite paradoxical that even though Kerala has been far ahead in social security all through, the problems of the differently abled people have not received the care it deserves. An amount of Rs. 68 crore is earmarked for differently abled during current financial year. There are nearly 45,000 children in

the age group of 5-17 suffering from disabilities like Autism, Cerebral Palsy and mental disability. Rs. 20 crore is set apart for providing financial assistance to those institutions which provide treatment, education and care to these children. In addition to this, Rs. 10 crore has been earmarked for helping those voluntary organizations which run institutions for the aged, differently abled and mentally challenged people.

29. Rs. 37 crore have been earmarked for early identification and treatment of disabilities right from the young age. Rs. 10 crore is set apart for Cochlear Implantation. Rs. 4 crore is set apart for identifying differently abled people and issuing certificates and identity cards.
30. Rs. 1.5 crore is set apart for Kerala Federation of the Blind for facilitating interaction and mobility of blind youth using screen read software of smart phones/Tabs and for training them for this purpose. Rs. 10 lakhs is earmarked for the Cricket Association of the Blind, Kerala.
31. Rs. 10 crore is earmarked for the victims of Endosulphan.
32. Rs. 32 crore is earmarked under Aswasakiranam Project to provide Rs. 600 each as financial assistance to one member in a family who takes care of bed ridden members of a family or those who are confined entirely to their homes due to intense physical and mental challenges. Rs. 21 crore should also be provided by Local Self Government institutions for this scheme. Rs. 18 crore is set apart for Snehapoorvam scheme which gives financial

assistance to children without father and mother. Rs. 12 crore will be the share of Local Self Government institutions.

33. Rs. 9 crore has been set apart for Vayomitram programme.

### ***Anganawady***

34. Government of India is progressively withdrawing from the responsibilities of Anganawadis. The State Governments have to bear 40% of the total outlay for Integrated Child Development Scheme including supplementary nutrition. For this, an amount of Rs. 221 crore is set apart as the state share of the centrally sponsored scheme.

35. The decision to enhance the monthly honorarium of Anganwadi workers to Rs. 10,000 and that of helpers to Rs. 7,500 is yet to be implemented. This huge financial burden was placed on the shoulders of Local Self Government Institutions. Government will bear 50% of the additional expenditure in this regard. Rs. 125 crore has been set apart for this.

36. The honorarium of Asha workers, catering workers, PTA, Pre-Primary Teachers and Saksharata Preraks is enhanced by Rs. 500 each. Rs. 20 crore is earmarked for this.

### ***Food Security***

37. Supply of Free rations will be expanded. Not only members of BPL families but also a predominantly large majority of workers and their family members covered under the Employment Guarantee Scheme will be brought under the free ration scheme.

An amount of Rs. 300 crore is set apart additionally for this purpose. We will put an end to the practice of clandestine diversion of the rice from paddy procured from Kerala and distributing poor quality rice instead. Interest-free loans will be provided through KSFE in order to modernize ration shops and to convert them into shops which also sell other grocery items.

38. Current prices fixed in the Civil Supplies Corporation outlets will not be enhanced. The price will be controlled by procuring goods directly from production sources and making the same available at reasonable price. An amount of Rs. 75 crore is set apart additionally for Civil Supplies Corporation.

#### ***Scheduled Castes - Scheduled Tribes Welfare***

39. Kerala is the only State where plan fund has been earmarked in proportion to the population of Adivasis and Dalits. This is a great change ushered in through People's Planning. Even in the current year's Budget also, the Central Government had been willing to provide only around half the fund due to Schedule Castes and Tribes. However, neither can we claim that the fund earmarked for these weaker sections are being fruitfully utilized. Funds for Adivasis is being misused on a large scale in this manner. Now, instead of 2 percentage of fund proportionate to the population, 2.61 percentage is earmarked for Adivasi development. The total outlay for TSP is Rs. 633.48 crore. Out of this, Rs. 186 crore is spent through Local Self Government institutions. The total outlay for SCP is Rs. 2260.2 crore. Out of this, an amount of Rs. 1038.9 crore is spent through Local Self Government Institutions.



40. Education is the most important area in SCP and TSP that needs intervention. The outlay for education in SCP is Rs. 413 crore and that in TSP is Rs. 67 crore. The main problem is the very high level of dropouts. Lack of learning facilities at homes is another serious problem. Against this backdrop pre-metric, post metric hostels and model residential schools are to be encouraged. But the conditions in the hostels are woefully pathetic. This state of affairs, certainly has to be put to an end. Better building with facilities even better than the best schools in the State have to be ensured for Model Residential Schools. Apart from educational, residential and dining facilities, computer labs and internet facilities in room should be created in hostels. In Post-Matric Hostels, one tutor for 20 students shall be engaged to assist students in their studies. An amount of Rs. 150 crore is set apart from the Special Investment Fund for the modernization of all pre metric and post metric hostels in Kerala. An amount of Rs. 100 crore is set apart for the modernization of Model Residential Schools. This year, an expenditure of Rs.50 cr. is expected. Government will consider extending assistance to students in other residential schools in Kerala. All types of educational assistance for Scheduled Caste (SC) and Scheduled Tribe (ST) will be enhanced by 25%.
41. A tribal woman will be appointed on daily wages in 241 schools in Wayanad District which have primary class. Rs. 4 crore is set apart from the corpus fund for this.
42. A package will be prepared for ensuring all basic facilities in settlements and scheduled caste colonies treating them as a

single integral unit. A part of the expenditure should be met by the Local Self Government Institutions. Additional funds will be provided as and when projects are prepared and submitted. Rs. 25 crore is earmarked for this Scheme from the Corpus Fund. The housing scheme for Scheduled Tribes implemented successfully in Attapadi by the last LDF Government will also be adopted in other Adivasi centres.

43. There are tribal families who live scattered and in isolation in all districts outside the regular areas of tribal habitation. Since their number is very low, Local Self Government Institutions may not get a share of the TSP fund for them. Micro-plans should be prepared to uplift these families from poverty. The approach should be to integrate existing schemes to the extent possible. These micro-plans are to be integrated at Panchayat Level and on submission of the same, funds will be provided. Rs. 25 crore from ATSP is earmarked for this. Local Self Government Institutions should bear a portion of the expenditure. This scheme will be known as P. K. Kalan Family Project.
44. Government is committed to provide at least one acre of land to the tribals. Rs. 42 crore has been earmarked for this. The housing scheme for Scheduled Tribes has been implemented most successfully in Attapadi. Housing scheme for other regions will be prepared incorporating these lessons.

45. Rs. 456 crore has been earmarked for purchasing land and constructing houses for the scheduled castes. Beneficiaries will be selected from the priority list prepared for the EMS Housing Scheme. But supplementary loans will be taken only if necessary.

***Backward Classes, Converted Christians, Minorities and Forward Communities Development Corporation***

46. Rs. 20 crore is set apart for Kerala State Backward Classes Development Corporation and Rs. 10 crore for Kerala State Converted Christians Development Corporation and Rs. 23 crore for educational programmes of other eligible sections who are the most backward among backward communities. Rs. 50 crore is due towards their scholarship. These arrears will be given in instalments. Rs. 15 crore for Kerala State Minority Development Corporation, Rs. 31 crore for the construction of houses of the abandoned, divorced and widowed women are set apart. Rs. 35 crore is set apart for the Forward Class Development Corporation.

***Workers from others States***

47. A comprehensive legislation covering workers from others states will be enacted in line with the central law. The thrust will be on the welfare of these workers and less on regulating them. A portion of the Building construction cess will be set apart towards

a welfare fund for the workers from other states. The benefits from the welfare fund will be enhanced to make it attractive. An amount of Rs.20 crore is set apart for this.

### III

## **Second Anti-Recession Package**

48. Sir, if the picture of total social security has to be complete, then it is necessary to also understand the programmes designed specifically to protect the sectors where the poor and marginalized are employed. Before I touch upon the same, let me try to dispel a misgiving that is often aired. There is a criticism raised by persons in the right front all the time. The left front merely apports the resources that are available and has no agenda of its own for creating anything new. Would it merely suffice for us to just ensure that pensions, rations and security are provided? Is not the real need of the hour, a bold programme to rejuvenate the economy of Kerala that is rapidly debilitating now? Our manifesto has put forward an action plan for ensuring rapid economic growth while at the same time affording all protection to the poor. I propose to declare programmes in line with this plan, from the first year itself - notwithstanding the huge obstacles that the economic crisis has put in this path. This scheme will be known as the Special Investment Plan.
49. A dismal economic situation prevails in the State at present. Unless the economic crisis in the gulf moderates, the economic stagnation that we are facing currently will further worsen

considerably. Since the footprint of the gulf crisis in India is largely confined to our State as is in the case of fall in price of rubber, it is not likely that we will get any significant support from the Centre. But we will not throw up our hands in despair and surrender to destiny. Therefore, I wish to declare an anti-recession package to tackle the aggravating economic recession as was done in 2008. Our efforts had come in for appreciation then by among others, in the report of the Reserve Bank as well. The situation in the State now is undoubtedly much more severe than in 2008. Therefore, while the package then was for Rs. 5,000 crore, I am now declaring a package of Rs. 12,000 crore. This package will only include capital outlays for projects like large roads, bridges, buildings and infrastructure parks and others. It is expected that in the current year the expenditure will be Rs. 2,500 crore. In addition, Rs. 8,000 cr. will be needed for completing land acquisition by the end of next year. Thus a total amount of Rs. 20,000 crore. Details will be further explained in the discussions on the concerned sectors.

50. How can we mobilize the resources needed for such a massive package? The approach for the same had been explained in the 2011 budget of LDF Government. The proposal was to construct roads and others through government controlled independent agencies by mobilising funds from the open market through a special company which would be backed up with assured budgetary support from government. The outline of a comprehensive transportation infrastructure plan worth Rs. 40,000 crore was unveiled at that time. But unfortunately, this

proposal was greeted with derision when the next government came to power and they rejected it. Imagine the scale of the transformation that Kerala would have witnessed in five years, if this approach of the LDF government had been carried to fruition! Today we will design a strategy that will help the State gain the ground lost in the past five years by accelerating capital outlays outside the budget.

51. Kerala Infrastructure Investment Fund Board (KIIFB) is a financial institution that was established in 1999. We intend to comprehensively amend the KIIFB Act, 1999. We will include provisions in the legal framework to equip KIIFB to utilise innovative methods of raising finance authorised by SEBI and RBI. We intend to introduce radical measures through the amendment of KIIFB Act, which will ensure credibility of the borrowing plans and assure the investor of prompt returns and repayment. The first measure would be to create a Funds Trustee and Advisory Commission (FTAC). This will be an independent Commission which will be chaired by a person of international eminence from the area of finance or banking and will have only economists, bankers or administrators of national repute as members. The primary role of FTAC will be to ensure that all investments of the Fund are as per the approved scheme and that there is no diversion of funds of KIIFB. FTAC will issue a 'Fidelity Certificate' every six months, certifying that the

application of funds and the investment of surplus funds is in conformity with the Act, Rules and Regulations of KIIFB.

52. The second objective intended through the amendment of the KIIFB Act is to provide assurance to investors by including a provision in the amendment to the Act that all receivables from Government, on account of viability gap funding (VGF), repayment and redemptions will be transferred to KIIFB every year on or before the last working day of August every year. A certain share of the motor vehicle taxes will be ensured to this company every year by legislation. To begin with, 10% of the motor vehicle tax will be earmarked for the company. Thereafter 10% increase is allowed over the years and from the fifth year onwards 50% of motor vehicle taxes will be set apart for KIIFB. In addition to this, the cess on petrol will also be passed on to KIIFB. These will be the future revenue streams of KIIFB mandated by law. By securitising this revenue, KIIFB will be able to mobilise sizable loans from the capital market.
53. The third assurance to investors will be that funds that are mobilised as part of this plan will be guaranteed by Government. To this extent, we shall amend the Kerala Government Ceiling on Government Guarantees Act, 2003 to increase the upper ceiling on Government Guarantees.

54. For this massive capital investment plan, the following debt instruments appropriate to the specific project under consideration will be adopted.

1. General Obligation Bonds (GO Bonds) for raising funds under Government Guarantees by existing corporations like KWA, KSEB or Special Purpose Vehicles that will be created wherever necessary.
2. Revenue Obligation Bonds (RO Bonds) where there is a steady stream of returns expected from the project.
3. Term Loans from Commercial or Cooperative banks for infrastructure projects.
4. New innovative financing structures permitted by RBI and SEBI viz. Alternative Investment Funds (AIF), Infrastructure Investment Trust (InvIT) and Infrastructure Debt Fund (IDF)

55. What is to be borne in mind is that under no circumstances, will the money of KIIFB be diverted from its intended purpose by depositing it in the State exchequer or used for expenditure by Departments. This will be enshrined in the legislation itself. The surplus money held by KIIFB will be invested only in Triple Rated Assets. Once a Department assigns an agency to implement the projects declared in the budget that pertains to it, that agency will be required to sign an MOU with KIIFB. Procedure to be followed by the agency for ensuring transparency and efficiency



will be an integral part of MOU. To ensure strict adherence to these procedures, an Inspection Authority that will include the Chief Technical Examiner and Finance Inspection wing will be constituted. Amount will be sanctioned on the basis of expenditure estimates to be submitted by the concerned agency for every three months. Therefore there will not be any delay in channelizing funds to contractors for completing the works. The payment for ongoing budget works in the queue will not affect these works.

56. Sir, even at present, Government resorts to SPVs to undertake large scale projects. In a sense, the idea behind the above strategy is to broad base this methodology to make it more financially efficient and economical. KIIFB can issue special land bonds for acquiring land for major projects. These bonds will be safe investment avenues which can be used by investors including our cooperative societies. Paucity of resources will not stand in the way of speedy land acquisition. The arrear payments in land acquisition for mega projects will be settled urgently. For the current year, approximately Rs. 3,000 crore is required for acquiring land for four line NH, Gail pipe line and Industrial Parks. This amount will be made available through KIIFB. The amount will directly be credited to the account of the

customers from KIIFB.

57. Many Municipalities and Corporations today require large amounts of funds for financing vital municipal infrastructure projects. Government intends to permit Municipal bodies selected on the basis of their fiscal parameters to raise funds through municipal bonds with Government Guarantee under the new policy of SEBI on issue and listing of debt securities of Municipalities. Such a step will be the first of its kind in the history of financial management of local bodies.
58. In the 2010 budget, a proposal was mooted for setting up of an interest free financial institution to enhance investments. Interest free banking is currently not possible under the provisions of the Banking Regulation Act. But an interest free Non-Banking Financial Institution can be formed. Even though such a company has been formed, it has not made any progress worth mentioning during the last five years. This venture is known as the Cheraman Financial Services. For resource mobilisation, Reserve Bank has only recognised shares and not deposits. This stand is highly irrational. However, the activities of Cheraman Financial Services will be expanded within these limitations. During the current year one large scale project will be taken up on an experimental basis. In the light of the vicious grip

of Multinational companies in the pharmaceutical sector, the modernisation of a public sector undertaking like KSDP becomes quite vital for the State. The plan is to set up a complete modern factory with GMP standards with a capital investment of Rs. 250 crore. The share ownership of Cheraman Financial services will be expanded in accordance with this. The modernised company will be transferred to Industries Department on lease. From this income the company will distribute dividend to the shareholders. If the experiment is successful, several other large scale projects can be undertaken based on this model.

#### **IV.**

### **Employment Areas of the Poor**

59. Sir, let me now revert back to the programmes designed for the protection of employment areas of the poor.

#### ***Agriculture***

60. Agricultural production has been diminishing since the last two years. Even during this recession period only Rs. 307 crore (revised estimates) was spent out of Rs. 403 crore earmarked in 2015-16. The decline in investment in the agricultural sector needs to be remedied. The total outlay of Agriculture programmes is enhanced to Rs. 600 crore. In this budget,

around double the revised figures of the previous year has been earmarked for agriculture sector. In addition, there is an outlay of Rs. 217 crore under Centrally Sponsored Schemes. Furthermore, the minimum levels that were prescribed for productive sectors in the development fund of Local Self Government Institutions will be restored.

61. The major intervention proposed in the agriculture sector during current year will be a peoples' campaign for achieving self-sufficiency in vegetable production. This will be implemented in collaboration with Local Self Government Institutions. The intervention of the agriculture department in this area is mainly through vegetable clusters. Clusters of Kudumbasree and male self-help groups are working with local self-government institutions. In addition, it is important to attract all our households to some degree to be a part of this campaign to expand vegetable cultivation. Cultivation can also be done in agricultural farms of the State and the unused land of industrial units and estates. Producer companies have to be encouraged for sales. Vegetable clinics will be organized and necessary technical support will be ensured to farmers with the co-operation of successful farmers, retired agricultural officers and agricultural experts. Rs. 25 crore is additionally earmarked for vegetable

producers' companies for arranging marketing facilities. Thus, the outlay of the vegetable cultivation sector would be Rs. 100 crore. An additional Rs.100 crore is expected to be invested by Local Self Government Institutions. Planting material production schemes, extension activities and agro-service centres of Agriculture Department can be integrated with the campaign.

62. Inter-crop farming of vegetables is beneficial for coconut plantations as well. Production societies and producer companies of coconut planters will be well established in the State. It is proposed to start coconut parks that are linked to producer companies for starting value added production units. Rs. 25 crore has been set apart for coconut procurement. The amount received from sales tax on coconut oil will be given as subsidy to coconut farmers. The outlay for procurement is raised to Rs. 100 crore.
63. Encouraging paddy cultivation is important not only for food security but also for maintaining the environmental balance. The outlay for encouraging paddy cultivation is enhanced to Rs. 50 crore. The subsidy for paddy cultivation will be enhanced. Paddy fields should be left fallow. If such lands cannot be cultivated by themselves, for some reason, then this should be entrusted with agricultural farmers' groups constituted by local

bodies. The conditions in the Finance Bill of 2014-15 Budget that were brought for filling paddy fields will be revoked. Relaxation in land use regulation will be permitted only based on the relevant clauses in Kerala Wetland and Paddy Field Conservation Act. At the same time, it will be ensured that common people do not experience difficulty in getting exemption for construction of houses and related activities. The previous Government had stopped the measures for making a databank on land classifications. A Mission is going to be launched for creating a databank within a year using modern IT facilities. Rs. 5 crore is additionally earmarked for this.

64. Undue delay of several months in the payment of the procurement price has no doubt significantly contributed in making paddy cultivation unattractive. The farmers should be paid their money within one week. This will be ensured through Agriculture Cooperative Banks. Government will give the amount with interest to the Banks. An amount of Rs. 385 crore has been earmarked for paddy procurement.
65. In order to make agricultural labour sector more attractive, job security and training in modern agricultural institutions have to be provided. The activity of agro-service centres will be further expanded. Systems like Labour Army and Labour Bank will be

encouraged. Rs. 31 crore is earmarked for this. Rs. 65 crore is the outlay for Agriculture University. Rs. 3 crore is earmarked for conserving traditional seeds. Rs. 10 crore is earmarked to start Kerala Agriculture Market Project for the comprehensive intervention in the marketing of agricultural products.

66. Farmers can be protected from fall in price of rubber only with assistance from the Central Government. Discussions will be held for this. The existing price stabilization scheme will be continued to ensure Rs. 150 per kilogram to small scale farmers. Rs. 500 crore is earmarked for this purpose.
67. The importance of trees like jackfruit is increasing particularly so, given the changes in climatic conditions. The jackfruit which was once part of the traditional cuisine of Kerala is being wasted now. A scheme will be formulated for research on this centred around the Pathanamthitta and Kayamkulam KVKs. An amount of Rs. 5 crore is earmarked for this.
68. Rs. 10 crore has been earmarked for pepper. Rs. 10 crore is being additionally set apart for cardamom. One Spices Park each will be established in Idukki and Wayanad.
69. Even though there have been several announcements eloquently made about value added industries in agriculture under the auspices of Farmers Producer Companies, it is seldom that

these are brought to fruition in practice. Utilizing the land available in District Agriculture Farms, it is proposed to establish a chain of small and medium scale agro parks for value added agriculture products. In this current year, the following Agro-Parks will be established. Rs. 500 crore is set apart from the Special Investment Scheme for this. This year, an expenditure of Rs. 50 crore is expected.

- 1) Coconut Agro Parks in Thrissur, Malappuram, Palakkad, Kozhikkode and Thiruvananthapuram Districts.
- 2) Paddy based Agro Parks in Palakkad, Alappuzha and Ernakulam districts.
- 3) Banana and Honey based Agro Park in Thrissur.
- 4) Spices Parks in Idukki and Wayanad districts.
- 5) Rubber based Industrial parks in Kottayam and Pathanamthitta districts.
- 6) Agro Park for Jackfruit at Mala in Thrissur district.
- 7) Agro Park for value added vegetable products at Kanthallur, Idukki.

### ***Employment Guarantee scheme***

70. Employment Guarantee Scheme, next to the agriculture sector, today accounts for the largest share of jobs for our people. Rs. 2,197.2 crore is the current year allocation for Kerala as per the Labour Budget. The central government is trying to convert this



scheme which legally is an entitlement-based one into an allocation-based scheme. Even this amount is pending on a large scale. This situation is highly reprehensible. We shall strive hard to create maximum employment opportunities this year. As a result of the changes introduced by the Central Government in the terms of this Programme, these workers are facing huge uncertainty. Employment Guarantee cannot be effectively utilized for agricultural activities. In this context, it is important that this programme be integrated with soil-water conservation activities. Soil-Water conservation programmes have to be planned on the basis of watersheds. Activities like cleaning of irrigation canals, conservation of ponds, rain pit digging and planting of trees can be taken up as part of this. Soil and Water Conservation Department, Irrigation Department and Local Self Government Institutions are expending nearly Rs. 200 crore in this sector. If we integrate this with Employment Guarantee Scheme, man-days of around Rs. 1,000 crore could be generated. Officers of Agriculture, Soil Conservation and Minor Irrigation departments will give technical support to the Panchayats. Similarly, the allocation for social forestry and production of saplings by agriculture department should be integrated with employee guarantee scheme. Efforts will be mounted to launch an intense mission to provide 100 days' labour to those who are willing.

### ***Animal Husbandry and Dairy Development***

71. Only Rs. 275 crore (revised estimates) was expended out of the total allocation of Rs. 378 crore in 2015-16 for Animal Husbandry and Dairy Development. The outlay for 2016-17 is enhanced to Rs. 383 crore. Out of this, Rs. 290 crore is for Animal Husbandry and Rs. 93 crore is for Dairy Development.
72. An amount of Rs. 50 crore has been set apart for calf rearing. The allocation for cattle feed subsidy is enhanced to Rs. 20 crore. Rs. 46 crore is set apart for Milk shed fodder grass development. Rs. 5 crore is now additionally set apart to assist farmers who have fallen into debt trap due to the death of the cattle provided by Local Self Government Institutions or low milk yields and are facing legal confiscation steps.

### ***Fisheries Sector***

73. Fishermen community is one of the most backward communities in Kerala after Adivasis. The main challenge they face is the erosion of resources. This has been detailed in Governor's speech. I am not going into it. An amount of Rs. 20 crore is earmarked for hatcheries required for releasing seeds in inland water bodies. Monsoon period is off season for the community. In LDF Budget 2011, it was declared that the off season saving-cum-relief scheme would be enhanced from Rs. 1800 to Rs. 3600. This will become effective from this year onwards. Rs. 10 crore is set apart for this purpose. The previous Left Democratic Front Government had declared debt relief for fishermen as in

the case of farmers. But due to time constraints, this could be implemented only partially. No steps were taken for completing the remaining debt relief during the last five years. Rs. 50 crore is earmarked for this.

74. Fishermen live under the threat of sea erosion. An amount of Rs. 42 crore has been set apart for irrigation department towards the construction of sea wall and other related activities. Evidently this is grossly insufficient. But the measures we have taken for costal conservation have to be reexamined on the basis of our past experience. The huge sums of money expended for this from the time unified Kerala was formed, has not yielded the desired outcomes. In this context what is required for this will be discussed in detail with the representatives of people from the coastal areas and organizations working in the field and a plan will be formulated. Notwithstanding that decision, a new proposal is put forward in this budget. An amount of Rs. 10 lakhs will be given to fishermen living in the CRZ limit to shift to safer lands, if they are willing, while retaining their right over their existing land. The income from casuarina trees etc. will accrue to the owners or those who are in possession of the land. A special plan will be prepared after assessing the number of persons who would be willing for this. An amount of Rs. 25 crore is earmarked for rehabilitating the people who have lost their land and houses in the current year. Government will undertake the full responsibility for the rehabilitation of those who have to be

displaced due to the construction of Vizhinjam Harbour. Required funds will be provided based on detailed study. An amount of Rs. 25 crore is earmarked for opening a new head of account for this. Rs. 300 crore is earmarked for the construction of groynes as part of Special Investment Plan. This year an expenditure of Rs. 100 crore is anticipated.

75. An amount of Rs. 26 crore has been earmarked for fishing harbours. Arthungal, Vellayi, Panoor, Manjeshwaram and Quilandy are the major fishing harbours included at present. In addition to this an amount of Rs. 5 crore each is earmarked for completing Chethi and Thalassery harbours where the construction had come to a standstill for the last five years. It is important to equip fishermen for deep sea fishing. An amount of Rs. 10 crore is set apart for providing equipment and training necessary for this.
76. An amount of Rs. 100 crore for the construction of houses for fishermen, Rs. 78 crore for other basic amenities and Rs. 5 crore for micro enterprises is allocated. The total outlay for fisheries sector is Rs. 468 crore. The allocation for the fisheries sector during 2015–16 was Rs. 178 crore. Out of this, the expenditure was Rs. 147 crore (Revised Estimates) alone.

### ***Coir***

77. Skills and technology are two subjects that the Guru had proposed be part of the Sivagiri Pilgrimage Discourses. In a traditional industry like Coir, it is imperative that technology be

upgraded. This brooks no delay. But, at the same time, steps have to be taken to protect those who eke their sustenance out of their skills. This is the only way in which tensions that will necessarily follow technology upgradation can be avoided.

78. Nothing less than a second restructuring scheme can serve to rejuvenate the coir industry. Like fibre production, coir production is also being shifted to Tamil Nadu. Considerable share of mechanised production has already moved to Tamil Nadu. Against this backdrop, all regulations regarding modernisation have to be removed and mechanisation has to be encouraged. 50% investment subsidy will be provided to new units set up for fibre production. Procurement of coconut husk will be promoted by the State. Apart from the subsidy given by Coir Board, an additional state government subsidy of 10% will be provided to the new mechanised factories in the production sector. A joint venture will be launched in Alappuzha for manufacturing boards from PVC and Coir residue. A scheme to purify contaminated water will also be implemented on similar lines. The expenditure in this regard will be met from the amount of Rs. 68 crore earmarked for modernisation.
79. Government will ensure that this new policy will not affect the employment or income of traditional employees in this field. For this, COIRFED will procure the entire coir produced by cooperative societies ensuring minimum wages. The Coir Corporation will procure the entire products of small scale

producers using this coir at the approved sale price. Such products will be sold at a rebate. For this, the price stabilisation fund will be enhanced from Rs. 17 crore to Rs. 100 crore. An amount of Rs. 15 crore is set apart for the reorganization of the co-operative societies and managerial subsidies. The additional amount required for reorganisation will be made available from NCDC.

80. The approach of the previous government towards the coir sector deserves no pardon. Despite the collapse of the coir sector and frequent agitations, only an amount of Rs. 68 crore was spent out of the total allocation of Rs. 116 crore during the previous year. Even this amount was spent without any priority for setting up production factory outside the coir sector. The total outlay for current year is Rs. 232 crore. Sir, this Government will protect the Coir industry and the employees.

### **Cashew**

81. Cashew industry is in a grave crisis. Several factories remain closed. The plight of factories in the public sector which are intended to set standards for labour wages and service conditions, is no different. One of the basic problems faced by factories under the public sector is the shortage of working capital for importing raw cashews. So also, Gratuity, ESI and other emoluments of employees are in arrears. Along with this, factories have to be modernised and partially mechanised. At present, the budget allocation for KSCDC is Rs.30 crore and for CAPEX is Rs. 8 crore. Rs. 75 crore and Rs. 25 crore is

additionally allocated for these two institutions respectively. For the modernisation of 10 cashew factories, Rs. 100 crore is set apart from the Special Investment Plan. This year an amount of Rs. 25 crore will be sufficient. For encouraging cashew cultivation, Rs. 5 crore is earmarked.

### ***Handloom & Khadi***

82. An amount of Rs. 71 crore has been earmarked for handloom and power loom industries. In addition to this, Rs. 30 crore is earmarked for market intervention and income assurance scheme. An amount of Rs. 14 crore each has been set apart for Khadi and Village industries. Rs. 10 crore is additionally set apart in connection with the Income Assurance Scheme. The existing income assurance scheme for Handloom and Khadi products will continue. In order to ensure adequate man-days of labour, the income assurance scheme will be further expanded based on the experience of the intervention in coir sector. From the next year onwards, uniforms will be given free of charge to students of Class I to VIII in government and aided schools. For this, a scheme will be implemented to produce good quality clothes this year.

### ***Other Traditional Industries***

83. An amount of Rs. 8 crore is set apart for Handicrafts Industries. Rs. 10 crore is set apart for Palmyra weaving industry. An amount of Rs. 8 crore is set apart as grant to compensate Dinesh Beedi Cooperative Society for the tax collected from it. Rs. 1 crore is set apart for clay industry. For the rehabilitation of

traditional industries that are facing collapse, Rs. 5 crore will be specially provided to the Artisans' Corporation.

84. An amount of Rs. 1 crore is sanctioned to Artisans' Corporation for rehabilitating those engaged in traditional works that are at grave risk of perishing.
85. The freedom fighters of Punnapra-Wayalar have not been receiving enhanced DA benefits for the last five years. The DA arrears of freedom fighters from 2011 onwards will be sanctioned.
86. The share due legally towards the Kerala Jewellery Manufacturing Labourers Welfare Fund, Coir Welfare Fund, Fishermen Welfare fund etc. are not being received from merchants and exporters. Efforts will be made to resolve this through discussions with their Associations.
87. The pension scheme announced by the previous LDF Government under the auspices of Welfare Board for Workshop Employees and Owners will be implemented.

## **V**

### **Social Sector facilities**

88. Sir, it was in 1910 that Sree Narayana Guru exhorted people to "progress through education". The edifice in education and health in Kerala is not merely the contribution of its benevolent rulers. It is the massive clamour for them that arose from the very grassroots that motivated rulers here to think differently from



other states. The Guru was one of the main sources of inspiration behind this demand. Thus, the public education and public health systems that evolved historically over time are facing collapse today. The well-to-do class have given up on these sectors. How people can be made to rally around secular public systems remains one of the current contemporary challenges.

### ***School Education***

89. The 'Perspective Plan 2030' of UDF government had identified complete commercialization as the solution for enhancing the quality of education sector in Kerala. We completely reject this approach. Better learning facilities will be created in Government schools. For this, a scheme is inaugurated along with this budget. Rs. 1,000 crore is allocated as part of anti-recession package for upgradation of one government school in each constituency on par with international standards. In the current year, expenditure of Rs. 250 crore is anticipated. Schools will be selected after assessing the possibility from PTA, Alumni Associations, Local Self Government Institutions and MLA, MP local development fund for building accessory facilities. Likewise, the teachers should be willing to adopt model teaching methods utilizing new facilities. For this, a special academic programme should be prepared and submitted. A few foundations have come forward to collaborate with Government as in Nadakavu school. The programme will be implemented

through SPVs jointly formed with them. Government will only meet the cost of building construction. The rest of the amount needed for operational requirements for academic and related needs will be mobilised from generous benefactors and local contributions. Sir, I do assure that 1,000 schools with international standards as declared in the LDF manifesto will be realized in the next five years.

90. Another election promise is that classes from 8 to 12 will be made high-tech. Aided schools will also be included under this scheme. Besides this, a computer lab will be set up in each school. As part of this, electrification, renovation and security in these classes will be ensured. The teaching materials prepared in each school will be made available in a common server and others will be able to use it. For this purpose, an amount of Rs. 500 crore is allowed from the anti-recession package. This will be a significant step in raising the quality of our general education. In the current year, an expenditure of Rs. 200 crore is expected. The amount required for training and other expenses will have to be met from the existing school IT projects. An amount of Rs. 20 crore is earmarked from the Special Investment Scheme for constructing headquarters for the directorates of Higher Secondary and Vocational Higher Secondary. In the current year, an expenditure of Rs. 5 crore is expected.
91. Additional resources will be mobilized for the above mentioned two schemes. As a result, savings can be located in many

ongoing schemes. The savings will be utilised for the two schemes. The first will be a special scheme for differently abled students, viz. increasing facilities in special schools; financial assistance for the schools for differently abled children; training for special teachers; financial assistance for differently abled children etc. Today, there are 41,949 differently abled children in schools. These students will be provided Rs. 500 for books and stationary, Rs. 750 for uniform, Rs. 1000 for travel, Rs. 1000 for escort per annum; Rs. 750 per annum will be provided for the reader.

92. Secondly, "ASWAS" is a scheme to transform schools into hubs of arts, sports and work experience. For this purpose, Rs. 5 crore is earmarked. The surplus fund can be utilized for extending the scheme from secondary to high school level.

### ***Higher Education***

93. The public investment in higher education sector will be enhanced in large scale in coming years. We are confident that a massive programme can be prepared not only for improving the existing colleges and universities but also for establishing new higher education and research centres for transforming Kerala into a centre of knowledge. The financial assistance now given to universities is quite inadequate. The current year budget allocation is Rs. 24.6 crore for Kerala University, Rs. 23.5 crore for Calicut University, Rs. 23.75 crore for Mahatma Gandhi University, Rs. 14 crore for Sankaracharya Sanskrit University,

Rs. 23.7 crore for Kannur University, Rs. 6.5 crore for National University of Advanced Legal Studies and Rs. 7.65 crore for Malayalam University. Additional assistance will be considered after Higher Education Council prepares a special document studying the subject in detail.

94. There are 52 Arts and Science Colleges in Kerala. Premium basic facilities will be created in all these colleges and Government Engineering Colleges within two years. An amount of Rs. 500 crore is allocated for this purpose from the Special Investment Plan. University College, Thiruvananthapuram which is celebrating its 150<sup>th</sup> anniversary, Ernakulam Maharajas College, Palakkad Victoria College, Thalassery Brennan College will be transformed into digital colleges and centres of excellence. For this purpose, Rs. 150 crore is sanctioned from the Special Investment Scheme. For these two items, expenditure of Rs. 50 crore is expected. Based on this, out of the allocation of Rs. 25 crore for infrastructure upgradation programme, Rs.10 crore is additionally set apart for the School of Performing Arts and Culture declared in Budget 2011; Rs.10 crore is additionally earmarked for Archives and an additional provision of 5 crore is earmarked for Museums.
95. It is not possible to sanction new colleges or courses given the present financial circumstances. But two post graduate courses each will be sanctioned in the Government colleges in plantation areas in Kalpetta, Munnar and Kattapana.
96. Now a days, education loan has almost become debt trap. The real problem is that the students who complete studies do not get

jobs. Banks should be willing to give moratorium for repayment till the students get jobs. More than one fourth of the salary should not be deducted as repayment from the salary of those who work in informal sector. If banks take such a stand, the present crisis can be mitigated to a great extent. If banks are willing to close liability while repaying only the arrear loan amount, Government will help to repay this amount. For this, Rs. 100 crore is earmarked now.

### ***Technical Education***

97. In the current year, an amount of Rs. 235 crore has been earmarked for Technical Education. An amount of Rs. 21 crore is set apart for CUSAT and Rs. 30 crore for APJ Abdul Kalam Technological University.
98. Against the backdrop of the special scheme declared for the development of basic facilities in engineering colleges, out of the total allocation of Rs. 17.3 crore for Engineering Colleges in Thiruvananthapuram, Thrissur, Kannur and Kottayam, Rs. 10 crore will be utilized for envisaging a scheme for training of youth by ASAP as in the case of polytechnic students during apprenticeship. An amount of Rs. 7.3 crore is additionally earmarked for Punarjani Scheme. An amount of Rs. 50 crore is earmarked from the Special Investment Scheme for creating infrastructure facilities in Polytechnics. In the current year, an amount of Rs. 20 crore is expected as expenditure.

99. Rs. 50 crore is earmarked from the Special Investment Scheme for the upgradation of 10 ITIs on par with international standards.

***Public Health***

100. Like General Education, our Public Health system has been the cherished inheritance of Keralites. I have at the beginning itself, explained how it is proposed to provide comprehensive health insurance by giving emphasis on public health sector integrating various insurance schemes and financial assistance programmes. Free treatment will be provided for almost all diseases through public health system. For the effective functioning of such system of treatment, preventive measures are to be strengthened and the possibilities for illness have to be brought down. Utilizing the network of our primary health system, health conditions of all citizens will be frequently monitored and necessary programmes will be undertaken for prevention of diseases. Similarly, palliative care should be given to the people suffering from incurable diseases and bedridden in old age. Thus the public health system in Kerala will be a combination of prevention of diseases, treatment and palliative care.

101. The facilities in our hospitals have to be modernized. Accordingly, more doctors and nurses have to be provided. During the current year, modernization of our Medical Colleges, District hospitals and Taluk hospitals will be taken up. After inspecting each hospital, plan should be prepared for new

building facilities, landscaping, major hospital equipments, etc. The company, which will implement this programme, should undertake the responsibility of maintenance. Sir, an amount of Rs.1000 crore is earmarked from the Anti-recession Package. An amount of Rs.250 crore is expected as expenditure during current year. Cath Labs at General Hospitals and Dialysis Units at Taluk Hospitals wherever required will be set up as part of this. This corpus fund may be utilised for setting up basic infrastructure at Malabar Cancer Centre, Kochi Cancer Centre and Mental Health Hospital, Thiruvananthapuram. From this, an amount of Rs.100 crore will be provided for Special Extension Projects at Mental Health Hospital, Kozhikode. Within a few years, our public health system will be improved to become even better than the private sector. Our public health system will be transformed akin to the National Health Service in Britain.

102. Even though several hospitals have been upgraded to taluk, district and general hospitals, necessary posts have not been created as per standard criteria. Essential posts will be allowed this year. An amount of Rs.50 crore is earmarked from the anti-recession package for establishing Women and Children Hospital at Thalassery.
103. An amount Rs. 521 crore has been earmarked for Health Service Department in the budget. A considerable portion of this amount is for improving the facilities at hospitals. A substantial amount is expected as balance against the backdrop of the large

investment scheme just mentioned. This can be utilized for strengthening the preventive and palliative care systems.

104. An amount of Rs. 394 crore is earmarked for Medical Education. Out of this, Rs. 22.5 crore is for Medical University. Out of Rs. 121 crore allocated for medical colleges, it is pertinent to note that there is no allocation for capital expenditure in 6 medical colleges. No medical college announced earlier will be discarded. However it is envisaged to complete the construction of these colleges in a phased manner considering the financial position and availability of teachers.
105. Thiruvananthapuram Medical College will be upgraded to the standard of AIIMS. The expenditure required for the construction and instruments may be met from the provisions included in the anti-recession package.
106. An amount of Rs. 59 crore for Regional Cancer Centre and Rs. 29 crore for Malabar Cancer Centre has been earmarked.
107. An amount of Rs.68 crore is earmarked for Ayurvedic Department and Medical Education. An amount of Rs.29 crore is set apart for Homoeopathic Department and Medical Education. It was reiterated in the manifesto of Left Democratic Front that a large laboratory and study centre with international standards would be established for the scientific development of Ayurveda based on evidences, standardization of drugs and researches co-relating Ayurveda with modern bio-technology. An amount of Rs. 50 lakhs is set apart for preparing a project report in this regard.



108. Financial assistance to Institutions for Mentally Challenged Children is enhanced from Rs.15 crore to Rs.25 crore.

***Drinking Water and Water Resources***

109. Within five years, Kerala Water Authority will be converted into a profit making organization without any hike in water charges. An action plan has been prepared for this. Firstly, the interest and penal interest amounting to Rs.1004 crore of Water Authority due to Government is written off. Government loans amount to Rs.713 crore is converted as share capital of the Authority. Secondly, Water Authority is supposed to pump 234.5 crore litres of water. But the metered quantity of water is 129 crore litres. The loss of Water Authority can be reduced if the misuse of water is avoided. All obsolete pipes and pumps have to be replaced for preventing leakage of water. Thirdly, several projects can be completed by spending small amounts. By this, the constructed capacity should be completely utilized. Fourthly, priority should be given to complete the projects in urban areas. Lastly, employees have to work with more commitment in order to give better service, realizing that they have got a precious opportunity to bail out the institution where they work.
110. Comprehensive programmes for the following 10 Municipalities and adjacent Panchayats are undertaken. They are Shornur, Thiruvalla-Changanaserry, Kollam, Kasargod, Ponnani, Koilandy, Thodupuzha, Kottayam, Thrissur and Mattannoor. An amount of Rs. 735 crore is set apart from Special Investment Scheme. In

addition to this, an amount of Rs.500 crore is set apart for Kochi Smart City 24x7 Project.

111. The following nine projects defunct due to the lack of distribution lines are undertaken. An amount of Rs.162 crore is set apart from Special Investment Scheme. They are Kozhinjampara, Dharmadam, Kottayam Grama Panchayat, Mananthawady and nearby Panchayats, Thiruvally, Nenmara, Kadamakkudy, Varapuzha and Perunad.
112. An amount of Rs.154 crore is set apart from Special Investment Scheme for replacing 128 Km AC Promo Pumping Mains in 77 schemes. For replacing 488 Km AC Promo Transmission Mains in 174 schemes, Rs.371 crore is earmarked.
113. An amount of Rs. 75 crore for replacing obsolete and inefficient 81 HT pump sets and 11 sub-stations in 16 schemes and Rs.65 crore for replacing 350 LP pumps in 170 schemes are provided from the Special Investment Scheme.
114. Out of Rs. 2064 crore required for the projects mentioned above, the estimated expenditure during current year is expected to be Rs. 500 crore. Apart from this, Rs.996 crore has been earmarked in the existing budget for Water Authority. The second phase of Jalanidhi worth Rs.314 crore is the most important one. An amount of Rs.100 crore is earmarked as the State share for the National Rural Drinking Water Project. An amount of Rs.150 crore has been separately sanctioned for JICA project. At present, an amount of Rs.105 crore has been

earmarked for the renovation of old drinking water projects. The renovation projects mentioned above are in addition to this.

115. Money will no longer be the stumbling block for the success of the revival programme for Water Authority. But the challenge will be whether the approved projects can be completed in time and effectively and whether the distribution chain can be activated to properly supply water to consumers. The commitment for this is expected from the employees of Water Authority.

### ***Art and Culture***

116. Kerala Renaissance Cultural Complexes will be established in all district headquarters. These cultural complexes will consist of Opera House, Cinema Theatre, Music Hall, Art Gallery, Book shops, Seminar halls for debates, Workshops for sculptors and artisans, Drama rehearsal facility and short term residential facilities for artists and writers. These centres have to be designed in accordance with the availability of space. The average expenditure of each centre will be Rs. 40 crore. An amount of Rs. 100 crore expected during current year will be met from the Special Investment Scheme. These centres will be named after renaissance leaders.

1. Thiruvananthapuram - Ayyankaly
2. Kollam-Sree Narayana Guru
3. Alappuzha – P Krishna Pillai
4. Pathanamthitta – Chattampi Swamy

5. Idukky – Akkamma Cherian
6. Kottayam – Lalithambika Antharjanam
7. Ernakulam – Sahodaran Ayyappan
8. Thrissur – Vallathol Narayana Menon
9. Palakkad – V.T. Bhattathirappad
10. Malappuram – Abdu Rahman Sahib
11. Kozhikkode – Vaikkom Muhammed Bashir
12. Kannur – Vagbhadananthan
13. Vayanad – Edachena Kunkan
14. Kasargod – Subrahmanian Thirumunpu

117. An amount of Rs. 18 crore has been earmarked for Sahitya Academy, Sangeetha Nataka Academy, Lalitha Kala Academy and Folklore Academy. The outlay of each institution is enhanced by 50% to Rs. 27 crore. An amount of Rs. 2 crore has been provided for establishing Malayalam Digital Resource Centre and State Digitalisation hub for Sahithya Academy.

118. An amount of Rs. 50 crore is set apart from the Special Investment Scheme for the construction of permanent stage for Film Festival of Kerala.

119. The monthly pension of Artists is enhanced to Rs 1500/-. Pension will be provided for the artists of Padayani, Theyyam, Mela Pramanis.

120. Special incentives are sanctioned to the following cultural institutions (in Rs.)

1.	Vaikom Sathyagraha Historical museum	50 lakhs
2.	M.D. Ramanathan Smarakam, Kannampra	50 lakhs
3.	Kalabhavan Mani Smarakam, Chalakkudy	50 lakhs
4.	Punnapra Vayalar Smarakam, Valia Chudukad	50 lakhs
5.	Kayyoor Smarakam	50 lakhs
6.	Pandit Karuppan Memorial Cherai	50 lakhs
7.	Sahodaran Memorial Cherai	50 lakhs
8.	Bharat Murali Drama Accademy, Kudavattoor	50 lakhs
9.	Federation of Film Society of India	50 lakhs
10.	Coastal Fok Accadamy, Pallithode, Kripasanam	50 lakhs
11.	Kshethra kala Accademy of Madaikavu	50 lakhs
12.	Chempazhanthy Gurukulam	50 lakhs
13.	Vayanadu Gothrabhasha Kalapadanakendra	50 lakhs
14.	Poorakkali Academy, Payyannur	25 lakhs
15.	Foklore Village, Kodakkad	25 lakhs
16.	Kunjimangalam Mooserikavu	25 lakhs
17.	Kilimanoor Chithrakala Institute	25 lakhs
18.	Irayimman Thampi Memorial, Thanneermukkam	25 lakhs
19.	Moolur Memorial, Ilavumthitta	25 lakhs
20.	Oduvil Unnikrishnan Memorial, Keralassery	25 lakhs
21.	ASN Nambeesan Kalakendra	25 lakhs
22.	Gandhi Museum and Library, Thycaud	25 lakhs

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| 23. | A.R. and Narendra Prasad Memorial, Mavelikkai               | 25 lakhs |
| 24. | Vayala Vasudevan Pillai Smarakam,<br>Chadayamangalam        | 25 lakhs |
| 25. | Malayinkeezhu Madhvakavi Samskrithi Kendra                  | 25 lakhs |
| 26. | Kunjuni Mash Smarakam, Nattika                              | 25 lakhs |
| 27. | Kumaranasan National Institute of Culture,<br>Thonnakkal    | 25 lakhs |
| 28. | Centre for Socio-economic and Environment<br>Studies ,Kochi | 25 lakhs |
| 29. | Chempakasseril Viswan Memorial, Kollamkode                  | 25 lakhs |
| 30. | Karinthandan Smarakam, Wayanad                              | 25 lakhs |
| 31. | Ayyappa Panicker South Indian Poetry Festival               | 20 lakhs |
| 32. | Ravunni Memorial  | 20 lakhs |
| 33. | Publishing next Conference, Cochi                           | 10 lakhs |
| 34. | Aju Foundation, Muvattupuzha                                | 10 lakhs |
| 35. | Padmasree Raghavan Master's Statue,<br>Thalassery           | 10 lakhs |
| 36. | P.N. Panicker Foundation, Thiruvananthapuram                | 10 lakhs |
| 37. | Oyyur Kochupillai Assan Kalakendram                         | 5 lakhs  |
121. In addition to those mentioned above, recurring grant is sanctioned to the following institutions:
1. Annual grants to the activities of Vaikom Moulavi Foundation and Swadesabhimani Madyama Padana Kendra are enhanced from Rs. 15 lakhs to Rs. 25 lakhs.

2. Annual grant to Thirur Thunchan Smaraka Trust under the leadership of M.T. Vasudevan Nair is enhanced to Rs. 30 lakhs.
3. Recurring grant of Rs. 10 lakhs to C. Achutha Menon Study Centre, Poojappura.
4. Rangaprabhath Children's Theatre, Venjaramoodu working for 46 years for the promotion of Children's art and cultural activities is sanctioned recurring grant of Rs.10 lakhs.
5. Rs. 5 lakhs is sanctioned as recurring grant to Mahakavi Ullur Memorial Library & Research Institute.
6. Unnai Varrier Kalanilayam's recurring grant is enhanced from Rs. 25 lakhs to Rs.50 lakhs.
7. The annual grant of Tripunithura Kathakali Kendra is enhanced to Rs.50,000.
8. Annual grant of Rs.15 lakhs is sanctioned to Abhaya, Thiruvananthapuram.

122. One time grant is sanctioned to the construction of the following Memorials.

1. An amount of Rs. 5 crore is earmarked to Jathiyilla Vilambara Sathapthi Museum, at Sivagiri. Rs. 2 crore is set apart for the completion of Conventional Centre.

2. This is the centenary year of Larry Baker. An amount of Rs. 2 crore is earmarked for the Larry Baker Centre for retaining not only the memories, but also the vision and construction techniques of Larry Baker who played a vital role in developing low cost construction technology appropriate to Kerala.
3. An amount of Rs. 1 crore is earmarked for K.P.P. Nambiar Smaraka Museum in commemoration of Sri. K.P.P. Nambiar, the founder Chairman and Managing Director of KELTRON.

### ***Libraries***

123. "There should be literary organisations and reading rooms in each locality"- so said Sree Narayana Guru in 1910. We have advanced far ahead in this regard. Now these secular spaces are getting contracted. These are to be rejuvenated. The grant for libraries is enhanced by 50 % to Rs.33 crore. The arrears of Rs. 4 crore due to Library Council is allotted separately. The fund required to provide free WiFi facility in 1300 first grade libraries has been sanctioned to IT department. An amount of Rs 10 crore is earmarked for providing computer with internet facility and LCD projector in first grade libraries.

### ***Sports & Youth Affairs***

124. The 35<sup>th</sup> National Games was a turning point in the development of sports in Kerala. Seeing this as a timely opportunity, the 2009 Budget declaration for infrastructure development project worth



Rs. 500 crore was a good beginning. In continuation of this, in this budget and also in the coming budgets, special consideration will be given for the promotion of sports facilities. For setting up of multipurpose indoor stadia in 14 districts, an amount of Rs.500 crore is set apart from Special Investment Scheme.

1	Thiruvananthapuram	Thomas Sebastian Indoor Stadium
2	Kollam	Olympian Suresh Babu Indoor Stadium
3	Pathanamthitta	Blessen George Indoor Stadium
4	Alappuzha	Udayakumar Indoor Stadium
5	Kottayam	Susan Mable Thomas Indoor Stadium
6	Ernakulam	Olympian Chandrasekharan Indoor Stadium
7	Idukki	K P Thomas Indoor Stadium
8	Thrissur	I M Vijayan Indoor Stadium
9	Palakkad	K.K. Premachandran Indoor Stadium
10	Malappuram	P. Moideenkutty Indoor Stadium
11	Kozhikode	Olympian Rehman Indoor Stadium

12	Wayanad	C.K. Omkaranadhan Indoor Stadium
13	Kannur	Jimmy George Indoor Stadium
14	Kasaragod	M.R.C. Krishnan Indoor Stadium

125. For the promotion of the basic infrastructure facilities in G V Raja Sports School Kannur, and the Ayyankali Sports School, an amount of Rs.30 crore is earmarked from the Special Investment Scheme. In the current year, an amount of Rs. 50 crore is the expected expenditure in this regard.
126. The Sports Department will prepare a detailed DPR for play grounds in every Panshayaths for implementing in a phased manner.As a first step an amount of Rs. 5 crore is earmarked. The required Rs.135 crore for this will be sourced from the Special Investment Scheme.

1. Neeleswaram E.M.S. Stadium
2. Dharmadam Abu Chathukutty Stadium
3. Koothuparambu Municipal Stadium
4. Padiyoor Indoor Stadium
5. Mattannoor Stadium
6. Wayanad District Stadium
7. Pulloorampara, Thiruvambady
8. Naduvannoor Velleball Academy

9. Edappal Govt.HSS
  10. Nilambur Mini Stadium
  11. Palakkad Indoor Stadium
  12. Chittoor Govt.College Sports Complex
  13. Thirumittacode Chathannoor HSS
  14. Chalakudy Municipal Stadium
  15. Ilankunnappuzha Santacruz Ground
  16. Pallippuram Engineering College Ground, Aroor
  17. Preethikulangara School Stadium
  18. Ambalapuzha Govt.College Stadium
  19. Alappuzha EMS Stadium (second phase)
  20. Iymanam Panchayath Stadium
  21. Nedumkandam Stadium
  22. Kottankara Mini Stadium, Kundara
  23. Attingal Sreepadam Stadium
  24. Kannoor Jawahar Stadium (10 crore)
  25. Adoor Municipal Stadium (10 crore)
127. In 2011, a Volleyball Academy was declared in commemoration of Kalavoor Gopinath, famous National Volleyball player and coach. But this has not yet been implemented. This academy will function in tandem with Udayakumar Indoor Stadium at Alappuzha. An amount of Rs. 50 lakhs is set apart for this.

128. Presently an outlay of Rs.85.22 crore has been provided for Sports and Youth affairs. Out of this, an amount of Rs.31 crore is for Kerala Sports Council, Rs.18 crore for Youth Welfare Board and Rs.32 crore for Sports Directorate. The outlay for Keralotsavam is enhanced from Rs. 4.2 crore to Rs. 8 crore.

## VI

### **Infrastructure Development**

#### ***Roads & Bridges***

129. Sir, not only our national highways, but also the state highways and district roads should be widened and modernized with B.M. & B.C. Technology. In the cases of roads and bridges announced in this budget as part of Special Investment Scheme, contracts would be awarded in small packages in order to enable maintenance contract. If a road is proposed partially, the contract would be awarded as a whole.

130. An amount of Rs.1206 crore has been earmarked for Roads and Bridges. Bills worth Rs1535.46 crore are there towards settlement of pending bills for works undertaken earlier. The current outlay may rather be insufficient to clear even the pending bills. Considering the financial position, PWD will be provided additional amount later. It is to be stated that the problem is highly complicated. On the one side, as per the preliminary calculations, the outlay of roads and bridges under

construction will be Rs 4500 crore. These liabilities have accumulated as a result of lax approach in sanctioning construction works. On the other hand, as a result of the unprecedented increase in revenue deficit, there was paucity of money for capital expenditure. As explained in the white paper, the situation will worsen in the current and next year. Hence, a two-pronged strategy is necessary. Prevailing rules should be strictly followed while sanctioning new works. Similarly by reducing revenue expenditure, Finance Department should be able to make available more money for clearing the bills of public works and other bills.

131. World Bank Assisted KSTP-phase-II (363 kms) is the largest road project being implemented now. An amount of Rs.523 crore is earmarked for this. The share of central road fund is Rs.84 crore. An amount of Rs. 90 crore has been earmarked for the improvement of major district roads. NABARD works would be for Rs.295 crore. Rs.82 crore has been earmarked for the State Road Improvement Project.
132. No change has been made in works either submitted before NABARD or included in the current budget estimates. Therefore, I am not repeating all these. At the same time, as part of anti-recession package, sanction will be accorded for bridges, fly overs/under passages, by-passes, roads, railway

over bridges worth Rs. 5000 crore. During current year an amount of Rs. 500 crore is the expenditure estimated in this regard.

133. Following are the 68 bridges worth Rs. 1475 crore:

<b>Sl. No.</b>	<b>Name of the Project</b>	<b>Amount (in crore)</b>
1.	Pulikkadavu Bridge	10
2.	Kunninpuram Bridge in Neyyantinkara Town	10
3.	Perumbalam-Panavalli Bridge	100
4.	Parayankadavu Bridge	10
5.	Akkarappadam – Koottungal Bridge	15
6.	Bridge over Thonnalippuzha in Irattakkulam-Vaniyampara Road	10
7.	Arangattukadavu Bridge	10
8.	Pazhambalakkodu-Pandikkadavu Kodathur Bridge and Road	10
9.	Akalappuzha Bridge	35
10.	Therayi Kadavu Bridge	25
11.	Idatharakadavu Bridge over Chalakkudi River	10
12.	Thrippayar Bridge	30
13.	Kumbichalkadavu Bridge over Karippayar	15

14.	Thirunavaya-Thavanur Bridge	50
15.	Therandi Bridge and Approach Roads	20
16.	Vattoli Bridge	10
17.	Parakkadavu Bridge	10
18.	Pulikkattukadavu Bridge	10
19.	Konnayil Kadavu Bridge	30
20.	Choolakkadavu Bridge	20
21.	Moolakkeel Kadavu Bridge	25
22.	Kumbalangi Keltron – Keltron Ferry Bridge	45
23.	Peruman-Munrothuruthu Bridge	60
24.	Mooradu Bridge	50
25.	Odankallu Bridge	10
26.	Mayannur-Koothampalli Bridge	15
27.	Chullimadu Bridge	10
28.	Koottumvathukkal Kadavu Bridge	50
29.	Koolimadu Kadavu Bridge	25
30.	Pullingomchal-Kilttakayam Bridge	10
31.	Klayikkodu-Ramanchira Bridge	10
32.	Kavinmunambu Bridge	35
33.	Vadasserikkara Bridge	10
34.	Adoor Town Bridge	10

35.	Ranni Valiya Bridge	10
36.	Kulathuppuzha Sree Sastha Ambalakkadavu Bridge	10
37.	Mattuppuram-Chennamangalam Bridge	15
38.	Kudiveettilkadavu Bridge	10
39.	Kunduchira Bridge	10
40.	Pulingolikadavu Bridge	10
41.	Nayarambalam Helbert Bridge	10
42.	Kallacherikadavu Bridge	10
43.	Thuruthimukku Bridge	15
44.	Pookkaithakkadavu Bridge	20
45.	Bridge connecting Pallathuruthi outpost and Kainakkari	42
46.	Thottappalli Naluchira Bridge	38
47.	Pullattu Bridge	30
48.	Odenthodu Bridge over Bavalippuzha and approach road	15
49.	Kumbalam-Thevara Bridge	100
50.	Gothuruthu-Karoor Padanna Bridge	10
51.	Nedumbrakkadu-Vilakkumaram Bridge	30
52.	Kavalam-Pattassery Bridge	30
53.	Padaharam Bridge	30
54.	Bridge parallel to Savakkotta Bridge	20



55.	Punnamada-Nehru Trophy Bridge	25
56.	District Court Bridge	20
57.	Pattarkadavu NKT Bridge	10
58.	Kozhenchery New Bridge	25
59.	Ezhuthumchira Bridge	15
60.	Odannur Bridge	15
61.	Bridge connecting Fathima-Arulappan Thuruthu	15
62.	Olambakkadavu Bridge	10
63.	Bridge on Malambuzha Ring Road.	10
64.	Chekku Bridge	10
65.	Cherikkal – Kottam Bridge	15
66.	Puzhakkal Bridge	10
67.	East Ottappalam, Kaniyampuram Bridge	25

134. Following are the eight flyovers worth Rs. 180 crore and four under passages worth Rs. 40 crore:

<b>Sl. No.</b>	<b>Name of the Projects</b>	<b>Amount (in crore)</b>
1	Edappal Fly-over	20
2	Flyovers at Ulloor and Kumarapuram Junctions	25
3	Flyovers at Melechovha and South Bazar Junctions in Kannur Town	30

4	Flyovers at Kizhakkekkotta and Kokkayil Junctions in Thrissur Town	75
5	Ettumanur Flyover	30
6	Pattambi Bypass – Pattambi Town Railway under passage	10
7	Underpassages at Pattom and Perurkkada Junctions	10
8	Ochira Rail Underpass	20

135. Following are the 17 bypasses worth Rs. 385 crore

<b>Sl. No.</b>	<b>Name of the Project</b>	<b>Amount (in crore)</b>
1.	Makkarapparambu Bypass	10
2.	Nilambur Bypass	100
3.	Koduvayoor Bypass	15
4.	Nenmara Bypass	20
5.	Pandalam Bypass	15
6.	Muvvattupuzha Bypass	15
7.	Kanjirappalli Bypass	20
8.	Kasargod Bypass	20
9.	Oradumpalam-Vylongara Bypass Road	10
10.	Uzhavur Bypass	15
11.	Kuttiyadi Bypass	10
12.	Chelakkara Bypass	20

13.	Perambra Bypass	15
14.	Attingal Bypass	25
15.	Ottappalam Bypass	15
16.	Angamali-Kochi Airport Bypass	50
17.	Keecheri-Akkikkavu Bypass	10

136. Following are the 137 roads worth Rs. 2800 crore.

Sl. No.	Name of the Project	Amount (in crore)
1.	Thirur-Kadalundi Road	15
2.	Kottakkal-Kottappadi Road	10
3.	Attachakkal-Kumbalam Poyka Road	10
4.	Kottarakkara Ring Road	15
5.	Mamala-Piravam Road	10
6.	Kothamangalam-Perumbalkuthu Road	15
7.	Plamudi-Uramkuzhi Road	10
8.	Binachi-Panamaram	25
9.	Nilambur-Nayadam Poyil Road	15
10.	Chottupara-Ulappunni-Vattappathal-Upputhura-Elappara-Vandipperiyar-Vallakkadavu Sathram-Kallar Road	50

11.	Hosdurg-Panathur Road	35
12.	Neeleswaram-Idathodu Road	25
13.	Chalakkudi-Anamala Road	10
14.	Vazhayila-Pazhakutty-Kacherinada-Pathamkallu four line Road	50
15.	Muvvattupuzha-Kakkanad Four line road	40
16.	Manoor-Ponjasseri Road	10
17.	Kalanjur-Padam Road	15
18.	Adivaram-Kaithapoyil-Kodancheri-Agasthyarmozhi Road	30
19.	Eerattupetta-Peerumedu Road	25
20.	Karamana-Kailiyikkavila Phase II	200
21.	Kadungalloor-Vilayil Road	10
22.	Airport Link-Kattamballi-Mayyil-Kolom Road	15
23.	Chathannur-Meenad-Kulamad- Paravoor-Nellattil-Poothakkulam-Idayadi Road	100
24.	Mattannur-Irikkur Road	10
25.	Irikkur-Vlathur Road	10
26.	Alakkodu-Poovanchal-Mavinthattu-Kappimala Road	15
27.	Thodupuzha- Karikkodu-Anjiri-Anakkayam-Kanjar Road	10
28.	Shivagiri Ring Road	10

29.	Mananthavadi-Kaithakkal Road	10
30.	Mananthavadi-Pakranthalam Road	10
31.	Chittumala-Malumel Road	45
32.	Karumannu-Kulukkupara-Kalliampara-Ozhalappathy Road	15
33.	Thottasseriyara-Illathunadu Road	10
34.	Thekkil-Alatti Road	50
35.	Mutholi-Bharananganam Road	10
36.	Kavumbhagam-Idinjillam Road	10
37.	Thiruvalla-Mallappalli-Chelakkombu Road	20
38.	Muthur-Kuttur-Kizhakkemuthur Road	10
39.	Akkikkavu-Kadangodu-Erumappetty Road	10
40.	Extension of Asramam Link Road to Thevalli	75
41.	Pangodu-Kadakkal-Chingeli-Chadayamangalam Road	20
42.	Ayirakkuzhi-Anchal Road	10
43.	Kovur Chemmanthodi Thazham-Athani Road	10
44.	Palodu-Brymore Road	20
45.	Ponmudi-Brymore Road	10
46.	Venjarammudu Ring Road	15

47.	Karuvanthala-Chakkamkandam Road	35
48.	Thrissur-Kanjani-Vadanappalli Road	40
49.	Arammayil-Parapparm Road	10
50.	Koduvalli-Pinarayi-Anjarakkandi – Kannur Air Port four line Road	50
51.	Thalassery-Irikkur Road	15
52.	Chovva-Anjarakkandi-Mattannur Road	20
53.	Karapparambu-Thadambattuthazham-Paroppadi Road	15
54.	East Hill-Ganapathikkavu-Karapparambu Road	10
55.	Puthiyangadi-Mavikkadavu-Krishnan Nair Road	10
56.	Bhagavathippadi-Mallikkattukadavu Backwater Road	20
57.	Kallanodu-Vayalida-Thalayar Road	20
58.	Kayyur-Palakkunnu Road	10
59.	Nadathara- Moorkkalikkara-Kannara Road	15
60.	Mavelikkara-Puthiyakavu-Pallikkal Road	15
61.	Valakam-Thadikkadu-Anchal Market-Mathra-Adukkalamula Road	15
62.	Punalur Town Roads	10
63.	Kollamkadavu-Kulanada Road	15

64.	Ilanjimeel-Harippad Road	15
65.	Perambra-Cheruvannur Road	10
66.	Kodakara-Vellikulangara School Road	20
67.	Puthukkadu-Mupliyam-Kodali Road	10
68.	Pattimattom-Kizhakkambalam- Manayikkadavu Road	20
69.	Kozhikkodu-Balusseri Road	25
70.	Ottappalam-Perinthalmanna Road	10
71.	Vaniyamkulam-Vallappuzha Road	10
72.	Kannur-Chungam Road	10
73.	Road parallel to Vypin-Pallippuram Road	75
74.	Keezhppadam-Kallickandi- Thoovakkunnu-Kunnothuparambu Road	15
75.	Two ring roads in Thiruvananthapuram city	35
76.	Ponnani Coastal Karma Road	30
77.	Kaithavana-Pazhayanada-Ambalappuzha Vadakkenada Road	10
78.	Ettumanur Ring Road	30
79.	Cherthala-Thannerukkam Road	10
80.	Muttathipparambu-Arthunkal Road	10
81.	Varankavala-Coalgate-Kavungal Road	10
82.	Kanichakulangara-Beach-NH- Kayippuram-Kayaloram Road	10

83.	Kalavur-Kattur-Beach Road	10
84.	Manchery-Olippuzha Road	10
85.	Manjanikkara-Ilavanthitta-Kidangannur-Mulakkuzha Road	15
86.	Muttunkal-Pakramthalam Road	30
87.	Cheruvannur-Beypur Road	25
88.	Mannur-Chaliyam Road	15
89.	Amaravila-Ottassekharamangalam Road	15
90.	Vaikkom-Vechur Road including Anjumana Bridge	15
91.	Kazhani-Pazhambalakkodu	10
92.	Kankol-Chemeni Road	10
93.	Anayadi-Pazhakulam-Kurambala-Keerukkuzhi-Chandanappalli-Kudal	40
94.	Methuvinmel-Kunnikkodu-Thadikkadu-Polikkodu	30
95.	Tippu Sultan Road (Asanpadi-padinjarekkara)	10
96.	Koppam-Panappuzha-Kanaramvayal Road	10
97.	Mayyil-Kanjirodu Road	15
98.	Pettah-Anayara-Oruvathilkotta Road	10
99.	Varattiyakkal-Thamarassery Road	25
100.	Cherupuzha-Muthuvam Road	10



101.	Punnakkadu-Puthiyapuzhakkara-Ezhimala Railway Station Road	10
102.	Puthunagaram-Kinassery Road	10
103.	Udumbanchola-Rajakkadu-Anachal-Randammayil Road- Chithirapuram	35
104.	Kundara-Chittumala-Idayakkadavu Karutharakkadavu -Montrothuruthu Railway Station Road	15
105.	Peechi-Vazhani Tourism Corridor Road	20
106.	Pattambi-Cheruppalassery Road	10
107.	Kallupalam-Iravipuram-Thannimukku-Mayyanad Road	25
108.	Kannadi-Pannikkodu Road	10
109.	Edukkunni Road	10
110.	Puppara-Byson Valley- Panniyarkkuttu-Vellathooval-Kallarkuttu Road	50
111.	Thalipparambu-Pattuvam-Cherukunnu Road	10
112.	Chanthapura-Pariyaram Medical College-Sreestha- Naruvappuram-Ezhom-Kottakkeel-Vellikkeel-Ozhakrom Road	25
113.	Valankara-Ayirur Road	15
114.	Jacob's Road	15
115.	Kollam-Nelliyadi-Meppayyur Road	10
116.	Payyoli-Perambra Road	25

117.	Kurattiyambalam-Mannar-Viyyapuram Road	15
118.	Moolamattom Asramam-Kappakkanam - Ambamedu-Kallumedu-Uppathura Chappathu-Vandipperiyar Road	30
119.	Nedumangadu-Aruvikkara-Vellanad Road	10
120.	Kalpetta-Varambatta Road	20
121.	Kaniyampatta-Meenangadi Road	20
122.	Meppadi-Chooramala Road	15
123.	Kaniyapuram-Chirayinkeezhu Road	10
124.	Muthalappozhi-Vettur-Varkkala-Nadayara-Parippalli Road	10
125.	Alamcodu-Meerankadavu-Anchuthengu-Muthalappozhi Road	10
126.	Kuyyali-Kolasseri-Kayalodu Road	10
127.	Ambalappuzha-Thiruvalla Road	40
128.	Changanassery-Kaviyur Road	15
129.	Sreekrishnapuram-Muriyankanni-Cherallur Road	10
130.	Ottappalam-Cheruppalassery Road	10
131.	Vettamukku-Thevalakkara-Mynakappalli-Sasthamkotta-Manamppalli-Kanjirathummudu-Thamarakkulam Road	50
132.	Chettivila-Nellivila-Kakkamula-Kattukulam Road	10

133.	Anakkampoyil-Kalladi-Meppadi-Thuramgapatha	20
134.	Kulathumala- Kallayi Road	10
135.	Melechowamattannoor Road	15
136.	Ayathil-Pallimukku Road	10
137.	Purakkattiri-Andikkodu-Ullyeri Road	15

138. Following are the 14 railway over bridges worth Rs. 295 crore.

Sl. No.	Name of the Project	Amount (in crore)
1.	Chelery-Chettipadi Railway Over bridge	10
2.	Guruvayur-Kizhakkenada Railway Over bridge	25
3.	Akathethara-Nadakkavil Railway Over bridge	25
4.	Purayar Railway Over bridge	10
5.	Kariyannur Railway Over bridge	10
6.	Chirangara Railway Over bridge	20
7.	Vaduthala Railway Over bridge	35
8.	Idava Railway Over bridge	15
9.	Kundara Pallimukku Railway Over bridge	10
10.	Vadanakkurissi Bridge	10
11.	Maliyekkal Rail Bridge	25

12.	Puthukkad Railway Over bridge	40
13.	Chirayinkeezhu Railway Over bridge	10
14.	Atlantis Railway Over bridge	50

139. An amount of Rs.2536 crore earmarked in the head of account for major infrastructure development projects will be utilized for carrying forward the construction of Kochi Metro, Vizhinjam Port, Kannur Airport, Kozhikkodu, Thiruvananthapuram, Light Metro, Hill Highway, Mobility Hub, Suburban Rail corridor of existing major parks.

***Railway***

139. If Kerala has to transform towards a scientific transport system, rapid development of Railways is highly inevitable. Kochi Metro is the most important railway construction project at present. Sufficient allocations have been made for providing fund for this without interruption.
140. The DPR of Kerala High Speed Railway Corridor has been prepared. Alignment of this has to be revised by avoiding habitations. Likewise, parallel to the existing railway line, even by compromising speed, a study has to be conducted for new alignment. An amount of Rs. 50 lakhs is set apart for completing the study within this financial year.
141. Government of Kerala has formed a joint venture with Railways. Six railway projects are expected to be undertaken through this. Among them, Government gives utmost priority to the construction of Sabari Rail-line. The share contribution of

Government of Kerala in the Joint Venture has not yet been handed over. An amount of Rs. 50 crore is earmarked for this from the Anti-recession package. A Special Purpose Vehicle (SPV) is to be formed for availing loans for the construction of Sabari Rail Line by way of Joint Venture with Railways. Fund required for this will be made available from the Special Investment Scheme. Now onwards, the ball is in the court of Railways. The construction should be started and completed at the earliest. Rs.20 crore will be given as state share for Kanhangad, Panathoor, Kaniyoor railway line.

142. Government will give utmost priority to implement the Sabarimala Master Plan and construct a railway line to Sabarimala. An amount of Rs.150 crore is earmarked from special Investment Scheme for the following projects, Rs. 20 crore for sewage treatment plant at Pamba, Rs.20 crore for Queue Complex, Rs.5 crore for bridge at Thriveni , Rs. 5 crore for Nilakkal Park, Rs.100 crore for midway shelters. Rs.25 crore expenditure is expected this year.

### ***Energy***

143. The total plan outlay of the Electricity Board is Rs.1380 crore. Unless power generation is considerably enhanced, the reliance upon electricity from outside will increase and thereby hike in electricity charges will become inevitable. Against this backdrop, thermal power stations are essential. However, allocations have not been made in the current budget since consensus regarding this has not yet evolved. Out of the allocation of Rs.390 crore for power generation, an amount of Rs.50 crore for non-

conventional energy sources. In addition to it, an amount of Rs.44 crore is earmarked for ANERT. The capital investment in this sector has to be further enhanced. Rs.1600 crore is the total outlay for the 200 MW solar park at Kasaragod. A mega project for installation of solar panels over rooftops of houses for generating 1000 MW of electricity is to be launched during current year. In the first phase of this, solar panels will be installed on the rooftops of Government offices. For this, financial assistance of Rs. 200 crore is expected from the Green Fund of NABARD.

144. In addition to the efforts to increase supply, demand management is also vital. An amount of Rs.7 crore has been earmarked to Energy Management Centre, the most important agency in this field. This agency plays pivotal role in co-ordinating energy conservation activities in various institutions, industrial centres, commercial establishments and houses. During the tenure of the previous Government, one CFL in place of one filament lamp was distributed to all houses. As per the ongoing scheme, two LED bulbs each are provided at subsidized price. Rs. 150 crore is the expected expenditure for this. In continuation to this, a mega programme for replacing all filaments, CFL bulbs with LED bulbs are proposed to be implemented. An amount of Rs. 250 crore is earmarked for this from the Special investment Fund. The expenditure during current year will be Rs. 100 crore. Similarly, a scheme will be prepared for replacing all energy inefficient fans, home appliances and pumps.

145. We are preparing to make use of solar panels and LED bulbs on a large scale ? For this a major factory will be established. It has to be examined whether the closed Excel Glass Factory can be utilized for this. An amount of Rs. 25 lakhs is earmarked for preparing detailed project report in this regard.
146. Sanction has been obtained for extending transmission corridor from Tamil Nadu to Madakkathara for reducing transmission loss, satisfying energy evacuation necessities and improving distribution and transmission network. The expenditure on transmission system to Kerala itself will cost Rs. 3679 crore. A token provision of Rs. 1 lakh will be earmarked for implementing transgrid transmission facilities. An amount of Rs.280 crore is earmarked for the construction of new sub-station lines and improvement of existing ones. An amount of Rs.160 crore is set apart for improving the distribution facilities in urban areas. An amount of Rs. 190 crore is earmarked for completing works under Power Distribution Scheme.

### ***Irrigation***

147. Comparing the capital investment, the large-scale irrigation projects in Kerala have turned out to be heavy burden deviating far from the objectives. There is no further relevance for these large-scale projects. However, the fund earmarked remains unspent due to such deviations. It is reflected in the huge unspent amounts every year. In place of the expenditure of Rs. 94 crore in 2012-13, the total expenditure during 2015-16 as per the revised estimates is Rs. 69 crore. An amount of Rs. 307 crore has been earmarked for 2016-17.

148. Small scale irrigations projects are more relevant for us. An amount of Rs.130 crore has been earmarked for this sector during current financial year. As mentioned earlier, small scale irrigation projects can play pivotal role in people's campaign for soil-water conservation based on watershed properties.
149. Kerala is the land of canals and water bodies. Their renovation is the prime responsibility of irrigation department. The estuaries playing critical role in coastal eco system are now highly polluted. An amount of Rs. 100 crore is earmarked from the Special Investment Scheme for their rejuvenation scheme. Rejuvenation of Muthalappozhi Estuary in Alappuzha will be taken up during current year on experimental basis. An amount of Rs. 10 crore is expected as expenditure during current year.
150. An amount of Rs. 50 crore is earmarked in the Special Investment Scheme for cleaning and rejuvenating Parvathy Puthanar. An amount of Rs. 5 crore is expected as expenditure during current year.
151. An amount of Rs. 10 crore is additionally allocated towards projects for ensuring utilization of water from Kabani River in permitted level.

### **Ports**

152. Our aim is to shift 20% of the cargo transport of Kerala through coasts and canals. We intend to facilitate Ports at Vizhinjam, Kollam, Kodungalloor, Beypore and Azheekkal for cargo transport and at Valiyathura, Alappuzha, Ponnani, Thalassery and Kasaragod for passengers. An amount of Rs. 15 crore has



been earmarked for this. An amount of Rs. 500 crore is allocated from Special Investment Scheme for speeding up the construction of Azheekkal Port. Along with this, Alappuzha Marina will also be undertaken. Rs.50 crore of expenditure is expected in the current year. Vizhinjam is going to be transformed into an International Cargo Shipment Port. Major portion of the expenditure towards construction of the port is borne by us. For this purpose, sufficient availability of fund has been ensured.

### ***Kerala State Road Transport Corporation***

153. Losses of KSRTC are rapidly aggravating. Rs.85 crore is the loss per month. It is impossible to proceed further like this. Therefore a bailout package has to be formulated immediately. Almost all buses would be converted into CNG fuel within five years. The liability of KSRTC is Rs.3446.92 crore. Financial restructuring would be done to reduce this liability. Bus stands would be modernized and should generate income. Above all, there would be a time bound programme for enhancing productivity in mileage and maintenance and reducing breakdown and accidents. Necessary training has to be provided for this. Such a package is being prepared by the Transport department. Meanwhile, Government will be providing financial assistance to distribute monthly pension on time. Expecting that this package will materialize, the transformation to CNG fuel is launched in this budget. The Corporation will be provided an amount of Rs. 300 crore as loan from the Special Investment Scheme for purchasing 1000 CNG buses with hub

in Ernakulam. An expenditure of R.50 crore is expected in the present year. The expenditure for the building of body for the presently bought chassis will be met from this capital expenditure.

### ***Water Transport***

154. The Integrated Water Transport Project proposed to be implemented in Kochi will be an epoch making development in water transport sector. The project connects Greater Kochi to its backwater-Canal shores with 38 modern Jettis and 78 modern high speed Kattamaran boats. This will be implemented by Kochi Metro Rail Corporation Ltd.
155. Similarly, a project will be prepared under the auspices of Inland Water Transport for modernizing water transport in Alappuzha-Kuttanad and Changanassery - Kottayam sector. For this purpose an amount of Rs.400 crore is earmarked from Special Investment Scheme. A mobility hub will be constructed integrating Alapuzha Boat Jetty and bus stand. This centre will be connected to the railway station through frequent bus services. It is to be highlighted that the terminal of National Waterways is also at Alappuzha . This will be implemented as a joint venture of Road and Water Transport Departments. An expenditure of Rs.50. crore is expected in the current year.
156. An amount of Rs.125 crore is earmarked for Coastal Shipping and Inland Navigation Department. Of this, Rs. 20 crore is for Kottappuram-Neeleswaram waterways, Rs.10 crore for Kollam-Kovalam waterways, Rs. 50 crore for Vadakara-Mahe Canal

and other feeder canals. Rs. 28 crore is for over bridges and Rs. 12 crore is for new jettis etc. Kottappuram to Kozhikkode has been included under National Waterways 3. The Central Government has decided to develop waterways from Alappuzha to Changanassery, Kottayam and Vaikom as National Waterways.

## VII

### **New Growth Sectors**

157. Sir, We are laying great emphasis infrastructure development to also attract private capital investment into industrial sectors. We certainly cannot give, as done in many other states, relaxations that impinge on the rights of labourers, environment conservation and land use. But we should be able to ensure the best and the most modern basic facilities in Kerala.

#### ***Industry***

158. "There can be no economic progress without industry", so said Sree Narayana Guru in 1910. Even now there is a long way ahead to go in industrial development.

159. The most important achievement of the previous LDF Government was that the Public Sector Undertakings were in profit. But at present almost all PSUs are in loss. Even one of the most profitable PSU i.e., KMML factory at Chavara is also in loss. An amount of Rs.100 crore is set apart for projects relating

to Public Sector Undertakings. Additional amounts will be provided on exhaustion of the same.

160. Rs. 87 crore is earmarked for the 11 projects implemented by KSIDC. Important among them are Life Science Park, Thiruvananthapuram, Electronic hardware park, Kochi, Industrial Growth Centers at Alappuzha, Malappuram, Kozhikode and Kannur, Life Engineering Park at Palakkad, Petro chemical Park at Kochi and mega food park at Cherthala.
161. The outlay for KINFRA is Rs. 101 crore. KINFRA is now developing Industrial parks at Punalur, Mattannoor, Thrissur, Thodupuzha, Kalamassery, Kazhakoottam, Koratty, Kollam, Ottappalam, Palakkad and Ramanattukara. For continuation of these activities without interruption, additional assistance will be provided.
162. The Kochi-Palakkad Industrial Corridor has been widely debated. We are beginning to implement it. It is intended to create a big cluster of small and large industrial parks and factories in the outskirts of NH- 47. The Land acquisition and other activities of small and big industrial parks will begin. As a first step, KSIDC will acquire excess unused land in possession of FACT at an agreed rate. Around 70 acres of land under the ownership of Travancore Rayons, Perumbavoor will also be acquired. It is intended to acquire 500 acres of land in

Ernakulam district, 500 acres in Thrissur and 500 acres at Ozhalappathy Kannambra for Kochi – Coimbatore high-tech industrial corridor.

163. Besides, five massive multipurpose industrial zones will be started. For this 1000 acres at Pattannor–Panayathuparambil , 900 acres at Thodupuzha, 700 acres at Mangada, 500 acres at Vizhinjam, 500 acres at Kasargodu will be acquired. Thus, a total of Rs.5100 crore will be required for acquiring 5100 acres of land. In the current year an amount of Rs.1000 crore is expected.
164. Mineral sand is our precious natural wealth. But a lion’s share of this is being exported as raw material or low value added products. In order to change the situation, it was promised in the manifesto that an industrial complex will be established for these value added products involving titanium metal. A committee will be appointed for submitting concrete proposals for this. An amount of Rs. 25 lakhs is provided for this purpose.

### ***Tourism***

165. It is stated in the manifesto of Left Democratic Front that strategies will be devised to double the number of foreign travelers and to increase the domestic tourist flow by at least 25%. In this way four lakhs more people will get direct employment. We have to ensure private investment and

infrastructure facilities in tourist destinations in such a way as to accommodate these tourists.

166. An amount of Rs. 400 crore is set apart from the Special Investment Scheme for the development of infrastructure such as roads, water transport, electricity drinking water, wayside amenities etc at the 20 tourist destinations like Dharmadom - Muzhippilangad, Kannur Fort - Arakkal Palace, Karappuzha - Wayanad Tourism hub, Chethy-Mararikkulam, Thrissur-Guruvayur-Paliyur Circuit, Veli Tourist Village Second phase, Akkulam Ponnani etc. An expenditure of Rs.50 crore is expected in the current year.
167. The Muziris Heritage project, which has deviated from its original aims, has been lingering for the last five years. It is proposed to complete the project within three years. In the model of Muziris heritage projects, projects will be implemented in Thalassery and Alappuzha. The scheme include the renovation of historical monuments, conservation in the old style at least in some places, creation of a chain of museums, roads for their construction and water transport systems. The modernization of canals in Alappuzha, the cleaning of *Muthalapozhi* and *Thumbolipozhi* will also be implemented as part of this project. An amount of Rs. 100 crore is set apart for these two projects from special investment scheme. An expenditure of Rs.50 crore is expected this year.

168. An amount of Rs. 200 crore is set apart from Special Investment Scheme for ensuring infrastructure and construction of ropeway at Ponmudi. An expenditure of Rs.5 crore is expected this year.
169. The ten villages such as Balaramapuram, Mannar, Aranmula, Cheruthuruthy, Payyannore, Muthanga etc., will be developed as Heritage Villages. Since huge outlay has already been earmarked from Special Investment Scheme, the amount required for this will be met from the tourism budget itself.
170. The Spices Route, to be started in Kerala, will create the first International Tourism circuit. The entire cargo transportation network of ancient times along which spices from different ports of Kerala were transported by sea to Arabia and from there to European cities will be developed into a tourist circuit. An amount of Rs.18 crore is set apart for this.
171. Air strips aimed at tourism development will be established. Priority for this will be given to Bekal, Wayanad and Idukki. Amount will be sanctioned after preparation of detailed plan.
172. Action will be taken to fast track activities for implementation of Sabarimala Master Plan. After the preparation of DPR amount will be sanctioned from Special Investment Scheme for implementing at once.
173. Road development connected to Kannur Airport will be implemented as a single package.

174. Sir, top priority is given to tourism in the annual plan. The outlay is Rs.311 crore. This amount is earmarked for marketing of tourism products, development of tourism training institutes, promotion of different tourism products etc. An amount of Rs.750 crore is provided from Special Investment Scheme for tourism. This amount cannot be utilized for infrastructure development and capital expenditure only and not publicity and other expenditure.

### ***Information Technology Industries***

175. It is stated in the manifesto of the LDF that the capacity of IT park will be increased to one crore square feet. In Technopark at Thiruvananthapuram, 128 companies are in queue with demand for 5 lakh square feet of space. After utilizing 50% the capacity of existing parks, new construction activities will begin. The following construction works will be undertaken afresh

- 1) 3.4 lakh square feet buildings at Kochi Innovation Zone (Rs. 225 crore)
- 2) First Building at Technocity with 2 lakh square feet (Rs. 100 crore)
- 3) New IT building at Technopark in 8 lakh square feet, Thiruvananthapuram (Rs 750 crore)
- 4) Building at Cyberpark, Kozhikode (Rs 100 crore)
- 5) In addition to above, Rs. 150 crore is required for linking all engineering colleges with IT parks via Tele presence Network.



An amount of Rs.1325 crore is earmarked from Special Investment Fund for the above IT park initiatives. In 2016-17, the expenditure expected to be Rs. 250 crore.

176. The share of IT sector in the budget is Rs 482 crore. Out of this, an amount of Rs.76 crore for Technopark, Rs. 61 crore for Infopark and Rs. 25 crore for Cyberpark are set apart. In addition to this, small parks are being developed at KSITN Kozhikode, Kannur, Kasaragod, Koratty etc. An amount of Rs. 58 crore is set apart for this.
177. The Innovation Zone at Kalamassery is envisaged for encouraging the start ups. An amount of Rs. 60 crore is set apart in budget for different activities of this. The proposed new park building is in addition to this. A project will be started to help 1500 startups in five years as to give Rs. 2 lakhs each for innovative ideas, and unmortgaged loan of Rs. 1 crore each for the selected ones. Startups can spend Rs. 50 crore provided through Kerala Financial Corporation.
178. A special scheme will be initiated to provide free WiFi at bus stands, railway stations, parks etc. In addition to this all the first grade libraries in Kerala are included in this scheme. An amount of Rs. 25 crore is set apart for this new scheme.

### ***Science & Technology***

179. An amount of Rs.100 crore is set apart for Science, Technology and Environment Council. Out of this, Rs.56 crore is for the financial assistance of nine Research Institutes and Rs. 25 crore is for the various activities directly undertaken by the Council.

### **Cooperation**

180. The most important development in the cooperative sector is the change from three tier structure to a two-tier structure. The district and state co-operative banks will be merged into a single bank. This banking system, which has maximum number of branches, can play a pivotal role in the development of the State. A committee will be constituted to suggest concrete proposals for this. An amount of Rs. 10 lakhs is set apart for this.
181. The outlay for co-operative sector is Rs.95 crore. In addition to this, an amount of Rs.45 crore will be received as central assistance.

### **NORKA**

182. Sir, the recession in gulf countries has raised fresh anxieties among Non-Resident Indians. The number of returnees has been increasing. Of them many need rehabilitation. Those who do not need such help have to be provided investment facilities or employment. The current year's budget is opening up a new chapter in the realm of industrial parks and other investment opportunities. In the coming years this policy will be enhanced. Measures will be taken to give special priorities to Non-Resident Indians in these areas.
183. For the activities of NORKA department, an amount of Rs. 28 crore has been earmarked in the budget. But only Rs 1 lakh is earmarked for the welfare fund. It is enhanced to Rs. 10 crore. Benefits from the welfare funds will be increased periodically.

The present outlay is Rs.12 crore for the rehabilitation of gulf returnees. It is enhanced to Rs. 24 crore. The loan scheme that had been envisaged by the previous Government in co - operation with financial institutions for the gulf returnees was derailed for the non-remittance of back end subsidy in advance to the banks. It will be ensured that the backend subsidy is given in advance.

## **VIII**

### **Decentralisation**

184. Sir, People's Planning ushered in a new era in the history of decentralization of the State as well as the nation. Since then, Kerala has been ranked first in India in decentralization. Though we can take pride in this, it cannot be claimed that aims put forward at the inception of this experiment could be fulfilled. Actually the previous five years showed a dismal trend of reversal. The LSG Department was trifurcated, the recommendations of the Government approved Finance Commission were not accepted, District Planning Committees became mere spectators, corruption became rampant, nepotism and ward level division became rather common in the selection of beneficiaries. Thus reverses could be seen in all dimensions. A big course correction is necessary. The people's planning programme needs to be revived. We need to regain our dreams.

185. The LDF is putting forward an agenda, which marks the resurrection of Local Self Government institutions. This budget is launching a novel constructive plan to improve basic infrastructure facilities for general education and public health. Large level participation of public is required to improve level of quality through this initiative. We have envisaged three objectives viz. self-sufficiency in vegetable production, total sanitation and prevention of degradation of water recycling and water conservation, that will be realized the active participation of people. These objectives can be achieved only if LSGIs take the initiative. The new decentralization initiative will combine all these goals. For the preliminary activities and decentralization cell, an amount of Rs.10 crore is set apart.
186. The previous Government has not taken any decision regarding Fifth State Finance Commission. Once the recommendations are vetted and approved, funds will be earmarked in future based on that. In the current budget an amount of Rs.5000 crore is set apart for three tier Panchayats and Urban local bodies. Under these circumstances, an amount of Rs.500 crore is set apart as unconditional development fund for State schemes. With this, 10 percent hike in total outlay is ensured compared to last year.
187. The monthly allowance of members and office bearers of LSG Institutions will be doubled. This will take effect from this July. This can be met from own fund or from general-purpose grant if own fund is not sufficient.

188. It is ironical that the previous government, which substantially enhanced the VAT, and Sales Tax being collected by the government did not allow hike in the building tax of LSG Institutions. The State Government will not compel enhancement of tax rate. It is the freedom of LSG Institutions. Those who desire can fix higher or lower rate within the band as per norms. The detailed order in this regard will be issued by LSG Department later.
189. No decision has been taken for the creation of posts and ensuring building facilities for the newly created Municipalities and Blocks. The situation of Anthur Municipality is utterly lamentable. They were allocated posts and funds only last month. Rs.100 crore is set apart from the Special Investment Scheme for the construction of building facilities through a special Agency. An expenditure of Rs.50 crore is expected this year for this purpose.
190. An independent professional audit centre will be established at Gulati Institute for providing required service to the departments and Local Self Government Institutions who implement social audit. An amount of Rs.50 lakhs is earmarked for this purpose.
191. KILA is now well regarded as an important training centre in the head of decentralisation in and outside the India. The request for advice and training on decentralization is being received from other States. An amount of Rs.50 lakhs is specially provided to equip KILA for this purpose.

192. There will be special consideration for the development of Thiruvananthapuram as the capital city and Kochi as the centre of industry and commerce. This is evident in the allocations for basic infrastructure. Projects like JNNURM and UDISMAT were stalled due to paucity of money. In order to avail the benefits of the fund expended so far, we have to identify more funds. Steps will be taken to complete these projects on war footing after conducting comprehensive review. An amount of Rs. 100 crore is set apart from the Special Investment Scheme for the development of basic infrastructure as per Attukal Masterplan, Thiruvananthapuram. An amount of Rs. 10 crore is expected expenditure for this. Based on this model, a master plan for the development of Sree Padmanabha Swami Temple Complex will also be prepared. An amount of Rs. 20 lakhs is earmarked for preparing detailed report in this regard. This report will be prepared by a team consisting of renowned conservation architects.

### ***Sanitation***

193. A peoples' campaign for making Kerala the most hygienic state in India will be launched on the first of November. On that day, Kerala is going to be declared as Open Defecation-free State. Local Self Government Institutions will come forward to provide toilets in all houses without toilets. Decentralized waste management at source is the basis of sanitation campaign. As far as possible, bio-waste should be converted by each person to compost or biogas at his/her house. Otherwise, this should

be brought to the nearby community-composting centre. Inorganic waste should be collected from houses and sorted at resource centre for reuse, recycling or scientific removal. Local Self Government Institutions have to give priority for sanitation programme.

194. An amount of Rs. 26 crore is earmarked for Suchitwa Mission. An amount of Rs. 50 lakhs is sanctioned to Integrated Rural Technology Centre at Palakkad for developing and propagating suitable waste management techniques.

### ***Kudumbasree***

195. The Kudumbasree movement, the pride of Kerala, will have to be saved from the brink of collapse. In the initial years of the previous government, strong agitations were held against the encouragement of other institutions parallel to Kudumbasree. But the terms of the compromise arrived at were not fulfilled. Rs.328.45 crore is the fund allotted to Kudumbasree during the last three years. But only an amount of Rs.215 crore was received. Even the cheques given to the 16 CDS as winners in the reality show conducted by Doordarshan bounced. This brought shame to Kerala. It was not accidental there was not even one reference to Kudumbasree in the last budget speech of the previous UDF Government. Sir, the next five years is going to be a period of resurrection for Kudumbasree.
196. Anyway an amount of Rs. 130 crore has been earmarked for Kudumbasree. This is enhanced to Rs. 200 crore. Out of this, Rs. 50 crore is the supplementary assistance for Ashraya

project. Kudumbasree will get loans at 4% interest from Banks. Rs.50 crore will be provided for this. The revolving fund for Kudumbasree units, agriculture subsidy and subsidy for micro enterprises are reintroduced.

## **IX**

### **Gender Equality**

197. Sir, a new Department will be created for women. This department will be responsible for coordinating gender auditing and schemes related to women in other departments in addition to the schemes directly under this department. An amount of Rs 10 crore is set apart for this.
198. One of the innovations put forward in Budgeting during the previous LDF government was gender budget. As a result, the outlay of women development projects has more than doubled to 10% of the total non-plan outlay. Unfortunately the previous UDF government stopped this initiative. Sir, we are going to reintroduce this. Hereafter, gender audit report will also be distributed to the honorable members along with budget documents. Apart from ensuring gender equality, 10 percent of the outlay will be set apart for women specific projects.
199. An amount of Rs 91 crore has been earmarked in plan for the projects relating to the welfare and development of women. Out of this an amount of Rs 45 crore is the State share of the Centrally Sponsored Scheme related to Anganwadis. An



amount of Rs 12.5 crore has been earmarked for the psycho-social service of adolescent girls. This scheme is to be implemented through schools.

200. An amount of Rs 12.5 crore is earmarked for Nirbhaya short stay homes. These homes are hardly different from prisons today. These homes will be made women friendly. An atmosphere will be created to ensure that the girls live there, experience a sense of hope for their future.
201. As part of High Tech Class Room Project, girls' friendly toilets will also be constructed in schools.
202. The demand for sufficient public comfort facilities in Kerala has increased strongly. The Government is committed to fulfil this demand. The absence of public comfort stations affects women the most. As a solution, toilets will be constructed at roadside petrol pumps, restaurants and public institutions. These institutions will be responsible for its maintenance. In addition to this, fresh-up centres will be constructed at bus stands, railway stations, tourist centers and important markets. These should be operated as part of micro enterprises of Kudumbasree. The fresh-up centres will include sanitation room, feeding room, vending machine and snacks bar. An amount of Rs 50 crore is set part for this project. An expenditure of Rs. 20 crore is expected during the current financial year.
203. The projects for the development and welfare of children will be compiled and included in the State Budget as provided in the

22<sup>nd</sup> statement of the Union Budget. The effort in child budget is to optimize allocations for children based on a common programme.

204. The clamour for justice by the transgender in the Kerala society is gaining more recognition. By reserving employment for them in Kochi metro, a new chapter has been opened. This budget also wishes to express solidarity with the transgender society. Pension is allowed to transgender persons above sixty years. Transgender students will be given special educational concessions. The non-profit organisations working among them will be given financial assistance. For this, as a beginning, an amount of Rs.10 crore is allocated.

## **X**

### **Environment Friendliness**

205. Sir, this budget is a continuation of the green budget of 2010. Further progress is quite impossible without becoming environment-friendly. The mistakes of previous government in protecting paddy fields and wetland in agriculture sector will be rectified and a land data bank will be prepared and strictly followed. Waste management has been given greater importance. The cleaning of canals and rivers will be initiated. The Kuttanad Environment Rejuvenation Programme is about to be implemented. Peoples' campaign will be shaped for watershed based soil-water conservation programme. This

budget emphasizes on renewable energy sources and thrift in power consumption. This budget puts forward a new perspective for carbon neutrality in the backdrop of climate change. This budget will include measures to completely protect the residual forests and encourage large-scale afforestation.

206. An amount of Rs 30 crore has been earmarked for Environment Department. Out of which Rs 10 crore is for Pollution Control Board. One of the noteworthy projects is to complete biodiversity registers and activities based on this. By using biodiversity register as a benchmark, an action plan will be formulated for planned protection and diversity enhancement of each region.

### ***Forest***

207. An amount of Rs 49 crore has been earmarked for the protection of natural forests. This includes rejuvenation of degenerated forests also. An amount of Rs 43 crore is set apart for the conservation of biodiversity and protection of sanctuaries and national parks. The total allocation of Rs. 210 crore for forest sector includes an amount of Rs 16 crore for the development of timber plantations and Rs 10 crore for infrastructure development. An amount of Rs. 75 crore is sanctioned for forest infrastructure facilities from the 22<sup>nd</sup> tranche of NABARD-RIDF Scheme. An amount of Rs 150 crore is set part from the Special Investment Scheme for the relocation of Thrissur Zoo. The estimated expenditure during the current year is Rs. 15 crore.

### ***Carbon-Neutral Wayanad***

208. Carbon neutral development means regulation of developmental activities to control global warming and reduce green house gases. The quantity of carbon dioxide and other carbon gases emitted by way of various industrial, social, economic, developmental and life activities has to be measured through survey and will be reduced through eco-friendly regulations. However carbon emission is inevitable. Another programme is to plant as many trees as is required for absorbing the emitted carbon gases ensuring carbon neutrality in the atmosphere. Thus carbon neutrality is achieved. The first phase activities in this regard have been launched in Meenangadi Panchayath in Wayanad. Government will provide all support to this programme. A scheme will be launched to completely transform Wayanad into a carbon neutral district. If this target is achieved, agricultural products from Wayanad, especially coffee, can be branded and marketed as value added products. Through this, crops like coffee can fetch a higher price. This will be a great encouragement to tourism as well. A project has been submitted to NABARD for agricultural assistance for planting trees as an income ensuring activity not only for the future generation but also for the present generation. Wayanad will become a model for balanced development.
209. Deforestation and collapse of water cycle compel wild animals to emerge out of their habitats. In hilly areas, conflict between

man and wild animals is increasing day by day. Solutions like railway fence, trench, electric fencing etc are suggested. We have to realize that conservation of forests is the ultimate solution. An amount of Rs. 100 crore is sanctioned in the Special Investment Scheme for constructing suitable fence on a war footing manner for the protection of farmers. The estimated expenditure during current year is Rs. 25 crore.

210. An amount of Rs. 25 lakhs is sanctioned for the rehabilitation of monkeys in Kalpetta Municipality. An amount of Rs. 10 crore is earmarked for Brahmagiri project in Wayanad.
211. An amount of Rs. 500 crore is earmarked in Special Investment Fund for mega food park. The estimated expenditure during current year is Rs. 50 crore.
212. Sir, four decade ago, while teaching at Centre for Development Studies, Pro I.S.Gulati taught us cost-benefit analysis, he chose Kuttanad Development Plan as an example. It was a striking example of how to devastate a locality in the name of development. The data showed that the social disadvantages far exceeded the social gains. Kuttanad still languishes without any efforts are rectifying this even now. To revitalize Kuttanad, which is a Ramsar site, a project will be initiated. The scientific renovation of *Thannermukkom Bund* will also contribute to this goal. The bund has to be opened for at least one year to purify Kuttanad. But prior to that, the comprehensive Kuttanad drinking water scheme has to be first implemented. The International Research and Training Centre for Below Sea Level

Farming is entrusted with the task of preparing a new crop calendar and a detailed project report on environmental resoration. An amount of Rs 50 lakhs is set apart for this.

## XI

### **Economic & Public Service Sectors**

#### ***Housing Board***

213. The duties of Housing Board have to be redefined. Housing Board can become an important agency in constructing buildings under anti recession package. They can undertake the responsibility to construct prefabricated houses for the Total Housing Programme to be implemented in Kerala. Loan will be made available on preparation of technical plan. An amount of Rs. 50 crore is sanctioned from the special investment programme for the construction of working women hostel in the three acre land at Pound Kadavu in Thiruvananthapuram.

#### ***Fire and Rescue Services***

214. An amount of Rs. 39 crore is earmarked for Fire and Rescue Department especially for purchasing equipments.

215. New Fire stations will be established in the following centres.

- (1) Aroor
- (2) Koylandi
- (3) Kongad
- (4) Secretariat
- (5) Padmanabha Swami Temple

### ***Treasury***

216. Efforts are being made on war footing to modernize treasuries. Core banking system will come into effect this year. Thereafter salary and pension will be disbursed only through treasury accounts. As per the choices of employees and pensioners, arrangements will be made for transferring money into their bank accounts as and when necessary. They can indicate their preferences for this in advance. Treasury savings will yield more interest than the bank saving account. It is expected that by way of this nearly Rs 1000-2000 crore savings of pensioners and employees could be generated in treasury. At present, Rs. 20 crore has been set apart for this. In addition to this the plan envisaged in 2011 for improving treasury building facilities will be implemented. For this, Rs.150 crore is earmarked from the special investment scheme. The estimated expenditure during current year is Rs. 25 crore.

### ***Revenue Department***

217. An amount of Rs.30 crore is earmarked in Plan for Revenue Department including Rs 14 crore for renovation of revenue offices. In addition to this Rs 250 crore is earmarked in the special investment scheme for constructing Revenue Towers at the following places. Rs. 50 crore is the estimated expenditure during current year.

1. Kadakampally
2. Nedumangad

3. Kollam
4. Pandalam
5. Kottarakkara
6. Thiruvalla
7. Changanassery
8. Thodupuzha
9. Peerumedu
10. Ernakulam
11. Kothamangalam
12. Sulthan Bathery
13. Chalakkudy
14. Mattannur
15. RDO Complex, Alappuzha
16. Mulanthuruthy
17. Educational Complex, Punalur

***Registration***

218. An amount of Rs 100 crore is set apart from the special investment scheme for constructing new buildings for Registration Offices. Rs. 25 crore is the estimated expenditure during current year.

***Lottery***

219. Banning of illegal lotteries of other state governments and other countries has been one of the major demands raised by the alternate governments in power. Surprisingly the central government, which is empowered by law to control these lotteries, has been taking an antagonistic stand in this matter.



But in 2011, the central government, for the first time, initiated proceedings against illegal lotteries. As a result, the sale of these lotteries in Kerala was prohibited. Thereafter, there was a tremendous increase in the sale of Kerala State lotteries. Measures will be taken for efficient running of lotteries. More employees will be posted and more offices will be opened. It is planned to construct own offices where suitable places are located. Adequate supply of lotteries will also be ensured. Delay in disbursement of prizes will be avoided.

220. One percentage of the net profit from lotteries will be made available to Lottery Agents Welfare Fund Board. Using this amount, a scheme will be formulated not only to enhance the benefits of the welfare fund but also to provide three wheelers to differently-abled lottery agents.

### ***Home***

221. For the modernization of Police an amount of Rs. 40 crore is earmarked. In addition to this, Rs. 20 crore which is 40 percentage of the State share of the Central scheme, is set apart for modernization of Police force. Following new police stations will be established:

- (1) Achankovil
- (2) Kaipamangalam
- (3) Koppam
- (4) Thondarnad (Wayanad)

(5) Nagaroor (Chirayinkeezh)

(6) Pinarayi

(7) Puthoor (Palakkad)

***Excise***

222. In the election manifesto, it was announced a strong publicity campaign and awareness programme against liquor and narcotics will be launched. This will be launched as a people's movement. An amount of Rs. 50 crore is set apart from the Special Investment Scheme for constructing Excise Towers in the following places. An amount of Rs. 10 crore is the estimated expenditure during current year.

(1) Kottayam

(2) Palakkad

(3) Thrissur

(4) Wayanad

***Government Press***

223. An amount of Rs. 100 crore is earmarked from the Special Investment Scheme for the modernization of Government Presses. The estimated expenditure during current year is Rs. 10 crore.

***Public Service Commission***

224. Rs. 10 crore is set apart for the arranging an online examination centre in Kozhikode Regional Office for the convenience of candidates from Malabar region.

## ***Judiciary***

225. Under the Special Investment Scheme, an amount of Rs. 150 crore is set apart for constructing new Court complexes. New Court complexes are now being constructed at Punalur, Adoor, Peerumedu, Palakkad, Pathanamthitta, Nedumkandom, Ranni, Kayamkulam, Kattappana, Kuthuparambu, Chalakkudi, Payyannur, Kaduthuruthy and Alappuzha (Additional Block). An amount of Rs. 50 crore is the estimated expenditure in the regard during current year. Against the backdrop of this additional allocation for new buildings, the remaining amount in budget can be utilized for improving facilities in other courts.

## **XII**

### **Tax Proposals**

226. Sir, the growth rate in Commercial Taxes was in the range of 10 to 12 percent for the last three years. Even in the month of May, the growth rate was a meagre 10%. With pride, I may inform you that in the month of June, a growth rate of 19% was achieved. The tax revenue never grew so much since mid 2012-13. I congratulate the tax department officials who put in their efforts to achieve this. Sir, the Commercial Taxes Department is working with the aim to achieve a growth rate of 25% in the tax revenue.

227. As part of its plan to intensify the tax collection, the Department intends to adopt the following strategy.

1. Elimination of corruption;
2. To bring more dealers into the tax net;
3. Rationalization of tax rates;
4. Technological renovation;
5. Intensive training to officials;
6. Strengthening of internal audit;
7. Accelerating revenue recovery and legal processes;
8. Dealer friendly approach;
9. Consumer-dealer awareness programmes

228. E-filing of returns and other processes in the Commercial Taxes Department was implemented in 2008. The very same server is still being used. The software developed at that time has not been upgraded. In 2014, the Comptroller and Auditor General have pointed out with examples, that with some minor changes in the software, tax loss can be contained in a big way. Sir, a new server with adequate capacity will be installed within two or three months. The software will also be comprehensively upgraded. The Department web site will be revamped into interactive web portal to facilitate trade. The Department will establish Cyber Forensic Unit within a year.

229. Presently, only less than half of the returns are being scrutinized. Even this examination is merely technical. With the aid of new software, every return will be comprehensively examined through computer. The system will conduct scrutiny by integrating various modules in the KVATIS. In this system scrutiny, ninety-four items and their co-relation, of a return will be checked. Further verification will be conducted in the VAT circles, based on this scrutiny report. Prior to the assessment, if found necessary, they will call for explanation from the dealers or conduct shop visits. Now on, there will not be any shop visits or inspections according to whims and fancies.
230. Internal Audit Wing will be strengthened by including the Audit Assessment Wing. Normally Department accepts 90% of the irregularities pointed out by C & AG. Examination by C & AG is based on samples. If, utilizing Internal Audit a complete examination is achieved, tax revenue can be increased significantly.
231. Even with the implementation of GST, the check-posts of Kerala will continue. But, they will be state of the art Data Collection and Facilitation Centres. They will also be integrated check-posts. The feasibility of installing scanners will also be examined. The duration of 1 to 2 hours taken for vehicle checking can be minimized to 10 - 15 minutes, through this. It is intended to bring forth these changes now itself. Modern technologies such as Electronic Weigh Bridges, Boom Barriers,

Closed Circuit Television Systems, Electronic Display Boards, Radio Frequency Identification Disc (RFID), Smart Cards, etc. will be engaged. Integrated software shall be developed for capturing and providing required information needed by the respective Departments. Physical verification will be conducted at random, away from the check-post premises.

232. Steps would be taken for establishing modern Data Collection and Facilitation Centres at Manjeshwaram in Kasaragod district and Muthanga in Wayanad district during this financial year itself. Simultaneously land acquisition for Walayar and other major check posts will be completed. In next three years, all these major check posts shall be converted into state of the art Integrated Data Collection & Facilitation Centres.

233. Even-though e-Governance has been implemented, Commercial Tax Offices continue to be piled up with paper. Even basic amenities are limited. Old records will be archived. The Department would engage a professional agency to study and submit a comprehensive report regarding the works and refurbishment required by the offices. Based on the report, all offices will be renovated in 3 - 4 phases. For this, Rs.100 crore will be earmarked from the Special Deposit Scheme. Apart from this for urgent basic infrastructure development, Rs.10 crore will be provided. In order to encourage the team of officers at the field level, the offices which achieve the tax collection targets will be given priority.

234. The department has to be equipped for the impending GST. For this, intensive capacity building of officials will be carried out. I earmark Rs.2.75 crore for the same.
235. The lapses on the part of dealers often occur, due to the ignorance of tax laws. They are forced to depend completely upon tax consultants. This results in arbitrary actions from the officials. Consumer awareness will be enhanced by including the stake holders namely, public at large, tax practitioners and consultants. Focus will be on activities like consumer awareness campaigns, obtaining registrations and ensuring voluntary compliance. Innovative activities such as Tax Advisory Unit, Grievance Redressal toll free system and mobile application shall be taken up. An e-News letter will be launched to inform about latest developments in tax matters. Tax Corners shall be established in all District Head Quarters and the State Head Quarters to dis-eminiate information relating to tax administration. I set apart Rs.2.50 crore for the same.
236. A modern Grievance Redressal Call Centre will be started to enable the dealers to inform their grievance. The grievances so received would be passed on to a nodal officer, who will further send it to the officer concerned, based on the nature of grievance for redressal and reply. A mobile application will be developed for this purpose.
237. The 'Lucky VAT Scheme' introduced in 2007 will be re-launched with the aid of mobile phones and information technology. The

objective is to promote billing culture. As a first step towards this, a mobile application will be developed whereby public can submit photos of invoices or bills and similar documents received by them while making the purchase. Along with the same, they will have to key-in minimal details. One percent of the bills so received will be selected for prizes by monthly draw using computer. The prize will be five times the tax shown in the bill, subject to the ceiling of Rs.50,000.

238. Simultaneously, I intend to introduce a computer based system for uploading of bills / invoice on a real time basis by dealers having turnover above Rs.5 crore. These invoices will be cross verified with the copy of the invoices submitted by the consumer. A provision shall be incorporated in the Act.
239. The dealers face problems of receiving exorbitant assessment notices and assessment orders from some authorities. The Department will introduce 'Peer review mechanism' before issuing notices and assessment orders, to ensure transparency and correct application of laws. This exercise will build the capacities of officers and bring in complete transparency, thereby effectively minimize the difficulties faced by the dealers.
240. 80% of the tax revenue of the State is contributed by the Commercial Taxes Department. Considering the opportunities offered by widespread computerization and new responsibilities posed by GST, a fundamental reorganization will be implemented in the Department. Apart from this, the



adventurous objective of achieving 25% growth every year also needs to be taken up. The number of appellate authorities needs to be increased. Specialty cadres need to be formed for sophisticated services. Necessary posts will be created for this.

241. I intend to implement the following dealer friendly reforms.
242. *Accreditation of dealers:* During the tenure of the previous LDF Government, there was the system of giving Green Cards and Awards to tax compliant dealers. The previous Government had done away with this. A dealer accreditation program will be implemented with dealer participation. Some preferences and benefits would be made available to accredited dealers, from the Department. Along with this, a mobile application will be developed for consumers to enquire and obtain details about these dealers. This will encourage the business of such accredited dealers.
243. *Tax Advisory Services:* Dealers and prospective investors are facing difficulty in obtaining proper information regarding taxation matters. To address this, a Tax Advisory Service Unit will be started at the Head Quarters. In other growth centres, such units will be started depending upon the growth rate. A mobile application will also be launched for this.
244. *Streamlining procedures at Check Post:* Along with the modernization, it is proposed to simplify the procedures at check-posts. The complaints received from dealers about check-posts were examined. The general complaints relates to

causing delay in clearance and imposing security deposits, citing technical reasons. A general guideline will be issued that no security deposit shall be demanded in cases involving the following technical reasons. Other statutory procedures would follow.

1. Cases involving non-inclusion of commodities under transport in the registration certificate.
2. Goods of registered dealers transported as stock transfer with valid declaration and stock transfer note.
3. Machinery of works contractors, properly declared.
4. Clerical mistakes in the invoices like change in dates, TIN, vehicle number etc. if the dealer owns up the consignment.
5. Mistakes in Form No.8F declaration, Invoice and Form No.16 etc., the dealer / person should be given an opportunity to correct the mistakes.
6. Misclassification / rate of tax of commodities noticed in the invoices and declarations should not be dealt with by check post authorities, but shall be transferred to respective assessing authorities with records.
7. Goods transporting into the State for complying interstate works contract within the State should not be detained, but forwarded to the concerned assessing authority for verifying the claims.

245. *VAT Consultative Committee*: There was a vibrant VAT Consultative Committee during the tenure of the previous LDF Government. This Committee would be revived with the Minister for Finance as Chairman, Addl. Chief Secretaries of Finance, Industries and Taxes as Official Members and the Commissioner of Commercial Taxes as Convenor. The authorized representative of trade organizations shall be inducted as non-official members.
246. *Traders Welfare Board*: Traders Welfare Board is also inactive. It will be re-organized and Traders Welfare Fund membership will be enforced. A grant of Rs.5 crore or one percentage of the amount achieved in excess of the tax target whichever is higher, will be given to the Welfare Fund. Welfare Fund benefits will be reformed and compensation will be given for business loss on account of calamities like fire etc.
247. There are 4574 cases in the KVATIS special report of 2014 of the Comptroller and Auditor General which requires further action. Action would be taken in this regard, within the next six months.

#### **Additional Resource Mobilization.**

248. The tax on wheat and wheat products were done away with. But this exemption was not transferred to the customers by way of price reduction. Wheat products are mainly sold in packets. Even though the tax rate was reduced, the trade continued with the same MRP and retail price. Since, reduction in tax rate did

not benefit the consumer, and MRP is calculated inclusive of tax, I propose to levy 5% tax on wheat products like atta, maida, sooji and rava sold in packages with MRP. Additional revenue of Rs.50 crore is expected.

249. The tax rate of 'Basmati Rice' sold in packets with MRP will be increased to 5%. An additional revenue of Rs.10 crore is expected.

250. Though tax exemption was granted to coconut oil, it did not benefit the coconut farmers. The tax exemption on coconut oil is being misused by the traders from outside the State by bringing oil into the State and selling it. Further, there are complaints about adulterated oil entering into Kerala markets. There are instances whereby other edible oil is transported into the State declaring the same as coconut oil. In the circumstances, to control the movement of such oil into the State, tax will be levied at 5% on coconut oil. The additional revenue from this will be fully utilized for procurement of coconut in Kerala. The support price of coconut will be increased from Rs.25/- to Rs.27/-. As in the case of rubber, a scheme would be drawn up to procure coconut from farmers and directly transfer the price to his bank account. An additional revenue of Rs.150 crore is expected.

251. The tax imposed on cooked food will continue without any change. However, a tax at the rate of 14.5% would be levied as "Fat Tax" on burgers, pizza, tacos, donuts, sandwiches, burger-

pattys, pasta, bread fillings and other cooked food items sold by branded restaurants. An additional revenue of Rs.10 crore is expected.

252. The previous Government had imposed 1% VAT on textiles. I raise this to 2%. An additional revenue of Rs.50 crore is expected.
253. As an incentive to the tourism sector, luxury tax rates for hotels will be reduced. Exemption limit of rent will be raised from the existing Rs.200/- to Rs.400/-. Rooms with rent ranging above Rs.400/- to Rs.1000/- will be taxed at 6% and those with rent above Rs.1000/- will be taxed at 10%. Due to this general reduction, the concessions granted in 2014-15 will be done away with.
254. Our Government is committed to reduce the use of plastic disposable plates and plastic cups. Presently they are taxed at 20%. It is clarified that disposable tumblers of plastic will also attract tax at 20%.
255. In 2014, the tax rate of washing soap bars and cakes manufactured using coconut oil was reduced to 1%. It is common knowledge that washing soaps are not made using coconut oil. To prevent the misuse of this concessional rate, the tax rate will be increased to 5%.
256. The tax paid by FACT on purchase of Liquefied Natural Gas will be reimbursed.

## **Concessions**

257. The exemption granted to sale of copyright and transfer of right to use of cinematographic films in 2008, will be restored.
258. The tax rate of scrap batteries will be reduced to 5%.
259. It shall be clarified that the tax rate of disposable plates and cups of Thermocol (Styrofoam) for the years 2013-14 and 2014-15 shall be 5%.
260. The tax of 5% on Municipal Plastic Waste will be done away with.
261. There exists a situation whereby compounded gold dealers have to pay average of the tax paid by their other shops for the newly started branches. Major companies are now opening new branches in small towns and rural areas. It has been pointed out that, for comparatively small firms, compounding at the rates of the main branches in big cities is a hindrance to their business expansion. Some are responding to this situation by opening new showrooms in other company names. Government intends to bring in an amendment classifying the cities into certain categories, with different compounding rates. Along with this, strict monitoring and scrutiny of the turnover of non-compounded dealers will be done.

### **Amnesty Scheme for Presumptive Tax Payers**

262. It is estimated that there are more than one lakh dealers having turnover above Rs.60 lakhs and is still paying presumptive tax

without switching over to TIN. The Department issued notices to around 20,000 such dealers, along with evidence. As per the statute, they will have to pay tax at schedule rates without input tax credit and thrice the amount of tax as penalty. Trade organizations have pointed out the severity of this burden. In this background, it is intended to implement an amnesty scheme for these dealers.

1. Tax shall be payable at the schedule rates on the unaccounted purchases of presumptive tax dealers with 5% gross profit added. Input tax credit will be allowed only for declared purchases.
2. All penalties including 300% penalty will be waived.
3. 30% of the tax determined as per this scheme shall be paid immediately and the rest in 12 equal monthly installments.
4. The scheme is available to all Presumptive Tax Dealers with regard to whom unaccounted purchases have been detected by the department for the period up to 31-03-2016. Notwithstanding, whether any assessment was completed or not, they can opt this scheme. Those dealers who have obtained orders in appeal can also opt this scheme.
5. All pending cases in any forum shall be withdrawn and evidence should be produced for the same. Once the scheme is accepted and fulfilled, appeal on the settlement will be barred.

6. Presumptive Tax dealers shall apply within 3 months from the date of declaration of the scheme.
  7. The dealers, who have not yet received the pre assessment notices from the Department, will be intimated by the assessing authority regarding the case in their name, so that they can also avail the benefit of this scheme.
  8. All the dealers who are opting this scheme will have to take out registration as TIN dealers effective from 01-04-2016. This will ensure their future tax compliance and its effective monitoring.
263. As pointed out earlier, there are manifold number of dealers than those detected, who have suppressed facts and are still continuing in the presumptive tax. They can also suo-moto inform their actual accounts to the Department, obtain TIN and continue to pay tax as per law. Their past accounts would not be re-opened and proceeded against by the Department. In VAT, tax is to be paid only on value addition. For those small scale dealers forming the last link of the chain, there would be no huge increase in tax. Such dealers should avail this opportunity to avoid any future proceedings. Once the system scrutiny pointed out earlier comes into effect, actual state of affairs of unaccounted purchases can easily be identified by the Department. The amnesty scheme announced today will not be available in future.



264. *Amnesty under Kerala General Sales Tax Act.* I intend to introduce an amnesty scheme for pre-vat period arrears under KGST with a total waiver of interest and penalty. The time limit for filing option and completing the proceedings and payments will be 28-02-2017.

1. The assessment done and demand generated up to 31-03-2016 for the assessment years up to 2004-05 will be considered in this scheme.
2. In those cases where option was filed in the previous scheme and default committed after remittance of one or two installment, such remittances will not be considered for settling the arrears under the new scheme. The present liability only will be considered for new scheme.
3. There shall not be any refund subsequently for the dues paid under this scheme, under any circumstances.
4. Any amount paid under conditional stay in any appeal, revision or order of High Court or Supreme Court or voluntarily paid against the demand will be reckoned for arriving the settlement of arrears, provided there must be litigation pending in any of the forums.
5. The dealers opting for amnesty or their succeeding business is still continuing business in VAT period, they should obtain TIN as a pre-condition for availing amnesty.

265. This scheme will not be applicable to Public Sector Undertaking of Central Government.

### **Restoration of certain clauses in the Finance Bill, 2016**

266. Pursuant to the dissolution of 13<sup>th</sup> Legislative Assembly, the proposals in the Finance Bill of 2016 had lapsed. I intend to restore the following provisions of that Bill.

Clause 2 relating to Surcharge on Taxes Act.

Clause 4 relating to Kerala Court Fees & Suits Valuation Act.

Clause 6 relating to Luxury Tax Act.

Clause 7 relating to Agricultural Income Tax Act.

With respect to KVAT Act, I intend to restore –

Clause 8 sub clause (1) item (c).

Clause 8 sub clause (2).

Clause 8 sub clause (3).

Clause 8 sub clause (4).

Clause 8 sub clause (5).

Clause 8 sub clause (1) item (a), in sub-item (iv) the seventeenth proviso and the note, and Clause (8) sub-clause (1) item (a) sub-item (i) of that Bill.

### **Simplification of Procedures**

267. Works contract is one of the sectors which has major tax leakage. To contain this leakage strict measures would be adopted. Along with this, it is intended to simplify the procedures.

268. All Forms relating to works contract will be simplified.

269. In 2015, with respect to CST contractors, certain works were included in the negative list which could not be compounded. It would be clarified that this provision shall be applicable only with respect to the contracts in the negative list and the contractor can compound other contracts undertaken by him.
270. VAT is not applicable for the transfer of immovable property. VAT cannot be levied on that part of the contract receipts pertaining to transfer of land involved in the construction of buildings for which stamp duty has been paid. Amendments would be made to clarify this position, including for the payment of compounded tax. Further, the procedure for reckoning and granting deduction with respect to land value in the self assessment returns filed by the works contractor will be clarified as follows:
1. for the purpose of availing deduction in return, the land value to be reckoned will be the value mentioned in agreement;
  2. pro-rata deduction, with reference to the total agreement value, for land value in the contract receipts received during a return period can be availed in the return;
  3. after registration of the deed, the assessee can claim refund if the actual amount for which stamp duty has been paid is more than what was paid along with the returns, on production of evidence;

4. the deduction in returns shall not be allowed unless the contractor files a statement containing the project-wise individual details regarding the person from whom the contract receipts were received, total amount received till date, total amount received during the return period, total land value claimed till date, land value deducted during the return period.
271. The power to condone delay for filing of option under Section 8 in respect of works contract awarded by Government of Kerala, Kerala Water Authority or local bodies is presently vested in the Commissioner. This power henceforth will be vested with the district Deputy Commissioner.
  272. The order of assessing authority for refusing and cancelling the permission for paying compounded tax in gold was made appealable only to the Appellate Tribunal. The mistake that crept in while amending the provision in 2014 will be rectified.
  273. Along with audited statements, the dealers have to file Trading and Profit and Loss Account and Balance Sheet etc. With regard to dealers having pan-India operation and who does not have separate branch accounts for individual States where they operate, it will be mandated that the dealer would have to submit details as normally included in Trading and Profit & Loss account, certified by the Chartered Accountants.
  274. Filing of details of debit note and credit note will be made online as in the case of sale and purchase statements.

275. Sub-section (8) and (11) of Section 47 prescribes the procedure to be followed when the owner of the goods does not furnish security or execute the bond. In such cases, the goods are to be seized and sold by public auction. It would be clarified that auction will be conducted only after confiscation.
276. E-Payment system would be strictly implemented to awarders to ensure the payment of TDS in time.
277. Issuing notices and orders through KVATIS portal along with SMS alerts to dealers will be recognized as a mode of service in the KVAT Act by an amendment.
278. KSEB units who have obtained separate registration under KVAT Act will be exempted from filing unit-wise statement of accounts and certificate under section 42. But they will have to file trial balance for such units.

### **Appeal Cases**

279. Figures show that a huge number of appeals are pending adjudication before the first appellate authority. This is adversely affecting the tax administration and speedy dispensation of justice. Rs.1412.41 crore are locked in 24336 appeal cases. To alleviate this, the following measures will be adopted.
1. Hearing of stay petitions and passing orders thereon is identified as the reason in the delay of the disposals. To ease and speed up the process of hearing appeals, the

dealer will get automatic stay provided the collected tax if any, and 20% of the disputed amount is remitted.

2. For the disposal of pending appeals, the number of Deputy Commissioner (Appeals) and Assistant Commissioner (Appeals) will be increased. The number of Appellate Deputy Commissioner will be increased from 9 to 13 and that of Appellate Assistant Commissioner from 5 to 17. Necessary posts will be created for this.
3. Every tax case pending before the High Court will be examined and decision for further course of action for speedy disposal will be taken.
4. Cases where there is no dispute for collection will be identified, examined and classified and revenue recovery proceedings will be intensify.

### **Plugging Loopholes**

280. Presently, contractors are allowed to file a single option for all the works undertaken in a year. This facility will be limited to contractors having Government works only. For other contractors work wise option will have to be filed. Once option has been filed, the compounding will be applicable to the whole period of the work.
281. It will be clarified that delivery vehicles will be eligible for ITC only when used for delivery purpose for sales man permits.
282. Form No.20H relating to deduction of sub-contract turnover will be amended to include all the payments made relating to such sub-contracts.

283. A certificate from the Pollution Control Board, containing the details and specification of the machinery will be made mandatory for the purpose of registration of manufactured sand and metal crusher units. Existing units will have to produce these certificates before 31<sup>st</sup> December, 2016.
284. Department has allotted user id and password for dealers for accessing various modules and services in KVATIS. In line with Information Technology Act, the user id and password will be treated as signature and all the consequences for the misuse shall be on the dealer. A presumption to this effect to be incorporated in the Act.
285. Presently incoming goods transported into the State through railway, coastal cargo and by air needs to be declared with the department. It would be made mandatory for outbound consignments also. Stringent measures will be taken to curtail tax evasion through this mode.
286. The fee for Transit Pass will be raised to Rs.250/-.
287. To bring in accountability, provision would be made in the Act for suo-moto revision of orders of first appellate authority, by the Revision Authority authorized under the Act. This power shall be exercised within one year from the date of receipt of the impugned order. This power shall also be exercised in respect of the points which are not subject matter of appeal, if any, preferred by the assessee.
288. Provisions, as in KGST and KVAT Act, relating to the liability of Director of Company regarding unpaid taxes, will be brought into the Luxury Tax Act.

## **Registration Department**

289. The normal Stamp duty and Registration fee for the conveyance of property are 6% and 2% respectively. In respect of gift, settlement, partition and release deeds among family members, Stamp duty and Registration fee are considerably low. I understand that the concessions given through fixing a maximum ceiling for Stamp Duty and Registration Fee for transactions among family members have benefitted only a small segment, while causing a substantial reduction in revenue. Hence I increase the Stamp Duty rates for Gift, Settlement, and Partition and Release deeds among family members to 3% and remove the ceiling fixed on the Stamp duty and Registration fee.
290. During the year 2010, Government introduced the Fair Value of land to bring in transparency in document registration and as a consequence, effected a reduction in the Stamp Duty rates. The Fair Value so fixed was to be revised over a period of time so as to reflect at least a percentage of the market value. While the Stamp Duty was reduced, the periodic revision was not carried out. This anomaly has resulted in huge revenue loss to the state exchequer. In order to rectify the above, I'm enhancing the existing Stamp duty rates on all sale deeds from 6% to 8%. The increase in land value in Kerala has resulted in enormous increase in capital gain and this increase in stamp duty is justifiable to fulfill the economic vision of the state.
291. As per Article 23 of the Schedule to the Kerala Stamp Act, Stamp duty for certified copy or extract is currently fixed at varied rates of Rs. 20 and Rs. 50. This will be uniformly fixed at Rs. 50.



292. As per Articles 4 and 39 of the Schedule to the Kerala Stamp Act, the stamp duty rates for affidavits and Notarial instruments were fixed 20 years back. This needs revision and accordingly the rates will be revised to Rs. 50 and Rs. 100 respectively.
293. More than 10 lakh cases of undervaluation are pending disposal since the year 1986. It needs a huge machinery to dispose all the cases in addition to the current ones. The resources required for this purpose will far exceed the anticipated revenue yield. Hence, I open a One Time Settlement Scheme to attract the defaulters to settle their dues. Documents registered prior to 1.4.2010, with an extent of up to one acre can avail benefits under this scheme.
294. The registration of a flat is based on the values of undivided share of land with the superstructure thereon. While there is a published fair value available for the undivided share of land, there is ambiguity about the value of the superstructure. This has resulted in huge revenue loss to the Government. Fair Value of the undivided share of land will continue as such without any change. But for the purpose of arriving at the value of the superstructure, CPWD rates, certified by a competent engineer, will be applied. Necessary amendments will be made in the Kerala Stamp Act to give effect to the above.
295. The ambiguity prevailing in levying Stamp duty for documents relating to installation of Bank ATMs and Mobile Towers will be rectified by making necessary amendments to the Kerala Stamp Act and Rules.

## **Motor Vehicles Department**

### ***Enhancing Tax for Goods Vehicles***

296. Tax for Goods vehicles, except Tipper Lorries and Goods vehicles having Gross Vehicle Weight above 20000 Kg, has not enhanced for the last 9 years. As the number of goods vehicles is increasing day by day, I wish to enhance the tax rate of all categories of goods vehicles by 10%. A revenue of 20 crore rupees is anticipated by this enhancement.

### ***Rationalisation of tax in respect of Contract Carriages registered in Kerala Operating inter State and Contract Carriages registered in other States and plying in Kerala.***

297. The tax of contract carriages that are registered in other State and plying in Kerala was enhanced vide Finance Act-2014. Since the Hon'ble High Court has stayed this enhancement by pointing out the differential treatment in tax rate of contract carriages that are registered in Kerala and operating in other State and contract carriages that are registered in other State and plying in the State of Kerala the state could not collect the enhanced rate till date. Hence it has been decided to enhance the quarterly tax of contract carriages registered in Kerala and operating in other State after obtaining permit under Section 88(9) of the Motor Vehicles Act, 1988 in the following manner and extended same rate to contract carriages that are registered in other State and operating in this State after obtaining permit under Section 88(8) and 88(9) of the Motor Vehicles Act, 1988.

- i) Vehicles having ordinary seats- Rs.2250/ seat
- ii) Vehicles having push back seats- Rs.3500/ seat
- iii) Vehicles having sleeper berths- Rs.4000/ seat

298. Besides, if any other state levies annual tax instead of quarterly tax from the above type of vehicles registered in kerala and operating in the state after obtaining permits u/s 88(9) of Motor Vehicles Act, the annual tax will be collected in kerala from such vehicles from such state. The Government anticipates an additional income of Rs.3 crore by this amendment.

***Modifying the criteria for calculating rate of tax for new stage carriages***

299. At present the tax rate of stage carriages is calculated on the basis of the number of seats of the vehicle. But, the new Bus Body Code to be introduced by Central Government give priority to the comfort of the passengers leads to reduction of seats which eventually leads to loss of revenue to Government exchequer. Hence I wish to modify the quarterly tax rate of newly registered stage carriages according to their floor area in the following manner:

- (1) Ordinary stage carriages other than city/town service -  
Rs.1300/Sq.metre
- (2) Ordinary Stage carriages plying as city/town service -  
Rs.1360/Sq.metre
- (3) Fast Passenger and other higher class service -  
Rs. 1400/Sq.metre

***Introduction of New tax structure for Specially Designed Vehicles***

300. In recent times, registration of conceptualized vehicles used for various purposes are increasing day by day. Since there is no

provision in the Schedule of the Kerala Motor Vehicles Taxation Act to impose separate tax on the vehicles such as Mobile Restaurant, Mobile Canteen, Mobile Theatre, Mobile Workshop, Mobile Bookstall, Mobile ATM, Mobile Shop, Mobile Exhibition Van, Mobile Office Vehicles, Mobile Digitization Unit, Cash Van, a meager amount of road tax is collected from these vehicles. Hence I wish to impose tax to these vehicles on the basis of the floor area at the quarterly rate of Rs.300/ Square meter. The Government expects an additional revenue of Rs.50 lakh by this amendment.

***Modifying the criteria for calculating rate of tax for vehicles that are not mentioned anywhere in the Schedule of the Taxation Act***

301. Tax for vehicles that are not mentioned anywhere in the Schedule of the Taxation Act has not been modified for the last 9 years. Hence I wish to revise the quarterly tax rate of these vehicles at the rate of Rs.150 per Square meter.

***Introduction of Green Tax to old vehicles***

302. Air pollution due to old vehicles is increasing day by day. Though the neighbouring states have already imposed Green Tax on old vehicles to discourage the use of such vehicles, Kerala has not imposed such tax so far. This Government is bound to reduce air pollution. Hence I propose to introduce 'Green Tax' in the State for the private vehicles having four or more wheels which are older than 15 or more years and transport vehicles having four or more wheels and that are older than 10 or more years in the following manner. I wish to exempt motor cycles and three wheeled vehicles used for personal purpose and auto rickshaws from Green Tax since these vehicles largely used by or depended by common people.

- 1) Private vehicles having four or more wheels Rs.400 each at the time of every renewal of Registration
- 2) Light transport vehicles having four or more wheels Rs.200/- each at the time of every renewal of fitness
- 3) Medium Transport Vehicles Rs.300/- each at the time of every renewal of fitness certificate
- 4) Heavy Transport Vehicles Rs.400/- each at the time of every renewal of fitness certificate
- 5) Other Transport Vehicles Rs.400/- each at the time of every renewal of fitness certificate

From this Government expects an additional revenue of Rs.7 crore every year .

***Imposition of fine for vehicles conducting service after filing intimation of non-use for getting tax exemption***

303. It has come to the notice that certain vehicles are conducting intermittent service especially during night time after filing application for exemption of tax (G form). This is causing huge revenue loss to Government. I intend to bring an amendment in Section 5 of Kerala Motor Vehicles Taxation Act to levy double the amount of normal tax from those vehicles which are conducting such unauthorized services, and also intend to prescribe the power to levy a nominal fee for filing application for exemption of tax.

***Implementation of One Time Settlement Scheme for vehicles which are under tax arrears over a long period.***

304. The One Time Settlement Scheme which was rolled out in the

previous years for realizing tax arrears from vehicles which were under long pending arrears was a huge success. However, around 2 lakh vehicles are still in tax arrears. Therefore, I intend to implement the One Time Settlement scheme once again for payment of arrear tax for those vehicles which are under tax arrear for a period of 5 years or more as on 30.6.2016, at the rates specified below.

- 1) Transport vehicles which are under tax arrears for 5 years or more 30% of the tax arrear during the last 5 years
- 2) Non-Transport vehicles which are under tax arrears for 5 years or more 20% of the tax arrear during the last 5 years
- 3) The Government will initiate action to confiscate vehicles and cancel the registration if the tax arrears are not remitted within in the period of six months.

## **XIII Conclusion**

305. Sir, let me conclude. I believe that I have been able to do justice to the development perspective envisioned in the beginning of the budget presentation. The suggestions put forward aim at achieving sustainable and rapid economic growth while ensuring total security for the poor. I am not recapitulating them. But Sir, I would like to caution that this is a tightrope walk. The capital investment will be enhanced without being deterred by the huge current revenue deficit. But it is not

only necessary to bring revenue deficit under control but it should also be eliminated by the fifth year. For this, revenue income should increase. This is my appeal to the public. Whenever you purchase anything, ask for the bill. Another thing is that nobody should assume that revenue expenditure can also be increased seeing the upsurge in capital expenditure. The present salary, pension and interest in Non-Plan expenditure cannot be avoided. But, the remaining expenditure has to be strictly controlled. Otherwise, things will simply go out of hand.

306. Sir, the possibilities and dangers that I mentioned can be clearly seen from the examination of the concise form of the income and expenditure of the State Government for 2015-16.

Revenue Receipts	84616.85
Revenue Expenditure	97683.10
Revenue Deficit	(-) 13066.25
Capital Expenditure (Net)	(-) 9540.86
Loans & Advances (Net)	(-) 532.78
Public debt (Net)	17926.14
Public account (Net)	4502.37
Overall Deficit	(-) 711.38
Opening balance at the beginning of the year	(-) 105.21
Closing balance at the end of the year	(-) 816.59
Additional Expenditure announced	730.10
Concessions announced	5.00
Additional Resource Mobilisation	805.00
Cumulative Deficit at the end of the year	(-) 746.69

307. The revenue deficit is Rs. 13,066 crore. 73% of the public borrowing of Rs. 17,926 crore will have to be utilised for bridging the revenue deficit. Comparing to previous years, there has been considerable increase in allocation for capital expenditure under the assumption that Rs.4,502 crore can be raised as additional loan in public accounts. In addition to this, capital investment has been increased on a large scale through Special Purpose Vehicles. If the Government needs achieve the credibility to raise loans in this manner, the revenue deficit has to be brought down considerably in coming years. Otherwise, we run the risk of a total impasse. However, I am confident that the Government led by Sri.Pinarayi Vijayan has the will and the discipline to embark on such an experiment.

308. Sir, I presented the budget in 2011 with lines specially penned by Sri. O.N.V. Kurup, the pride of Malayalees. He is not with us anymore. Government have declared his birth village as ONV Kavyagramam. This programme will be implemented. I conclude reciting the last lines of '*Dinantham*', the last poem of Sri. O.N.V. Kurup.



As I wait hearkening for something  
not knowing what couplets to choose  
to end this, I hear the voices of people  
who are being silenced all over . . .  
“We shall overcome,  
we shall overcome someday!  
We are not alone.  
We are this earth. . .”

309. I present the Budget for 2016-17 for the approval of the House.

I also present the Vote on Account for the next three months  
(August-October) of this financial year for the approval of the  
House.

- *Jai Hind* -