

**GOVERNMENT OF KERALA**

# **BUDGET SPEECH**

**2018-19**

*By*

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**FINANCE MINISTER**

**On**

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Sir,

1. The State Budget for the financial year 2018-19 is presented amidst the miseries sown by the cyclone 'Ockhi' and the uncertainty being created by the economic slowdown. Despite these difficulties the State Government could perform creditably in several areas. The resolve for Universal social security, sustainability and comprehensive infrastructure development are the hallmarks of Pinarayi Vijayan Government. Kerala stands as an impregnable fort against winds of communalism raging across India. Kerala continues to be number one, even though the communalists tried by all means to denigrate the social achievements of the State at the national level. Sir, I am proud to present the State Budget for the financial year 2018-19 of the Government, which takes the leadership for this endeavour, before this august House.

2. Ockhi disaster is a warning. Climate change opens up challenges of even unheard of disasters on earth. We must take all precautions for meeting these. The largest natural calamity recorded in the history of modern Kerala was 'the flood of 99' (1924). In the last Kerala History Congress, Lekha Pillai et.al had presented a thesis on how the Travancore Government had taken immediate measures and formulated long term policies in this regard. Likewise, the emergency measures and calamity relief operations carried out during Ockhi disaster have attracted nationwide acclaim. In this case also we have created a model which could be emulated even by other states. In continuation to this, a long term Coastal Disaster Mitigation Development plan should be formulated. We have submitted its draft to the Central Government. The budget for 2018-19 marks the beginning of a comprehensive coastal development package, even while awaiting the decision from the Central Government in this regard.

3. Sir, a package of Rs. 2000 crore is announced for coastal area. A mechanism will be formulated at the earliest for giving timely warning and providing emergency aid to fishing villages and to those who are engaged in fishing. For this, Disaster Management Authority has developed a satellite information and communication system linking all fishing vessels and coastal villages. This scheme, costing Rs.100 crore, will be implemented this financial year. Free Wi-Fi connectivity will be made available at every public centre in coastal villages. After relocating all the families within the 50 meter limit of the coastline, mangroves and trees have to be planted. A scheme for providing Rs.10 lakh to each family volunteering for this was announced in the last budget. An amount of Rs.150 crore is now earmarked for this. An amount of Rs.10 crore is provided for preparing Detailed Project Report (DPR) for the Coastal Area Development Package by an internationally recognised agency. Fish markets and fish landing centres will be developed. Assistance from NCDC will be sought for creating a cold storage chain to preserve fish under the aegis of Matsyafed. An amount of Rs.3 crore is additionally earmarked to produce value added products and to construct modern furnaces in Shell Co-operative Societies. An amount of Rs.240 crore is earmarked as part of the annual plan outlay for fisheries sector including inland fishing and Rs.238 crore for coastal development. The total outlay of fisheries sector including coastal roads comes to Rs.600 crore.

4. Sir, the construction of fishing harbours is in crisis due to the considerable reduction of central assistance. An amount of Rs.584 crore is required for the completion of construction of the following harbours - Arthunkal (61 crore), Thanoor (36 crore), Vellayil (22 crore), Manjeswaram (30 crore), Thottapally (80 crore), Kasargode (59 crore), Chethy (111 crore), Parappanangadi (133 crore), Kayamkulam (36 crore), Munambam (8 crore), Neendakara (10 crore). NABARD has agreed in principle, to provide these amount as loan. The harbours which haven't started the work or yet to start the 2<sup>nd</sup> phase like Chethy and Parappanangadi will be

included in KIIFB. Priority will be given to the coastal hospitals under the Hospital Renovation Scheme, which is implemented with the assistance of KIIFB. Kozhikode beach hospital, General Hospitals in Kollam and Alappuzha, Taluk Hospitals in Faroke, Ponnani, Chavakkadu, Karuvelippadi, Chettikad, Karunagappally, Neendakara and Chirayinkeezhu will be included in this. In the selection of Family Health Centres, priority will be given to coastal areas. Health micro plans for each family in coastal areas will be prepared and Family Health Scheme will be implemented. All the schools in coastal area, where more than 250 students are studying, will be included in this year's school renovation package. Sanction has already been given for urgent coastal protection measures in regions such as Chellanam, Edavanakkadu, Ponnani and Alappuzha where coastal erosion is severe. Based on a comprehensive study, a final shape will be given to the protective measures to be adopted along the entire coastal belt of Kerala. For this an amount of Rs.300 crore has already been sanctioned from KIIFB. Sir, an investment of Rs.900 crore will be made from KIIFB in coastal areas. Sir, let me point out that this does not include coastal highways or other roads.

5. Sugathakumari teacher sang, 'wind and sea give life to the shore. But, the unimaginative human interventions have turned the nature into demons of terrible death. Unleashing calamities, wind and sea are roaring. But the shore won't give up'. As sung, by our beloved poetess

*The Mother Ocean,  
We who came of age  
Playing on her bosom,  
Have gained the power  
To rise up again*

6. Sir, I am sure, our coast will resurrect, surviving these calamities. This budget aims that. It is women who are most severely affected by all disasters and calamities. See the latest example of Ockhi. Men died. Now, the responsibility of the family is on the shoulders of women. They have to overcome all the hardships and sufferings during the remaining life. A character in Sara Thomas's novel 'Valakkar' says. 'Father, don't you know the state of our women. We only fetch fish to the shore. The burden of running the family by selling it is on these poor beings'. The cyclone has snatched those who had fetched fish to the shore. They have to ensure daily income, children's education, employment, their future and the like. She can neither run away nor surrender.

7. This is not the experience of disaster-stricken women alone. A woman's life is full of unseen work of the family and invaluable labour. Sir, I invite the attention of this august House to the twelve lines, which have gone viral in social media, written by Kumari N.P. Sneha, a 10<sup>th</sup> standard student of Pulappatta School, on the topic 'Kitchen' in the poetry competition held in connection with the school arts fest.

*It was the chemistry teacher  
Who called the kitchen  
A laboratory,  
While experimenting and observing  
Saw there  
A machine  
That gets up early  
Emitting smoke  
Getting started on its own,  
Covered with soot  
Damaged,  
That produces  
Sodium chloride solution  
Every day.*

8. Sir, woman doesn't get the status commensurate with her toil. While Kerala is the light house of enlightenment in all other areas, we are disgracefully illiterate in the matter of gender justice. At the same time, modern women are coming forward to challenge the local customs of oppression and humiliation. Intense reactions are visible against male dominance including in the tinsel world. This budget promises all support to the struggle of women for establishing their identity and dignity. Sir, that is why, the budget 2018-19 is presented in this august House quoting the lines of women writers in Malayalam.

Before coming to the gender budget, let me explain the details of the general economic background of this budget.

## II

### **GENERAL ECONOMIC CONDITION**

9. Like Ockhi cyclone, demonetization devastated the Indian economy. There is only one difference. If the first one was a natural disaster, the second was manmade. Not only most of the demonetized notes returned, but the market was shattered by the delay in the introduction of new notes replacing the old ones. Trade shrank. Small scale production crumbled. Crores of work days were lost. The GST implemented without proper planning also was a setback to the economy reeling under the impact of demonetization. The growth of national income which had been expected to be more than 8% during 2016-17 was only 7.1%.

#### **Goods and Service Tax (GST)**

10. The history of the GST begins with the UPA Government. During that period the suggestion for this new tax system was presented in

the Central budget and had become the agenda of the Empowered Committee of Finance Ministers. In fact, if the main opposition party then had not changed its stance at the last moment, GST would have been implemented at the time of UPA Government itself. The government that came to power at the Centre in 2014, has expedited the move towards GST. In Kerala, when this government came to power, the decisions on the basic structure of GST had been finalised. The Lok Sabha had passed the Constitutional amendment. Later Rajya Sabha also approved the constitutional amendment. Against this backdrop, the stance taken by Kerala in the GST Council was this. (1) Protect the powers of the state to the full extent. For this SGST rates are to be fixed within small bands. Otherwise, states should have the power for making minor adjustments in changing the rates. They should have more power in tax administration. States should be given higher portion in tax share (2) Tax burden has to be eased. There shall be higher tax on luxury goods and nil tax or lower tax on essential commodities. (3) Kerala has strongly opposed the move to dilute the principle of destination tax so as to make the new tax system favourable to Kerala. We succeeded in it. But in other cases, our stances were only partially accepted.

11. Even though the tax burden on goods has been reduced to one third of the total excise duty, VAT etc. the price of commodities has not come down. Thus the benefit of GST has gone to big corporates and not to common man. It was Kerala that had taken initiative to raise this issue in the GST Council from the very beginning and also to include it in to the anti profiteering clause. Imposition of GST on small scale establishments, which were completely exempted from excise duty earlier, was a setback to that sector. This issue was also raised by Kerala. Only recently, efforts were taken to resolve this issue by enhancing the tax ceiling upto Rs. 1.5 crore. Due to non-receipt of refunds, exporters also fell in to trouble. The general impression that the efficiency in tax collection would improve with the implementation of GST has not become a reality. The reason is

simple. The GST administration system has not yet become functional. Complete returns of only one month could be filed till December. Now, tax is received on the basis of the abstract of accounts submitted by the tax payers. Tax evasion cannot be prevented with this. Check posts were abolished. Now, it has been decided to totally revamp the system of filing returns in the 7<sup>th</sup> month. The e-Way Bill System, which was meant to replace check post verification, came in to effect only yesterday. As a result, the tax income has been diminishing every month on national basis. Around one lakh crore rupees worth indirect tax of Central-State Governments was merged in GST. But the tax revenue for the month of January was only Rs.5407.47 crore. Thus, the tax collected so far is Rs.1.35 lakh crore and its IGST portion has not been disbursed so far. This is a great set back to states like Kerala.

**12.** It is true that, I have argued, even in the Legislative Assembly that the tax revenue of the state will increase to 20-25% on introduction of GST. But, our tax revenue increases only below 10% as in the time of VAT. There is a 14% increase in the GST on adding the compensation. On computing the average of previous five month's SGST on goods sold in the state, which is directly collected by us, it comes to Rs.691.75 crore. In addition to this, we are also eligible for the tax levied by other states on the goods coming to the state. The average of this IGST is only Rs.802.06 crore. My assumption is that, in reality IGST should be at least double the SGST, because 75% of the goods consumed by our state is coming from other states. The SGST that we get from these goods is the tax imposed above the margin of the seller, because they will get input tax credit against the tax they paid for the goods, when purchased from other states. The IGST that we receive is equal to the input tax credit. Naturally, IGST will be much higher than SGST. It is very clear that there is large scale erosion in IGST.

**13.** Reason for this erosion has been mentioned earlier. With the implementation of GST, the check posts have lost their legal sanctity. There upon, a situation of goods flowing into Kerala without any bills unhindered arose. If these goods are sold without bills in Kerala also, the tax evasion will be total. In order to prevent this, we have taken measures to reintroduce the e-Declaration System that had prevailed in Kerala. But the High Court has ordered that for taking action against IGST, issuance of the notification of GST Council is necessary. Even though the issue was raised many times before the GST Council and decision was taken, the notification has not yet been issued. The decision of the Central Government was that separate notification need not be issued for certain States only.

**14.** This experience is an example of the loss of autonomy in tax administration suffered by States with the introduction of GST. States have no power to alter the tax rates or to change the tax administration procedures. Majority of these powers were lost with the introduction of VAT itself. These powers have become formally null and void with the amendment of the Constitution. Kerala is taking a stance opposing strongly every move to take away the residual powers with regard to tax.

### **Financial Crisis**

**15.** Not only GST, but also the growth rate of sales tax on petrol, registration fee and stamp duty is also very slow. The growth rates are 18 % and 11.31% respectively. As a result, the actual growth rate up to November was only 5.2% against the budget estimate of 16.08 %. The Central assistance upto the month of November has risen only 25.15 %. Thus the total increase in the revenue receipts has been only 7.77 %. At the same time, the plan expenditure has increased by 22% and non-plan expenditure by 21%. This increasing gap between income and expenditure is the general trend of Kerala's financial position for the last

five years. The result is that, funds for annual development schemes cannot be raised. In order to adjust this, there was a usual practice in the year end to transfer credit, the plan funds of different departments to Treasury Savings Bank Accounts and to treat it as expenditure in the books of accounts. Above all e-LAMS registers were introduced since 2015-16. Incomplete projects need not be finished in a hurry. Permission would be granted to complete the same next year if it is posted in e-LAMS register. In this way, every year the plan expenditure getting postponed to the next year has increased. This has turned out to be a crisis now.

**16.** There was an unspent balance of Rs.13,000 crore as deposit in the treasury accounts of various departments in the month of December. In addition to this, there was an increase in the deposit, when the pay revision arrears of State Government employees were merged with PF and also when people deposited money in the TSB accounts. In Government accounting system, this kind of increase in original deposit in every year is reflected as loan income from Public Account. Thus the income from the Public Account has increased to Rs.10,288 crore in 2016-17. The Central Government has pointed out this increase is a violation and informed that this amount would be deducted from the admissible open market borrowing. It is for the first time in the history that the Central Government has taken such a stand. Anyhow due to this crisis in borrowing, the money for the day to day expenditure became insufficient and the Government was compelled to impose certain treasury restrictions. Subsequently, an amount of Rs.3038.81 crore was withdrawn from TSB accounts of different departments. As and when the existing amount is completely utilised, the amount withdrawn would be provided to Department concerned through additional authorisation. But, hereafter, the tendency of accumulating unspent amount in Treasury accounts will be strictly restricted. Based on these measures, the Central Government has reinstated the right of State Government to borrow. Thereby, ways and

means restrictions could be lifted. But, the gap between income and expenditure is continuing. This problem needs to be resolved.

### **Fiscal Discipline**

**17.** Stringent fiscal discipline is inevitable. Fiscal deficit would be limited to the admissible 3%. If the revenue is insufficient even after the utilisation of the admissible loan, strict expenditure control measures should be adopted. Similarly revenue deficit should also be nullified. But it will take at least 5-6 years for this. From this budget onwards revenue deficit will be reduced by 20 to 30 basis points each year, in the ensuing years. The expenditure should be met within these limits. Sir, the fiscal deficit during 2016-17 was 4.3%. In 2017-18 budget estimate it was lowered to 3.4%. In the revised budget estimate it has again been lowered to 3.3%. During 2018-19 fiscal deficit will be 3.1% only. Similarly revenue deficit during 2016-17 was 2.5%. In the 2017-18 budget estimate it was reduced to 2.1%. But as per the revised estimate of 2017-18 it has come down to 1.9%. During 2018-19 revenue deficit will be 1.6% only. This move to secure financial stability will be smooth if the GST income would rise considerably as expected.

**18.** The Central Government which advises the States on stringent fiscal discipline does not follow fiscal discipline and it is an irony. The Central Finance Minister takes pride in the fact that he was able to retain the fiscal deficit at 3.5% during 2017-18 against the targeted figure of 3.2%. It became possible only because of the sales of the shares of Public Sector Undertaking worth 1 lakh crore. Public Sector Undertaking like ONGC bought majority of the shares by taking loans from banks. For whose conviction is this change of filariasis from the right leg to the left leg. The attempt to implement FRBM Review Committee Report without discussions with the State is a matter of protest. The move to limit the

borrowing power of the States further is a challenge to the financial independence of the States.

### **Kerala Infrastructure Investment Fund Board (KIIFB)**

**19.** Fiscal discipline in the budget is necessary for the success of the leap in huge capital investments through KIIFB. Proposals of around Rs.54000 crore were put forward in the previous budgets. Among these fund has already been sanctioned for proposals amounting to Rs.20,000 crore and are moving towards implementation stage. Before long, sanction will be given to another Rs.10000 crore. Remaining projects will be sanctioned in 2018-19. This unparalleled investment will be an antidote to the current fiscal recession. The resonance of this investment will be an economic stimulant.

**20.** Even KIIFB is not a perennial source. The principal and interest of the availed loans have to be repaid. Assuming 9% interest, three years moratorium and 7 years repayment period, a total of Rs.1 lakh crore will have to be repaid. As per the KIIFB Act passed by this auspicious house the Fund Board has to get Rs. 1 lakh crore as grant before the repayment period by way of share of petrol cess and motor vehicle cess. KIIFB is only securitising their future income. KIIFB shall approve projects only after ensuring that the amount received by KIIFB as grant during a particular period and repayment liabilities are balanced. Nobody should worry over the future liabilities that may have been created by KIIFB. Each project which we have cleared so far is essential for our State. But we would have to wait for another two decades if we are to find the fund for this capital expenditure from our normal budgetary surplus. This has a drawback. The construction activities will cost ten times more than that of today. Along with this, the benefits will be lost for one generation. The strategy we have adopted is to carry out construction activities through KIIFB now, and to handover the amount that would have

been set apart for such construction activities over the next 15 years to KIIFB, as envisaged in the Act.

**21.** Sir, so far State government has given Rs.4270 crore as grant to KIIFB. Procedure have been completed for issuing General Obligation Bonds worth Rs.3000 crore. This amount will be sufficient to encash the bills of construction activities submitted for the next 3-4 months. It will not be difficult to mobilise the fund from market for the period after that. Both CRISIL and ICRA, the rating agencies have accorded 'A+' grade to KIIFB. This is a recognition for the transparency and efficiency of the systems of this institution. The decision taken by KIIFB for issuing 'Masala Bonds' aiming Non Resident Keralites, will be implemented in the beginning of the next financial year.

**22.** It is intended to carry out resource mobilisation from the domestic market of India by utilising different kinds of bonds such as General Obligation Bond, Revenue Bond & Land Bond. Alternative Investment Fund has been formed under KIIFB for mobilising long term low interest rate investments from abroad for prescribed projects.

**23.** In addition to this 'NRI Chitts' of KSFE will be started in next March-April. The online facility for this has already been ready. It is intended to give pension, subject to certain conditions, and to provide accident insurance to those who enrol in this chit. The fact that dividend and commission, not interest, is the basic norm of the chit, will make it more attractive in Gulf region. Non-resident Keralities invest large sums in some sort of investment schemes. If they opt 'chits' as a means for this, they will definitely get the financial benefits as they get from banking sectors and others and also this will turn out to be a support for the development of our state. The free floats from 'Chits' will be invested as short term bonds in KIIFB bonds. Let me tell one thing to those who think, isn't it a fancy? Now KSFE has a turnover Rs.18,000 crore from chits. Of

these, there is a deposit of free float amounting to Rs.5000 crore in treasury. Thus it is presumed that KIIFB could manage large scale resource mobilization at a low cost from Pravasi Chit itself.

**24.** Many have been criticizing delay in KIIFB projects. Strict procedures and inspections cannot be avoided. It is seen that inspections are being completed within a short period for the submitted projects. But, criteria cannot be diluted. The analysis of benefits and drawbacks, environmental / social impact study, detailed investigation and estimate is inevitable for all projects in KIIFB. The only solution is to enhance the efficiency of implementing agencies. In our State, it takes an average of two years for the projects of NABARD and others to start functioning. It is to be particularly noted that even one year has not been completed after clearing of half of the projects of KIIFB. Despite that, implementation orders have been given for projects worth Rs.19000 crore. I am sure that almost all the projects will start functioning in 2018-19.

#### **General Economic Condition**

**25.** Sir, even in the adverse conditions, let me point to an optimistic index. The economy of Kerala has grown at a rate of 7.41% in 2016-17 even in the backdrop of economic slowdown at the national level and repatriation from Gulf. Kerala has a better performance than national average. The State has continued its good performance in poverty alleviation and raising the quality of life. The details about this has been given in the first chapter of Economic Survey. All these point to the survival capacity of our economy. This will give strength to us to face the possible crisis due to repatriation from Gulf. Huge investment from KIIFB will help us in this.

**26.** I would like to assure this auspicious house that the short fall in the anticipated revenue in the state budget will not result in any reduction in the social welfare expenditure for the poor. The top most priority will be

for the assistance and benefits to the poor. The most important aspect of this budget is the complete social security scheme. This has been elaborated in the previous budget as well. But its full fledged implementation will commence from 2018-19 onwards. The most important elements of this complete social security scheme are housing for all, good food, better education, free treatment for all diseases including life style diseases and social welfare pension. Sir, I would like to describe each of these in detail.

### III

## COMPLETE SOCIAL SECURITY

### Good Food

*27. 'If it is known that the plantain bunch is ready for harvest and the hen has started laying eggs, the landlord or his children will come in search of them. People who have long lost the habit of planting even a spinach sapling!'* There existed such a time in Kerala as depicted in the novel '*Nellu*' by P.Valsala. Sir, those times have changed. Transformation from tapioca and sardine to rice and meat as the staple food is the best indicator of the improvement in the food consumption standard of Kerala. Kerala has been in first or second place in per capita food consumption. But, still there are some people in our State who cannot afford to have even one time rice meal in a day. There should not be any one in Kerala who sleeps with an empty stomach. The best remedial action for this is to effectively implement the National Food Security Act. As a result of not taking adequate preparation during the period of previous Government, National Food Security Act had to be implemented in a haste. Following this, a lot of issues have occurred. They are being rectified one by one.

**28.** The exclusion of around 6.5 lakh eligible people from the priority list due to flaws in the survey had resulted in widespread

discontent. Majority among them were BPL families earlier. Another serious issue is that those who were excluded from the priority list get only a small quantity of rice. As a result of the disciplined work for the last few months, we could weed out 2.4 lakh ineligible people including Government servants from the priority list. It is clear that at least 1 lakh people will be excluded from the existing list based on the inspection of building ownership. Presently, inspection of four wheeler vehicle owners is in progress. Once the inspection gets completed, about 5 to 6 lakh ineligible people may legitimately be removed from the priority list. With this, the complaints of exclusion from the priority list will completely be resolved. With the installation of e-POS machine, ration pilferage can considerably be reduced and a portion of the surplus rice thus saved can be provided additionally to those who are outside the priority list.

**29.** Rs.954 crore is earmarked as food subsidy in this year's budget. Not only the allowances of ration dealers were enhanced, but 314 posts were also created for the seamless distribution of ration. Rs.31 crore is specifically earmarked for implementing Food Security Act. This is mainly for renovation of ration outlets and e-governance. Selected ration outlets will function as Margin Free Grocery shops on an experimental basis. Rs.6 crore is earmarked for Council for Food Research and Development. In addition to this, Rs.250 crore is earmarked for market intervention by both Civil Supplies Corporation and Consumerfed. Rs.8 crore is earmarked for renovation of Supplyco outlets.

**30.** A character in Lalithambika Antharjanam's famous drama 'Savithry Adhava Vidhava Vivaham' has sung

*No oars in hands  
No companion in the boat  
Having no aim in this world.*

There are destitute and orphans in Kerala with nobody to help, not even getting one square meal and not knowing how to pass each day. Hunger Free Kerala Scheme is for them. Though this project was announced in the budget 2010, it was successfully implemented only this year in Alappuzha. Apart from giving free food twice in a day to 400 bed – ridden destitutes at their door-step, food is also being supplied free of cost through eateries here. For the past one year a youth federation has continuously been providing food packets free of cost to the patients and bystanders in Medical College Hospitals. This is an example for the mass support such an initiative may get. Rs.20 crore is earmarked for extending 'Hunger Free Kerala Project' to more locations in Kerala based on the experience in Alappuzha. The ration rice and groceries will be made available at subsidised rate for Hunger Free Kerala Project. Within 3 years, it will be ensured that there is no one left to starve in Kerala.

**31.** As a part of good food program, it is intended to obtain self sufficiency in vegetables and milk, in addition to enhancing the production of chicken and egg. The new venture is a public intervention for making available good meat at a reasonable rate in the state by enhancing the poultry production. Poultry Farm units will be opened in every panchayats under the aegis of Kudumbasree. Sir, I am glad to inform you that the 1<sup>st</sup> batch of Kudumbashree chicken has already reached the market. Those who are already in the poultry production can also participate in this scheme. The parent stock of poultry in the state will be enhanced to 50000 by next year. We have entered into a precise understanding with breeder companies for this. The programme is to ensure the availability of chicks to the farmers at a rate of Rs.30-35 by hatching the eggs in the hatcheries. Chicken will be made available for Rs.87 at farm gates for KEPCO and Brahmagiri Meat Products. Rs. 18 crore is earmarked for Poultry Development Corporation for establishing parent stock farms and hatcheries. Rs.20 crore is additionally earmarked to provide subsidy for chicks, if needed, to functionalize poultry feed factory at Mala, and also to

provide interest subsidy for the loan availed by Brahmagiri society. The government will give guarantee for the loan availed by Brahmagiri Society. It is also planned to intervene in fish market effectively through Matsyafed.

### **LIFE – Housing for all**

**32.** In the novel 'Mattathi' by Sara Joseph, there is a 'father' living with a diary accounting his dreams. One among them is the over ambition of 100 percent housing. It is not once or twice that he sighs glancing at it. 'Father' firmly believes that sighs help in making dreams into reality. Sir, this Government is making that dream into reality. Today Kerala is the only State having the infrastructure for finding a permanent solution to the problem of housing. At present there are only one or two children on an average in a family. Hence, if houses are provided to all these homeless families there will not be any need to provide new houses, when new families are formed. No other state in India has such a favourable condition. Against this backdrop, the LIFE Mission is being started to ensure housing for all.

**33.** Construction of 77756 incomplete houses is going on. Houses need to be constructed for 421073 people who don't possess habitable dwelling and houses for 338450 landless people. It is intended to provide with houses worth 4 lakh rupees. In 2018-19, it is targeted to provide houses to 1.76 lakh people in the list, who own land but are houseless. Those destitute families who were left out of the list due to lack of ration cards will be included in the list. The matter of those having complaints about exclusion from the list, due to several reasons will be considered in the coming year. For the houses constructed under PMAY, 2.5 lakh rupees will be provided as the Central-State financial assistance. For those houses not coming under PMAY, Rs.1 lakh each will be given as financial assistance. The Local Government Institutions shall meet the remaining amount either from their own plan fund or as loan assistance. A

separate finance company will be formed to avail required amount as loan and disburse it to the Local Government Institutions. The principal amount on such loans availed by Local Government Institutions will be deducted from their future plan fund every year. The interest will be borne by Government.

**34.** The scheme envisages to find a common place and to construct flat like complexes for the landless people. The expenditure per flat comes to Rs.10 lakh. Apart from accommodation facility, these building complexes will have common amenities like Anganavadies, Labour skill centres etc. Priority will be given to housing complexes in urban areas.

**35.** Rs.2500 crore is earmarked for LIFE housing scheme in this year.

### **Ardram – Comprehensive Health Security**

**36.** Dr. Mary Punnen Lukose is one of the gifted personalities who had significantly influenced the growth of health systems in Kerala. She excelled as the first girl student of University College, first Indian lady doctor to acquire Medical Degree from Britain, first woman legislator of Travancore and first woman Surgeon General in the world. The network of modern medical hospitals and vaccination efforts, the foundations of which were laid by her generation, has eradicated communicable diseases from Kerala. Life expectancy, which was only 45 years at the time of formation of Kerala has been enhanced to 76. It should be viewed seriously that organised protest is rising from certain corners against vaccination and modern system of medicine, especially in this era, when we are facing the second generation challenges in the health sector. Increase in life expectancy and changes in life style has created a surge in various fatal health conditions like cancer, heart attack, paralysis etc. No family can afford huge expenses needed for this in private sector.

However, the treatment facilities for these diseases in Government hospitals are limited. As per the 69<sup>th</sup> report of National Sample Survey in 2004, 8% families of rural areas and 12% urban areas have been pushed below the poverty line because of the unaffordable medical expenses. In view of this situation, initiatives have been taken with the assistance of KIIFB to enhance the treatment facilities to a large extent in Medical Colleges, District, General and Taluk hospitals. Along with this, 558 posts of doctors, 1385 post of nurses and 876 post of para medical staff have been created in health sector so far. As a result, the face of public health sector has been changing.

37. Along with starting oncology departments in all Medical Colleges, Malabar Cancer Centre will be upgraded to the standard of RCC and a new cancer centre of similar standard will be started at Kochi. By this, the public sector will gain competence for providing treatment to 80% of cancer patients in the state. Cardiology Departments with facilities for cath labs, operations etc will be started in all District General hospitals. Emergency medicine departments in all district hospitals and trauma care centres in Taluk hospitals will be started. All Taluk hospitals have already been equipped with dialysis units. This high level hospital facility expansion is envisaged with a specific objective. The aim is to ensure good quality treatment for diseases including life style diseases at affordable cost for common man. A character of B M Suhara remembers the childhood being troubled by the stoic expression on the face of her mother, when she was pawning the ornaments one by one for the treatment of her father. Khader, the character in the novel '*Prakashathinmel Prakasam*' sighs "even if it means going to Gulf to be able to wipe tears from the eyes of mother by earning some money". One of the prime reasons for the limitation of many Malayalis, is the modern treatment for diseases. Higher life expectancy also provides us with some miseries too. When treatment for this is made affordable even for common people, our health care system will become periodic.

**38.** How can we ensure free health care for life style diseases to every common man using our higher public health systems? The core announcement in the budget prepared for 2018-19 was the answer to this. That was a two-tier health programme. The basic level was the extended RSBY. An assistance upto Rs.30000/- had been available for inpatient treatment through this. This programme was to ensure the enrolment of 40 lakh families and to provide treatment for lifestyle diseases to them in public health sector as per determined protocol. As per this scheme, treatment upto Rs.2 lakh could have been availed from accredited private hospitals.

**39.** But in the Central Budget presented yesterday a National Insurance Scheme of Rs.5 lakh has been announced. In the pre-budget memorandum, Kerala had requested the Central Government to enhance the benefits under RSBY. Along with welcoming the higher insurance benefits I share the apprehension of Kerala Government. It has been known that the eligibility of States with respect to 10 crore beneficiary families will be determined based on the socio-economic census. Consequently, a lion-share of families presently under RSBY in our State may get excluded from the insurance coverage. This is a major setback for the health sector in Kerala.

**40.** Sir, even while awaiting the details of the new scheme I would like to clarify the Comprehensive Health Programme of Kerala. All beneficiaries presently under RSBY scheme will be included in the new National Scheme even if the State Government has to remit the Insurance Premium. Anybody who are eligible but excluded from the present RSBY Scheme will also be included in the new scheme. In addition to this, people belonging to middle class and the rest will be encouraged to enrol in the scheme by remitting the entire premium on their own. It will be contemplated on how to connect Service Pension Scheme with this. Thus

Kerala will become the first State in India that ensures Universal Health Security.

**41.** Resource mobilization for Comprehensive Health Care Scheme will be through Kerala Lottery. Sir, Kerala Lottery is celebrating its golden jubilee. The profit out of the lotteries run in the name of other states goes to the pockets of lottery mafia. Whereas, the revenue from Kerala lottery will completely be utilised for the above mentioned health scheme. Hence forth, when you take a lottery, it will not be a mere test of luck. This will also be a contribution towards comprehensive health care. I am sure, this decision of the Government will strengthen people's resistance against the move to bring the gambling lotteries back to Kerala. Kerala will unitedly resist the gambling lotteries.

**42.** For the success of such a scheme, preventive measures have to be taken against the lifestyle diseases, as in the case of communicable diseases. This is what is aimed through 'Ardrum' mission. Based on scientific classification, all the citizens' health care details, including blood sugar, cholesterol etc. will be collected and arrangements will be made to continuously monitor the health status of families through Primary Health Centres. Thus effective interventions could be made locally to identify the patients and treat them in the initial stage itself and to persuade those who are likely to become a patient to change their life styles. A personal Micro Health Scheme should be prepared for each patient or a person susceptible to disease. Hence morbidity can be reduced considerably. Special financial assistance will be given to the Local Government Institutions which take initiative in such community health programmes.

**43.** A public health system is envisaged incorporating three aspects such as measures for preventing diseases, effective treatment for disease and palliative care, if the treatment is not effective. Out of these, palliative care network has today become a social institution spreading

across the entire state. In the story 'Devangana' written by Gracy, there is a 'daughter' who wishes the death of her mother instead of taking her to the doctor when the symptoms of cancer reappeared. Sir, palliative care activities has an invaluable place in the society where selfishness spreads as a contagion. Steps will be taken for co-ordinating palliative care activities which imparts strength to each patients to overcome the ailment which demands much love and care through Primary Health Centres. Palliative network can be utilised for ensuring social life and giving palliative care to the aged in each Panchayat.

**44.** In order to implement above mentioned comprehensive health perspective, we should have the freedom to envisage the health insurance scheme of the Central Government after evaluating the conditions of the State. When RSBY Scheme was implemented, I had a long discussion with Sri. Prabhath Patnaik , then Vice Chairman of the Planning Board before permission to integrate CHIS with CHIS Plus was obtained. Insurance scheme will not be allowed to break the general health system of Kerala. So this scheme is to be envisaged in a way as to protect the interest of General Health System. 40% of funding of the scheme is provided by the State Government. So the Central Government should be willing to discuss with State Governments about the running of the scheme.

**45.** We have seen that it was a disgrace to Kerala when Murugan, a native of Tamil Nadu, died without getting Trauma Care due to paucity of money. Alternative measures, so that such incidents are not repeated again will be in force during 2018-19. A system will be in place to send messages through a specific mobile app from the accident spot to ensure that the nearest ambulance arrives the spot and the injured is taken to the nearest suitable treatment centre. All hospitals including private hospitals should provide free emergency treatment. The payments will be made to

them later through insurance. The fund for this will be made available from Road Safety Fund.

**46.** Rs.1685.70 crore is earmarked in the Plan for Public Health Services. Rs.69 crore is earmarked for establishing Cath Labs, ICU, Dialysis unit, Blood bank, Dental Unit, Emergency Care Centres, Super Speciality facilities and Maternity Units in important hospitals. Rs.17 crore is earmarked for mental health care. Rs.23 crore is earmarked for changing Primary Health Centres into Family Care Hospitals and Rs.15 crore for converting hospitals into patient friendly hospitals. Rs.837 crore is expected under National Health Mission during 2018-19. Rs.335 crore is earmarked as State share.

**47.** Sir, a State wide Ambulance service e-network will be formulated similar to that of Uber Taxi.

**48.** Asha workers have an important role in 'Ar dram' Scheme. The Central Government is not even willing to give a reasonable honorarium to these workers who are the employees of this Centrally Sponsored Scheme. In the previous budget, their monthly allowance was enhanced by Rs.500/-. Now the same is enhanced by Rs.2000/-. There will be an additional expense of Rs.84 crore.

### **General Education Protection Campaign**

**49.** As in the case of public health, general education is also vital to the people of Kerala. Over the past quarter of the century, there has been movement of students from general education sector to unaided sectors. This movement has been arrested. The biggest public acceptance for the efforts of this Government is that around 1.4 lakh students have left unaided schools obtaining TC for joining government schools. People have placed very high hope in the measures taken by the Government for improving the standard of government schools, where the children of

common people pursue their studies. A master plan is prepared on learning, curriculum related and extracurricular activities for every school. It is based on such a master plan that measures had been taken with the help of KIIFB for improving the general education facilities.

**50.** Digitalisation was implemented in the previous year in 4 constituencies on a pilot basis. The experience there was very much encouraging. It was characterised by the wholehearted initiative of teachers, local mobilisation of resources, people's participation, and complementary measures for improvement of quality. The endeavour has now reached the final stage, where networking of various schools have been undertaken for broadcasting news and public education programmes. This year 45,000 hi-tech class rooms and IT labs will be established in 4,775 schools. The digitalisation will be completed in 3 phases with 20,000 class rooms being completed before the end of February, 10,000 class rooms in March and remaining 15,000 class rooms in the months of April – May. Those who complete the preparation for digitalisation will be given priority. Rs.33 crore is earmarked for 'Kerala Infrastructure and Technology for Education' which is heading the digitalisation programme.

**51.** In her novel titled '*Kappaline Kurichoru Vichithra Pusthakam*', Indu Menon introduces an old village school with tile paved roof and unplastered red laterite wall which stands in the middle of a large field surrounded by gooseberry trees having rounded starry eyes, arrogant cashew trees and sweet mango trees. Sir, even while retaining these village virtues our schools are being upgraded into world class standards. 138 schools were provided Rs.614 crore to make them into centre of excellence and 70 schools where more than thousand students were studying were provided with Rs.210 crore so far from KIIFB. It is expected that the KIIFB Board, which is to meet by the end of this month will sanction fund to the remaining schools also. An amount of Rs.50 lakh to

Rs.1 crore will be spent for the infrastructure development of all the schools where more than 500 students are studying, for the school renovation programme implemented under the aegis of KIIFB in 2018-19. All those government schools, which have been selected for 'Haritha Vidyalayam' reality show will be eligible for this financial assistance. An amount of Rs.100 crore is earmarked for aided schools for their Challenge Fund Scheme. Some of the schools with more than 1000 students were left out from the list of schools announced last year. The assistance up to Rs.3 crore, announced earlier will be made available to them. An amount of Rs.300 crore will be expended from KIIFB for establishing computer labs in all Primary and Upper Primary Schools. Special financial assistance will be provided to all heritage schools that have completed 150 years.

**52.** An amount of Rs.970 crore is earmarked for school education under plan allocation. Out of this, Rs.170 crore should be spent for the development of infrastructure facilities of small schools which are not covered by the financial assistance from KIIFB. An amount of Rs.35 crore is earmarked for various programmes for enhancing the academic standards. An amount of Rs.54 crore is earmarked for child centred work experience, arts and sports encouragement, special assistance for prodigious students and special assistance for differently abled. The activities of bio-diversity park and Autism Park will be expanded. An amount of Rs.7 crore is earmarked for establishing new arts, sports and cultural parks. An amount of Rs.15 crore is earmarked for the expansion of Student Police Cadets. An amount of Rs.15 crore for Vocational Higher Secondary Education and Rs.106 crore for Higher Secondary Education are earmarked. Here also Rs.80 crore is included for improving the infrastructure facilities of schools, which are not covered by the financial assistance of KIIFB. An amount of Rs.290 crore is expected for Secondary Education from RMSA. There will be an expenditure of more than Rs.600 crore for mid-day meals programme. The Central

Government will bear 60% of this expenditure. An amount of Rs.6.5 crore is earmarked for conducting Kerala School Youth Festival.

### **Social Security Pension**

**53.** In one of her poems, Savitha Rajeevan points out “In a dark ripening night, who gave the blanket which won’t be torn by nightmares”. The residual life will be a nightmare to those who worked for meagre wages throughout life, while entering into old age. In the numbing pityfulness who brings the blanket of consolation? If we are not able to do so, it is meaningless to say that we are a modern society. Sir, if asked what the biggest achievement of this government, is first one to is about the doubling of social security pensions and welfare pensions and timely disbursement of the same.

**54.** The State Government directly provide pension or security financial assistance to 42.4 lakh people. In addition to this, more than 5 lakh people are provided with pension from various Welfare Funds. The government is spending more than Rs.6000 crore for social security pension per year. It is to be remembered that during the period of UDF Government only an average amount of Rs.1680 crore per year was expended for social security pensions.

**55.** The ceiling of family income for pension is Rs.1 lakh. But some people with very high income are also receiving pension now. Urgent corrective measures will be initiated to weed out the undeserving from the pension list. In order to avoid disputes regarding income, the eligibility will be determined by applying the following criteria also in addition to income limit. The criteria are:- Those who possess a house with an area of more than 1200 Sq.Ft, those who reside with an income tax payer, those who own more than 2 acres of land, and those who possess a car other than taxi with an engine capacity of more than 1000cc. Time is being granted till the end of March for voluntarily quitting the pension. Those who are

found ineligible in the later survey will be liable to pay back the pension already received. After this cleansing, the new applications that had been submitted to Local Self Government Institutions will be considered before Vishu. Pension will be granted urgently to differently abled and handicapped.

**56.** Contributory Pension Scheme will be started for those who are not eligible for Social Welfare Pension. Those who are receiving Social Welfare Pension can also enrol in this Scheme.

**57.** An amount of Rs.30 crore is granted for providing retirement benefits to the members of Welfare Fund Boards in Coir, Cashew and Fisheries sectors.

### **Security for Differently Abled**

**58.** There is a small minority in Kerala who are denied the security shields we have so far discussed. They are the differently abled who don't have the ability to ask for their rights. The total number of Blind, Deaf, Differently abled, Differently Intelligent persons etc. in Kerala comes to 7.94 lakhs. Out of this, 1.23 lakhs people are under the age of 18. A comprehensive policy scheme is being prepared by the State Government for providing a Right Based Life Cycle Security for them. Around Rs.289 crore is earmarked in the State Budget this year, for 44 schemes through 8 Departments and 10 Agencies.

**59.** The beginning of the Comprehensive Programme for differently abled will be by preventing deformities through preventive measures including MMR vaccine. The next stage is to identify the deformities through primary screening and to adopt remedial measures. An amount of Rs.42 crore is earmarked for such activities. Rupees 30 crore is earmarked for the treatment and care of differently abled.

**60.** The policy is to accommodate those differently abled with mild or moderate degree into the normal school itself. At the same time, there are Special schools and Buds schools for severely differently abled. An amount of Rs.17 crore is earmarked for enhancing the facilities in special schools and Rs.26 crore is earmarked for Buds school. New Buds schools will be started in 200 more Panchayats. Autism Park is a scheme formulated on an experimental basis for teaching all the differently abled, including severely differently abled, in a separate class room in regular schools by selecting a school in each District. Resource teachers etc. of that Panchayat will be pooled for this purpose. It is intended to extend the scheme further during 2018-19. An amount of Rs.5 crore is earmarked for this.

**61.** There is a delineation of a special school in Kerala in the novel '*Ancient Promises*' of Jayasree Mishra. Rather a dismal place; children of different age, size and level of disabilities; assorted indifferent categories; lack of qualified teachers; a heap of inconveniences and helpless school management without money. This situation has to be changed. Volunteer based intervention in this sector need to be encouraged. There are 290 Special Schools run by Voluntary Associations with the approval of Education Department. The special financial assistance for them is enhanced to Rs.40 crore from Rs.13 crore.

**62.** An amount of Rs.28 crore is earmarked for the schemes for rehabilitation activities. Rs.5 crore is additionally earmarked for private rehabilitation centres. An amount of Rs.18 crore is earmarked for Barrier-Free Kerala. Rupees 14 crore is earmarked for awareness campaign. An amount of Rs.12 crore is sanctioned for State Handicapped Persons' Welfare Corporation. Measures will be taken for the expansion of Assistive Devices Production Unit at Pattur.

**63.** An amount of Rs.42 crore is earmarked for helpers who care for the differently abled at their own houses and an amount of Rs.12 crore is earmarked as special financial assistance for differently abled students. Marriage assistance for physically challenged girls and daughters of physically challenged will be enhanced to Rs.30,000/- from Rs.10,000/-. An amount of Rs.46 crore will be given to various government and quasi government run training, research and treatment centres meant for differently abled as grant.

**64.** The package announced for the endosulfan victims will be fully implemented. An amount of Rs.50 crore is sanctioned as 1<sup>st</sup> instalment. A portion of the fund for Kasaragod Package will also be utilised for this.

**65.** Apart from these, the pension for disabled will be around Rs.350 crore. As per rules, Local Government Institutions are keeping apart approximately Rs.200 crore for them. It will be a great step forward if we could collectively spend a total outlay of Rs.850 crore meant for this sector. But, Sir, a major change is required in the outlook of the society and family members towards the differently abled. A touching comparison can be seen in the novel of Jayasree Mishra about the alienation and discrimination shown by even our own educated society towards the differently abled persons and its exact opposite experience in abroad. Sir, The legacy of Kerala is the intervention with the awareness of rights. We have the benefit of the same. But there is a section of people in our State who are unable to speak for even their own rights due to several reasons. Protection of their rights should become our agenda.

**66.** Sir, special budget analysis for old age people will be started next year onwards. The number of old age people is fast increasing in our society. In accordance with this reform should be made in health sector and social welfare sector. The geriatric budget will be a means for this.

## Women Welfare and Empowerment

67. Sir, efforts have been made to examine each scheme of this budget from the perspective of women. Though this audit report is not enclosed with the budget documents, it will be made available later. The gender budget document of 2018-19 will be issued to the members along with other budget documents. The outlay for schemes exclusively for women during 2016-17 was Rs. 760 crore which 4% of the plan outlay. During 2017-18, it has risen to Rs.912 crore and to 4.5% of the plan outlay. Sir, the outlay for schemes exclusively for women during 2018-19 is raised to Rs.1267 crore. This comes to 5.7% of the plan outlay. In addition to this, Rs.1960 crore is provided for general development schemes in which special components for women or number of beneficiaries can be separately identified. This will come to 8.9% of the plan outlay. Thus, the gross provision for women, which was 11.5% in 2017-18, is raised to 14.6%.

68. Sir, Vijayalekshmi, in her poem "*Pacha*" exhorts the girl to gain strength by '*eating the roots of lightning and drinking a deluge of rain*'. Now Kerala is witnessing with wide open eyes, the valour of modern woman who dares to proclaim 'Neither would we become mud block and dry leaf nor would we go to Kaasi'. An amount of Rs.50 crore is earmarked for various schemes aimed at preventing atrocities against women. Kerala has to change into a society having deep rooted gender justice awareness. Strong ideological campaigns have to be initiated in our society to expose all faces of anti-women activities. It is aimed to conduct a massive campaign by involving various categories of Government employees including police, people's representatives, lawyers and judiciary, teachers and students and the general public as stakeholders. A major role in these programmes is being played by Women Development Department. Besides, KILA, Kudumbasree, Women Development Corporation, Women's Commission, Women Cell in the Police Department

and several other agencies will participate in these big and small awareness activities. Several schemes among them may be very small. However, their unified impact will be very big. An amount of Rs.10 crore is additionally earmarked for giving special financial assistance for those Panchayats, which undertake Women Friendly Village Project based on crime-mapping and gender reporting.

**69.** An amount of Rs.3 crore is set apart for providing immediate relief to the survivors of atrocities. An amount of Rs.5 crore is earmarked for the construction of Nirbhaya Homes to rehabilitate survivors of atrocities who require special treatment and those suffering from severe mental agony. There will be very talented children among them. An amount of Rs. 3 crore is earmarked for constructing 'Thejomaya' Homes in association with Kerala Academy for Skill and Excellence for providing all modern trainings in order to encourage and inspire their talent for reaching the best employment avenues based on their skills. Rs.20 crore is additionally provided for renovation of shelters for women and the aged. 'Snehaspansam', the monthly assistance scheme to unmarried mothers, is enhanced to Rs.2,000/- from Rs.1,000/-.

**70.** Another peculiarity of women development approach in 2018-19 Budget is the endeavour to increase women participation in modern industrial sector. An amount of Rs. 20 crore is provided for women entrepreneur schemes including IT sector. Naturally, skill development is important. An amount of Rs. 12 crore is provided for establishing Centre for Excellence in Gender Park. Rs. 3 crore is provided for Women Fed. There is a plan to establish five hundred modern coconut fibre mills for women. The current year's plan provision for protection of traditional sectors where women are employed is more than that of the previous years.

71. Lack of necessary common amenities is a hurdle against increasing women participation. An amount of Rs.25 crore including Central share is provided for the construction of working women's hostels and short stay homes in 14 districts. Apart from this, a fund to the tune of Rs.4.8 crore from Kerala State Housing Board is also provided for this purpose. She Lodge will be established in Ernakulam at a cost of Rs.4 crore. Labour Department will set up studio apartments for women. Importance has been given in the plan for to set up creches in work places. Besides, steps will be taken to provide women friendly toilets in public places such as Government offices, Police Stations, Schools etc. Common toilets for women in markets and pathways, though announced in the previous two budgets, could not be constructed. These will not be mere toilets. These will be rest room, cafe and essential stationery selling centres also. Besides fees collection, profit from these sales will also be used for ensuring reasonable income to those who are employed in cleaning. A project will be formulated to make available considerable portion of investment from the advertisement expenses of State Lotteries to any agency including Local Self Government Institution willing for such a business model. Renovation of toilet facilities in petrol pumps and extending the facility to the public will also be discussed with oil companies.

### **Kudumbashree**

72. The play, '*Thozhil Kendrathilekku*' that trumpeted the liberation of women in the Namboodiri community in 1948 was written and staged by women. There is a song sung by Devaki, a character in the play. It was like this:-

*“Getting prepare for the battle,  
Getting prepare for the battle,  
This mobilisation is inside the kitchen”*

Thus, the women of Kerala came out of the kitchen to the centre stage. As the protagonist of K.R. Meera in 'Aarachar' says *"We women never achieve anything alone. Our lives are intertwined like chains. Something started by somebody in someday will be completed by another on another time"*. Kudumbashree has emerged today as the descendant of the movement that started in the Renaissance period of Kerala. Apart from other states, certain foreign countries have also come forward to implement the neighbourhood group systems of Kudumbashree model. A 'Twenty point programme' is announced on the occasion of the 20<sup>th</sup> year of Kudumbashree since its inception in 1998.

1. 2018-19 Neighbourhood Group Year – Micro Finance Summit.
2. Thousand broiler chicken units.
3. Five Hundred coconut fibre mills.
4. Micro entrepreneur parks.
5. Start up Village Entrepreneurship Project.
6. Nano markets.
7. Online Portal for marketing.
8. Technology Hub for Micro entrepreneurships.
9. Kudumbashree Chitti in association with KSFE.
10. District women legal clinics
11. District Kudumbashree Training Centres.
12. Agro Service Teams.
13. Sujalam Project for recharging wells in all districts.
14. Alappuzha model Scheduled Tribe Micro Project to other districts
15. Two Hundred new Buds Schools.
16. Thousand geriatric care executives.

17. Prathyasha – Special livelihood project for the insecure societies.
18. Debt relief to enterprises facing recoveries.
19. 20 Memoirs on Kudumbashree experiences.
20. 14 Model Women Friendly Villages.

**73.** An amount of Rs. 200 crore is earmarked for Kudumbashree. Intensive measures will be taken to strengthen the three tier system. Targeting this, 2018-19 is declared as *Ayalkootta Varsham*. Another important area is women empowerment. All administrative approaches which are not gender friendly should be modified. Among the women empowerment schemes declared earlier, Kudumbashree is considered as the prime agency for implementing the schemes such as Vulnerability mapping, prevention of atrocities at lower level etc. Land has been made available for Kudumbashree District Training Centre, Kasaragod. An amount of Rs.5 crore is provided for establishing training centres including this.

**74.** The State Government have taken several measures to put an end to the discrimination against transgender community and to bring them into the mainstream. However, the atrocities against towards them even today show that we have to go a long way ahead. An amount of Rs.10 crore is provided for the welfare of transgenders. Secure and safe homes will be established in the district head quarters for them.

#### **Welfare of Scheduled Caste and Scheduled Tribe**

**75.** The entire Dalit community of India is awakening. It is vigorously burning as struggles against class discrimination, protests against oppression, emergence of new organisations and cultural and academic studies. During the same period itself in the Central Government special component plan for SC and Sub Plan for ST ceased to exist consequent to the abolition of Five Year Plan. Provisions

proportionate to the population of SC and ST communities have never been made in Central Budgets. During 2016-17, only 11.5% of the Central plan was allocated to the Scheduled Tribes which comprise 25.2% of the population. With the introduction of new reforms, the allocation of funds for the SC and ST schemes has considerably gone down again. Kerala Budget stands apart in this context.

**76.** The outlay for SCP is raised to Rs.2859 crore from Rs. 2599 crore. This comes to 9.8% of the total plan. The outlay for TSP is raised to Rs. 826 crore from Rs.751 crore. This comes to 2.83% of the total plan outlay. It may be noted that Scheduled Caste category is 9.1% and Scheduled Tribe Category is 1.45% of the population. Social welfare indices of the Scheduled Castes in Kerala are higher than the general social welfare indices of certain north Indian States. But, it is behind the general average of Kerala. Comparatively a larger outlay is included in the budget with an aim to overcome this. *“Your fate is also the wages in the father’s column”*, the curse which resounded in the class room like a proverb was echoed by Bilu. C. Narayanan in her poem *‘Pulapank’*. We should give reply to these curses by raising the social indices of the scheduled caste to the general standard.

**77.** 45% of the SCP and 2.34 % of TSP are earmarked to the local self government institutions. This fund allocation is for the Scheduled Caste and Scheduled Tribe categories to participate in the planning process to formulate plans as desired by them. But, it is to be critically examined whether this purpose is being served.

**78.** As in the previous year, now also the largest amount provided in SCP and TSP is for housing, which comes to Rs. 651 crore and Rs. 236 crore respectively. Besides this, Rs.110 crore under P.K.Kalan project is provided through micro plans to help those Scheduled Tribes living in isolated homes. Through experiments conducted in Alappuzha a

methodology has been formulated on how to devise these microplans. This will be extended state-wide with the co-operation of Kudumbasree. An amount of Rs.225 crore in SCP and Rs.55 crore in TSP is earmarked for purchasing land for the landless. An amount of Rs. 100 crore in SCP and Rs. 110 crore in TSP is provided for the development of infrastructure facilities under Ambedkar Project in Scheduled Caste colonies having atleast 30 families.

**79.** The next preference in the plan for Scheduled Tribes is for education. An amount of Rs. 464 crore in SCP and Rs.119 crore in TSP is provided for education. 90% of the outlay for education in SCP is provided as financial assistance to students. Financial assistance for Scheduled Tribes including Central share comes to Rs.37 crore only. At the same time, Rs. 76 crore under TSP is spent for the functioning of model residential schools and hostels.

**80.** Sir, even though the enrolment of Scheduled Tribes in higher education has increased considerably the dropout rate is quite higher. It is estimated that there are more than 20,000 students who are yet to pass the examination even though they got admission to Engineering Colleges. A special scheme will be formulated this year for preparing them for the examination by giving special help and remedial course. From 2018 April onwards educational benefits for Scheduled Caste-Scheduled Tribes students is enhanced by 25%. This increase will be applicable only to them.

**81.** Special emphasis is given in the plan for the skill development of Scheduled Tribes. An amount of Rs. 48 crore is earmarked. An amount of Rs. 111 crore including Central share will be made available to SC/ST Development Corporation.

### **Welfare of Backward Communities**

**82.** An amount of Rs. 114 crore is earmarked for the welfare of backward communities. An amount of Rs.50 crore including central share is set apart for backward community scholarship and an amount of Rs.100 crore for the educational assistance to OEC. An amount of Rs. 2 crore is provided for traditional pottery manufacturing and an amount of Rs.5 crore is additionally earmarked for the development of 'Kumbhara' Colonies. An amount of Rs. 3 crore is earmarked for providing tool kit to traditional artisans and an amount of Rs.2 crore is provided for the renovation of barber shops. An amount of Rs.10 crore is additionally sanctioned to the Converted Christian Development Corporation.

### **Welfare of Minorities**

**83.** An amount of Rs. 91 crore is earmarked for the welfare of minority community. The most important component in this is an amount of Rs.58 crore provided for the special housing scheme for widows and deserted women. Similarly an amount of Rs.25 crore including central share is provided for the multifarious development of blocks where minorities are centered. 14 new coaching centres is being started for the coaching for public examination and others.

### **Welfare of Forward Communities**

**84.** An amount of Rs. 42 crore is earmarked for the most economically backward among the forward communities. Out of this, Rs.17 crore is for scholarships and Rs.8 crore is set apart as the share capital of Kerala State Welfare Corporation for Forward Communities.

## IV

### TRADITIONAL EMPLOYMENT SECTORS

**85.** In the play '*Thozhil Kendrathilekku*', the work place is considered as ancestral home and independence as husband. Engaging in public jobs after giving up the unseen works has an important role in enhancing the status of women in the society. The percentage of women working outside the house today is less than the percentage worked in public place at the time of formation of Kerala six decades before. The traditional sector where large number of women are working is facing drastic decline. The best measure to ensure social security of common man is to secure the jobs that they already know and are familiar with. The small scale and traditional jobs that they engaged are of low income. That is why social security measures become inevitable. So what will happen if these jobs cease to exist? This peculiar situation is becoming severe in Kerala. As written by Dona Mayoora the future of those working in traditional employment sector is, '*between door and its frame, uncertain whether to move in or out, leaving life itself beside it*'. It is not possible to continue these jobs forever in their present form. New generation is also not willing to move towards such jobs. But even today, there is a section of people who are willing to carry on these jobs. So their job needs to be protected. Sir, the budget is moving from social security to employment sectors.

#### **Handloom**

**86.** Consequent to the implementation of globalisation reforms, the handloom sector where the largest number of work force were employed, is now on the decline. Most of the benefits and protection extended to this sector had already been withdrawn. Kerala does not intend to follow this path. Rebate system will continue. Along with that it had been a novel initiative by Government of Kerala to distribute school uniforms made of

hand-woven cloths from this sector. Through this scheme, a minimum of 200 days work will be assured for all those who are willing to work in the handloom/khadi sector. To avoid pilferage of wages, method of direct transfer of wages to individual accounts of weavers has been adopted. The usual practice is to give Rs.400 amount for school uniforms in cash. But the expense in the new system would be higher. Outlay for the current financial year is Rs.150 crore.

**87.** In addition to this Rs.46 crore has been earmarked as plan outlay for handloom and Rs.19 crore for Khadi Industry. It is intended to limit the rebate on khadi and handloom to products made in Kerala only. An amount of Rs.50 lakh is sanctioned for the renovation of Garment Division of Payyannur Khadi Centre.

### **Coir**

**88.** Only one and a half lakh workers are presently engaged in the coir sector where 5 lakh workers were once employed. Only half among them are getting work. The ceasing of fibre production in Kerala has been a huge, setback for this sector. 1000 mills will be established for transforming at least 200 crore coconut husk, i.e. one third of total coconut production Kerala into fibre. Coirfed will procure the fibre from these mills and make available to the Co-operative Societies assuring a daily wage of Rs.600/- to those working in these mills. 1000 automatic spinning machines will be installed in coir spinning sector. But employment can be provided only for a few thousands of workers in this sector. Remaining will be provided with 'electronic ratt'. Coirfed will procure all the coir spun, guaranteeing Rs.300/- as wage for the workers. It is presumed that the production by the co-operative societies in the coir spinning sector will increase at least by three times in the next year. Currently more than one third of the wages is given by the government as subsidy through the Income Assurance Scheme. As the work increases the amount required

for the subsidy will be provided additionally. Rs.5 crore is earmarked to give pension and retirement benefits to the employees retired from Coir Co-operative Societies. As part of the reorganisation, a onetime settlement scheme will be implemented, after discussing with banks, for those Coir Co-operative Societies which have fallen into crisis due to the arrears on loans availed by them. It is estimated that majority of the traditional coir spinning workers will retire within a decade. By then, production will move more and more towards mechanised means. It is aimed to transform the manufacturing co-operative societies in the coir production sector into modern factories. Automatic looms, semi-automatic looms, tufting machines, needle felting machines and composite machines will be deployed.

**89.** Markets may not be available for the entire coir products manufactured by the above means. In this context, it is aimed to convert most of the coir produced into coir geo-textiles. Orders for coir geo-textiles worth Rs.120 crore have already been received from Local Government Institutions for their soil and water conservation activities as a part of employment guarantee scheme. It is intended to form a marketing company entrusted with the responsibility of creating a nationwide marketing network for the sale of coir products.

**90.** This marketing company will be set up with private partnership. The contribution of exporters and industrialists towards the development of coir industry will be recognised and their co-operation will be ensured in the implementation of this scheme. In addition to the subsidy given by Coir Board, government will provide 20% investment subsidy to private investors.

**91.** In short, what is going to be implemented is a second restructuring of the coir industry. The approach being adopted by government is to protect the traditional workers along with the fast

modernisation. An outlay of at least Rs.1200 crore is needed for the implementation of the above scheme. In addition to plan fund, at present loan from NCDC is also being utilised. The total outlay for coir industry for the next year will be Rs.211 crore comprising Rs.141 crore as plan fund and Rs.70 crore as NCDC loan. NCDC has proposed to constitute a Special Project Monitoring Unit for the implementation of the restructuring scheme.

**92.** Procurement of coconut husk cannot be made successful without the wholehearted co-operation of coconut cultivators. Coconut has to be plucked in time before it gets dried, then it has to be de-husked and converted to coir by farmer societies themselves or it has to be made available to coir mills. For this, facilities have to be ensured for timely plucking of coconuts and disbursement of ready cash to the farmers. Working capital is essential for this. An amount of Rs.10 crore is additionally earmarked to the Department of Coir for giving interest to coconut producer companies, Kera Gramam Samithies and Fibre mills if they are avail loans for coconut procurement.

### **Cashew**

**93.** The cashew industry which employees about one and a half lakh workers is also in crisis. Adoption of mechanised processing of raw cashew at low cost by other states is the reason for the present crisis of cashew industry in Kerala. Cashew Industrialists in Kerala, Cashew Corporation and CAPEX are not able to procure raw cashew by competing with industrial entrepreneurs from other states. Big industrialists from Kerala are starting new factories outside Kerala. How can employment and reasonable wages for workers be ensured against this backdrop? There is only one solution for this. That is to buy raw cashew from African Nations at lower prices than available for middle men. Maximum raw cashew has to be procured from Kerala itself. Import of raw cashew has

often resulted in controversies. But government do not intend to evade from the responsibility. A meeting of Ambassadors of African countries had been convened soliciting their co-operation. Many countries have assured their co-operation at government level itself. A company named 'Kerala Cashew Board' with a share capital of Rs.50 crore has been constituted, after due deliberations for transparent procurement of raw cashew. Kerala Government has shares worth Rs.24.5 crore. Even though current year's season has already begun, Cashew Board has initiated steps to enter into the market without further delay. The consortium of Banks has agreed for a loan of Rs.200 crore. The cashew so procured will be made available not only to public sector undertakings but also to other industrialists in Kerala. An amount of Rs.20 crore is earmarked for assisting factories in private sector.

**94.** An amount of Rs.54.45 crore has been earmarked for cashew industry during the current year's plan fund. The amount included in this is for the renovation of public sector factories and building of the brand. A suggestion was evolved in the Ambassadors' meeting to create a combined brand in association with African countries in future. If we could rise above the cashew value chain with international co-operation in this manner, the future of cashew industry in Kerala will be brighter.

**95.** There are 32 varieties of crafts in Kerala. Rs.5 crore has been earmarked for their development. Rs.10 crore is earmarked for Bamboo Corporation.

### **Agriculture**

**96.** M.D. Dhanya in her work '*Njungalude Aanungalum Pennungalum*' remembers an ancient grandpa with a heavy chain on his legs and laid low by hunger, heat and sweat. Memories of men and women wearing clothes blackened and soiled, their stomachs eternally empty and their songs harsh and severe point out a period in history never

to be forgotten. Even though the period has changed, the agriculture sector is in crisis. 20 percentage of the working class rely on agriculture for livelihood. The agriculture sector has not witnessed any growth but also shrinking in absolute terms for the past few years. The number of agriculture labourers is also declining significantly. The number of land owners who derive their income mainly from agriculture is also on decline. Sustainable development of agriculture sector holds an important place not only as a means of income but also in maintaining environmental balance. It is quite evident in the case of paddy cultivation. Destruction of paddy fields has played a significant role in the disruption of water cycle in Kerala. Cultivation of paddy is relatively an uneconomic activity. But its survival is essential for the State. Seeing this, the idea of royalty for paddy fields has been included in the manifesto of Left Democratic Front. But the Central Government has withdrawn from the existing subsidy for paddy cultivation. Till date, Central Government has been providing a considerable portion of the subsidy from the RKVY Scheme. The present stand of the Central Government is that this amount cannot be utilised for this purpose any longer. So the State has been compelled into the whole amount under the State Plan. Now Rs.60 crore is earmarked for subsidy. Even this is inadequate. The required amount will be made available through additional authorisation. Hence, the state has been compelled to postpone the idea of royalty for the time being.

**97.** During the current financial year the State Government have provided Rs.525 crore for paddy procurement so far. As against the subsidy of Rs.7/- from the Central Government, the State Government is giving a subsidy of Rs.14/-. The delay in disbursement of this money to the farmers has resulted in severe criticism. This problem now has been solved to certain extent. Necessary arrangements have been made to disburse the amount to farmers from banks within a few days of procurement of paddy by Civil Supplies Corporation. Now mill owners at Palakkad and other places are not co-operating for procurement. An

alternative system has already been evolved in Palakkad for procurement for paddy by utilising co-operative societies.

**98.** Government is taking stringent measures against leaving the paddy fields barren. Legislation has already been made to entrust such agrarian lands to 'Padasekhara Samithi' or Self Help Groups, for cultivation for two years, if required. In this context, Rs.12 crore is earmarked for cultivation in barren lands.

**99.** An amount of Rs.50 crore is earmarked for coconut development. Out of this, Rs.40 Crore is for 'Keragramam' Scheme. It is an integrated agricultural programme for the development of coconut cultivation in a contiguous area of 250 hectares. 'Keragramam' scheme also aims to process and convert these coconuts into value added products in the region itself. NABARD has conveyed willingness for extending help for establishing such coconut processing centres. An amount of Rs.11 crore for the cultivation of spices like pepper and Rs.12 crore for floriculture, medicinal plant, and plantain cultivation have been earmarked.

**100.** Three type of interventions are intended for maintaining crop health. (1) Rs.28 crore is earmarked for testing micro qualities of soil and for taking remedial measures. (2) Rs.16 crore is provided for pest resistance and crop health clinics. Thrust is for biological control. (3) Rs.10 crore is also provided for promoting organic farming and good agricultural practices.

**101.** Another component of agricultural intervention is to make available good quality seeds and seedlings. An amount of Rs.23 crore is earmarked for this and Rs.44 crore is for extension activities. Thrust is given to ATMA model farmer's field visits and lead farmer-centred training programmes. Plans are there to constitute resource groups and prepare farm plan at Panchayat level. An amount of Rs.32 crore is earmarked for

establishing agro service centres and regional farm facilitation centres at Block level. There is also a plan to expand the State Crop Insurance Scheme. The effort is to integrate Centrally Sponsored Schemes with State Agriculture Development Schemes. An amount of Rs.188 crore is provided as the State share which is 40% of this Centrally Sponsored Scheme.

**102.** The emphasis given to production of value added products is an important intervention in agricultural sector. The Kerala Agro Business Corporation will be formed for establishing 'Agro Parks' encouraging agro business and supporting value added units. Financial assistance of Rs.8 crore is earmarked for small scale agriculture processing unit, Rs.4 crore for self help groups and individual units, Rs.3 crore for processing enterprises of Co-operative societies, Kudumbasree and the like. Rs.2 crore is earmarked for Farmers Producer Societies and Rs.42 crore for various market interventions. The DPR for Agricultural Processing Parks announced through KIIFB are getting prepared.

**103.** Kerala Innovation Extension Project will be implemented for the encouragement of novel technologies. Kerala Innovation Extension Project will be implemented by integrating ATMA, elements of similar projects like ATMA Plus, possibilities in social media, practical experiences and findings of farmers.

**104.** Ploughing, digging the trenches, putting manure, filling nursery trays, planting and watering by means of machines for commercial basis agriculture has started to appear in Kerala. Existing schemes are not suitable for such capital intensive farming methods. Hence, an amount of Rs.5 crore is sanctioned for evolving a subsidy scheme for those who invest on a large scale for such modern methods.

**105.** In 2018, two 3 days long International Exhibition will be conducted for rubber and coconut. This exhibition will be conducted with

the co-operation of Industry and Agriculture Departments and KSIDC as nodal agency. These two exhibitions are aimed at transforming rubber and coconut into centres of modern value addition. Like that discussions will be there on productivity, agricultural extension, farmers' income, procurement and marketing in these Expos. Industrialists, farmers, agricultural scientists, agriculture extension activists, social scientists, organisation representatives and policy makers will be the participants. The expenditure for these two Expos will be from 'Industrial Development Fund' of KSIDC.

**106.** A Farmer's Welfare Fund Board will be constituted. Since the existing Agricultural labour Welfare Fund beneficiary contribution from land owners has not been able to collect for, the benefit to farmers are pending. In this background in order to ensure economic sustainability of these welfare funds, it is intended to increase the basic tax on land. The rate of land tax that had been in force in 2015 is being reintroduced. The additional revenue of Rs.100 crore thus collected will be equally distributed among Farmer's Welfare Fund and Agricultural Labourer's Welfare Fund. But the additional income received during 2018-19 will be utilised for the disbursement of arrears of retirement benefits of 7 years to the agricultural labourers.

### **Animal Husbandry**

**107.** Animal husbandry is a subsidiary source of income for at least 8 lakh of families. An amount of Rs.330 crore is provided for Animal husbandry Department and Rs.107 crore for Dairy Development Department. An amount of Rs.60 crore is provided for Calf Care Programme which is the most popular among different programmes of this sector. The total outlay for public sector undertakings in this sector viz. Livestock Development Corporation, Meat Products of India, Kerala Feeds, Poultry Development Corporation is Rs.66 crore.

**108.** An amount of Rs.28 crore is provided as assistance to Dairy Development Societies and Rs.15 crore for giving subsidy to cattle feeds. Rs.52 crore is provided for special programmes meant to attract farmers and entrepreneurs towards this sector in a more commercial and organised manner rather than maintaining it as a mere means of subsistence. An amount of Rs.50 lakh is earmarked for 'Brahmagiri Society'. Rs.50 lakh is specially allocated for the diversification of Vellur Milk Society.

### **Forest, Environment**

**109.** The outlay earmarked for Forest and Wild Life Sector is Rs.243 crore. Emphasis is given to forest conservation. Rs.55 crore is provided for the demarcation and protection of forest boundaries. Rs.90 crore including Central share will be available for the conservation of wild life habitats like sanctuaries and parks. Rs.10 crore is provided for the promotion of biodiversity. Wildlife attacks are on the rise. To defend from such attacks, Rs.100 crore sanctioned from KIIFB will begin to be implemented this year. Rs. 20 crore is provided for giving compensation and other expenses. Rs.50 crore will also be made available from NABARD for taking measures to ensure facilities like drinking water to wild animals within the forest itself.

**110.** An amount of Rs.71 crore is earmarked for various programmes under Environment Department. Rs.20 crore is provided to Forest Department for the conservation of biodiversity. Rs.29 crore is provided to State Wetland Authority. Rs.4.5 crore is provided for the studies on climate changes etc. Rs.6 crore is provided for Disaster Mitigation Management. State Environment Report will be published in 2018-19. The Shoreline Management Plan about Kerala coastal sector will be prepared during the coming financial year. Urban Green space

Management Programme will be implemented for the preservation of greenery in urban areas.

**111.** An amount of Rs.13.50 crore is earmarked for Pollution Control Board. Rs.5 crore is earmarked to set up Pollution Control Plant at Chandirur.

**112.** Sir, it was declared in the last budget that 3 crore saplings would be planted but target of only 85 lakh could be achieved. The reason for this, is the lack of availability of planting materials. Measures are being taken to resolve this. Rs.14 crore is earmarked to Forest Department for growing and distributing the saplings. Employment Guarantee Scheme can also be utilized for this. 3 crore saplings will be planted during 2018-19.

### **Haritha Kerala Mission**

**113.** Today, the day of presenting this budget, is World Wetland Day. Drought could be averted only through wetland based interventions. It is a fact endorsed by everyone that planning should be wetland based for the agricultural prosperity. Large amount is usually set apart for this. Rs.191 crore is earmarked for Minor Irrigation Department. Apart from this Government have decided that at least 40% of Employment Guarantee Scheme should be for the soil water conservation activities. This comes to Rs.400 crore at the least. In addition to this, the plan allocation of Local Self Institution is also available. If added together, the outlay for wet land scheme during 2018-19 would come to nearly Rs.1000 crore. Strong defence could be built up against today's drought and soil erosion, if we succeed in co-ordinating the activities of various departments and agencies through Haritha Keralam. Lack of sufficient co-ordination, continuity and scientific approach is the reason for the present plight. Agriculture schemes of Agriculture Department and Local Self Institutions

are to be envisaged in continuation of soil water conservation activities only.

**114.**Cultivation of vegetable is another example. An amount of Rs.87 crore has been earmarked to Agriculture Department for development of vegetable cultivation. In addition to this, there is an outlay of Rs.15 crore of Vegetable and Fruits Promotion Council. Even If Local Government Institutions provide at least 10% of plan fund for agriculture, a minimum of Rs.350 crore will be available for vegetable cultivation. We can move towards self sufficiency in vegetable production if this much amount is scientifically utilised with co-ordination.

**115.**For agriculture, Organic fertilizer is as inevitable as water. Today, the problem in Kerala is the excessive and unscientific use of chemical fertilizers and pesticides. The use of organic fertilizers has to be enhanced considerably. By composting the bio degradable waste of our houses, hotels and markets. We can not only ensure hygiene but also ensure availability of organic fertilizer. Dr.Sunitha Narain applauded this approach of Kerala as ultimate green solution (Aathyathika Haritha Utharam). Bio degradable waste should be processed at its sources itself. Non-bio degradable wastes should be segregated, collected and recycled. This is the strategy adopted by the 'Haritha Mission'. Awareness generation and people's participation are essential for its success. Sir, Green Work Force (Harita Karma Sena), engaged in collecting and segregating non-biodegradable waste from houses and shops by charging a user fee, is becoming prevalent. Green Work Force (Harita Karma Sena) will require a Viability Gap Fund on small scale until the user fee system gets accepted. Local Government Institutions will have the right for this.

**116.**Haritha Mission is taking efforts to co-ordinate the activities related to water, agriculture, sanitation etc. and to ensure large scale

participation of people in partnership with Local Government Institutions. Nodal 'prerak' at the Block level and a major section of 'preraks' at local level will be deployed for awareness and organising activities related to 'Haritha Keralam'. By utilising them, it is intended to conduct a huge mass education campaign in 2018-19. 'Haritha Keralam' Social Knowledge Dissemination Centre' 'Haritha Keralam Help Desk', and 'Haritha Learning Center' could be formulated under their responsibility. Through this, it will be able to link several workers of community based organisations like Kudumbashree to 'Haritha Keralam' campaign. It is aimed to form a people's movement namely 'Haritha Keralam Susthira Keralam' from the erstwhile 1990 slogan of 'Sakshara Keralam, Sundara Keralam'.

**117.** An amount of Rs. 10 crore is earmarked for giving Haritha Gramam, Haritha Nagaram and Haritha Block awards to those Local Self Government Institutions that have implemented the best model and comprehensive projects for achieving the objectives of 'Haritha Kerala Mission'. Haritha Kerala Mission and Science & Technology Council will lead the new entrepreneurial initiatives to create Green Employment for encouraging Green Technologies. An amount of Rs. 3 crore is sanctioned for the 'Bio Diversity Park' of Kozhikode Block Panchayath.

**118.** Based on the report of 'Haritha Keralam Mission', 5881 Km of canals and 5482 number of ponds in Kerala have been revived. The successful rejuvenation of some rivers has generated a new enthusiasm in the State. The notable among these is the revival of 'Varattar'. Sir, late Ramachandran Nair had made invaluable contribution for this. Condition was created to restore the flow of the river, he had initiated steps to dismantling the Chappath at Vanchippottu ghat. The bridge being built on the river mouth in the place of the Chappath will be known by his name. Rs.20 crore is earmarked for administrative sanction of bridges at Thrikkayil Kadavu, Anayaar, Puthukulangara being built in place of other Chappaths. Tenders have already been floated for the protection of

Varattar river bank and the construction of pavement along it. Detailed watershed projects will be prepared and submitted to NABARD. The revival of rivers like 'Pallikkalar', 'Kolarayar', 'Meenachilar – Meentharayar – Kodoorar', 'Kanambuzhayar', 'Mathilakom Valiyathod' and 'Kuttamperurar' etc. has been significant interventions. For the related essential construction activities Rs.20 crore is earmarked to Minor Irrigation Department. NABARD has agreed to accord priority when the master plans on these Watershed Projects are ready. Kattakkada Comprehensive Watershed Development Programme is also a notable intervention. Jalasamrudhi of Kattakada and 'Samrudhi' of Thaliparamba are ideal examples of evolving wet land schemes on constituency basis.

**119.**An action plan has been prepared in the Nila Revival Convention held at Pattambi by people's representatives and environmental activists of Palakkad and Malappuram Districts. An amount of Rs.5 crore is earmarked for the examination and subsequent approval of the project by the Irrigation Department. For the revival of Pampa Action Plan, activities centered at Pathanamthitta have been initiated. A task force will be entrusted with preparing a comprehensive programme.

**120.**Kuttanad lake environment revival project is under preparation for seeking the assistance of World Bank. Kuttanad drinking water scheme will be completed on a war footing, with the objective of keeping the Thaneermukkam Bund open throughout the year, during 2019-20. The project is ready for submission to KIIFB. In order to keep Kuttanad pollution free, tourism related pollution and the flow of sewage from lake towns towards lake should be stopped. For preventing waste water flow into canals of Alappuzha, a system for decentralized anaerobic water processing at source itself is being implemented on an experimental basis. For preparing a detailed plan for this, a summer water school will be conducted with the participation of post graduate engineering students in the field of environment and water from other higher academic centres of

India and IITs. KILA & IIT Mumbai will lead this academic training program.

**121.** Carbon Neutral Meenangadi experiment has become a success as a method of scientifically measuring the carbon emission in Wayanad. Now schemes are being formulated, for reducing carbon emission in various sectors. The Swaminathan Foundation had conducted a detailed two day seminar on Carbon Neutral Wayanad. During 2018-19, this massive project will move towards implementation Stage. In order to ensure farmers participation in this environmental campaign, measures will be taken in parallel to the branding and selling of coffee of Wayanad in 2018-19. The factory facilities for this will be provided in the Mega Food Park. Fund for its initial works will be met from Wayanad Package. Additional fund will be amade available once detailed plan is prepared. Additional amount will be provided for the water shed projects being implemented under the aegis of Soil and Water Conservation Department at Mullankolli and Pulpally Panchayaths situated on the banks of river Kabani.

## V

### **EMERGING EMPLOYMENT SECTORS**

**122.** Protection of traditional sectors is inevitable for social security. But, to rise to new horizons of growth, new sun rise industries are to be identified. It is widely accepted that industries based on knowledge, service, expertise or value addition are more suitable for the educated work force and environment in Kerala. So it is inevitable to take measures to accelerate the growth of this sector and to create basic infrastructure essential for this.

## **Knowledge Economy**

**123.** Amrita Pritam's words that she needs the pen and book in her funeral pyre foretell the future and the hope. Transformation to a knowledge economy is a declaration of progress and freedom. Sir, the future of Kerala lies mainly in the transition to a knowledge based economy. Unlike any other state in India, Kerala has the conducive atmosphere to create such an economy. Universal education is the most vital. But centres of excellence on knowledge generation can be created only by enhancing the quality of education considerably. Not enough, there should be an environment of innovation in the state. Apart from those in the educational centres, the common public can also actively participate in this innovation. Modern technologies should be infused into productive sectors as in day to day life. We should be able to elevate the knowledge density of the economics and to shift into the higher value added sectors. This is the characteristic of knowledge based economy.

**124.** Let me cite an incident that occurred last year. Referring to the feature film 'Manhole' by Vidhu Vincent, I have declared a scheme in the previous budget speech to completely eradicate Manual Scavenging. This can be achieved only by mechanisation of cleaning works of manholes and sewage pipes. Earlier I had no clear cut idea on how to materialise it. But an M.Tech student hailing from Kozhikode took up the challenge. He put forth the idea of a robot, 'Bandicute' to clean manholes. Support was provided by 'Start-up Mission'. For designing the robot, aid was provided to him even to visit Taiwan. An oil company also extended support to his start up venture. 'Bandicute' became ready last month for cleaning our drainages, manholes and sewages. I am quite sure that the demand for the new machine will come from not only our Irrigation department, but the whole of India. The world of tomorrow belongs to the start up's of today. IT parks and the giants companies in them will still have space. But the momentum of tomorrow's world is going to be

determined by new generation start ups. Hence, Rs.80 crore is sanctioned for Kerala Start Up Mission, also known as Technopark Technology Incubator. KFC will invest in the share of those companies recommended by the start up mission with the guarantee of the Government. The IT mission will take steps to ensure the help of the accelerators to transform 'Start Ups' being hatched in the incubator into competent companies.

**125.** The aim of the newly formed Kerala Development and Innovation Council (KDIC) is to impart horizon knowledge in the fields of science and technology, agriculture and finance into governance and manufacturing sectors. The council will make ready the expert service required for this to various departments and government institutes. A new scheme named 'Young Innovators Programme' (YIP) will be formulated for finding talented innovators. By utilizing the possibilities opened up by World Kerala Assembly, a database on eminent professionals all over the world will be created and used for the development of new entrepreneurs. An amount of Rs.20 crore is additionally earmarked for the activities of the council.

**126.** Experts in analytical methods and most modern technologies need to be created to bring the Information and Communication industry of Kerala to the forefront. This is the objective of IITMK. An amount of Rs.65 crore is allocated in the budget to increase the number of students in this institution to 1000 and also to upgrade its status as a deemed University, recognised by UGC. This institution need not be another skill training centre or a university in the conventional line. There should be an ecosystem to achieve the most modern scientific horizons and also to attract rare expertise in the field. International relations essential for this are to be developed. An amount of Rs. 25 crore is earmarked to 'Skill Delivery Platform Kerala' for providing skill training to 50000 students of Engineering Colleges in Kerala by linking the colleges with IT-Parks through 'Tele Presence Network'. An amount of Rs. 5 crore is earmarked

for Free Software Centre. An amount of Rs. 25 crore is set apart for IIIT-K Pala.

**127.** The major allocation in IT sector is for IT Parks. 370 IT companies are presently functioning in Technopark providing jobs for more than 50000 employees. An amount of Rs. 84 crore is earmarked for Technopark, Technocity and the Technopark at Kollam. An amount of Rs. 67 crore is earmarked for Info Parks and Rs. 30 crore for Cyber Park.

**128.** One of the sectors in which Kerala can attain prominence is 'Electronics Hardware'. A major share of electronic goods is being presently imported from China etc. One of the emphasis of 'Make in India' campaign is on 'Electronic Hardware'. In this scenario government have envisaged 'Electronics and Hardware Mission' with a view to secure a forefront position in the field of Electronic Design and Embedded Software in India. An amount of Rs. 30 crore is earmarked as seed money for the mission. The first project of the mission is going to take practical shape during the financial year 2018-19. A joint venture will be started by Intel and Keltron to manufacture laptops and servers. For this an amount of Rs. 40 crore is earmarked. The construction of Hardware Park in 100 acres at Amballoor is in progress. Another innovative venture is 'Meds Park'. The aim of this joint venture of KSIDC and Sree Chithra Thirunal Institute is the manufacturing of modern medical equipments. Out of the total estimated cost of Rs.180 crore, Rs.25 crore is earmarked.

**129.** Kerala State IT Mission is the nodal agency of the Government in e-governance sector. An amount of Rs.147 crore is earmarked for various e-governance projects. The K-phone Company is expected to bring revolutionay changes in e-governance and also infusing IT into the day to day life of the people. An amount of Rs.823 crore rupees has already been allotted to the company from KIIFB. Rs. 28 crore is earmarked for the installation of Wi Fi in 2000 public centres.

**130.** State of Kerala should be able to mark its stamp in the field of Biotechnology also as in the field of Information and Communication Technology. The most important initiative in this line is the Life Science Park at Thiruvananthapuram. Another important venture is the 'Pharma Park' in Kochi envisaged with central assistance. The fund for both these parks is met from KIIFB.

### **Tourism**

**131.** 'Using every opportunity to wander to places with bags full, searching for places which I desired to see, intently listening every rhythm of India and penning down all that I could' – these are the words of K.A. Beena in her travelogue '*Nadi Thinnunna Dweep*'. Beena writes, she had experienced the belief held by many that women are not supposed to see the world outside home. Sister Mary Baninja has also written that God has given wings for flying to all cherished locations. Sir, Tourism is the fastest growing economic sector globally. Sir, Kerala Tourism is also on the path of prosperity. After this government assumed power, Tourism Department has achieved 9 National Awards for proving its excellence in various fields.

**132.** The 'Musiris Project', having the capability of changing the face of Kerala Tourism had been limbing. A time bound programme has been started to complete the project within two years. I recollect the experience shared by one of the local MLA's about this project. Publicity about the scheme was commenced only last year and the response was over whelming. There was heavy rush for visiting by boats. This experience underlines the importance of marketing in Tourism. The major contribution of Government towards tourism development was that it was able to market Kerala as 'Gods own Country'. During this year Rs. 82 crore is earmarked for Tourism marketing.

**133.** The above experience makes clear another aspect also. The conservation of heritage can also be made an attractive factor in

Kerala Tourism in addition to the scenic beauty of Kerala. The heritage conservation is important not only for foreign tourists but for the natives also. Conservation of heritage necessitates both production of knowledge and informal education. Muziris project has been envisaged incorporating the very best approaches of responsible tourism. An amount of Rs.40 crore is earmarked for the heritage projects of Muziris and Thalassery. The fund for Alappuzha heritage project will be made available from KIIFB. Sanction has already been granted for some museums. The remaining construction works will be started during 2018-19. With the commencement of 'Spices Route', the regions like Ponnani and Beypur will also come under the network of this heritage scheme. Construction of Muzhappilangadu Beach Tourism Project included in KIIFB, will be started this year. The fund for the construction of 'Spices Route' will also be raised through KIIFB. An amount of Rs.16 crore is earmarked for the encouragement of various programmes like Kochi Biennale, Nishagandhi Dance and Music Festival, Onam Fest, Pooram, Theyyam Celebrations, Boat races etc. An amount of Rs.10 crore is additionally allocated for conducting boat race on league basis.

**134.** An amount of Rs.26.25 crore is earmarked for Kerala Tourism Development Corporation, Kerala Tourism Infrastructure Ltd, Bekal Resort Development Corporation, District Tourism Promotion Councils etc. An amount of Rs.12 crore is also earmarked for Tourism Hospitality Training Institutes. For the renovation of guest houses Rs. 33 crore is allocated. An amount of Rs.3 crore is earmarked for Vision Varkala Infrastructure Development Corporation.

### **Large and Medium Scale industries**

**135.** The annual financial loss of the public sector was Rs.202 crore when this Government assumed power. After lapse of two years, there will be at least a profit of Rs.40 crore by the end of this financial year.

Out of the 40 public sector undertakings, 14 have become profitable. The losses of remaining PSUs have been reduced. In the last year's budget speech KSDP was cited as a model for restructuring of PSU's. It was announced in that budget that a 'Non-beta Lactum' plant would be constructed at a cost of Rs.32 crore for the manufacturing of capsules and syrups. The completed Plant will be inaugurated by the end of March. In the last budget speech, I stated about G.M.P Standards. Sir, KSDP has already attained global WHO standards. The pharma testing lab which has been closed for the past 5 years has gained NABL Accreditation. Sir, by the end of the financial year 2017-18, KSDP would have turned into a profitable public sector undertaking. It is expected that everyone will unanimously agree that this is a rare record in plan implementation.

**136.** What next? Foundation Stone will be laid in April for an 'Injectables Factory' with an investment of Rs.54 crore. The aim is to complete the same within one year and inaugurate it in 2018-19 itself. The next phase aims at a cancer medicine factory which is expected to commence production in 2019-20. For the initial expenses of this project an amount of Rs. 20 crore is additionally allocated. This factory will be completed as per WHO standards with an objective to produce patent expired cancer medicines in large scale at the lowest cost. The generic medicines produced in KSDP will be under the brand name 'Kerala Generic'. KSDP will export 'generic medicines' to African countries by 2018-19. Measures will be taken to establish a 'Mini Industrial Park' as a subsidiary to KSDP with the support of KIIFB.

**137.** The hindrance to the growth of KSDP is limitations of the market. In the absence of branded medicines, KSDP can sustain only by relying on the Health Departments functioning within and outside the state. Here the margin is very low. The company is struggling to compete with big corporates which make huge profits by selling branded medicines. It

was envisaged in the last two budget speeches that K.M.S.C.L would give priority to and required orders for the products of KSDP. But even now only 25% of the productive capacity of 'Betalactum' Factory is being utilised. This fiscal more orders were received from other state than from Kerala. The attainment of an upper hand by public sector in the field of medicine production is an integral part of the whole developmental strategy of the health sector. It should be ensured that during 2018-19 orders for medicine worth at least Rs.75 crore are given to KSDP by KMSCL. Including this, next year's target of production would be Rs.150 crore.

**138.** Sir, each public sector in Kerala will have such a story to tell. I do not intent to elaborate it. KMML, Chavara is the most profitable undertaking. In the current financial year Rs.180 crore is the expected profit. The mineral rich soil of our sea shore is very precious. The mining and processing capacity, should be enhanced considerably. Titanium Sponge is commercially produced. Now we have to shift to Titanium metal. The DPR for new factory for this purpose is in the final stage. The land necessary for the same will be acquired this year.

139 Textile sector is where 3000 number of workers are employed. It has been estimated that an amount of around Rs. 490 crore rupees is needed for the complete rejuvenation of this sector. This amount can be raised only within a few years. The loan from NCDC is relied on for the development of Co-operative mills. An amount of Rs.82 crore is set apart for the modernisation of the mills under the Textile Corporation. Fund needed for the modernisation of these mills can be raised by relocating the mills presently functioning in urban areas. This possibility should also be seriously considered by all concerned. The outlay for public sector undertakings are detailed below:

Kerala State Mineral Development	5
Kerala State Drugs and	27
Travancore Cements	10
Kerala Electrical and Allied Engineering	10
Traco Cable	10
United Electricals	5
Autocast	10
Kerala Automobiles	10
Steel and Industrial Forging	5
Steel Industries Kerala	8
Keltron	40
Kerala Ceramics	10
Kerala Clays and Ceramic Products	9
SIDCO	7
Bamboo Corporation	5
Artisans Development Corporation	3
Prabhuram Mills	7
Malabar Spinning & Weaving	30
Komalapuram Spinning & Weaving	13

In addition to this, an amount of Rs.55 crore is earmarked as the working capital for all the PSU's.

**140.** Multi-storied industrial sheds will be constructed in places like Kollam, Ramanattukara, Koratty and Kakkanad. New Industrial Park will be started at Vadakkanchery village in Thrissur, Kanjangad in Kasargod and in Cheemeni. Fire crackers product cluster will be

established at Thalappally Taluk of Thrissur district for the scientific and secure manufacturing of crackers and gun powder. Acquisition of land for Spices Park in Wayand and Idukki will be speeded up. Gem and Jewellery park will be established in Thrissur.

**141.** A company in the model of CIAL for encouraging the production of rubber products will be formed. Rubber parks in Pathanamthitta and Kottayam and an incubation centre for rubber based industries at CFSC in Chenganassery will be established. The facilities required for the manufacture of e-vehicles, the vehicle of future, will be created in Kerala Automobiles Limited.

**142.** In sharp contrast to the selling out of PSU's by the Central Government, Kerala is following an alternative approach. A number of Central Government PSU's such as FACT, HMT, Hindustan News Print, Hindustan Latex are functioning in hundreds of acres of land provided by State Government free of cost. The Central Government is now moving towards selling out even these lands. Strong public resistance should be raised against such a move. The state model of converting PSU's into profitable entities will surely stimulate this public resistance.

**143.** The measures presently being taken to bring Kerala to the top of 'Ease of Doing Business' ranking is a vital State Government initiative to attract private investors to Kerala. An amount of Rs.132 crore is earmarked for Kerala State Industrial Development Corporation which is the most important agency of the State for industrial promotion. Out of this, Rs. 8 crore is for 'Angel Funding'. Around Rs.230 crore has been earmarked in the budget for the main parks under KINFRA & KSIDC. The most important among them is Petro Chemical Park at Kochi. An amount of Rs.1264 crore has been sanctioned from KIIFB for acquisition of 600 acres of Land near the Refinery. Steps are being taken to acquire 1000 acres of land at Kannur, 500 acres each at Kasargod and

Thiruvananthapuram and 900 acres in Idukki for Industrial Parks. The funding for this will be from KIIFB.

### **Small Scale Industry**

**144.** The fastest growing industrial sector in Kerala is not big factories or cottage industries, but the small scale industry that comes in between these two. An amount of Rs.160 crore is earmarked for the small scale industrial sector. The three novel schemes proposed to start in this year are Group Insurance Scheme for small scale industrialists, Cluster Development Scheme for micro enterprises and the revival scheme for sick small scale industrial units. An amount of Rs.28 crore is earmarked for the facilitation of the existing industrial estates and Rs.37 crore for the construction of a multi storied industrial estate. For capital assistance to small scale industrialists an amount of Rs.60 crore is earmarked. An outlay of Rs.4.5 crore is earmarked for commercial sector. An amount of Rs.10 crore is additionally earmarked for Traders Welfare Fund.

## **VI**

### **INFRASTRUCTURE FACILITIES**

**145.** Two important initiatives are undertaken for attracting Capital into new growth sectors. 1) The relaxation of Rules and procedures to smoothen the activities relating to industry and commerce in Kerala. Ordinance has already been issued for this. Sir, the same is going to be considered in this House. 2) Achieving breakthrough in the infrastructure sectors of transportation like Roads and Bridges, communication facilities like Internet, Electricity and Industrial Park. We have already started this through the investment of Rs.54,000 crore as part of KIIFB. Suggestions that had been made in the previous budget are not repeated again. Their construction will start in 2018-19.

**146.** Sir, Major infrastructure projects such as Kannur Air Port, GAIL Pipeline, Kochi-Edamon Electric line and Bypasses at Kollam and Alappuzha will be inaugurated in 2018-19.

### **Roads and Bridges**

**147.** The works under PWD for roads, bridges and buildings costing Rs.10000 crore are on different stage of construction. Eventhough Rs.1302.38 crore had been allocated for public works in 2016-17 budget, an amount of Rs.5272.47 has been sanctioned for bills of completed works. Rs.1544.84 crore was earmarked during 2017-18, Rs.1559.77 crore has spent. When we systematically bring down the revenue deficit, as I have stated in the preface, the biggest beneficiary will be Public Works Department. In addition to this, there are 561 construction works worth to Rs.24390 crore included in KIIFB. Out of this, 148 works worth Rs.5379 crore has been approved. Remaining works will be approved during 2018-19. Sir, the reduction in Capital Expenditure by Kerala Government occurred over decades, will be rectified considerably within this five years.

**148.** An amount of Rs.1454 crore is earmarked for roads and bridges during 2018-19. Apart from this, another amount of Rs.250 crore will be made available to Public Works Department from Rs.1649 crore earmarked for Major Projects under single head. All the projects given by Hon'ble MLAs have been given token provision and included in the budget. PWD will take steps for giving administrative sanction on priority basis. If additional financial sanction is required, after evaluation of financial condition, matter of giving sanction will be considered.

**149.** The major source of fund for renovation of existing State Highway and District roads is Central Road Fund. At present there is sanction for 29 works amounting to Rs.396 crore. Approval is expected for 16 more works amounting to Rs.234 crore during 2018-19. New works

worth Rs.600 crore have been prepared for submission. An amount of Rs.510 crore is earmarked for 2<sup>nd</sup> Phase works of KSTP. Apart from this, Rs.110 crore is earmarked for State Highway and District Roads. It is intended to construct major portion of these roads utilising plastic or rubberised bitumen.

**150.** Out of Rs.700 crore required for Kollam and Alappuzha bypass Rs.350 crore will be spent by the State Government. Construction of Airport-Seaport road will be expedited. KIIFB will bear the expenditure needed for land acquisition of Palleppady-Thammanam road. Hill Highway and Costal highway are the two major road projects under taken by the State Government. Lack of adequate width of Costal Highway on some stretches is a problem. At least 12 meter width is required. It is decided to acquire land firstly on the regions where it is readily available. A detailed project will be prepared for constructing a mobility hub in Kozhikode along the lines of Vytilla hub.

**151.** The emphasis given on employing new technologies for design, research and road safety is the special feature of PWD policy. Rs.72 crore for different road safety works, Rs.9 crore for e-governance and studies and Rs.21 crore for Highway Research Institute are earmarked.

**152.** A new scheme is being formulated to renovate 155 dilapidated bridges and culverts within a period of 5 years. Sir, the fund for this scheme will be met from the outlay of Rs.1649 crore set apart for major infrastructure project. Another mega scheme is the construction of 42 new rail over bridges beginning in 2018-19. Approval for the same is obtained from Railways. The fund for the scheme will be allowed from KIIFB. It is sure that, this work will be a great contribution towards easing out the road transportation in the Malabar region.

**153.** Public Works Department is undergoing a complete restructuring. The main drawback of the department is regarding design and investigation. Steps are being taken to resolve this. Kerala Highway Research Institute can make a significant contribution towards this. Modern Technologies like cold recycling technology, natural rubberised bitumen and shredded plastic mixed bitumen have already been used for construction of roads. Geo-textile is utilized, where ever necessary. Above all, strong measures are being taken against the cancer of corruption that has affected the department.

### **Transport**

**154.** One major criticism against the government is that the pension of KSRTC has not been taken over by government. In one year, around Rs.720 crore is required for the pension. Rs.1507 crore has already been provided to KSRTC. The crisis of KSRTC cannot be resolved just by taking over the pension payment. Rs.505 crore has been made available as loan on the guarantee of the government. Rs.324 crore is given through KIIFB. Rs. 44 crore is given from Plan Fund. Altogether, financial assistance amounting to Rs.1507 crore has been given to KSRTC. The policy of LDF Government is not to solve the crisis by taking over the pension and salary of loss making PSUs, but to strengthen them by means of comprehensive reforms to generate their pension and salary on their own. All the requisite help for the same will be given. The fact of having been able to make public sector industries profitable ventures, on the whole is a scintillating success of this approach. The same success is going to be repeated in KSRTC also.

**155.** 2018-19 will be the year of revival of KSRTC. Long term loans of Rs.3500 crore at a low interest rate will be made available from the consortium of banks soon. By means of this, if existing short-term loans with higher interest rates were paid back there will be a reduction of Rs.60

crore per month in the debt service expenditure. Restructuring has been started at top management level. Within a short span, KSRTC will be restructured into three separate profit centres. The first batch of 1000 buses being purchased using fund from KIIFB will soon touch the road. Fund will be made available from KIIFB in 2018-19 for purchasing 2000 buses newly. Alappuzha Bus stand is being expanded as part of mobility hub with the help of KIIFB. Like this, on revenue model a few more bus terminals like Ernakulam and Kayamkulam will also be modernised. Measures have been initiated to bring fleet utilisation, travelling distance of a bus per day, revenue per day, diesel mileage, break-down rate, turn-around rate, accident rate etc. to national average. In order to ensure that complete fulfilment is realised at least by 2019-20, productivity target to be achieved were fixed between specific intervals. For the entire period of restructuring of KSRTC, the gap between income and expenditure on each stage has been determined. Government will fill this gap. Sir, for this, in 2018-19 an amount of Rs.1000 crore will be given to KSRTC. I would like to clarify that this grant is not unconditional. Productivity target must be achieved. Revision of Ticket rates based on the recommendation of Justice Ramachandran Nair Commission is under consideration of Government. It is expected that the package including all these will come into force in the month of March.

**156.** Sir, pension arrears of KSRTC will be disbursed by March. As part of reconstructing a new system is devised for the timely disbursement of pension in future. A consortium of District Co-operative Banks and major primary co-operative societies will disburse pension arrears and monthly pensions in all districts. Government will repay the loans with interests within six months. This amount will be identified from the financial assistance of Rs.1000 crore sanctioned to KSRTC. Once the financial position of KSRTC gets improved through the restructuring, the pension liability will be vested back with KSRTC.

**157.** Kerala Water and Infrastructure Company has taken over the construction work of water ways which had been limping for decades. It is expected that, this company in which CIAL has a share of 49 percent, will complete the stretch of water ways from Kovalam to Bakel by 2020 with same efficiency as that of CIAL. Government is acquiring 26 km land between Valapattanam and Mahe where there is no waterway at all. For this, Rs.650 crore is sanctioned by KIIFB.

**158.** Rs. 24.2 crore is being earmarked for State Water Transport Department. The newly started solar boat service 'Adithya' is a successful one. This eco friendly venture will be expanded further in 2018-19.

**159.** In Kerala, an average 4000 lives are lost and 45000 injured in vehicle accident. This is much higher than the national average. Government have decided to implement an Integrated Digital Traffic Enforcement System to reduce increasing road accidents and fatalities in Kerala. KSIDC has been entrusted with the responsibility of appointing a consultant after inviting global tender, for deciding a suitable implementing agency to prepare a Detailed Project Report for this. A token provision of Rs.10 crore is earmarked for this. This amount will be taken from Road Safety Fund.

**160.** An amount of Rs.18 crore is earmarked to Motor Vehicle Department for road safety measures. It is intended to implement project 'Third eye enforcement', to detect traffic violation with the help of general public. Common people just need to upload photos and video clipping to a special portal. Rs.17 crore is earmarked for vehicle cum driver station.

**161.** The land acquisition for Airports will be completed in 2018-19. It's expenditure will be met from the outlay for major infrastructure development projects.

**162.** The land acquisition will be started for extending the Kochi Metro from Pettah to S.N. Junction. The land for Integrated Water Transport Project in Kochi will be acquired this year. It is expected that the joint venture, Kerala Rail Development Corporation, will at least start a few projects during 2018-19. The DPR for Mysore-Thalassery Railway is being prepared. In the previous budgets, we have discussed about North-South High Speed Railway Corridor for Kerala. The alternative proposal for constructing two railway lines, parallel to the existing one, is being considered by Government. Railway has favoured the second proposal. Final decision regarding the same will be taken and the activities will be started this year.

**163.** The city gas distribution programme being implemented in Kalamasseri is very efficient and widely accepted. City gas distribution programme will be implemented in all cities through which GAIL pipeline passes.

### **Port**

**164.** Rs.110 crore is earmarked for Ports Department. The construction work of Vizhinjam International Port, the biggest harbour project is going ahead. The amount required for the same will be raised as loan by VISL. The studies on the environmental impact of Marina in Alappuzha, is going on. Rs.77 crore is earmarked for medium ports like Azheekkal, Beypore, Kollam, Vizhinjam Feeder Port and Kodungallur. Attempts are being made to find funds for small ports from 'Sagaramala Scheme'. Rs.14 crore is earmarked for Harbour Engineering Department.

### **Electricity**

**165.** Industrialisation is not possible without ensuring the availability of electricity in required quantity and quality. The per capita electricity consumption in Kerala is lower than that of national average.

Even that is being used more in domestic commercial sectors than in industrial sectors. By enhancing the electricity production in Kerala and by ensuring the availability of electricity from outside at a reasonable price, we should be able to resolve this backwardness. The total outlay for electricity sector is Rs.1854 crore. Out of this, Rs.900 crore is for distribution, Rs.486 crore is for transmission and Rs.428 crore is for production.

**166.** The annual scheme includes 49 Hydro Electric Projects, 2 Thermal Projects, 2 Windmill Projects and 1 Solar Project. The installed capacity and production capacity of 27 Hydro Electric Projects, which are under construction are 276 megawatt and 70.7 crore units respectively. The installed capacity and production capacity of Non-Conventional Energy Projects are 4.4 megawatt and 30 lakh units respectively.

**167.** Trans-grid 2 Project, costing Rs.5200 crore being implemented through KIIFB, is the largest project in the transmission sector. Rs.270 crore for rural distribution and Rs.450 crore for urban distribution will be met from the Centrally Sponsored Schemes.

**168.** Bringing down the misuse of electricity is as important as production of electricity. A new scheme is being launched to encourage inventions to reduce the electricity misuse and to expand them on an entrepreneurial basis. It will be implemented under the leadership of Energy Saving and Co-ordination Team of Electricity Board. An amount of Rs.28 crore is earmarked for this. Rs.18 crore is earmarked for Energy Management Centre and Rs.53 crore is earmarked for ANERT. Sir, it is a national objective to popularise wide spread use of electric vehicles. Battery operated auto rikshaws will be introduced for connected journeys from Kochi Metro stations. For the recharging of these, bulk charging stations will be setup under the control of Electricity Board. It will be started in 2018-19.

## **Irrigation**

**169.** Out of Rs.304 crore earmarked for major, medium irrigation projects, Rs.13.5 crore is almost equally allocated for Idamalayar, Muvattupuzha, Karappuzha and Banasura Sagar. Against the backdrop of inter-state water dispute. Rs.14 crore is earmarked for the schemes on the banks of Pampar and Bhavani rivers. A separate complex will be built at Palakkad for inter-state Water Hub. Rs.48 crore is earmarked for ensuring complete utilisation of Chamravattom. An amount of Rs.14 crore is earmarked for the new scheme initiated this year for the modernisation of Kuttyadi, Pazhassi and Chithrappuzha Projects and for the revival of canals. After preparation of a comprehensive time bound programme for revival of canals, financial assistance will be sought from NABARD.

**170.** Rs.137 crore is earmarked for Dam Rehabilitation Projects. Steps for estimating sand in the dams and for preparing tender for sand mining is in progress.

**171.** In minor irrigation, Rs.21 crore is for underground water and Rs.170 crore is for surface water irrigation like lift irrigation. Rs.13 crore is earmarked for the revival of ponds and tanks.

## **Drinking Water**

**172.** Like KSRTC, Water Authority is also heading towards a serious crisis. The annual revenue expenditure of Water Authority is Rs.1280 crore. The income from water charge is Rs.554 crore and the non plant grant from Government is Rs.335 crore. Hence the present annual deficit is Rs.386 crore. This gap is met by delaying the payments to contractors and towards electricity bills. Water leakage is the main reason for this. Only 55% of water is being metered. In view of this, out of Rs.3776 crore investment from KIIFB, an amount to the tune of Rs.1000 crore is earmarked for the renovation of the supply chain/network of

existing schemes. This will include Alappuzha Drinking Water Scheme also. The execution of all these shall be completed on war-footing. The dues to be paid to Water Authority by departments of Local Government Institutions should be settled. Without imposing burden on common man steps should be taken to increase the income by providing more facilities.

**173.** Presently, Rs.300 crore is due to contractors. Schemes worth Rs.600 crore are in different stages of construction. Since the Central assistance ceased, many schemes are at a standstill. Water Authority itself should find a remedy for this revenue deficit. But Finance Department will take initiatives to compensate the stagnation of the ongoing works. Letter of Credit system and Bill Discounting Scheme, with Government guarantee will be implemented in Water Authority as in the case of PWD. Water Authority should take initiative to implement schemes giving priority to KIIFB projects. A total revamping is essential in Water Authority as in the case of KSRTC.

**174.** The plan outlay for drinking water is Rs.1072.43 crore. Out of this, Rs.216 crore is for 'Jalanidhi'. An amount of Rs.80 crore is earmarked for bringing water to Medical Colleges and Sabarimala. Rs.75 crore has been earmarked for Japan Drinking Water Scheme. An amount of Rs.120 crore is earmarked for sewage schemes of six corporations and also for those schemes in Alappuzha. Administrative sanction will be given to Mulakkuzha – Venmani drinking water project which is a comprehensive Drinking Water Project in Chengannur Municipality.

**175.** An amount of Rs.5 crore is earmarked for disaster management activities taking into account the danger of drought. Along with this, Rs.20 crore is earmarked for the schemes of rain water harvesting and recharging of wells. There is a CAG report stating that almost one-third of schemes in the first phase of Jalanidhi are either partly

or completely dysfunctional. An amount of Rs.10 crore is earmarked for the revival of these.

**176.** A new scheme named 'Water Authority Innovation Zone' will be started in association with Kerala Start-up Mission to transform new ideas into practical technologies for disentangling the problem of distribution of drinking water and treatment of waste water. The first recognition of this scheme goes to 'Bandicute' which I have already mentioned. This robot will be deployed by the last week of February ahead of 'Attukal Pongala'. Like this, all departments should have to take initiatives to introduce new ideas of young men and women having technological expertise in the relevant fields.

## VII

### SOCIAL INFRASTRUCTURE

#### Higher Education

**177.** The earlier thought was that women need not study. At that time nobody was reluctant to say aloud that women had no use of studies. Now we can proudly say that, the present time is not like what Rajalekshmi wrote in one of her stories, "I taught your mother a lot; yet of what use? She might have even forgotten to hold a pencil properly!" In the higher education sector also women are in the forefront today. But still the content of education is something which reinforces the traditional customs.

**178.** Since I have presented the details of primary health and school education, now I am presenting Higher Education and Health. An amount of Rs.789 crore is earmarked for Higher Education. Appointments to existing posts in universities have to be done completely. Matter of posts in university Departments will be subjected to comprehensive

review. Even though ten years has elapsed since the commencement of Department of Bio Informatics in University of Kerala, no post has been created till now. Necessary posts of teachers will be sanctioned for such new and vital departments. It is criticised that there exists wide disparity among universities in the allocation of non-plan grant. This will be examined in detail and necessary corrections will be made. Only Cochin University has explored the possibility of utilising the money from KIIFB for the infrastructure development of universities.

Provision for different universities is as follows:-

<b>Institution</b>	<b>Rs.in crore</b>
University of Kerala	27
University of Calicut	25
M.G. University	25
Sree Sankara Sanskrit University	16
Kannur University	25
N.U. Advanced Legal Studies	7
Malayalam University	8
Agricultural University	82.5
Veterinary University	78
Fisheries University	41
Medical University	24.5
Abdul Kalam Technical University	31
Cochin University of Science & Technology	24
Kerala Kalamandalam	12.5

**179.** The outlay for Higher Education Council is Rs.16.5 crore. An amount of Rs.10 crore for KCHR and Rs.28 crore for Additional Skill Acquisition Programme will be provided. There is Rs.7.5 crore for Inter

State University Centres. Rs.13 crore is provided for upgrading libraries, laboratories and courses. There are several novel schemes in the Higher Education sector. An amount of Rs.18 crore is earmarked for different important schemes such as 'Erudit' scheme for soliciting world class scholars to our universities, Edusat scheme for tele training, special support scheme for outstanding students, Walk with a scholar scheme for mentoring, Flair Scheme to instigate the taste for research in teachers, Aspire Scheme to instigate the taste for research among post graduate students. Rs.10 crore also is allocated for ten heritage colleges. A token provision of Rs.1 crore is made for the society formed for conducting self financing courses that had been conducted in M.G. University.

**180.** In order to improve the infrastructure of Arts & Science colleges DPRs are ready for Plan Projects of Rs.188 crore from KIIFB. Therefore, Rs.25 crore towards college infrastructure upgradation has to be utilised for libraries, laboratories and play grounds. An amount of Rs.26 crore is earmarked for getting NAAC accreditation and enhancing the quality of education in Arts and Science Colleges. An amount of Rs.6 crore is sanctioned for formulating new courses including Honours Degree and starting Inter Disciplinary Research Course. Rs.5 crore is earmarked for giving an annual endowment of Rs.10,000/- for an outstanding student of each subject in 61 government colleges in their academic term. An amount of Rs.2 crore is set apart for giving scholarships to students who excel in sports. New Arts and Science colleges will be allowed in Kinaloor – Karinthalam Panchayath in Kasargod, Kuttanoor Panchayath in Palakkad and Santhanpara - Poopara in Idukki.

**181.** RUSA has emerged as the largest funding source in the Higher Education Sector. An amount of Rs.500 crore is expected out of this in 2018-19. A State share of 40% has been provided. State Government has submitted a State Higher Education Scheme for this, to the Central Government.

**182.** An environment of severe intolerance has been growing in the academic field. A situation has emerged wherein even universities are not able to carry out independent academic discussions. Kerala promotes pluralism and independent deliberations. Kerala will always be ready to host and give financial assistance to national academic organisations. Rs.5 crore is earmarked for this. Out of this, Rs.1 crore is for the International Seminar which is intended to be conducted as the closing event of the 150<sup>th</sup> Anniversary of '*Das Capital*'. This seminar is being jointly organised by Gulati Institute of Finance and Taxation and 'Social Scientist' magazine. Rs.50 lakh for the conduct of 'Festival of Ideas' will also be out of this amount. An amount of Rs.50 lakh is earmarked for the International Seminar at Thiruvananthapuram on Alternative Construction Methods in connection with Centenary Celebrations of Laurie Baker, for mobile exhibitions and for development seminars at engineering colleges and District Centres. Money will be sanctioned for the international literary festivals in Kerala from this head of account.

**183.** An amount of Rs.50 lakh is sanctioned to Kerala Economic Association for preparing a Bibliography for Kerala along the lines of 'Annotated Bibliography' prepared by Gokhale Institute on social and economic studies of south India.

### **Technical Education**

**184.** Outlay for technical education is Rs.248 crore. An amount of Rs.42 crore is earmarked almost equally to newly established five engineering colleges. Rs.36 crore is set apart for the development of government polytechniques.

**185.** A lot of imaginative steps are being adopted for enhancing the quality of technical education and for encouraging new enterprises. Special cells for interacting with industrialists, finishing schools, connectivity to industrial parks, science and technology research parks,

centre for automatic mechatronics, automation robotics and translational engineering related to industrial establishments, transportation, design and business incubation centres, accreditation schemes, rural technology centres are some important activities. An initiative will be made this year for the launch of a satellite developed by students in association with ISRO. Interdisciplinary Research Centres will also be established in engineering colleges. Rs.1 crore is set apart for 'Punarjani'. Material testing and certification centres will be started in polytechniques.

**186.** Rs.55 crore is earmarked for modernisation of ITI's. This amount will be utilised for revamping the existing trades, for purchasing and modernisation of new machines etc. Rs.8 crore is earmarked for Mid Day Meal Schemes in ITI's. Rs.9 crore is earmarked for completing the construction of ITI's started yester years. Rs.28 crore, including central share, will be made available for Kalamassery ITI, Model ITI and State Skill Development Mission. Rs.5 crore is earmarked for Kerala Institute of Labour and Employment.

**187.** An amount of Rs.17 crore is earmarked for Kerala State Engineering and Science Museum. Rs.20 crore is set apart for IHRD.

**188.** An amount of Rs.121 crore is earmarked for Kerala State Council for Science, Technology and Environment. Out of this, Rs.64 crore is for research institutions under the Council. Rs.4 crore is earmarked for the propagation of science.

### **Higher Medical Institutions**

**189.** Rs. 207 crore is earmarked for 11 Medical Colleges, Rs. 34 crore for 5 Dental Colleges, and Rs. 7 crore for 6 Nursing Colleges. Rs.15 crore is earmarked for new Medical Colleges. In addition to this, Rs. 42.45 crore is earmarked for establishing Mother and Child Units, Oncology

Centres, Bio Medical Wings, Molecular Diagnostic Facility, Stroke Centre etc.

**190.** Rs. 79 crore is earmarked for Regional Cancer Centre. RCC will get central assistance also by virtue of its status as 'State Cancer Centre'. Rs.38 crore is earmarked for Malabar Cancer Centre. Rs. 15 crore is earmarked for establishing a new Virology Institute as 'Centre of Excellence' in Life Science Park.

**191.** Kerala presently has 128 hospitals, 818 dispensaries and 24 sub centres under different streams like Ayurveda, Siddha, Unani and Naturopathy. Rs. 21 crore is earmarked for strengthening them. A total of Rs.43 crore is earmarked for Ayush. In addition to this Rs. 8 crore is expected under National Ayush Mission.

**192.** Rs.46 crore is earmarked for Ayurveda education. This includes, Rs. 4.5 crore for Kerala Ayurvedic Study Society.

**193.** Rs.23 crore is earmarked for Homeopathy. Rs. 9 crore is earmarked for Homeo Colleges.

### **Cultural Institutions**

**194.** Unparalleled support was given to cultural sector in two previous budgets. The extend of the surge in the cultural sector that we have initiated will be revealed only when the investments made available from KIIFB for cultural complexes, film city, film festival complex and network of theatres are also considered. The amount provided for Arts and Cultural fields is Rs.144 crore. An amount of Rs.5 crore is provided for Fine Arts Colleges and Rs.1 crore for Music Colleges.

**195.** An amount of Rs.15.9 crore is earmarked for Sahithya Akademi, Sangeetha Nataka Akademi, Lalitha Kala Akademi, Folklore Akademi and Mappila Kala Akademi. An amount of Rs.5 crore is provided

for Guru Gopinath Nadana Gramam and Rs.80 lakh for Velloppilli Samskrithi Bhavan. An amount of Rs.60 lakh will be sanctioned for Kerala Book Mark Society and a non-plan grant for the relocation of godown from the archives building to a suitable location. An amount of Rs.1.60 crore is sanctioned for Malayalam Mission and Rs. 25 lakh for Sree Narayana International Study Centre.

**196.** An amount of Rs.3 crore is earmarked for starting Rural Art Hubs and Rs.50 lakh for starting folk stages in other cities in the lines of Manaviyam Veedi and Rs.50 lakh for establishing 'Santhosha Bhavanam' for elderly artists.

**197.** The observance of 70<sup>th</sup> anniversary of Gandhiji's martyrdom was inaugurated in Thiruvananthapuram with the participation of many dignitaries including Tushar Gandhi. Gandhiji had visited Kerala 5 times. Elaborate conventions of commemoration will be held in all the 30 centres in Kerala where Gandhiji had visited. For this Rs.5 crore is earmarked.

**198.** Kerala is very rich in terms of archival records. There are around one crore palmyra manuscripts in our archives. A complex with most modern facilities will be built for preserving this precious wealth in a most secure manner for the posterity and to make them available to researchers. Karyavattom Campus will be most suitable for this. An amount of Rs.15 crore is sanctioned as first instalment for giving administrative sanction for the construction of this complex.

**199.** A amount of Rs.17 crore is earmarked for Kerala State Science and Technology Museum. Regional Centres will be strengthened. The outlay for the Department of Archeology is Rs.25.25 crore. An amount of Rs.6.5 crore is earmarked to the museums at Thiruvananthapuram, Thrissur and Kozhikode. The project for establishing heritage museums in all districts will continue. An amount of

Rs.5 crore is earmarked for the network of museums. An amount of Rs.75 lakh is provided for the upgradation of repository of coins.

**200.** An amount of Rs.2.20 crore is earmarked for the Institute of Language, Rs.3.36 crore for Institute of Children's Literature and Institute of Encyclopaedic Publications. An amount of Rs.1.15 crore is earmarked for Library Council and Rs.3.6 crore for State Central Library.

**201.** An amount of Rs.11.55 crore is earmarked for the development of zoos.

**202.** AKG was a revolutionary who raged like a flaming fire in the forefront of the revolt giving equal importance for Indian independence and the resurrection of the oppressed. AKG, who fought for the renaissance Kerala on an ardent political awareness, is an ever glowing chapter of Kerala in the political history of India. We can read only with a thrilled heart the memories of Suseela Gopalan in her article 'Companion, Husband, Comrade and Leader', about AKG, who fought against the atrocities of police in his native place with determination, ignoring his debilitating physical conditions and succeeded. When he was reminded of his health condition at the time of declaring fast, he retorted that thousand families of workers had been starving for the last 24 days and thousands of them could not even buy salt and his sufferings were not greater than theirs. The message about such a revolutionary and about his time should be imparted to our posterity on the strength of experiences and historical lessons. Sir, Rs.10 crore is earmarked for constructing a monument in his native place Paralassery, befitting to his memory. An amount of Rs.10 crore is sanctioned for establishing a memorial museum after acquiring land near Punnapra Vayalar Smrithi Mandapam. Rs.5 crore is earmarked for ONV Cultural Complex.

## **Sports**

**203.** 108 Sports Hostels, 108 Day Boarding Centres, 14 Stay Training Centres, 12 Rural Coaching Centres and 4 Elite Schemes are presently functioning under Sports Council. There exists a grievance that there are no technical coaches for training and technical staff for co-ordination in these centres. Government will examine this based on scientific work study. Rs.267.61 crore has already been sanctioned from KIIFB in previous budgets in sports sector to facilitate stadiums and infrastructure facilities. Only on completion of these fresh proposals can be considered.

## **VIII**

### **LOCAL GOVERNMENT**

**204.** Sir, An amount of Rs.7000 crore is the outlay for Local Government Institutions. Of this an amount of Rs. 3406.99 crore is earmarked for Grama Panchayaths, Rs. 891.32 crore for Block Panchayaths, Rs. 891.32 crore for District Panchayaths, Rs. 1013.03 crore for Municipalities and Rs. 797.45 crore for Corporations. An amount of Rs.7000 crore is Development Fund, Rs.2343.88 crore is Maintenance Grant and Rs. 1426.71 crore is General Purpose Grant. Out of the Development Fund, Rs.1289.26 crore is for Special Component Plan for Scheduled Caste and Rs.191.60 crore is for Scheduled Tribe Sub Plan. The details of fund available for each Local Government Institution, based on the decision of Finance Commission, have been enclosed as annexure 4 to the Budget document.

**205.** The most important reform in the area of local administration is the formation of District Plan. The important objective of District Plan is to formulate major integrated programmes in District level. Special

assistance will be given to the schemes formulated in this manner. An amount of Rs.40 crore is set apart for this.

**206.** An amount of Rs.133 crore is granted as compensation towards the entertainment tax loss during 2017-18. This will be granted in proportion to the basis of the entertainment tax collected by each Local Government Institution during 2015-16. Likewise Rs.50 crore is allocated for the Pension Fund of municipalities.

**207.** The outlay for Village Development is Rs.1160 crore. This will exceed Rs.4000 crore if the share of centrally sponsored schemes are also included. During 2018-19 Employment Assurance Scheme amounting to Rs.2100 crore is targeted. An amount of Rs.282 crore is sanctioned as the state share of PMGSY. Similarly state shares are also earmarked for other centrally sponsored schemes. An amount of Rs.35 crore is earmarked for KILA. This includes Rs.3 crore for organising voluntary camps of students for formulating village technologies and modern developmental systems.

**208.** In Mahatma Gandhi Employment Guarantee Scheme, social auditing has been initiated as prescribed in law. The need for social audit has been prescribed in Food Security Act, the Act ensuring the rights of differently abled and Juvenile Justice Act. In addition to this, the State Government has taken policy decision to conduct social audit in different departments. A co-ordinated system will be formed for all these. Several legislations have already been made for ensuring transparency and fixing liability. A Comprehensive Transparency and Accountability Law will be introduced by coordinating all these.

**209.** A Special Officer is to be appointed for the formation of Audit Commission. The Kerala Local Government Development Fund will be revived after making necessary amendments in the Kerala Local Authorities Loans Act. To enhance the own revenue of Local Self

Government Institutions, the recommendations of the Finance Commission will be implemented.

**210.** 'Suchitwa Mission' will get Rs.85 crore from State Government and Rs.67 crore from Central Government during 2018-19.

**211.** An amount of Rs. 273 crore has so far been expended since 2013-14 for Kasargod Package. An amount of Rs.95 crore is earmarked in 2018-19. An amount of Rs. 28 crore is earmarked for Wayanad Package.

**212.** An amount of Rs. 50 crore has been expended so far for Sabarimala Master Plan. Rs. 28 crore is earmarked for 2018-19. In addition to this, funds have already been granted through KIIFB for the development of halting centres and connected roads.

## **IX**

### **OTHER FINANCIAL SERVICES**

#### **Co-operation**

**213.** The outlay for Co-operative sector is Rs.155 crore. The important among this is Rs.57 crore given for various financial assistance to Credit Co-operative Societies. An amount of Rs.15 crore is earmarked for SC/ST Co-operative Societies. Rs.6 crore is earmarked as special encouragement for model Co-operative Societies.

**214.** The most significant development in the Co-operative sector in 2018-19 will be the formation of Kerala Co-operative Bank. SBI Caps is assessing the value of 14 District Co-operative Banks and State Co-operative Bank. As per RBI norms, it is essential to have 9% capital efficiency, below 5% Non Performing Asset (NPA) etc for the formation of Kerala Bank. Necessary capitalization will be assured on the basis of the report of the evaluating agency.

**215.** Rs.1 crore is earmarked for the International Book Fair and Literary Knowledge Fest conducted under the aegis of Literary Co-operative Society.

### **NORKA and NRIs**

**216.** The heroine in 'Basra', written by Khadeeja Mumtaz, recollected the tender touches of her native land when the fears sand of the wild desert coiled around her. Sighs Sabitha, a non-resident keralite, whether the bye-lanes, banana groves, the rustle of coconut tree climbing and the gentle chatter of fast flowing streams, and the journeys to the college in choir bus, have all become distant memories which will never again come back. Sir, along with this nostalgic feeling, each Non Resident Keralite is getting anxious about the economic and social development of his native land. While continuing as Non Resident Keralite, a vast majority of them desire that Kerala should be the abode of them and their posterity. 'Loka Kerala Sabha' was a turning point in connecting the world Malayalis, who desire to retain the umbilical relation with the state emotionally, socially and economically with internal Kerala. Unlike other NRI meets held in our state, 'Loka Kerala Sabha' is not a onetime celebration. It is a permanent venue for the debate-deliberation of people's representatives and delegates of Non Resident Keralities. Subject oriented Standing Committees will be formed for this 'Sabha'. NRI Professional Committees and Business Chambers will be formed in overseas. Kerala Development Fund, Special Single Window for NRI investment, feasibility studies and sector based mentoring are envisaged to promote NRI investment. Business Chambers will be formed on world regional basis. An amount of Rs.19 crore is earmarked for the continuance of such activities and for organising the next Loka Kerala Sabha and Global Kerala Festival.

**217.** A scheme named 'Santhwanam' is formulated to provide one time assistance to the distressed NRIs, having annual income below Rs.1

lakh. An amount of Rs.16 crore is earmarked for treatment expense, legal assistance, air ambulance, bringing back the dead body, assistance to those who are released from jails etc.

**218.** An amount of Rs.7 crore is provided for awareness and assistance for migration. An online real time data base of NRIs will be created. A Grievance Redressal Cell will also be established. System for awareness against illegal recruitment and finishing skill training for migration will be created. Round the clock helpline and grievance cell will also be started.

**219.** An amount of Rs.8 crore is provided for developing a job portal and for ensuring more employment opportunities in consultation with foreign employers under the auspices of NORKA ROOTS.

**220.** An amount of Rs.9 crore is specially sanctioned for NORKA Welfare Fund. Currently pension is being given to Non-Residential Keralites from the Welfare fund. To those who contribute Rs.300/- per month will be given a pension of Rs.2,000/-. It is criticised as unattractive. In addition to Non-Resident Keralite pension, a scheme for giving higher pension is being formulated on the basis of a special deposit to pension fund. A scheme has been formulated in consultation with LIC for giving pension to those who deposit their money either on completion of the payment of premium or on getting the lot of the Pravasi Chitti.

**221.** The setting up of Kerala Arab Cultural Study Centre has been announced on the occasion of the visit of Sharjah Sheikh recently. For the establishment of this a token provision of Rs.10 crore is provided.

**222.** An amount of Rs.17 crore is earmarked for the rehabilitation of repatriate NRIs and for NORKA Business Facilitation Centre. Rs. 3 crore is sanctioned to NRI Commission. Thus, Rs. 80 crore is provided for the entire NRI sector.

## **Labour**

**223.** An amount of Rs.401 crore for labour commissionerate, Rs.132 crore for industrial training and Rs.30 crore for National Employment Service are earmarked. Measures will be taken to strengthen the Labour Department an amount of Rs.55 crore is for modernisation of ITIs and Rs.38 crore for Academy of Skill Excellence are earmarked.

**224.** The contribution being rendered by migrant labourers to the state is invaluable. A comprehensive study will be conducted on the living conditions of the migrant labourers in the state. They will be given membership in RSBY Health Insurance Scheme. Voluntary registration in this scheme can be expected only through the enhancement of benefits from this welfare fund. Rs.50 crore will be provided from the Building Construction Cess for this purpose. Steps will be taken to enhance the cess collection. Facilitation Centres will be opened to impart expeditious legal assistance and government services to the migrant labourers.

## **Treasury**

**225.** An amount Rs.22 crore is provided for Treasury Department. This will mainly be utilised for the strengthening of IT network of treasury. The functioning of treasuries has become excellent with the introduction of Integrated Financial Management System (IFMS). But customers like Pensioners who go to treasuries for services have to some times wait for long. To avoid this, Virtual Queue System will be introduced for treasury services. This facility will help the customers to reach the treasury and avail the service at the time fixed in advance through the treasury website. This facility will be implemented in the selected 50 treasuries in 2018-19. With the implementation of IFMS, treasuries have been interlinked and core banking services have been made available. Mobile banking facility will be implemented in the current financial year itself. The facilities of internet banking and debit-credit cards will be introduced for the treasury

account holders in 2018-19. New Citizen Charter will be published in treasuries and social audit will be conducted based on this. For the redressal of the complaints raised in social audit and by other means, adalaths will be conducted in the ensuing financial year. At present, when bills and others are presented electronically, they are to be presented in physical form also. In the next financial year, the bill and others can be presented completely in digital form. After having the pension records completely being digitalised, Pensioner's Information and Management System will be implemented in 2018-19. Treasuries will be transformed into fully computerised e-system.

**226.** Salary and pension of State Government employees and pensioners will be disbursed through Treasury Savings Bank Account from the beginning of the next financial year onwards. It is intended to disburse the salary of all Secretariat employees by this method in March on experimental basis. There will not be any restriction to employees for withdrawing or transferring their salary to other bank accounts. On prior intimation from employees and pensioners, salary and pension will automatically be transferred to bank accounts on suggested days. At present, Central assistance is not received on salary day. It is received only by the middle of the month. The new system will help to avoid the ways and means constraints experienced at the beginning of the month consequent to this. The mission that started for this, in 2010, has become fruitful only at present.

### **Planning Board**

**227.** The outlay for State Planning Board is Rs.22 crore. Out of this, Rs.17 crore is for the strengthening of District Planning System.

**228.** An amount of Rs.22 crore is provided for IMG. Rs.3 crore is additionally allocated to Centre for Management Development for the construction of new hostel.

## **Registration**

**229.** An amount of Rs.17 crore is earmarked for Registration Department. Out of this, Rs.7 crore is for the digitalisation of old records.

## **Police**

**230.** An amount of Rs.160 crore is the total outlay for Police Department. This is an instance of the importance given by the Government to the modernisation of Police Department. Janamythri Suraksha Project will be implemented in 100 more Police Stations also. At present, Student's Police Cadet is functioning in 574 schools. This will be extended to 100 more schools. Rs.15 crore is earmarked for this. Rs.20 crore is provided for various IT based systems and Rs.50 crore is provided for buildings. Rs.10 crore is earmarked for the modernisation of Vigilance Department.

## **Jail**

**231.** Sir, the jobs in jails have reached a new high due to the popularity received for jail chappathi and chicken. This has turned into a system of providing good food at low cost. Currently the profits from the sale of products produced by the prisoners for low wages are going to the State Treasury. 50% of the profit share from the same is allocated as Prison Development Fund. This may be utilised for the welfare of prisoners and for the minor repair works in jail. Rs.14.50 crore is allocated for the modernisation of jail.

## **Excise**

**232.** An amount of Rs.10 crore is provided for the modernisation of Excise Department. 10 De-addiction Centres will be started in Government Hospitals as part of Kerala State De-addiction Mission. Among them 4 will be started in Taluk Head Quarters of Nedungolam

(Kollam), Chalakkudi (Thrissur), Payyannur (Kannur), Ranni (Pathanamthitta), 4 General Hospitals in Pala (Kottayam), Aluva (Ernakulam), Neyyattinkara (Thiruvananthapuram), Kalpetta (Wayanad), Mavelikkara District Hospital, Alappuzha and in Primary Health Centre, Agaly in Palakkad District. Anti drug campaigns will be conducted in schools.

### **Fire Force**

**233.** Fire and Rescue Service has been transformed into a department extending service of all kinds of disaster reduction and mitigation activities. In accordance with this, timely renewal in the department and available facilities is necessary. The modernisation of Fire and Rescue Service is an important aspect of the required preparedness for the disaster mitigation in the wake of climate change and the like. Rs.65 crore is earmarked for the purchase of modern equipments and for modernisation of the department. This amount will be utilized to procure equipments including ladder and platform to mitigate with the outbreak of fire in very high buildings. Including this a total outlay of Rs.70 crore is earmarked for Fire and Rescue Service.

### **Revenue**

**234.** A total amount of Rs.120 crore is provided for Revenue Department. Out of this, Rs.50 crore is for the formation of Kerala Land Settlement Authority. The target is to complete the re-survey in 427 villages during 2018-19. To ensure completion of resurvey in a time bound manner satellite based digitalisation will be used. An amount of Rs.50 crore is provided for this. Rs.18 crore is earmarked for the modernisation of Village Offices.

## **Housing**

**235.** A total amount of Rs.85.41 crore is provided for Housing sector. Out of this, Rs. 54.10 crore is for Kerala State Housing Board. Rs. 2 lakhs per house is given as subsidy to voluntary organisations as per Grihasree Housing Scheme. Financial assistance will be provided to 1250 houses during 2018-19. An amount of Rs.4.30 crore is provided for Aswas Rental Scheme in Medical Colleges.

## **Judiciary**

**236.** An amount of Rs. 26 crore is provided for Judicial Service. Importance is given to e-governance of Courts. Rs.8 crore is earmarked for the modernisation of subordinate courts. Rs. 60 crore including Central share has been provided for court buildings.

## **Legal Metrology**

**237.** An amount of Rs. 11 crore is earmarked for Legal Metrology Department. It is mainly utilised to increase the calibration and measurement capacity of laboratories.

## **Stationery and Printing**

**238.** Currently 11 Government Presses are functioning under the Printing Department. There have been immense changes in printing technology. If technical perfection can be achieved the printing of books including secured documents of Government can be done efficiently. Rs.10 crore is earmarked for Printing Department, including Rs.7 crore for its modernisation. Rs.100 crore is allocated through KIIFB for the comprehensive projects for modernisation of presses. It is expected that DPR for the same could be prepared and the project could be implemented.

## **Directorate of Economics and Statistics**

**239.** The most important activity in statistical data collection is the Central Scheme for the improvement of Agricultural Statistics. An amount of Rs. 55 crore is provided for this.

## **X**

## **TAX**

### **Kerala Goods and Services Tax**

**240.** Goods and Services Tax was implemented in Kerala also, on July 1<sup>st</sup> 2017. Commercial Taxes Department was renamed as Goods and Services Tax Department. To equip the department to face the challenges of the new tax regime, the department will be modernised using the possibilities offered by Information Technology is the next step.

**241.** The IT hardware systems of the department will be upgraded based on new technology and new initiatives will be implemented in this regard. An expert agency in this field will be entrusted for comprehensive study. It will be implemented in a time bound manner.

**242.** The e-waybill system to monitor interstate transactions have come into effect on 1<sup>st</sup> February, 2018. Along with this, surveillance cameras will be installed at main borders of the State for effective monitoring of transport of goods and to curtail smuggling and evasion. The details of goods vehicles obtained from the surveillance cameras will be examined with the e-waybill details uploaded in the GST network portal. If the e-waybills are not seen uploaded, facilities will be implemented to alert the mobile squads immediately. This will enhance the effective implementation of e-waybill system. When the Central government implements the RFID system, the present system will get converged.

**243.** The Intelligence Squads of the Goods and Services Tax Department will be strengthened and 24x7 surveillance will be ensured. For this, Intelligence Squads will be restructured and modern equipments will be provided for verification.

#### **Kerala Value Added Tax**

**244.** Several dealers have requested for one more opportunity to revise the VAT returns filed upto June, 2017. Considering their request, it is proposed to allow them one more chance to revise the return upto June, 2017 provided the defects pointed out are only of a technical nature, having no effect on the sales turnover or tax paid. Those dealers who have filed audited statement of accounts under Sec.42 of KVAT Act will be allowed to revise the return. It is clarified that, even though the returns are allowed to be revised, it will not hinder any proceedings to be initiated under KVAT Act. For dealers against whom assessment proceedings are already initiated, this facility will not be available. Application for revision of return shall be filed before 30<sup>th</sup> June, 2018.

**245.** In 2017-18 Budget, 'Amnesty Scheme' were announced under KGST, AIT, VAT and Luxury Tax Act for settling the arrears upto the period of 2010-11. To opt for such amnesty and to pay the arrears, the period will be extended upto June 30, 2018. There is no change in the existing conditions.

**246.** In 2017-18 Budget, Special Amnesty Scheme was announced for presumptive dealers. The period to file option and pay arrears as per that scheme will be extended upto June 30, 2018. Further, this scheme is extended to unregistered dealers also. Such dealers against whom assessments or other statutory proceedings was initiated can also settle their cases as per this scheme. They will have to remit, the registration fee and equal amount as penalty in addition to the amounts as per the scheme. Such cases can be settled up to the period

2016-17, considering their turnover. This scheme will not be available to those persons who have interstate sale or purchase.

**247.** As per the Amnesty Scheme announced in the Budget for 2016-17, dealers in bakery products had to remit the amounts under the scheme before March, 2018. Small and Medium units and dealers in this sector had represented that they could not remit the amount according to the scheme due to factors like demonetization. Considering this request, opportunity is granted to remit the balance amount in 24 equal monthly instalments. There would not be any change in other conditions of the amnesty.

**248.** Dealers selling arecanut interstate have only CST liability of 2%, subject to production of 'C' Forms. But the department investigation has found that many 'C' Forms filed by these dealers cannot be accepted legally. Accordingly, a situation arose whereby the dealers who have sold arecanut are liable to pay 5% tax for all those years. Demands are there to give concessions to reduce the tax burden of these dealers. Considering this, an amnesty scheme with conditions as below, is declared for those dealers who have sold arecanut interstate.

- (1) This amnesty scheme is applicable for those dealers against whom CST at full rate has been assessed and demanded, rejecting the 'C' Forms submitted.
- (2) A complete reduction of interest will be granted on the assessed tax and penalties will be waived, on such 'C' Forms which were submitted and rejected. Full amount of tax will have to paid.
- (3) The dealers who had received assessment orders as of now, should file their option under amnesty on or before 31<sup>st</sup> May, 2018. Others should opt within a month from the date on which the assessment orders are received. The Commissioner may extend the date of filing option in appropriate circumstances.

- (4) Such application can be filed on or before 31<sup>st</sup> March, 2019.
- (5) Once the amount payable under the amnesty scheme is determined, it has to be paid in 12 equal monthly instalments.
- (6) Related cases pending in all forums shall be withdrawn.
- (7) Penalties and interests already remitted will not be readjusted towards tax liability.

**249.** The period for completing the assessments upto 2011-12 will expire on 31<sup>st</sup> March, 2018. The time limit for the assessments till 2011-12 is extended upto 31<sup>st</sup> March 2019.

**250.** Many assessments are pending to be completed under VAT. In the backdrop of introduction of GST, these assessments have to be completed in a time bound manner. For this Deputy Commissioners will be entrusted with assessment functions. Assessment orders passed by Deputy Commissioner will be appealable to Joint Commissioner (Appeals). Further appeal will lie in the VAT Tribunal. The amnesty scheme is introduced in the last year were utilized by a few dealers only. Therefore, it is decided to not to declare any new amnesty under VAT. It is intended to complete all assessments and to initiate other actions including revenue recovery.

**251.** In order to implement the above changes, necessary amendments will be brought in respective Acts.

### **Excise**

**252.** Presently, sales tax, surcharge, social security cess, medical cess, rehabilitation cess and turnover tax is levied on IMFL and Beer. It is decided to dispense with surcharge, social security cess, medical cess and rehabilitation cess and to rationalize the sales tax rates accordingly. The sales tax rates of IMFL having price up to Rs.400/- will be fixed at 200 percent and for price above rupees four hundred will be fixed at 210

percent. The tax rate of beer will be fixed at 100 percent. Since the different cess and surcharge dispensed with there is no significant increase in the maximum retail price, only nominal revenue is expected from this measure.

**253.** As per the Abkari Act and Rules, the sale of IMFL and Foreign Made Foreign Liquor (FMFL) are vested with the Beverages Corporation. But till this date, the beverages corporation have not made any sale of FMFL. But many complaints have been received regarding the illegal trading of these items. This causes revenue loss to State Govt. In this circumstance, Beverages Corporation proposes to commence the trading of FMFL. It is necessary to fix competitive tax rates for FMFL and Wine, for which import duty at 150% is levied at present. In the circumstances, the tax rate of FMFL is fixed at 78 percent and that of Foreign Made Wine is fixed at 25 percent. The basic price of FMFL will be fixed at rupees 6000 per case and for Foreign Made Wine will be fixed at rupees 3000 per case, so that the sale of FMFL does not affect the market of IMFL. Further, a special fee of Rs.87.70 per proof litre will be levied according to the Abkari Act, on FMFL. A special fee of Rs.1.25 per bulk litre will be levied on Foreign Made Wine. Necessary amendments for this purpose would be made in the Kerala General Sales Tax Act, Surcharge on Taxes Act and Kerala Abkari Act. Additional tax revenue of Rs.60 crore is expected from this measure.

### **Motor Vehicle Tax**

**254.** Reports of Police and Motor Vehicles Department indicates that around 1500 luxury vehicles and 2000 other cars which should have been registered in Kerala are being registered in Puducherry under bogus addresses and are used in Kerala. The Department taking steps to realize the tax from these vehicles. It is clear that, many vehicle owners got involved in these transactions without full awareness of the legal

consequences. An amnesty scheme is declared for them. If they remit the amount which was payable had the vehicle been registered in Kerala, the Government would re-examine the legal action proceedings against them. Stringent action would be taken against others, including confiscation of vehicles. But, presently these vehicle owners are abstaining from the payment of tax, apprehending criminal proceedings. This amnesty scheme will be operational only upto April 30, 2018. It is expected that vehicle owners who have registered their vehicles in Puducherry and which is permanently used in Kerala would avail this opportunity by paying tax in the State and exempted from legal proceedings. Government expects revenue of Rs.100 crore through this measure.

**255.** The present annual tax of Rs.500/- on Electric Auto-rickshaws and LPG / CNG Auto-rickshaws will be reduced to Rs.450/-. Such vehicles which are newly registered will have to pay tax of Rs.2000/- for five years.

**256.** At present electrical vehicles like e-Rickshaws are registered in large numbers in the State. Since, the seating capacity of these vehicles is more than four, one time tax for fifteen years at the rate of 6% on the purchase value is levied from them at present. In order to encourage the registration of such vehicles, they will be taxed at the rate of auto-rickshaws.

**257.** As per the present tax structure, the rate of tax of Heavy Goods Vehicles is more than that of Tipper Vehicles having same weight. It is essential to balance the rate of tax of Tipper Lorries in accordance with other goods vehicles, since these vehicles are frequently used on road. Therefore, a 35 percent hike is proposed in the quarterly tax rate of Tipper Lorries having RLW (Registered Laden Weight) more than 20 tonnes. Since most of the Tipper lorries come under the category of

vehicles having RLW below 2000 Kg, this hike will not affect such vehicles. An additional revenue of Rs.8.40 crores is expected.

**258.** If a vehicle registered in other State, is being used in Kerala for more than one month upto one year, tax at a rate equal to 1/15<sup>th</sup> of the one time tax levied from similar vehicles registered in Kerala, will be levied for one year. Necessary amendments would be made in the Schedule of Kerala Motor Vehicles Taxation Act for this purpose. However, other non-transport vehicles which do not come under the purview of one-time tax can remit tax at quarterly rate as per schedule to the Kerala Motor Vehicles Taxation Act. Government expect an additional revenue of Rs.2 crores through this measure.

**259.** If any transport vehicle registered in other State is seized in the State for not remitting tax due to Kerala, two times tax of the existing rate will be levied from such vehicles. Necessary amendments will be brought into Kerala Motor Vehicles Taxation Act.

**260.** Now, there is inordinate delay in assigning new registration to other State registered vehicles, which enter the State after obtaining no objection certificate. Motor Vehicles Department will initiate action to dispose these applications on the very same day of receipt of application after verifying the genuineness of no objection certificate through VAHAN SARATHY software introduced by Union Transport Ministry. This will help to reduce the difficulties faced by the public in registering other State vehicles in Kerala and changing the address.

**261.** As per Finance Act, 2014, a one-time tax for fifteen years was introduced for Motor Cabs and Tourist Motor Cabs based on their purchase value. However, as per the order of Hon'ble High Court, tax for five years only was received from these vehicles. Since then, High Court had accepted the levy of tax for fifteen years. Accordingly, steps were initiated to recover ten years tax from these vehicles. Vehicle owners

have requested for concessions for this. Considering their requests, the tax for ten years for these vehicles can be remitted in five equal by-monthly instalments, provided such motor cabs and tourist motor cabs were registered from 2014, April 1 onwards and had paid tax for five years. Additional tax and interest will be waived.

### **Registration and Stamp Duty**

**262.** The fair value of land came into existence on 2010. Presently there are more than 10 lakhs under valuation cases relating to prior periods. Even after fixing fair value of land, there are cases relating to fair value of buildings. It is proposed to introduce a comprehensive scheme to dispose off all under valuation cases reported between 1986 and 2017 March. All cases where the deficient stamp duty is up to Rs.5000/- will be fully exempted. In rest of the case, if 30% of the deficient stamp duty amount is remitted, further proceedings would be dropped. For this a Settlement Commission would be formed in all districts. Detailed guidelines will be issued for this. Stringent action including revenue recovery will be initiated against those persons who failed to settle their case under this scheme. Rs.300 crores is expected from this.

**263.** The current stamp duty rate for gift, partition, settlement and release deed is Rs.1000/-. It was fixed seven years ago. It is understood that considering the de-valuation of rupee, this rate is not rational. These documents will be charged a stamp duty of minimum Rs.1000/- or 0.25% of sale value, whichever is higher. Additional revenue of Rs.25 crores is expected.

**264.** Court fee at the rate of 2% will be levied on the arbitration amount in arbitration proceedings under Chitty Act.

**265.** The fee for obtaining certified copy of documents from Sub Registrar Offices will be increased to Rs.5 per page in case of documents

of more than 10 pages. For documents of 10 pages or below, the existing rate will continue.

**266.** Stamp duty of agreements executed for public works or service level agreements will be levied at 0.1 percent of the total contract value subject to a maximum of Rs.1 lakh.

**267.** Contracts for advertising and for conferring rights of telecast or broadcasting with an intention to make profit will be levied stamp duty at the rate of Rs.500/-.

**268.** The stamp duty on property registration is based on fair value of land in Kerala. Since there is no guidance for valuation of building other than flats or apartments, there is a tendency to undervalue the buildings which is part of a transaction. Hence, the valuation rules as per Income Tax Act will be enacted for valuation of all buildings other than flats or apartments.

**269.** In order to reduce the price variation between the market value and fair value of land in Kerala, the existing fair value will be increased by 10 percent.

**270.** For rectifying the anomalies in the fair value, Government proposes to rationally refix the present fair value rates reasonably. Necessary action in this regard will be initiated during the year 2018-19.

**271.** The existing stamp duty on Power of Attorney for transfer of immovable property between family members will be increased from Rs.300/- to Rs.600/-.

**272.** Documents relating to surrender of leases before the lease period will be levied a stamp duty of Rs.1000/-. This is necessary to avoid revenue loss on lease surrender transactions before the lease period is over in case of non-agricultural commercial purposes.

## **Land Revenue**

**273.** The enhanced rates as per Kerala Land Revenue Ordinance, 2014 will be restored.

## **Services**

**274.** All fees and charges on services will be increased by 5 percent

## **Fiscal Responsibility Act**

**275.** The FRBM legislation limits the quantum of Government Guarantee to Rs.21000 crore. There is no economic rationale in fixing such limits in absolute terms. Hence the guarantee limits shall be redefined as 5 percent of GSDP in the concerned legislation.

# **XI CONCLUSION**

**276.** In the conclusion of the last budget I have defined the revised account of 2016-17 as a 'thumb nail picture of financial crisis'. While presenting the estimated account of 2017-18 I have stated that the crisis of the current year will continue in the next year also. Even then I did not think that it would be this much severe. Hence forth we need to be more vigilant. The measures for increasing income has already been explained. Along with this, care need to be taken to reduce expenditure, especially Non Plan expenditure.

**277.** As a developing State, in order to perform increasing government responsibilities, required post will have to be created. On any account, as happened in 2017-18, we cannot bear the increasing pension and salary expenses. So the posts will be created only after conducting inevitable work study. On many occasions, the needs could be resolved

by redeployment within the Department. The achievements of e-governance also need to be utilised.

**278.** Same way, new grant-in-aid Institutions need to be created only after stringent evaluation. Performance audit of such existing institutions are also inevitable.

**279.** The Government Department should be prudent in purchase of vehicles. By hiring the vehicles, the expense incurred can be reduced by one third of the cost incurred for purchasing. Hence, the permission for purchasing vehicles is limited to Heads of Departments, Police, Law Enforcement Agencies, Heads of Local Self Institutions and Heads of Grant-in-aid Institutions. Cars costing more than Rs.14 lakh will be discouraged. A Register for the number of vehicles should be maintained in each Department and the number of vehicles should be reduced every year.

**280.** Travel expenses should also be reduced. Foreign journey will be allowed in inevitable situations only. Department should utilise video conferencing facility to the maximum.

**281.** Another item is telephone expenses. The existing land line expenses should be reduced to the maximum. Care should be taken to shift to low cost mobile packages. Automatic reimbursement will be given to mobile bills up to Rs.440/-. Mobile bills have to be submitted for amounts in excess of this.

**282.** Now I present the consolidated Revenue and Expenditure statement of the State Government for 2017-18 based on the Revised Estimate. As part of austerity measures, revenue deficit could be brought down to Rs. 13079.64 Crore.

**Revised Estimate for 2017-18**

*(Rs.in crore)*

Revenue Receipts	88266.85
Revenue Expenditure	101346.49
Revenue Deficit	(-)13079.64
Capital Expenditure (Net)	(-)8633.17
Loans & Advances (Net)	(-)1061.60
Public Debt (Net)	20404.00
Public Account (Net)	1677.54
Overall Deficit	(-)692.87
Opening balance at the beginning of the year	(-)47.70
Closing balance at the end of the year	(-)740.57

**283.** The income and expenditure statement for the year 2018-19 indicates our determination to bring down the revenue deficit. But it is a strenuous effort. If income does not increase, the expenditure will have to be reduced because we are continuing the walk on a tight rope. Capital investment is being enhanced considerably through KIIFB. It is expected that the GST will be implemented effectively, income will be increased considerably and our journey will become comfortable.

### **Budget Estimate for 2018-19**

*(Rs.in crore)*

Revenue Receipts	102801.24
Revenue Expenditure	115661.05
Revenue Deficit	(-)12859.81
Capital Expenditure (Net)	(-)10292.29
Loans & Advances (Net)	(-)804.96
Public Debt (Net)	22288.87
Public Account (Net)	1592.53
Overall Deficit	(-)75.66
Opening balance at the beginning of the year	(-)740.57
Closing balance at the end of the year	(-)816.23
Additional Expenditure announced	915.15
Additional resource mobilisation	970.40
Cumulative Deficit at the end of the year	(-)760.98

**284.** Sir, I am concluding. As I told in the beginning, I tried to paint a portrait of possibilities of bright future even in the midst of miseries. This budget takes an uncompromising stand for protecting and expanding the factors of social justice. Sir, standing along with children, destitute aged people and those who work in the traditional sectors like a custom, this budget sees the future Kerala with great expectation. This budget gives a message that, justice for women shall become a basic character deep rooted in the society touching all tiers.

**285.** This budget is a continuation and in a sense, a growth of the previous budgets of Left Democratic Front Government. Kerala has its

intrinsic strengths and virtues. Budget of Kerala has attempted to move towards tomorrow while holding these strength and virtues firmly. This budget stands with weaker sections including fisher folks who yield to miseries and travails. The comprehensive social security shield envisaged in the budget is capable enough to make again Kerala a model for India. Along with this, the attempt is to give a concrete shape to the dreams about the Kerala of tomorrow. The educated new generation requires new avenues of employment. World class infrastructure facilities are needed for attracting investment required for this. For this, the efforts by way of KIIFB funding need to be taken forward. The elements of financial discipline are envisaged in this manner. It can be seen that the economic strengthening measures are becoming the part of developmental approach itself being pursued by Left Front.

**286.** Sir, let me recall the lines of 'Nava Keralam', the poem of Balamani Amma

*"A new world is  
Rising in our imagination  
And a knowledge loving Kerala  
Is blooming in that"*

By foreseeing a new Kerala creation based on knowledge, I submit this budget of 2018-19 for the approval of this August House.

*-JAI HIND -*