



GOVERNMENT OF KERALA



BUDGET SPEECH

2011 - 2012

K. M. MANI
Minister for Finance

8 JULY 2011

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REVISED BUDGET
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Sir, I have immense pleasure in presenting the revised budget of the new Government before this august House.

2. The verdict in the last election result was an indication of the people's desire for a comprehensive change as they were disillusioned with inaction in development front and the financial indiscipline that was prevalent during the last five years. Despite having conducive environment to propel development, previous Government failed to move forward to any significant extent. We see the mandate of the people as an opportunity to energise our State to soar into a higher development orbit. At the outset, let me make it clear that this Government is committed to wipe out the disarray in the functioning of the State finances during the past five years. We will utilize this mandate to regain the lost opportunities and to trigger the developmental pace of the State.

3. Based on the principle that backwardness of even one individual could adversely affect the welfare of the whole society, the revised budget is presented with the vision that all economic activities of a Government should aim at development of the entire people in the State.

4. Sir, even though our State had immense potential for development, it failed in many areas such as employment generation, attracting investors, promotion of productive sector, developing basic

infrastructure, value addition for indigenous products, and other areas where we could have gained comparative advantage.

5. The fact realised while we examine the handicaps and weakness of the Kerala economy are the tardy growth of agriculture sector, backwardness of the infrastructure sector, lack of pace of inclusive growth, growing number of unemployed educated youth, gap in attaining investment for development area and environmental problems. The main objective of my budget is to find a solution for these in spite of the limitations.

6. The number of educated unemployed registered in our employment exchanges has risen from ₹ 38.57 lakh in 2005-06 to ₹ 43.29 lakh in 2009-10. The State virtually failed in finding a remedy for this. Even the establishment of 'Smart City' project with large employment potential could not be materialised.

7. Few institutions started in the private sector during the last decade, have brought some changes in the field of professional education. But still, we have to advance further in terms of quality.

8. We should have at least a few institutions of excellence at par with the knowledge centres of universal acclaim like Oxford, Cambridge and Massachusetts. This Government will make serious efforts in this direction.

9. Over dependency on other states for education, employment and entrepreneurship denies the development opportunities that our

State could garner through Forward and Backward Linkages. This tendency has to be set right.

10. Our productive sector is on the verge of collapse. In spite of having highly fertile soil and good market for our agriculture produce, the share of agriculture production in State Domestic Product which stood at 15.02 per cent in 2005-06 has come down to 12.01 per cent in 2009-10. The contribution of the industrial sector to the State Domestic Product also came down to 21.71% in 2009-10 from 25.06% in 2005-06. Thus the, total contribution of the productive sector to the State's Domestic Product has come down from 40.08% during 2005-06 to 33.72% during 2009-10. Sir, this budget is a humble attempt to address this issue.

11. May I now explain the background of the Revised Budget for 2011-12. The Finance Commission, Planning Commission and various committees on national development have been repeatedly advising the State Governments to bring down the revenue deficit and to avoid borrowing for financing non plan expenditure especially on unproductive committed liabilities. But the practice followed by Kerala for the last few years has been contrary to these guidelines. It is estimated that State's debt liability which stood at ₹ 45929 crore in 2005-2006 will reach ₹ 88887 crore by the end of 2011-12, a growth of whopping 93%. The internal debt is projected to grow by 119% from ₹ 25,671 crore to ₹ 56,288 crore during the same period.

12. As per the latest comparative figures available for 2009-2010, the Debt / Revenue Receipt ratio of Kerala is 36.6% higher than which is the national average.

13. The statement of former Finance Minister in para 10 of his budget speech for 2011-12 that 'what worried him most is not the size of the debt but the restrictions imposed by the Government of India on the State's borrowings' sounds rather surprising. In the absence of any such ceiling, our State would have gone into a debt lock in which case our entire revenue would have turned insufficient for repayment of debts.

14. A State is considered as debt stressed when its total financial liability is more than double its total financial assets. West Bengal, Kerala and Punjab are the three general category States falling under this category. The figures for 2009-10 show that the total liability of Kerala is two and a half times of (256%) its total assets.

15. According to the Fiscal Correction Path suggested by the 13th Finance Commission, State's Fiscal Deficit has to be brought down to 3% of GSDP by 2013-14. Also the Revenue Deficit has to be eliminated by 2014-15.

16. The Budget for the year 2011-12 presented by my predecessor projects the Revenue Deficit for 2011-12 at the level of 1.97% as against 1.4% prescribed by the 13th Finance Commission, indicating that the State has drifted away from the targets in the course of fiscal correction. As a natural consequence of the unbridled growth

of debt, a big chunk of the State's revenue is spent on interest payments. During 2009-10, Kerala spent 20.27% of its revenue receipts for payment of interest. This is one and half times higher than the national average, thrice that of Andhra Pradesh and twice that of Tamilnadu.

17. When UDF Government assumed charge in 2001-02, the fiscal deficit of the State stood at 4.19% of the GSDP. With systematic efforts over five years, that Government brought down this figure to 3.06% at the time of demitting office. It was the result of the determined efforts of the State that it could attain it without deviating from the track of fiscal consolidation for the first time in its recent history. But except during 2007-08, previous LDF Government could never reach this level of fiscal deficit. Fiscal deficit during the regime of previous LDF Government was in the range of 3.16% to 3.48%.

18. The revenue deficit which was 3.34% of GSDP in 2001-02 was 2.29% of GSDP in 2005-06 when our Government demitted office. But subsequent LDF Government could not maintain the declining trend of revenue deficit. As a result of the steady growth that the Indian economy achieved amidst global recession and also through the introduction of Value Added Tax system, revenue accounts of 21 States in the country became surplus during 2008-09. Unfortunately Kerala was one among the three general category states which had revenue deficit.

19. The per capita revenue deficit of Tamilnadu in 2009-10 was only ₹ 152.8 compared to Kerala's ₹ 873/- while Andhra Pradesh and Karnataka had per capita revenue surplus of ₹ 286.5 and ₹ 195.7 respectively during the period. However we have the company of West Bengal with a per capita revenue deficit of ₹ 2023.

20. Borrowings are justified when the amount borrowed is utilised for productive purposes to accelerate future development. But the case of Kerala is different. Here we borrowed to repay the old debts. As per the budget estimates for 2011-12, out of the total borrowing of ₹ 19633.28 crore, an amount of ₹ 15399.93 crore goes for repayment of principal and interest of past liabilities. In other words, we are not able to repay our earlier debt without borrowing. This is nothing but a situation of 'debt trap'.

21. Finance Commission has earlier clarified that states which do not control their deficit and borrowings are not eligible for financial assistance. We are facing the repercussions of this.

22. Though the 12th Finance Commission has announced a package to write off debt of those states which reduce the deficit, the State could not claim. ₹ 812.79 crore out of ₹ 1063.05 crore available during 2006-10 period due to its failure to comply with 12th Finance Commission guidelines.

23. In the area of development expenditure, the State is much behind the neighbouring states and also below the national average. This gets reflected in the decline of productive sectors like

Agriculture, Industry, Social Sectors like Education & Health and Infrastructure Sectors like Electricity, Road, Water Supply etc.

24. The State Government lost central assistance of ₹ 416.17 crore receivable in during 2005-10 for want of compliance of norms and timely utilisation of funds. Financial indiscipline of the former Government can be seen on this front also.

25. Sir, I am presenting the revised budget of the Government of Kerala at this juncture.

26. Previous Government also failed to maintain a prudent proportion between administrative sanctions issued and the budget provisions made thereof. As per the existing rules, administrative sanction for public works can be given up to 1 1/2 times the budget allocation. There are instances where the previous Government freely issued administrative sanctions upto 20 times the allocation. Apart from this, schemes involving huge financial commitment were also announced without ensuring adequate budget provisions and administrative sanctions were issued even without mentioning the head of account for the expenditure. The 'Vision 2010 Project', the Anti Recession Stimulus Package of ₹ 10000 crore etc. are few examples. Such ongoing works when completed will bring additional liabilities of around ₹ 2000 crores to this government during this year.

27. There is a claim that huge cash balance was available in treasuries while previous Government demitted the office. When this Government assumed charge on 18th May 2011, treasury cash balance

was ₹ 1963.47 crore. However the imminent cash outflow of a large order arising out of past commitments of the previous Government remained undisclosed.

28. An amount of ₹ 800 crore on account of arrears and revised salary and pension, ₹ 425 crore for payment of dues to contractors for February & March 2011, ₹ 27 crore payable to KSEB on account of subsidised electricity for small farmers, ₹ 27 crore for debt relief package, ₹ 13 crore payable for Medical Colleges for cost of medicines & equipments, ₹ 35 crore for works executed under MLA Development Fund, ₹ 136 crore promised to Kerala State Co-operative Bank as share capital, ₹ 200 crore required for payment of social security pensions at enhanced rates, ₹ 266 crore required for providing rice at ₹ 2 per kg. for APL families, ₹ 125 crore required for payment to Supplyco as arrears on paddy procurement, ₹100 crore required for land acquisition charges are some of the major items of dues payable which could result in immediate cash outgo. All these arrears come to a total amount of ₹ 2154 crore. Against this there is no sense in claiming a treasury balance of ₹1963 crore.

29. Apart from the above payments, an amount of ₹ 1800 crore is payable to PWD and Irrigation Department to clear bills under anti recession package. Another ₹ 115 crore is payable to infrastructure development of Vizhinjam port and ₹115.38 crore is due for works undertaken under vision 2010. Above all, recurring loss of K.S.R.T.C to the tune of ₹ 480 crore per annum and also the

outstanding liability of the Kerala State Housing Board ₹ 790 crore also exert pressure on States Finances.

30. Sir, The above analysis clearly illustrates that the deficient financial management brought the state in a Gordian knot which cannot be set right in one stroke. This requires long term planning and cohesive action. This budget is my humble effort in this direction. I am not attempting to redefine the budget of my predecessor in totality. Total recasting of the existing budget is neither practicable nor advisable since such an attempt may derail the economic activities started three months before, based on the then budget estimate. I therefore propose to make an attempt to construct the economic structure on the same platform as used by my predecessor. I propose to present the revised budget before the House, setting right the deficiencies in the budget of my predecessor, incorporating the changes required to fulfil the promises of the new Government and foreseeing the developmental needs of our state.

31. Sir, so far what I made was an analysis of state's fiscal condition and financial management. May I now enter into the area of our general economic growth & development.

32. Agriculture, fisheries and allied sectors have been stagnating with a growth rate of 1.12% to 3.35% only during the past few years. Similarly, electricity, construction sector, water supply sector have also not been able to show significant growth during this period. Even trade and real estate sector have been stagnating at about

7% to 10% and 8% to 12% respectively during the last five years. All these constitute an important stage of development that the Kerala economy stands today. Government is aware of the issues in economic development and accordingly, is of the view that it has to adopt a two fold approach to ensure development of economy with the emphasis on equitable growth. The first one is to ensure food and social security for its people, particularly those who are suffering from inaccessibility or deprivation. And this can be tackled by renewed emphasis on agriculture and allied sectors. The second one which is no less important, is the issue of infrastructure. The Government is aware that investments in infrastructure have tremendous impact on the life and lifestyle of the people and hence prefer to invest in infrastructures such as roads, communication, airport, seaport, etc. Also, effective management of water resource is important since water is the most important natural asset that Kerala has.

33. Besides investment in the social sector viz., health and education also would contribute to enrichment of human capital. Investments in these infrastructures would improve the opportunities of employment which in turn will contribute its significance to the social and food security.

34. I submit the revised budget estimate before the assembly rectifying the defects in the budget of my predecessor as far as possible and also envisaging the promises of the new Government,

foreseeing the development needs of the Government and effecting suitable amendments.

II

Priority schemes

Infrastructure Development

35. Kerala has regressed immensely in the field of infrastructure development. We have failed to make any substantial progress in this field during the last 5 years. Realising that the prime catalyst for development is infrastructure, the following important programmes will be completed on priority basis so as to accelerate the momentum of infrastructure development.

Vizhinjam harbour project

36. This Government is committed to materialise Vizhinjam Port Project which will propel development of Kerala, especially, Thiruvananthapuram. An amount of ₹ 150 crore is set apart to meet current year's expenditure of the project which have immense development potential.

Smart City

37. Smart City project is capable of providing one lakh employment opportunities and will be a giant leap in the state's in IT sector. I set apart ₹ 10 Crore for infrastructure facilities of this project.

Kochi Metro project

38. This project will provide a permanent solution for the transportation problems of Kochi city and help overall development of the region. To provide infrastructure facilities of this mega project, an amount of ₹ 25 crore is provided in the budget.

Kannur airport

39. Kannur Airport is the long cherished dream of North Kerala. This will ensure the industrial and tourism development of Kannur. I provide ₹ 30 crore towards expenditure for this scheme during this year.

Kottayam Mobility Hub

40. A mobility hub connecting the rail, road and water transport system will be established at Kodimatha. This will integrate intercity bus terminal, boat terminal and train terminal at one place. For the implementation of this project a special purpose vehicle will be constituted under the leadership of the District Collector, Kottayam. I set apart ₹ 5 crore for this purpose.

Kottayam-Kumarakom-Cherthala Tourist Highway

41. A four-lane tourist highway will be constructed connecting Kottayam(Kodimatha)-Kumarakom and Cherthala. The

proposed Highway will pave way for tourism development in Central Kerala. I set apart ₹ 5 crore for this project.

Ring Roads

42. The increasing traffic blocks have become a curse to life in modern Kerala. In order to find a permanent solution to this problem, it is high time to think of setting up ring-roads connecting major cities that enables travel without traffic blocks. In the first phase, ring roads will be constructed at Varkala, Kottayam, Pala, Majeri and Mambram in Malappuram district. ₹ 10 crore is earmarked for this purpose.

By-passes

43. Besides ring roads, by-passes are also inevitable to avoid traffic congestions. Time bound action plan has to be formulated to conduct surveys for by passes, for the construction and completion of old bye-passes and also to construct new ones at required places. In the first phase, the construction of new by-passes viz., Changanassery-Western bye-pass, Palakkad KSRTC Link road, Ayarkunnam-Kuttillam by-pass in Kottayam district, Parakkadavu Jyothis Junction Bye-pass in Kattappana and the Thrissur Amalanagar-Mannuthi By-pass will be taken up urgently in the first phase. ₹ 6 crore is earmarked for this purpose.

Hill Area Development Authority

44. A development authority for the comprehensive development of Hill area is a dream of farmers in hill area. I set apart ₹ 5 crore for setting up the Hill Area Development Authority and for its preliminary expenses.

Hill Highway

45. The long cherished desire of the State to construct a Hill highway will materialise this year. An amount of ₹ 5 crore is set apart for the construction of hill highway.

Master plan for the transport development of the State

46. For the development of any economy, quality transport system is very much essential. Considering the requirements of the next half century, a Master plan will be prepared for the development of the roads, water transport systems, ports, railway & airports in Kerala. For its primary activities ₹ 10 lakh is earmarked.

Comprehensive development for Varkala

47. A special purpose vehicle will be set up for the infrastructure development and comprehensive tourism development of Varkala area covering Sivagiri, and Papanasam. For its initial activities ₹ 2 crore is set apart.

Valluvanad Development authority

48. Aligarh University has started its centre at Perinthalmanna in Malappuram. Infrastructure development of this region has to be expedited in a planned and scientific manner. Considering the developmental needs, it has been decided to establish Valluvanad Development Authority with Perinthalmanna Municipality and adjoining Panchayats under its ambit. To meet the initial expenses, ₹ 25 lakh is earmarked.

Bharananganam Development Authority

49. With the canonisation of Her Holiness Alphonsamma, Bharananganam has developed in to an international tourist centre. Bharananganam offers enormous scope for pilgrimage tourism.

50. Bharananganam Development Authority will be set up with the intention of comprehensive development of Bharananganam and adjoining areas included in Meenachil, Thalappalam and Thidanadu Panchayaths. For initial expenses, ₹ 25 lakh is provided.

Comprehensive development of Sabarimala

Ernakulam-Sabarimala State Highway

51. Connectivity between Sabarimala and Ernakulam, the water-air-rail-road transport centre of Kerala, through the shortest possible road route has been a long standing demand. This road will be equally beneficial to both natives and outside state travellers. This road will connect Kalamassery, Kakkanad, Chottanikkara, Piravom,

Elanji, Monippally, Uzhavoor, Mundupalam, Ponkunnam, Erumely, Mukkoottuthara and Pampa. I provide ₹ 2 crore towards this.

‘Zero waste Sabarimala’ scheme

52. The most severe problem being faced on Sabarimala pilgrimage is the litter strewn in Pampa river and the roads leading to sannidhanam from there. This causes acute environment and health problems. Considering the increasing annual number of pilgrims, a waste treatment plant has to be set up at Sabarimala. Sabarimala, being the Poonkavanam of Lord Ayyappa, halting places en route have to be preserved. Towards this purpose, a new scheme called ‘zero waste Sabarimala’ is being formulated including Sabarimala and neighbouring places like Nilakkal, Pampa, Erumely and Pathanamthitta. Sir, with the implementation of this scheme, not only will Sabarimala, be litter free but a solution to the litter problems being faced by those residing on either banks of Pampa river, be solved to a large extent. ₹ 5 crore is provided for the initial activities of this scheme.

Eramely Township

53. A large number of pilgrims to Sabarimala first visit Erumely *en-route* to Sabarimala. Erumely, the symbol of communal harmony in India will be raised to a township. For initial activities ₹ 2 crore is provided.

Loan from Islamic Banking Institutions

54. The Road Development Project designed for implementation during the financial year 2011-12 though anticipating an amount of ₹ 40000 crore from the Islamic Bank, cannot be carried out this year for practical reasons. However, efforts to mobilise funds from this source will be made as and when the bank starts functioning in earnest in Kerala.

Construction of Special Roads and Improvement of Standards and Construction of Bridges

55. Good roads are a necessity for the development of the State's economy and sustained growth. But many roads in our State are of poor standard. Therefore road standards, in our State have to be improved urgently.

56. The standards of at least 1000 Km of roads in Kerala will be improved during the next five years. An amount of around ₹ 5100 crores including ₹ 1000 crores for land acquisition will be required for this. 'State Road Improvement Project' will be established for implementing this. Funds will be sought from Central Government and other financial institutions for this project.

57. Government intends to apportion a special fund in the budget in order to upgrade various important roads and bridges.

Kochi-Seaport-Airport Road

Kottayam T.B Junction-Kodimatha-Nattakom-Governemnt College Road

Ponnani-Vengalam coastal road

Kanjippura-Moodal road

J.T.S –Thayyil road renovation (Kannur District)

Podikund-Kannothumbal road renovation (Kannur District)

Amminikkad-Kodikuthimala road renovation

Angadippuram-Valanchery road renovation

Kumbala-Badiyaduka road

Nellikunnu bridge and Nellikunnu beach road construction

Thottayad over bridge

Panniyankara Railway over bridge

Puthiyapalam (Kozhikode)

Thiruvalla-Puthupally-Manarkad-Uzhavoor-Koothattukulam

K.R.Narayanan Memorial road

Kottarathilkadavu-Puthuppally angadi-Manganam road

Kooroppada Bye-pas

Thuravoor-Pamba road renovation and construction of Thaikkattussery, Nerekadavu bridges.

Eerayilkadavu, vattamoodu, Tharappelkadavu, Cherppunkal bridges in Kottayam District.

Idathirinji-Kattur road

Paretattukara-Kallettumkara road

Thadikkalkadavu bridge

Island-Kannamkattu bridge

Nettur-Kundannur parallel bridge

Neendakara-Velliyazheekkal Coastal road

Chekkikadavu bridge and Maniyankolly bridge

Thaliparamba-Koorg road

Painav-Thandikandom-Peppara-Maniyaramkudi-Asokakadavu road

Prakash Karikkinmedu-Upputhode road

Swaraj-Kozhimala road

Mundakkayam-Koruthodu-Kanamala-Pamba valley road

Palluruthi-Nalppathadi road

Ponnara bridge

Mundakkayam Bye-pass

Chengannur-Kallissery bridge

Pattan Kulichapara Meenankal-Pannikuzhi road

Ponnamchund-Chayam-Peringammala road and bridge

Koovapadi bridge

Valakam-Pathanapuram-Sabarimala Bye-pass road

Chirattakonam-Melila-Kunnikode road

Vakayar-Vallikode road

Chandanappalli-Konni road

Payyavur-Paisakkari, Chandakkampara-Vanchiyam road

Ponkunnam-Pala road

Poovam-Thirumbazhakadavu bridge

Changanassery-Vazhoor Road renovation

Karukachal-Manimala road

Uravaikkal-Koorali Road

Kollappalli-Melukavu Moonnilavu road.

58. For the above roads and for other important roads and bridges to be selected from the 14 districts ₹ 200 crore is earmarked. Steps will be taken to upgrade more roads after locating additional resources. In addition, ₹ 125 crore is also earmarked for taking up those works included with a token provision in Volume IV of Works Budget as and when Administrative Sanction for those works are issued. Thus the additional funds provided for new works will come to ₹ 325 crore.

Revenue Towers at Harippad, Kattapana, Kodugallur

59. The programme for construction of revenue tower will be continued. New revenue towers at Harippad, Kattapana and Annamanada in Kodugallur will be started under the auspices of Kerala State Housing Board.

Capital City Development

60. This Government gives foremost consideration for the development of the capital city. With this in view, ₹ 30 crore is provided for various activities.

Aruvikkara Convention Centre

61. Aruvikkara, abounding in natural beauty is located on the banks of Karamana river and is away from the bustling capital city. A development authority will be constituted for comprehensive development of Aruvikkara. A convention centre of international standard will be set up here and for this purpose, ₹ 50 lakh is included.

International standard market

62. An agricultural market of world standard will be set up at Poovachal in Thiruvannathapuram, for which ₹ 25 lakh is provided

Agriculture Sector**Farm Advisory Messaging**

63. Through sound messages and video clipping, the prices of Agricultural produce, pest-disease control measures, climate changes,

crop protection measures, apt timing for farming, the availability of seeds and other agricultural equipments etc. will be given to farmers through their mobile phones. A new system for this will be framed. This will be implemented by Farm Information Bureau. An amount of ₹ 10 lakh is earmarked for this purpose.

Krishibhavan – Land owner contract Farming

64. Kerala is dependent on other States to a large extent for its vegetables and fruits requirement. At the same time, there exists a situation where our fertile land is allowed to either lie fallow or remain completely unused. I announce a scheme whereby Krishibhavans will locate such lands and enter into a farming contract with land owners for cultivating vegetables and tuber crops in these lands. The scheme will be implemented giving full protection to the land owner's rights. When such contracts are entered in to between Krishibhavans and land owners the latter will have the right to resume the land from Krishibhavan after giving six months notice. Interested land owners can form a partnership with Krishibhavans in accordance with rules that would be framed later to cultivate specified crops. The service and co-operation of women's self help groups like Kudumbasree, Janasree and Grihasree can be utilised for this. A detailed scheme will be prepared and implemented during this year itself. ₹ 2 crore is earmarked for this purpose.

Pension for Small Scale-Nominal farmers

65. Small scale-nominal farmers having land less than one hectare are financially very weak. Though most of them are BPL, their role in the development of Kerala economy is very crucial. But they are not getting any recognition or benefit for their contribution. But several organised and unorganised groups under public and private sectors are getting pension or such benefits. I think this is a contradiction. So the small scale-nominal farmers need support.

66. In the circumstances, the Master or Mistress, in the family of small scale-nominal farmers, aged more than 60 years, will be given an annual pension of ₹ 3600 @ ₹ 300/- per month. The benefit of this scheme is limited to those who are not in receipt of any benefits of Government/Quasi Government pension schemes or with Government employment.

67. For this pension scheme, ₹ 25 crore is set apart during this year.

Kissan Pass-Book

68. Majority of the farmers in Kerala hold less than a hectare of land. They depend on banks or co-operative societies for financial assistance. They have to pledge the original deed of the land as security of the loan. Those who lost the original deed have to publish this in newspapers. Besides this they have to submit location certificate and encumbrance certificate. They have to pay huge fees in

banks and other institutions for which the Gehan law is not applicable. As a remedy to this the previous UDF Government passed a legislation to issue Kissan Pass Books and obtained assent of the President of India. The LDF Government did not make any effort to frame rules for the implementation of the Act. Legislation to sanction loan to farmers on the strength of Kissan Pass Book will be a great relief. As a beginning this, Act will be introduced at Wayanad and Idukki. The Rules for this will be framed at the earliest and implemented. For this, I set apart ₹ 10 lakh.

Agriculture land to be exempted from Forest-Environment law

69. Under the Forest Ordinance promulgated during the tenure of the previous LDF Government, the Patta land of a large number of small scale farmers, especially the land of farmers in Malabar area was declared as forest land by land-environment protection scheme and that too without any notice or remuneration to these farmers. But as per the law introduced by the former UDF Government, tea, coffee, rubber, pepper, cardamom, coconut, areacanut and cashew plantations or the land with house or land suitable for such purposes were fully exempted from the purview of the said ordinance. This law got the assent of the President on 25.04.2005. Due to the failure in implementing this law, the farmers could not avail its benefits. In the circumstances, the protection under this law will be ensured to all eligible farmers.

Permanent right to the farmers who had bought surplus land, deceived by land lords.

70. A large number of farmers, especially in Vadakkekalam of Malabar area, were deceived into buying land without understanding the facts vividly. They were evicted from these lands which were under their possession for a long period and were being cultivated. The UDF Government found the situation of farmers evicted from their farming land after being deceived by the land lords as sorrowful and unjust. Hence to solve the issue, suitable amendments to the law were brought in and approval of the President obtained. But the previous LDF Government was reluctant to implement this law. Urgent steps to implement the said law will be taken by this Government. Ownership certificate to all these farmers will be issued through Taluk Land Board.

Interest subsidy on prompt repayment of loans.

71. One of the major problems faced by the farmers is the heavy interest on loans. For the agricultural loans availed by farmers through primary Co-operative banks, the rate of interest is upto 12%. The higher rate of interest is the main reason for the farmers falling under debt-traps. There are many painful instances where this debt-trap has led to farmer's suicides. The lending institutions are also facing problems due to the non re-payment by the loanees. This situation is to be avoided and both the farmers and the lending institutions are to be protected. For this, I declare 'Stimulus Interest

Subsidies package' on prompt repayment of loans. The benefit of 5% interest subsidy will be allowed to all those who avail agricultural loans from co-operative financial institutions who make prompt re-payment of loans. For this purpose, I set apart ₹ 10 crore.

Full pumping subsidy to backwater farmers

72. The pumping subsidy was sanctioned to the backwater farmers through one of my previous budgets. Due to the subsequent increases in cost of pumping and the imposing of 'Nerma' by the pumping contractors, the farmers are not getting the full subsidy for the pumping. This situation is causing much loss to the farmers. To mitigate the hardships, the total cost of the pumping will be sanctioned as subsidy. I set apart ₹ 50 lakh for this purpose, which will give much relief to the thousands of farmers in the Kuttanad region.

Cattle-feed subsidy

73. Due to the increase in the cost of cattle feed, the production cost of milk has increased very much. This situation is causing much hardship to the dairy farmers. In this background, the subsidy for the cattle feed will be doubled. For this year's expenditure, I earmark ₹ 3 crore.

Agricultural Insurance

74. Agriculture crop production is now in crisis because of monsoon related calamities, disease, pestilence and climate change. Farmers who have availed agricultural loans cannot afford to bear

such destruction. The solution for this is providing crop insurance. The Central Government with the approval of Insurance Regulatory and Development Authority has formulated various insurance schemes. But many of these schemes have not been implemented in Kerala. Although paddy cultivation has a limited insurance coverage at present, other crops have no insurance coverage. I intend to overcome this limitation. In this context, the Government will implement a comprehensive scheme for providing insurance to all crops integrating accident and pension benefits.

75. A scheme would be framed that would bring all insurance policies handled by various State Government departments under one roof and got re-insured without additional liability to Government. For formulating the scheme and undertaking studies ₹ 10 lakh is earmarked.

Land Use

Provision for Utilisation of Plantation land for other crops.

76. Plantation crops are exempted from land ceiling as per Kerala Land Reforms Act. But if the land exempted so is used for other purposes, it will lose the protection granted under the Act. Now, a lot of plantation crops except rubber are facing loss due to crash in price. The small farmers and workers in these plantation are in distress. If 5% of the land in these plantations are permitted to be used for other productive purposes like cultivating medicinal plants, horticulture, floriculture and tourism projects, it will be a remedy for

this crisis to a certain extent. The bill passed in this regard by this house will be enacted.

Exempting Cashew plantation from Land Ceiling

77. The Kerala Land Reforms Act envisages an upper ceiling on land that one can hold. The exemption clause therein was cancelled through the amendment to the Act in 1970. This has adversely affected the cashew production in the State. 10 Metric ton cashew is needed for the functioning of cashew factories in the state. But the production is as low as one metric ton. A solution for this crisis lay in increasing the production of cashew treating it as a plantation crop. In order to protect this traditional industry and to save the cashew workers from starvation, we have to encourage large scale cashew farming. In the circumstances, the amendment proposed by the UDF to exempt the land under cashew cultivation from the upper ceiling of Land Reforms Act will be pursued further.

Development of fallow land under Government possession through Public-Private-Panchayat participation

78. The area of private land taken over by Government over the years for developing roads, straightening of curves, completion of projects and other public purposes often remains unused after the original purpose is served.

79. The situation is no different in the case of private land taken over for other purposes. The possibility of at least a portion of

such land being encroached upon remains. This will have to be deemed as encroachment of public land and has to be redeemed.

80. Such land have to be located, measured and if found suitable, reserved for public use. If it cannot be used by the public, then they could be marked for Public Private Panchayat Participation ventures or leased out for agriculture, floriculture or other value addition ventures. This project would enhance food production, infrastructure development, development of local commerce and lead to increasing revenue of Local Self Governments.

81. Sir, I would now go on to schemes in other areas.

Fisheries

82. Housing schemes for traditional fishermen of the State will be implemented in a time bound manner. This 400 crore scheme will be implemented with the help of various agencies, besides Central and State Government shares. ₹ 10 crore is provided as State share during this year.

Coastal area development authority

83. I provide ₹ 5 crore for the initial activities of the Coastal Area Development Authority proposed to be established for the comprehensive development coastal area of the State.

Education sector**Ezhuthachan Malayalam University**

84. Government have taken a policy decision for setting up of a Malayalam University in the name of Thunchath Ramanujan Ezhuthachan, father of Malayalam language, aimed at preserving our history, culture and heritage and for strengthening our cultural reformation activities. For the preliminary expenses, I set apart ₹ 1 crore.

Educational and Health Hub

85. KSIDC and INKEL are jointly developing an Educational and Health hub in Panakkad at Malappuram. I am setting apart ₹ 1 crore for its infrastructure development.

Vidyadhanam Loan scheme

86. I am happy to announce the launching of an education loan scheme with the help of KSFE for the students of weaker sections having annual income of less than ₹ 1 lakh. Loans amounting ₹50,000 to ₹10,00,000 will be disbursed at bank rate interest for a maximum period of 11 years towards admission fee, caution deposit and other fees. This loan is to be repaid within 5 years from the 12th month of completion of the course or on employment after completion of the education, whichever is earlier. Loans upto ₹ 5,00,000 will be sanctioned on personal surety and loan exceeding this limit will be sanctioned after obtaining collateral security. The guardian of the

student will be the co-obligant. KSFE will set apart ₹ 30 crore every year for this. Every year around 1500 students will be benefited.

87. Considering the social commitment of the scheme, 12% floating rate-interest will be applicable to this loan. 4% of this interest burden will be borne by the Government as annual subsidy.

Health sector

Rajeev Arogyasree Health Insurance Scheme

88. Though we are proud that our State is ahead in the health sector, people are to expend huge amounts for investigation and treatment of diseases. Government hospitals are unable to deliver qualitative service due to the surge of large number of patients. Private hospitals offering better services are not affordable to common people. As a solution to this issue, a comprehensive health insurance scheme named "Rajeev Arogyasree" will be started this year providing for free treatment upto ₹ 2 lakh in all Government hospitals and private hospitals.

89. The total premium amount for the implementation of this scheme is to be paid to the insurance companies. A total of 52 lakh families including 32 lakh BPL families and 20 lakh APL families having annual income less than 2 ½ lakh, will be benefited under the scheme. Government employees, Quasi-Government employees and those who are having annual income above ₹ 2 ½ lakh can voluntarily

join this scheme on direct payment of the premium amount. For the initial activities of the scheme, ₹ 25 crore is earmarked.

Special Lottery Draws for the Treatment of Cancer, Kidney and Heart Disease Patients and Palliative Care

90. At present, Kerala Lottery is conducting draws once in a week. Hereafter, the draw will be conducted on all days in a week. Among these, proceeds of the four draws will be earmarked for providing financial assistance for the treatment of cancer, kidney, heart diseases and Palliative Care Patients. The income from these draws will be utilized for providing assistance for the treatment of such patients. With the income from this, a special fund will be formed. The State level and District level monitoring committees with concerned officials will be constituted for the administration of the fund and guidelines framed for utilisation of the funds.

91. The application along with the estimate and recommendation of the Head of the Department of the Hospital, where the patient is treated is to be forwarded to the District Collector through District Committee Convener. Decision on such application will be taken within 10 days and the patient and hospital authorities will be informed of the position. On completion of the treatment, the sanctioned amount will be made available to the Head of the hospital. Amount will be sanctioned by the District Collector. On behalf of the State Committee, the fund will be kept in a separate account and the allotment will be given to the District Collectors based on

requirement. The activities of the District Committees will be closely monitored.

Super Speciality Hospital at Thalappady

92. This year, Government earmarks ₹ 1 crore for the establishment of a Super Speciality Hospital as a second phase of the Bio-Medical Research Institute, which has already started functioning in the Thalappady Nursing College Campus of School of Medical Education under MG University.

Modern Medical centre at Wayanad

93. People living in Wayanad are suffering a lot due to non availability of modern medical facilities. In order to provide specialized medical care, a modern medical centre on par with the standards of Sree Chithra Medical Centre Thiruvananthapuram will be set up at Wayanad and Government will make available adequate land for this purpose. I set apart ₹ 2 crore for this purpose.

New medical colleges

94. Four new medical colleges will be started at Kasaragod, Idukki, Malappuram and Pathanamthitta districts. To meet the preliminary expense for this purpose, I set apart ₹ 5 crore.

Social Welfare

Enhanced Labour welfare pensions and social security pensions

95. The pension scheme for farm labourers was introduced in Kerala for the first time in India in the Budget Speech, which I presented in the Assembly during 1980-81. The rate of pension was @ ₹ 25 per month in the beginning and this was increased thereafter. Considering the increased cost of living, I think the present rate needs enhancement. Though the previous LDF Government announced an enhancement of the pension from ₹ 300 to ₹ 400, they neither made any provision for the same nor the orders in this regard were issued. Government therefore propose to enhance all the welfare pensions from ₹ 300 p.m to ₹ 400 p.m.

96. A new scheme with central government aid will be formulated for endosulfan victims. Families of those died have been given ₹ 1 lakh each. Government intends to introduce a package to provide speciality treatment and protection to those who are suffering from the ill effects of endosulfan.

97. Grants will be distributed to all eligible orphanages under social welfare department. I provide ₹ 5 crore additionally for this purpose.

Employment opportunities

Kerala State Self Entrepreneur Development Mission

98. The unemployment problem is very serious in Kerala. The figures shows that ten percent of the total unemployed of the country is in Kerala. The majority of the jobless are the educated unemployed. The immediate need is to solve this situation. I present before this house a new scheme 'Kerala State Self Entrepreneur Development Mission' with an investment of ₹ 500 crore capable of generating one lakh job opportunities.

99. This scheme will be implemented with the joint participation of Public and Private sectors and Panchayats (PPPP Model). Kerala Financial Corporation will act as its nodal agency.

100. Training programmes will be conducted with the help of National Skill Development Corporation and Entrepreneurial Development Institute of India to make educated youth capable of becoming entrepreneurs.

101. Fifty youths from each Panchayat/Municipal and Corporation area will be enrolled for the training and a list of such 50000 trained persons will be prepared. Groups comprising five members of these trained youth will start around ten thousand small and micro enterprises.

102. Ninety percent of the total project cost of these industrial units will be granted as interest free loan by the Kerala Financial

Corporation. Under this scheme, the groups will be given loan assistance of ₹ 20 lakh. Technocrats who are not members of the group will be given loan of ₹10 lakh. Besides this, one percent of the investment will be provided as managerial subsidy for the first three years those who repay the loan without default.

103. Under this scheme 50000 entrepreneurs and another 50000 employees @ 5 persons per unit will get employment thereby generating 1 lakh additional job opportunities. The estimated cost of this mega project is ₹ 2000 crore. This scheme will be implemented under the loan scheme of KFC. ₹ 25 crore is earmarked towards interest subsidy expenses of this scheme.

Waste disposal

Litter free Kerala Scheme

104. Kerala, God's own country is turning to be a heap of solid waste. This is the main reason for spreading of dangerous epidemics and causing ecological and environmental problems. Government perceives this as a problem that has to be solved urgently. It is not merely a question of existence and development but is also a matter of honour. The only solution is to make Kerala litter free. Only if the Government, Local Self Governments and voluntary organisations take dedicated efforts with a strong will can this aim be achieved. For this purpose, I introduce the 'Litter free Kerala' scheme.

105. Schemes will be formulated to process bio-waste at its source itself and convert it into manure to be used for vegetable and fruit cultivation. In areas where this is impossible, processing plants will be set up at Panchayat level converting the waste into bio-gas and bio-fertilisers. Processing plants will also be set up at Block Panchayat level to recycle non-bio waste and convert them into value added products. The intention is to install plants at district level for converting waste into electricity.

106. Government will solicit full support and co-operation of its people and national level institution for this scheme. The scheme will be implemented through Local Self Governments. Government will bear 50% of the project cost and the balance will be borne by the Local Self Government. ₹10 crore is provided for carrying out the first phase of the scheme.

Cultural Affairs

Travancore Folklore village

107. Travancore folklore village will be started at Mungani in Vellavoor Panchayat on the banks of Manimala river for preserving and fostering the traditional popular art forms of Central Travancore. Vellavoor panchayat will hand over 1.5 acres of land and building under its ownership in Mungani to Government for this purpose. ₹ 5 lakh is provided for initial expenses.

Administration

Performance Monitoring Evaluation Scheme

108. The progress of any society depends upon the efficiency of its administrative set up. The State gives utmost importance and spend the lion's share of its resources for its administrative set up. It should be ensured that the system delivers timely and obligatory services to the people. Otherwise, the aim of the system would become irrelevant. The Performance Evaluating Monitoring System will be introduced in every field of administration. For this, all Departments will prepare the 'Result Framework Documents' of their aims, duties and responsibilities and in the light of this document, the performance of its employees will be appraised. For this, I set apart ₹ 10 lakh.

Kerala Civil Service Institute

109. On the lines of Civil Service Officers Institute, Department of Personnel and Training, Government of India, the State Government would set up a Kerala Civil Service Institute. To provide for its infrastructure such as computer, library, etc, I set apart ₹ 1 crore.

110. Now, it is my turn to mention other important areas of activity.

III**VARIOUS DEPARTMENTS****Agriculture Department**

111. Development of Agriculture sector is the basic requirement of State's economy. Top priority will be given to this sector which is now in doldrums.

112. Though a Paddy Mission has been set up to increase production of paddy, its performance is not at all satisfactory. Government therefore propose to restructure the mission and invigourate its activities.

113. It is proposed to constitute Agricultural Monitoring Committees at regional level to monitor timely receipt of subsidies and other benefits to farmers. In order to impart training to youth on the usage of new agro machineries and to familiarise them in the modern agricultural techniques National Research and Training Centre will be established at Koothuparambu in Kannur District.

114. A community radio station will be started at Kuttanad to ensure people participation for Kuttanad package. With the assistance from central Government, flood control activities will be implemented in a time bound manner under Kuttanad package.

115. A special package will be implemented to help the arecanut farmers at Kasaragod District, who are in distress due to crash in arecanut prices. Cashew and Arecanut Processing Units

will be started at Kasaragod. Diploma course in agriculture will be started at Regional Agricultural Research Centre, Pattambi.

Animal Husbandry

116. In order to ensure food security, production of milk, meat, egg, etc. has to be increased on priority basis.

117. Schemes to enhance production of milk and other value added products from milk will be implemented. Steps will be taken for proliferation of high breed cows.

118. Special scheme will be launched to modernise Meat Products of India Limited. Speciality veterinary hospitals will be set up with modern facilities.

119. Integrated Cattle Development Scheme of a total cost of ₹ 10 crore will be implemented with central assistance in 73 selected dairy blocks.

120. Cattle disease in the State will be brought under control by massive immunisation programmes.

121. In order to kindle interest among children in rearing and protecting domestic animals a new scheme 'field to school' will be launched.

Fisheries

122. Government will undertake effective action to enrich Kerala's fish wealth and ensure welfare of fishermen.

123. Housing schemes for the houseless fishermen families residing on the coastal belt will be expedited.

124. Construction of the Fishing Harbour at Thanur will be started. Small scale ventures promoting marine food processing centre will be started in the model fishing village at Thanur.

General Education

125. Human resource is the greatest wealth of our state. The quality of education must be upgraded if we want to tap this potential to its full extent. Government is now moving in this direction.

126. The existing noon meal programme will be extended to students studying in standards 9 and 10 and set apart ₹ 5 crore for this purpose.

127. Government also propose to provide free uniform to school children between 6 and 14 years. The expenses for boys from BPL families and girls will be met for the funds of SSA and that of other boys will be borne by State Government.

128. The financial assistance of ₹ 1 crore announced for the development of Ayyankali Memorial School, Venganoor will be given this year.

129. An insurance scheme covering all school children will be launched. I set apart ₹ 1 crore for this purpose.

130. Braille printers will be provided to 14 schools for blinds in the State to help blind students.

Higher Education

131. Government will take necessary steps to get institutes of technological excellence like IIT, IIIT established in the state.

132. Government will establish a centre to promote study, research and communicative skills in English and other foreign languages. I set apart ₹ 10 lakh for this purpose.

133. Government will make efforts to start five new poly techniques in the State with financial assistance of MHRD, Government of India.

134. KCHR in collaboration with national and international research institute will undertake multifaceted research activities at 'Pattanam' under Musiris Heritage Scheme.

135. As part of upgrading higher education facilities in highland sector, Government proposes to upgrade Naduvil Technical High School to a Polytechnic. I set apart ₹ 50 lakh for this purpose.

136. To promote fundamental and applied research ,a Trivandrum Engineering Science and Technology Research park will be established in the College of Engineering, Thiruvananthapuram.

I set apart ₹ 50 lakh for this purpose. A Transportation Engineering and Research Centre will also be started in this college.

Research and Technology Transfer

137. An academic block will be built at Government Engineering College, Kozhikode. An amount of ₹ 1 crore is set apart for meeting the expenses of the first phase of this work. The second phase of Technical Quality Improvement Programme having an outlay of ₹ 142 crore to be implemented in a period of four years from 2011-15 will be implemented in 7 Government Engineering Colleges and 7 Government Controlled Self financing Engineering Colleges. I set apart ₹ 12 crore for meeting the expenses of this year.

Health

138. At least one Government hospital in each block panchayat will be equipped with special units such as General Medicine, Surgery, Paediatric and Gynaecology for ensuring improved health care to the public.

139. One Dialysis centre will be started in each District .

140. Women and Children Hospitals will be started in all districts where such hospitals are not available at present. Basic infrastructure facilities of Alappuzha, Thrissur and Kottayam Medical Colleges will be improved, for which an amount of ₹ 43 crore is earmarked. An OP block will be built at General Hospital, Pathanamthitta.

141. Ayurveda drug control unit will be strengthened to ensure quality of Ayurvedic medicine.

142. For the treatment of poor cancer patients ,a Linear Accelerator Machine will be installed in Kozhikode Medical College. An amount of ₹ 2 crores is provided for this purpose. The Cobalt Therapy Unit in this hospital will be made operational .

143. A new casualty block will be constructed in Kottayam Medical college, for which ₹ 1 crore is provided . New machineries will be installed in the Cardjiotherapic block of this hospital and it will be made operational ₹ 1 crore is provided for this.

144. An amount of ₹ 2 crore is provided for installing Trauma Care Unit and for the treatment of cancer and communicative diseases in Alappuzha Medical College

145. The existing midwifery centre at Pallippadu will be upgraded as a PH centre.

146. The work of K.R. Narayanan Memorial hospital, Uzhavoor at an estimated cost of ₹ 4.5 crore will be started during this year.

147. In order to extent modern medical facilities to more people, Government proposes to upgrade Changanaserry and Irinjalakkuda Taluk Hospitals as General Hospitals. I set apart ₹ 50 lakh for this purpose.

Social Welfare Department

148. This Government is committed to ensure the social security coverage to the vulnerable sections of the society, viz, women, children, mentally or physically challenged persons, widows, destitutes and old persons who are in need of social provisioning.

149. Help Desks will be started in all Districts to give assistance to old persons.

150. Special care centres will be started under Social Welfare Department to give after care services for the rehabilitation of persons discharged from Mental Hospitals.

151. Women Information Centres will be started in all Districts.

152. The 'Cancer Suraksha Scheme' will be implemented more effectively.

153. Assistance will be provided to those undergoing dialysis, kidney transplantations and children undergoing surgery for congenital heart diseases. The Scheme will be implemented jointly by the Health Department and Social Security Mission.

154. The Hunger Free City Project will be extended to all cities in a phased manner.

155. The Kerala State Women's' Development Corporation will implement a new scheme of 'e-toilets' exclusively for the use of women.

156. New Mahila Mandirams will be started at Wayanad and Idukki. New observation home will be started at Idukki. The school Counselling Programme for adolescent girls will be extended to all Higher Secondary Schools. New working Women's Hostels will be started in all Districts.

157. Annadayani Scheme to provide cooked food to tribal hamlets will be implemented through Social Security Mission.

158. Awareness campaigns will be started to prevent atrocities against women.

159. Khadi and Hindi pensions will be enhanced to ₹ 2000/- per month.

160. The pensions to the Second World War veterans will be enhanced from ₹ 600 per month to ₹ 1000 per month.

Industries

161. In Industrial Sector, this Government aims to adopt a modern approach. This policy will be an extension of the success stories that Kerala so far achieved.

162. The Global Investment Meet (GIM) was one of the historical achievements of the previous UDF Government. The GIM

declared before the world that Kerala is an investor friendly state. The Smart City was one of the mega projects declared in the GIM. Many mega projects could have been started now, had the then opposition extended necessary co-operation in this regard. Government, therefore propose to convene an investment meet "Emerging Kerala" to attract the investors from India and abroad.

163. In the present financial scenario, Industrial policy of the State Government will be analogous with the industrial and economic growth of the country. Economic growth can be attained only through investment. Kerala will be made a more investment friendly state and in investment, a Kerala brand will be developed. This Government propose to make a radical change in the field of investment, adopting necessary policies and administrative measures. In order to showcase Kerala an Investor friendly state, effective publicity campaign will be started with the leadership of Hon'ble Chief Minister in India and abroad. I request the full support of all sections of Kerala society for this mega event.

164. We shall promote the industries which are conducive only to our state. The infrastructure for the development of industries in Kerala will be developing through KINFRA, KSIDC, INKEL, etc. In this context the importance of Kochi-Coimbatore freight corridor is quite significant.

165. In the mindset of Kerala society, public sector is a weakness. More joint venture enterprises in collaboration with central

public sector undertakings will be started. An action plan for this will be prepared immediately in consultation with the Central Government.

166. The traditional industries are a part of our culture. Priority will be given for their protection and it will be promoted and nourished with a social perspective.

167. Thousands are employed in the small scale industries. Kerala Government will give all protection and support to the small scale entrepreneurs in accordance with micro, small, medium enterprise policy of Central Government.

168. The inadequacy of infrastructure facilities is said to be the main reasons for the hesitation on the part of the entrepreneurs to make investment in Kerala. Private-Public Participation (PPP) Policy will be implemented.

169. The mind set of the average Malayalee is to secure a job immediately after completion of education. It is high time to change this mindset. The vision of the Government is to develop a new work culture in Kerala to develop the State as an enclave of prospective entrepreneurs. Considering the constraints of Kerala, it will be better to have thousands of small and medium scale industries in the place of ten or twenty large scale industrial houses. In Kerala, the industries like IT, Tourism, Commerce, Service and Health are on the verge of a quantum leap. This Government will take all necessary steps to end discriminations faced by the enterprises under these sectors.

170. By the return of the SMART CITY, a new chapter will be opened in the IT Sector. Joint publicity campaign will be started to invite more companies in the SMART CITY and IT Parks. Similarly action will be taken to move Kerala in the forefront of e-governance and e-commerce.

171. The possibilities for immediate investment in IT Sector will be at Thiruvananthapuram, Kochi and Kozhikode. But this investments can be extended to other small cities in a phased manner. For this, new IT Parks will be started in selected towns.

172. The Co-Operative Spinning Mill in Mala was originally started by late Chief Minister Sri. K. Karunakaran. In memory of late Sri. K. Karunakaran, this Spinning Mill will be renamed as 'K. Karunakaran Memorial Co-Operative Spinning Mills'. For the revival and expansion of the Spinning Mill, I set apart an amount of ₹ 2 crore.

173. Government has decided to modernise Kottayam integrated powerloom unit at an estimate cost of ₹ 22 crore. For the first phase of this project, I earmark ₹ 2 crore.

Infrastructure Kerala Limited (INKEL)

174. This Government is committed to promote industrial activities. For this more industrial parks will be set up and necessary assistance will be provided.

Traditional Industries

Coir

175. Coir Industry is the important sector among our traditional industries. This industry and its workers are struggling for survival due to various reasons viz, shortage of raw materials, instability in price, inadequate marketing facilities, absence of proper R & D and modernisation. This Government will try to solve these problems to the maximum extent possible.

176. To promote the sale of Coir products by attracting more domestic and foreign consumers, it is proposed to start a 'Coir Village'. An amount of ₹ 50 lakh is set apart for this purpose.

177. To solve the problem of fibre shortage, Government will enhance the subsidy for the fibre supplied by Coirfed and the fund for purchase price stabilisation scheme implemented by Coir corporation.

Public Works Department

178. The Four line Seaport, Airport road in Ernakulam district will be completed. For the construction of two bridges on this road, an amount of ₹ 42 crores will be made available from NABARD. Total estimated cost of this project including land acquisition will be ₹ 600 crore. For the preliminary expenses of this project, I set apart ₹ 5 crore.

Moidu Bridge

179. A new bridge will be constructed parallel to the existing Moidu bridge connecting Thalassery and Kannur constructed by the British in 1931. ₹ 2 crore is provided for this purpose.

180. The repair and maintenance of all major roads and other connected roads to Sabarimala will be completed before the Mandalam season. To avoid the frequent repairs, all these roads will be reconstructed with a long term perspective at international standards.

181. Steps will be taken to get the work of the Alappuzha and Kollam by-pass roads completed at the earliest.

182. Kottayam-TB Junction-Kodimatha-Nattakam road, part of MC Road from TB Junction to Nattakom and from Manipuzha to Divan Junction will be developed as Four-line track. The construction of Manarkadu – Ettumanur road as part of Kottayam bypass will be completed for which an amount of Rs. 2 crore is provided. An amount of ₹ 1 crore is set apart for the improvement of Chingavanam-Kollad-Kanjikuzhy by-pass road.

183. The eco-friendly 'Green Building Scheme' will be implemented. For the implementation of this scheme, assistance from Central Non-Conventional Energy Department is expected. The construction of Mini Civil Station at Vellanad and Kattappana will be started.

184. All the roads in Kerala will be scientifically reconstructed, taking into consideration of its geometrics.

185. E-Tendering will be implemented to simplify the tender procedures and to make it transparent. To ensure more transparency, the details of PWD works will be published compulsorily in the website.

Water Supply

186. The Government will give priority to strengthen the Water Supply chain, which is essential for the livelihood of people and needed for the development of the productive sector.

187. To strengthen the drinking water supply in Thiruvananthapuram city and surrounding areas, the reservoir level of Peppara Dam will be increased by 6 more metres from the present 104.5 metres. Permission from the Government of India will be obtained soon.

188. To avoid the frequent of pipe-break in Thiruvananthapuram city and nearby areas, the old pipelines will be replaced with ductile iron (DI) pipes. To replace old pipe lines in various water supply schemes of the State, ₹ 65 crore is earmarked.

189. To solve the problem of frequent pipe break in Vazhipparabu Mathrumala Drinking Water Project, Kottayam, old pipe lines will be replaced with DI (Ductile Iron) pipe, for which an

amount of ₹ 33 lakh is provided. To extend the rural water supply scheme to Lakkuttur, ₹ 26 lakh is provided.

190. To solve in drinking water shortage at Vengara and adjoining panchayats of Malappuram district, a new water supply scheme will be started and ₹ 1 crore is earmarked for this purpose.

191. To solve the environmental problems due to plastic bottles, pure drinking water will be provided in tetra packs. For this, plants will be started at Aruvikkara, Thodupuzha and Thusharagiri (Kozhikode District).

Water Resources

De-Silting of Dams

192. The scheme for extraction of sand from dams announced by my predecessor did not turn a success. Taking into consideration of this experience, sand and silt from dams will be collected using machinery and purified sand will be made available, thereby ensuring enhanced income.

New Dam at Mullaperiyar

193. As far as Kerala is concerned Mullapperiyar is a problem of safety, and for Tamilnadu, it is of water. The policy of this state government is to ensure the water for Tamilnadu and safety for Kerala. Project report on construction of new dam at Mullaperiyar will be submitted to the empowered committee designated by the Supreme Court. Accordingly a special authority

will be entrusted with the construction of the new dam with in four years and for its observation. For this year's expenditure ₹ 5 crore is provided.

Irrigation

194. Steps will be taken to extend the CADA project to Moovattupuzha Valley Irrigation Project area also.

195. The renovation works of Thevara-Perandoor Canal (Kochi Corporation), Mullassery Canal, Market Canal, Edappally-Thrippunithura Canal, Canoli Canal (Kozhikode Corporation) will be expedited.

196. With the aid of World Bank, Jananidhi phase II activities having a total project cost of ₹ 1200 crore and benefitting 250 Grama Panchayats will be started this year.

197. Top priority will be given to the works of bunds, renovation of tributaries etc. under Kuttanad Package with the central assistance of ₹ 2800 crore. For this, ₹ 200 crore is earmarked.

198. Check dams will be constructed in needy places for rain water storage.

199. Urgent steps will be taken to operationalise Thiruvananthapuram-Kasaragode water way.

200. A massive scheme will be launched to provide triangular concrete blocks (Pulimuttu) to prevent sea erosion. For this, ₹ 12.5 crore is set apart.

Meenachil River Basin Scheme

201. I announce a project to keep the water level of Meenachil river at least at 1 cubic feet throughout the year, by diverting the tail raise water from Idukki to Moonilavu Panchayath through the tunnels by building check dam at Arakkulam in Thodupuzha Taluk. The water so diverted will be channelled at Kadappuzha river the tributary of Meenachil river. This mega project will help to strengthen the water sheds in areas of Panchayats and Municipalities on the both banks of Meenichil River. It will benefit in bringing drinking water to a large number of people and will ensure the agriculture development of a larger area. Besides, this project will help to prevent the flow of brakish water from Vembanadu lake to Meenachil river. It is aimed to implement drinking water project in the first phase and Irrigation project in the second phase. For the implementation of first phase of the project the previous U.D.F Government granted Administrative and Technical Sanction as well as provided ₹ 65 crores. But the LDF Government neglected the project completely. The first phase of the project will be revived immediately. For this I set apart ₹ 25 crore.

Civil Supplies Department

202. Government gives top priority to encourage measures that ensure food security since Kerala is a deficit State in terms of food production. Our public distribution system will be strengthened, broadened and made more effective.

203. From September, 2011 onwards rice will be distributed to all eligible families under the BPL category at the rate of ₹ 1 per K.G. It is expected that about 20,56,487 families will be benefitted under this scheme. ₹ 200 crore is being provided additionally over and above the existing budget provision for this purpose.

204. For clearing the arrears on account of paddy purchased by SUPPLYCO from farmers, an amount of ₹ 50 crore is provided additionally over and above the existing budget provision.

205. Retail hyper markets with ultra modern sales facilities will be started at Thalassery, Nilambur, Koothattukulam, Pala, Thiruvalla, Kollam and Kazhakuttam.

206. Civil Supplies Corporation will open and operate more retail sales outlets.

207. Existing 75 Maveli Stores will be upgraded as supermarkets with modern facilities.

208. Ten new Maveli Stores will be opened in areas where the weaker sections of the society reside. In addition, 10 supermarkets will be upgraded to 'Peoples Bazaars' with modern facilities.

209. Government has formulated a comprehensive scheme to distribute 13 more essential commodities through ration shops. This scheme with an expected investment of ₹ 354 crore will be implemented once approval from Government of India is received.

Forest and Wild Life

210. Forest and wildlife are inevitable components to our ecology. The approach of the Government is to protect them and make it more beneficial to the people. At the same time, the Government has the duty to safeguard both farmers and their crops from the attacks of wild animals.

211. Simultaneously, Government propose to develop marshy lands and to cultivate edible plants for animals, to provide food and drinking water to them.

212. Farmers will be given grants to erect solar fencing, dig trenches and to build protecting walls. As a part of the scheme to protect people from the attacks of wild animals and to prevent incursion of animals, it is intended to plant thorny bushes on an experimental basis as part of bio-fencing. For the above activities, ₹ 2 crore is included during this year.

213. For providing timely compensation to farmers who have suffered from loss of crops and to the dependants of the farmers who lost their lives due to attack of wild animals and for the payment of

arrears on this account, additional fund to the tune of ₹ 80 lakh will be made available.

214. Special mechanisms under Participatory Forest Management will be implemented to eliminate plastic in forest areas and pilgrim centres such as Saharimala and Kurishumudi. For improving the training of captive elephants, training will be imparted to mahouts and elephant owners.*

215. The convener system prevalent will be suitably modified to ensure participation of 'Vana Samrakshana Samithis' and 'Eco Development Committees' in Forestry and Forest protection activities.

216. In order to reduce the increasing ill effects of global warming and to ensure environmental protection, 60 lakh basket seedlings will be distributed to the public during the current year, which is being celebrated as the International Year of Forests. The seedlings will be planted with public participation under social forestry scheme.

217. With a view to attain self sufficiency in the availability of useful timber and fruit bearing trees, Forest Department will formulate and implement a scheme for planting such trees viz, Teak, Sandal, Mahogany and Anjili in private land. This scheme is intended to be implemented in 1600 hectares.

Revenue

218. Revenue Department is one of the departments having most frequent interface with people. Government gives top priority to improve the activities of this Department and to ensure prompt and better service to the people.

219. Video conferencing facility up to Taluk level offices will be introduced under e-governance scheme to ensure speed, transparency and effectiveness. Resurvey of public land and properties will be completed.

220. Attempts to encroach public lands including those in Munnar with the intention of illicit gains will be severely dealt with.

221. Land will be acquired using Fast Track System for developing infrastructure and for development activities of District Headquarters.

222. Measures will be taken to strengthen the Disaster Management Scheme with the help of Local Self Governments. Steps will be taken for creating awareness on disaster management among the people.

223. Steps for distribution of 'Patta' to the landless will be expedited. 'Pattas' will be distributed to eligible ST families as per the Forest Rights Act. Data on heritage buildings more than a century old will be collected and such buildings that come under the Revenue Department will be renovated and protected.

224. When land is acquired for any public purpose, rehabilitation of the stakeholders will also be considered as part of the scheme and suitable compensation and rehabilitation of the evictees will be ensured.

'Pattas' to farmers of Idukki

225. There are thousands of farmers in Idukki district who live like aliens in their own land without any rights. All of them will be given 'Pattas' within one year.

226. Those who have encroached the land in Munnar will be evicted and the ecology and bio-diversity of Munnar will be preserved.

Transport

227. This Government gives top priority for the development of transport facilities. The improvement of road, water, rail and air transport facilities is inevitable for development.

228. KSRTC makes a operational loss of approximately ₹ 500 crore annually at the rate of ₹ 40 crore per month. Generous Government contribution will be required for the existence of the Corporation. Government will provide additional financial assistance of ₹ 100 crore to KSRTC this year.

229. 1000 new buses will be put on road during this financial Year. Sixty percentage of these new buses will operate service in new

routes. 138 new low-floor premium buses will be put on road in Thiruvananthapuram and Kochi.

230. 'Safe woman, Safe travel' system will be introduced in the major bus stations at Neyyattinkara, Ernakulam and Kozhikode to ensure the safety of women commuters. A modern bus terminal and commercial complex will be constructed in the KSRTC bus depot at Kannur on BOT basis.

231. Global Positioning System will be installed in KSRTC buses as a part of m-Governance Scheme. Consequently, passengers will be able to know bus timings through mobile phones.

Railway

232. The most indispensable factor for the Railway development in Kerala is the acquisition of required land. Government will take all necessary step to expedite the land acquisition process and payment of compensation.

233. The State Government is committed to establish the Angamali-Sabari Railway line. Necessary step will be taken from the part of State Government for early starting of the works.

Water Transport

234. Water Transport Department will purchase seven new steel boats during his year. ₹ 9 crore is earmarked for this purpose.

235. Construction works of a modern slip way at Ponjikkara in Alappuzha will be completed at a cost of ₹ 50 lakh. Comprehensive insurance will be provided to the crew and passengers in boats.

Motor Vehicles Department

236. The Motor Vehicles Department will be modernised to make its functions efficient and transparent. As part of this, 'e-Governance programme' will be implemented in this Department. 'Radar Surveillance System' will be implemented in 8 districts, for ensuring road safety. An electronic weighbridge will be installed at the Perla Checkpost in Kasaragod during this financial year. An electronic payment system via internet will be introduced in the department in order to mitigate the difficulties experienced by the public for paying motor vehicle taxes, fees, cess and other charges.

237. A traffic awareness control system will be started at Thiruvananthapuram, Kochi and Kozhikode cities with the help of Kerala Road Safety Authority.

238. Cherthala-Mannuthi National Highway will be declared as a model safe road after installing modern road safety measures. Kerala Road Safety Authority will allocate fund to Public Works Department and Police Department to establish a scientific system that prevents accidents and detects drunken driving.

Devaswom

239. Five years has elapsed since forest land was allocated to programmes envisaged in the Sabarimala Master Plan. But, no fruitful measures have been taken. This Government gives top priority for the development of Sabarimala. For ensuring the timely implementation of Sabarimala Master Plan, a Master Plan Cell under the Chairmanship of Additional Chief Secretary and a Cabinet Sub Committee with Devaswom Minister as Chairman will be formed. ₹ 15 crore is earmarked for implementation of Sabarimala Master Plan.

240. A safety manual is being prepared to ensure non-recurrence of disasters like the one happened at Pullumedu during the last Sabarimala season. The instructions in the safety manual will be strictly enforced.

241. A substantial portion of sabarimala pilgrims are from Tamil Nadu, Andhra Pradesh and Karnataka. A conference of the Devaswom Ministers of the South Indian states will be held in August 2011 to appraise them about the safety measures adopted for the Sabarimala Pilgrims and to ensure co-operation of other State Governments for improving the facilities at Sabarimala.

242. A scheme for imparting training on temple arts will be implemented with the co-operation of Malabar Devaswam Board.

Scheduled Caste/Scheduled Tribe Welfare

243. Scheduled Caste/Scheduled Tribe people occupy the lowest strata of the society. Their welfare and well being will be ensured by this Government.

244. An amount of ₹ 50 lakhs is set apart for the purchase of books for pre matric hostel libraries.

245. Scheduled Caste /Scheduled Tribe students who have secured 'A' & 'A+' grades for S.S.I.C this year, will be given free entrance coaching to equip them for the Entrance Examinations, 2013-14.

246. The ceiling on educational loans to Scheduled Caste/Scheduled Tribe students will be enhanced this year.

247. In Scheduled Tribe sector, this Government aims at the integrated development of primitive tribals by providing livelihood support to them. Government also intends to lead all tribal colonies to self sufficiency by undertaking programmes for their social and economic development.

248. A debt relief scheme will be implemented for assisting those tribals in debt trap. As part of this their outstanding loans up to a specific period will be written off and arrangements will be made to provide further financial assistance. Community halls will be built in tribal areas to foster socio-cultural development.

249. To impart information on employment opportunity, higher education etc. service centre named 'Sahayi' will be started at all tribal areas.

250. Government propose to implement a rehabilitation package for unwed tribal mothers, for this an amount of ₹ 50 lakhs is set apart.

251. Traditional employment areas of tribals will be protected. Support will be given for Tribal people for the profitable marketing of their products.

Co-Operation

252. Co-operative institutions were able to provide assistance to people in all sectors of the state. Therefore Government is committed to strengthen the co-operative sector and to make it more beneficial to the people.

253. The renovation activities of the paddy procurement institutions in cooperative sector will be taken up.

254. 'Ayurdhara' medicine manufacturing unit of the Scheduled Caste and Scheduled Tribes Federation at Ancheri in Thrissur District will be renovated with the assistance of NCDC.

5000 new jobs in Khadi sector

255. 5000 new employment opportunities will be created in Khadi sector with the participation of state Government and the Khadi and Village Industries Commission.

Assistance to Rub Tech India

256. The Rubber Marketing and Processing Co-operative Limited (RUBTECH) having marketing activities in Kerala, TamilNadu and Karnataka will be given necessary assistance with the help of NCDC to strengthen their marketing activities.

Local Self Government**Rural Development- Centrally Sponsored Scheme funds.**

257. Kerala is lagging behind in availing the benefits of centrally sponsored schemes. This situation will be changed. The Planning Commission has agreed to make necessary changes in the norms of the Bharat Nirman Yojana conducive to the requirements of the state. In the circumstances, state Government will try to garner maximum funds under various schemes like PMGSY, MGNREGS and NRLM.

258. Tender excess under PMGSY will have to be born by the State Government, otherwise we will loose the eligible central assistance. Considering this, an amount of ₹ 20 crore is set apart for this scheme as state share.

259. The consent of Government of India will be sought for amending the norms relating PMGSY works at par with PWD/CPWD norms.

Mahatma Gandhi National Rural Employment Guarantee Scheme

260. Activities of Mahatma Gandhi National Rural Employment Guarantee Scheme will be made more effective and corruption free. The benefits of this scheme will be extended to Agriculture sector, Dairy sector and Watershed schemes also.

261. Kudumbasree's functioning will be strengthened. Assistance will also be provided to the Non-Government Organisations and self financing Self Help Groups.

Panchayat Department

262. The Gandhian concept of Grama Swaraj will be implemented by this Government more effectively and in its true spirit.

263. A comprehensive scheme to enhance and energise the service delivery and administrative functions of all the Grama Panchayats and Municipalities will be taken up by the Government. The World Bank will provide financial assistance to the tune of 200 million U.S dollars for this purpose.

Tourism

264. Tourism has become a financial activity of international importance in the modern society. Tourism exert a decisive influence on employment generation, improving income and foreign exchange and in preserving culture and heritage.

265. Government will implement schemes to attract more tourists through the development of tourism infrastructure and also adopting novel marketing techniques.

266. A new Tourism project connecting the tourism centres of Kottayam viz., Ilaveezhapunchira, Illikkakallu, Ayyampara, Marmala Aruvi and Vagamon will be set up. ₹ 1 crore is earmarked for this purpose.

Sivagiri Convention Centre

267. I set apart ₹ 1 crore as grant for the construction of the Convention Centre at Sivagiri by Sree Narayana Dharma Sangam Trust.

268. Grants for the Aranmula and Nirettupuram (K.C. Mammen Mappila Trophy) water sports at Pampa river will be enhanced by ₹ 5 lakh each.

269. I provide ₹ 25 lakh each for Zamorin Tower and Kujalimarikar Garden at Mananchira, Kozhikode.

270. The waterways through Konoli Canal at Odumpram and Kootayi will be connected and boat services will be started. I set apart ₹ 10 lakh for this purpose.

271. ₹ 5 lakh is provided for the Light and Sound Show at the Kannur Fort.

272. The Veeramalai hills at Cheruvathur and Bhoothathankettu will be developed as tourist spots.

Sports

273. One of the major constraints for the development of sports in Kerala is the inadequacy of quality playgrounds and training facilities. Therefore a comprehensive package for the development of sports infrastructure and training centres will be taken up.

274. As a part of this, construction of all major stadiums relating to National Games will be completed on par with international standard in a time bound manner.

275. In order to make the 35th National Games, hosted by Kerala, a great success. It is decided to construct stadiums viz., Kariyavattom University Stadium, Vattiyoorokavu Polytechnic Stadium, Kozhikode Indoor Stadium, Thiruvananthapuram Central Stadium on annuity basis. ₹ 120 crore is earmarked for this purpose.

276. The construction of stadium and sports complexes at Manjeri, Moovattupuzha, Thodupuzha, Kottayam and Pathanamthitta will be started. For this year's expenditure ₹ 4 crore each is additionally provided.

277. ₹ 1 crore is earmarked for the renovation of Pala Municipal Stadium and for providing synthetic track therein.

G.V. Raja Sports Complex

278. In commemoration of Sri. G.V. Raja, patriarch of Kerala Sports, a new sports complex will be constructed at his birth place Poonjar. An amount of ₹ 25 lakh is provided for this.

Idukki Volley Ball Academy

279. An amount of ₹ 50 lakhs will be provided to construct office and hostel buildings for Idukki Volley Ball Academy which have made substantial contribution to Kerala Sports sector.

Labour

280. Service of committed labourers are inevitable for the economic growth of any nation. The relation between the labourers and their employer should also be harmonious. With the above objective, the functions of the Labour Commissionerate will be reconstituted.

281. A 'Labour Call Centre' will be set up to look into the complaints of public and labourers relating to the services of the department.

282. Strict action will be taken to deal with the undesirable practices such as 'Nokkukooli' in the labour front.

283. Collection of arrears of cess due to Construction Worker's Welfare Fund Board will be intensified. Penal interest and collection charge will be waived for one time settlement of arrears.

Employment and Training

284. In order to ensure transparency in all appointments made through employment exchanges, a seniority list of candidates short listed against vacancies will be published in the web site.

285. A Skill Development Centre will be started in Kollam district under the chairmanship of Minister for Labour.

286. A new Technical Training Institute will be started at Haripad during this year itself.

287. All Offices under the Labour Department and Welfare Fund Boards will be computerised under e-governance programme.

Southern Regional Centre of IGNOU

288. Steps will be taken to start a regional centre of IGNOU for the Southern States at Chavara in Kollam District. The centre is expected to be beneficial to the students and it will also provide employment opportunity for about 1500 persons directly or indirectly.

Power

289. Government aims to achieve self sufficiency in energy sector. To achieve this, Government will promote power generation from wind and small hydro electric projects apart from the projects of K.S.E.B.

290. An amount of ₹ 25 lakh will be set apart for giving energy conservation awards and for various activities for energy

conservation with people's participation. Government is also considering setting up of an Energy Conservation Fund.

291. Online facility will be introduced for applying for the licence of Electrical Supervisors.

292. Bio-mass energy production units will be established in all cities.

293. A project to set up Solar Photo Voltaic Inverters for reducing peak-load consumption will be implemented.

294. An entrepreneurship chain called 'Energy marts' will be formed under aegis of ANERT for supplying energy efficient equipments and for providing post-sale support.

295. Nine Regional Meter Testing Laboratories under the Chief Electrical Inspector will be upgraded to NABL level.

Ports

296. The dredging works will be undertaken in the Beypore port to facilitate smooth sailing and cargo movements. A private investor will be selected soon for the implementation of the port project. The clearance from Government of India has been obtained for the environment impact assessment study. The project is proposed to be implemented through EPC Contract Control. The US based Aquam Limited has been selected as Consultant for the implementation of the project.

297. The Ponnani port is proposed to be developed in Swiss Challenge System under Public Private Participation mode. For this the proposal submitted by the Malabar Ports, Chennai has been approved. The Concession Agreement will be signed soon.

298. State Maritime Board will be set up soon. The formation of the same will facilitate effective implementation of various schemes in the maritime sector. The legislative process for setting up of the Board is in its final stage.

Treasury

299. New sub treasuries will be established at Kottakkal, Erumeli, Chittar and at Civil Station Kudappanakkunnu, Thiruvananthapuram.

Culture

300. Steps will be initiated to modernise the functions of our cultural institutions and to make them more effective.

301. Financial assistance announced in the budget of my predecessor for the memorials of various cultural leaders and social reformers and academies will be provided in this budget also.

302. An amount of ₹ 10 lakh is set apart as grant for the preliminary expenses to develop the Kumaranasan Samadhi at Pallana as a research and study centre for Aasan's poems.

303. The activities of Kalamandalam Deemed University will be expanded.

304. International Theatre Festival will be conducted under the aegis of the Sangeetha Nadaka Academy.

305. A centre of the Kerala Folklore Academy will be opened at Chembai Music College, Palakkad. Training facilities for instrumental music and temple arts will be established here. An amount of ₹ 25 lakh is set apart for this purpose.

306. Statue of C.V. Raman Pillai, who made invaluable contributions to the Malayalam novel and literature will be erected in Thiruvananthapuram city. An amount of ₹ 10 lakhs is provided for this purpose.

307. An amount of ₹ 15 lakh is set apart as grant for Hortus Malabaricus Trust for the construction of Sri. Achuthan Vaidhyan Memorial .

308. ₹ 25 lakh is earmarked for the construction of Pandit Karuppan Memorial at Emakulam.

309. ₹ 20 lakh is set apart as grant-in-aid for Sangeetha Bharathi, Thiruvnanthapuram.

310. ₹ 2 lakh is earmarked for the protection of the samadhi of the tribal leader, Chemban Kolumpan who was instrumental for the Idukki project.

Norka

311. NORKA will chalk out various schemes to rehabilitate Non-Resident Keralites who lost their jobs and savings due to internal problems of foreign countries.

312. A business centre under NORKA will be started to provide 24 hours helpline and a legal aid cell will be started to provide legal advice to Non-Resident Keralites. This business centre is intended to provide required information to NRIs who are willing to make capital investments in Kerala and also to redress their complaints if any.

313. An overseas employment skill testing centre will be started to enrich the job skills of NRIs and issue internationally recognised certificate of competence in the respective areas.

Environment

314. Rejuvenation of Melchirakulam will be undertaken as part of the Eco-restoration of Wetlands programme of the department.

315. The conservation of the bio-diversity-rich areas of Udumbanchola will be done using Bio-Diversity Fund.

316. The bio-diversity conservation and restoration programme of Pamba river will be implemented in conjunction with the Pamba Action Plan and Kuttanad Package.

Protection of ponds and Kavus

317. The hindu temples of kerala are not only holy places for worship but a part of our culture also. Many ponds, altharas and kavus are on the verge of extinction. For the rejuvenation of ponds, altharas and kavus, a scheme will be formulated under the leadership of the Travencore Dewasom Board. An amount of ₹ 5 crore is earmarked for this purpose.

Parliamentary Affairs

318. The old Assembly hall which witnessed the enactment of many remarkable legislations will be preserved as a heritage building and a book on History of Kerala Legislature will be published.

Housing

319. Considering the reality that shelter is an essential need like food and clothing, this Government will soon declare a comprehensive integrated housing policy aiming to provide house for all.

320. A State Shelter Fund will be constituted for the housing schemes of the economically backward classes. Investment of non-resident Keralites will also be utilised for this.

321. It is estimated that the State is in short of around 7 lakh houses. With emphasis on housing for economically backward, steps will be taken to build 1,40,000 houses per year with the co-ordination of Local Self Governments, Housing Board, other Government and quasi-government agencies in housing sector as well as voluntary organisations.

Saphalyam Housing Scheme

322. Besides strengthening the Local Self Government to undertake housing projects for economically backward sections, a new scheme, 'SAPHALYAM' will be formulated and implemented this year immediately to address the housing needs of the poorer among the above category. Service of technical experts will be ensured for this scheme which will be implemented in a time-bound manner with Government subsidy. In the first phase of this scheme, 10000 houses will be constructed. I provide ₹ 10 crores as the subsidy for the scheme.

Kerala State Housing Board

323. The performance of the Kerala State Housing Board during 2006-11 was not at all satisfactory. During this period, the Board could construct barely 2932 houses under two schemes. The Board did not receive any financial assistance from HUDCO in the past five years due to default of repayment of loan already availed. In order to repay the huge debt liability incurred during the period of LDF Government from 1996 to 2001, the UDF Government signed a

Default Resolution Package with HUDCO in 2001 and repaid an amount of ₹ 847.89 crore during the period of 2001-06. But the previous LDF Government had defaulted payments as per this package too. In order to avoid penalty, they have entered an agreement with HUDCO to pay ₹ 770 crore including the interest of defaulted payment before 31.03.2012. As a result, the burden of liabilities of the previous Government fell on this Government. I set apart ₹ 250 crore as the first instalment for clearing of this liability .

Kerala State Housing Development Finance Corporation

324. As the State would not get further assistance from HUDCO, the Government intends to set up a Housing Finance Corporation of its own to tide over the crisis. The Corporation intends to mobilise resources from agencies like National Housing Banks and provide financial assistance to various house construction agencies and individuals at reasonable rate of interest. For the formation of the Corporation, I provide ₹ 1 crore.

Kerala State Housing Sector Regulatory Authority

325. In order to solve the problems arising in the building sector, especially in the field of flat construction, a State Housing Sector Regulatory Authority will be appointed with Quasi-Judicial powers. This authority will be competent to resolve the disputes between builders and clients in time.

Information And Public Relations

326. In this age of electronic media explosion, necessary steps will be taken to ensure the activities of the department more effective and transparent.

327. Government will seriously examine the situation under which the Department was forced to engage in a publicity campaign for the Government even by obtaining advance from the Contingency Fund of the state flouting all norms of financial propriety in the wake of Assembly election. The preliminary assessment shows that the department has given advertisements for ₹ 21.81 crore against the Budget allotment of ₹ 6.15 crore.

Welfare Schemes For Journalists

328. Urgent steps will be taken to clear the arrears of the Journalist's Pension. Steps will also be taken to disburse pension through Treasury Savings Bank.

329. A Grant of ₹ 10 Lakh will be provided for the construction of new hostel building for Kerala Press Academy.

330. For implementing various developmental and welfare programmes for Journalists, assistance will be given as mentioned below:

331. Kerala Health Insurance Scheme for Journalists— ₹ 40 lakh. ₹ 50 lakh is set apart for housing subsidy for journalist. The subsidy will be granted for the purchase as well as construction of

new houses. ₹ 20 lakhs is earmarked for the Digital News Archives in the Kesari Memorial Building at Thiruvananthapuram. Besides for other press clubs, the assistance as detailed below .

332. The Press Club of India -Delhi- ₹ 25 lakh, Malappuram Press Club – ₹ 15 lakh, Delhi unit of KUWJ – ₹ 25 lakh, Kollam Press Club - ₹ 15 lakh. For the setting up of media management centre attached to the Press Club, Thiruvananthapuram, an amount of ₹ 10 lakh is also set apart.

Minority Welfare

333. The grant in aid for Kerala State Wakf Board will be enhanced to ₹ 2 crore.

Law And Order

334. Along with efficiency development of the Police department, strong action will be taken against the criminal tendencies in the department. Strong action will be taken against deception as in the money chain case and atrocities against women.

335. A precious treasure trove was discovered when the cellars of Sri Padmanabhaswamy Temple was opened on the directions of the Supreme Court. The Supreme Court alone can take stock of this and make authentic decisions. However, the State have the duty and responsibility for providing complete security to the treasure. In order to provide adequate security to the Sri Padmanabhaswamy Temple, I earmark ₹ 1 crore.

336. In order to construct building for Police Stations at Srikaryam, Karamana, Ponmudi, Neyyattinkara, Ezhukone, Thenmala, Moozhiyar, Pullikkeezhu, Perunad, Vecyapuram, Aroor, Kurathikkad, Kareelakulangara, Pallakkathode, Thalayolaparambu, Udayamperoor, Thadiyittaparambu, Thrithala, Edakkara, Vazhakkad, Karipur, Chompala, Kannavam, ₹ 7.2 crore is required. This year I provide ₹ 2 crore for this purpose.

337. I provide ₹ 25 lakh for implementing the Community Police Scheme and Students-Police Cadet Scheme.

Judiciary

338. For the construction of buildings for the courts at Eerattupetta, Harippad, Pala, Koothuparamb, Kayamkulam, I set apart ₹ 2.5 crore. The High Court of Kerala has recommended to start new courts at 40 places. Out of this, the Sub-Courts at Devikulam, Chavakkad, Punalur, Kalpetta, Tirur and Chengannur will be started this year.

Excise Department

339. The per-capita consumption of alcohol in Kerala is amongst the highest in the country which is of great concern. The current budget allocation for awareness programmes is ₹ 20 lakh. It will be increased to ₹ 2 crore.

340. The enforcement activity will be strengthened and the department will be modernized.

341. The Excise Checkposts will be integrated with the Checkposts of Department of Commercial Taxes.

342. The proposed Excise Academy at Thrissur will be provided with necessary infrastructural facilities. ₹ 25 lakhs is earmarked for this purpose.

343. New office complexes will be built up at Palakkad Town, Kottayam Town, Thiruvananthapuram, Aryanad, Kattakada, Sasthamkotta, Adoor, Cherthala, Kuttanad, Chengannur, Badiadukka, Bandadukka and Kasaragod.

Registration Department

344. Local Area Network will be introduced in the Registration Department connecting all Sub Registrar's offices with Revenue Offices to enable online data transfer to instantly generate "Transfer of Registry" (Pokkuvaravu). Online registration of documents will also be introduced, which will make the whole process transparent and accurate.

Protection of Depositor's right

355. Kerala does not have a comprehensive law for protecting the interest of depositors. Taking advantage of this situation, certain individuals and establishments declare attractive benefits and persuade the public to deposit money in their schemes and establishments. Ultimately, they cheat the public of their money. Government will bring a comprehensive law to protect the interest of these depositors

with provision for attachment and sale of the properties of the individual / establishments who defraud the public and to distribute the proceeds to the depositors. It will also have provisions for establishing Special Courts to try the concerned criminal offences etc.

Integrated Revenue Receipt Management Systems (IRRMS)

346. With a view to make the collection of Government revenue transparent and easy, a scheme will be implemented in association with various banks, for receiving the taxes and other amounts due to Government through e-Payment or Bank Branches. As per this integrated revenue receipt management system programme, the tax payers need not come to offices and treasuries for remitting the amounts. Government will be benefited by the instant credit to Government account and smooth reconciliation process. This will be implemented in Commercial Taxes, Excise and Registration Departments during this year.

IV

REVENUE MOBILIZATION

347. Considering the revenue potential, our tax collection is very low. The increase in tax collection made in each year during the period of the previous Government cannot be considered as an achievement. This increase is a normal growth resulting from the shift of taxation from single point to multi point when VAT was

implemented. One noteworthy feature is that, if intense efforts are taken to improve the collection of both tax and non tax revenue, additional revenue mobilization can be garnered for restarting the stalled development projects. In order to achieve additional revenue mobilization, apart from raising the non tax revenue, tax evasion has to be plugged, assessments have to be completed and greater transparency has to be achieved with regard to tax payment and collection. I intend to make the system effective, so as to achieve additional revenue mobilization.

Tax Monitoring Cell and Price Monitoring Bureau

348. Sir, a permanent committee will be set up in the Finance Department which will effectively monitor different types of tax collection of the State. With the effective participation of experts, this committee chaired by the Finance Minister will devise effective methods to boost revenue augmentation. The important responsibility of this committee is to give proper advice to the Government by analysing various research / study reports received in Government and Taxes Department regarding tax matters and also views furnished by trade and industry to augment tax collection. Preparedness for effective implementation of GST will also come within the ambit of this committee. This committee will also be empowered to review various types of tax collection and also to recommend suitable amendments in various statutes.

349. Value Added Tax is a multi point taxation system whereby after the first sale, tax is payable only on the value addition in subsequent stages of sale. At present there is no effective system to monitor value addition made on goods at each stage of sale. Government intends to create a statistical data base regarding the value of goods traded in the market at each point. This has greater relevance in the impending implementation of GST. For this purpose, a Price Monitoring Bureau will be set up.

Finance Minister's Website, Call Centre for Grievance Redressal and Video Conferencing

350. A website will be created for the Finance Minister, namely www.kerala-fm.gov.in and a call centre will be set up for receiving complaints. Facility will be provided to every tax payer, trader, industrialist and agricultural organizations to submit their complaints through this system. Arrangements will be made to redress them in a time bound manner. The grievances not so redressed will be reviewed by the Finance Minister. Also, to resolve their issues, video conferencing will be arranged with the concerned department officials. I hope that by implementing the same, majority of the complaints of dealers, agriculturists and industrialists will be resolved to a large extent.

Tax Assessments

351. As per the Value Added Tax Act, if a dealer had filed his return along with enclosures and paid tax thereon his assessment will

be deemed to have been completed. But, the assessing authority has to subject this return for scrutiny. With the aid of computer, he has to cross verify the sales and purchases and check post declarations. He also has to verify various other declarations, delivery notes, tax evasion cases etc with reference to the accounts. Apart from the normal computer scrutiny, such detailed scrutiny is to be done by him. Then alone it will result in assessments leading to creation of additional demand. Due to stoppage of separate audit assessment wing, a situation has arisen whereby a separate scrutiny by an authority other than the assessing authority is no longer available. In order to overcome this, a system will be introduced with mandatory certification of the assessing officer with regard to scrutiny and an over check system. In order to conduct effective scrutiny and assessment, the intelligence, internal audit and a data mining team will be strengthened and effectively utilized. Considering the fact that service sector will also come within the ambit of GST, Commercial Taxes Department will be strengthened. By strengthening the scrutiny and assessment processes, substantial additional revenue would be generated.

352. Taking into consideration the concept of self assessment, tax compliant dealers have to be encouraged. Their integrity will be respected and publicised. With the above view, Taxes Department will introduce "Star of Trust" certification programme for dealers. They can publish this certification on their advertisements and name boards.

Registration Drive

353. Sir, it is noticed that many trade establishments with substantial business is avoiding the tax net by not taking registration and not keeping true accounts. To bring these dealers into the tax net, a registration drive will be conducted this year.

354. Though the statutory formalities for granting registration under the KVAT Act were simplified, the statistics would reveal that the LDF Government has not taken any effective steps in this direction. There has not been any noticeable increase in the number of registered dealers in the multi point tax regime when compared to the single point taxation system of KGST. It will be ensured that all registered dealers will have to prominently exhibit their registration number and registered trade name. A street survey will be conducted by the department officers, to ensure compliance.

Luxury Cess

355. To discourage extravagant and wasteful expenditure patterns, it is decided to impose a luxury cess on the sale of luxury cars priced above ₹ 20 lakhs. The luxury cess will be at 2% on the tax amount.

356. Further, a 2% additional cess will be levied on the building tax for residential buildings of 4000 sq. Ft. and above. An additional revenue of ₹ 5 crore is expected from this measure. This

amount will be utilized for housing projects for the weaker sections, taken up by Panchayaths.

357. Consumption of chewing tobacco products like Pan Parag is on the rise amongst younger generation and poses serious health hazards. In order to discourage the consumption of such products, it is proposed to enhance the present rate of tax to 20% on these products. The additional revenue expected to be generated through this is ₹ 5 crores.

358. Similarly, increasing consumption of alcohol is a cause for concern in our state. In order to discourage the consumption, the levy of social security cess at 1% on the first sale of foreign liquor will be increased to 6%. The additional revenue expected to be generated through this is ₹ 135 crores.

Surcharge

359. In 2004 when KSBC had incurred losses, the surcharge payable on foreign liquor was reduced from 10% to 5%. Since the Corporation is profitable now, the original rate of 10% will be restored. The additional revenue expected to be generated through this is ₹ 192 crores.

CONCESSIONS

Threshold Limit for Presumptive Dealers

360. Presently, dealers with turnover up to Rs.50 lakhs purchasing goods from local registered dealers are allowed to pay

0.5% of their turnover as presumptive tax. In Income Tax Act and Kerala Value Added Tax Act, dealers below the turnover of Rs.60 lakhs are exempted from filing audited statements by the Chartered Accountants. In these circumstances, for the purpose of simplification of procedures and integration, it is decided to increase the turnover limit of presumptive tax dealers to ₹ 60 lakhs.

Presumptive Tax

361. Small dealers below the turnover limit of Rs.20 lakhs per annum have to pay ₹ 3000/- per annum as presumptive tax through a simplified tax payment system. This will be reduced to ₹ 2000/- per annum.

362. Milking machines, coconut climbing machines, all types of bio insecticides and bio fertilizers will be exempted from tax.

Reduction of stamp duty in respect of registration of family deeds.

363. Government have noted the hardship caused to the public on account of imposing stamp duty at higher rates on Gift deeds in favour of children or grand children by father or mother in a family or settlement deeds registered by them and partition deeds registered among family members. Therefore it is decided to reduce this stamp duty. It will be sufficient to give a stamp duty of ₹ 1000 on any document registration coming within these groups.

SIMPLIFICATION OF PROCEDURES

Integrated Checkpost Data Management System

364. Sir, in a consumer State like ours, commodity-wise classified data base of goods flowing from across the borders is not available, even after the implementation of e-Filing and e-Payment systems. For effective tax administration, it is essential to meticulously scrutinize each link in the VAT credit chain. Capture of data at check posts is an important part of this. It is essential that data of goods coming in to and going out of the states be captured and linked to the respective dealers. An integrated check post data management system which would capture the data furnished by the dealer before reaching the checkpost, link it with the receiving dealer's data and automatically cross verify the transit of goods through various check posts would ensure an effective and foolproof check on evasatory tendencies. Integrated check posts capable of analysing data would be set up for this purpose. Complaints regarding transport of goods by others using the TIN number of dealers have been noticed. With the aid of modern technology, a system would be put in place to track on-the-spot movement details of goods, in and out of the check posts, and the same will be informed to the dealers by an SMS alert. Likewise, for effective examination of the movement of goods, intelligence formations will be enabled with modern IT infrastructure.

Joint Inspections

365. Further, integrated check posts will have joint inspection teams whereby Commercial Taxes, Motor Vehicles, Excise, Animal Husbandry etc. will jointly check the incoming consignments and vehicles for respective purposes. This should considerably reduce the retention time of a vehicle at the check post and would ease traffic congestion. A pilot project, for this purpose, will be implemented at Walayar.

Grievance Redressal Bureau for Trade, Commerce and Industry

366. In order to redress the tax related grievances which arise from time to time and to address the complaints of tax payers, along with strengthening the efforts for resource mobilization of the State, I feel that it is necessary to set up a permanent mechanism. A Grievance Redressal Bureau for Trade, Commerce and Industry will be set up under the department of Taxes for this purpose.

Integrating the Centre & State procedures to facilitate Exim

367. We are moving into a phase where Kerala's economy will increasingly integrate with the global economy. We need to move in to a system where smooth and hassle free flow of goods is enabled. Presently, various agencies handling international trade like customs, Director General of Foreign Trade [DGFT], Commercial Taxes etc. operate as silos. We can work towards integrating and dovetailing data of these agencies which would provide a hassle free experience for

importers as well as reduce the scope for any leakage. With the International Container Terminal at Vallarpadam becoming fully operational next year, the quantum of export and import through the State is likely to increase significantly. The department has to be equipped for the same. Procedures will be simplified and Commercial Tax Department officials will be deployed at major export cargo centres, along with Central Excise and Customs Officials, for speedy and timely export clearances.

Facilitation Centres

368. Facilitation centres of Commercial Taxes Department will be opened in all air ports, major railway stations and ports so as to facilitate traders to declare their consignments. Facility will be provided to registered dealers to e-File their declarations and to transport the goods based on the same. Registered dealers transporting goods from these places will also be allowed to use department delivery notes. The facilitation centres would help in ascertaining the trade volume of different commodities. It will aid in correctly determining the tax due to the State and the quantum of evasion. ₹ 1 crore is earmarked for implementing this project.

Tax rate of certain goods which are under dispute right from the introduction of VAT Act.

369. The schedules in the VAT Act are aligned with the HSN codes. There is a provision in the Act by which the Department clarifies the tax rates of the commodities and its inclusion in these schedules. The request for clarification and its issuance may happen years after the introduction of VAT. Because of the clarifications, the dealers may have to pay the differential tax, which was not collected from public, retrospectively. As a result of reassessments of all the dealers in the VAT chain due to the clarification order, the subsequent dealers have no chance to claim input tax credit on the same. To resolve this issue, if the manufacturer or first seller pays entire tax of MRP after the issuance of the clarification, subsequent dealers in the VAT chain will be spared of assessments and penalties. Since the Government gets the full tax on the ultimate price for which the product is sold to the consumer, there is no revenue loss on this account to the Government.

Extension of time limit for assessments

370. Time limit for completion of assessments, including remanded and modified assessments under Kerala General Sales Tax Act, Kerala Value Added Tax Act and Luxury Tax Act will be extended by an year. Further, the time limit for amnesty scheme is extended upto 30th September, 2011. Necessary statutory amendments will be made for this.

Maximum compounding fee

371. Presently, the maximum compounding fee leviable for an year with respect to an offence is ₹ 4 lakhs. This is inadequate considering the large scale of evasion detected. Considering the same, the existing limit will be increased from Rs.4 lakhs to ₹ 8 lakhs. The additional revenue expected from this is ₹ 1 crore.

e-Filing and e-Payment

372. e-Filing and e-Payment will be enabled in respect of various applications, returns, declarations, tax and other fee required to be submitted to the department under Luxury Tax Act, Agricultural Income Tax Act and Money Lending Act. For this purpose statutory amendments will be made.

COMPOUNDING SCHEME**Gold**

373. A compounding scheme is presently available to gold dealers for payment of tax. As per the present provision for compounded dealers with a turnover exceeding Rs.1 crore, tax payable during the year is calculated at 125% of the tax paid during last year. But the payment of tax is not linked to the turnover. The increase in the turnover is not reflected in the compounded tax paid. Since this creates huge loss to the Government, the compounding scheme will be revised. Dealers who have not conducted a full year of business will not be allowed to opt for compounding. In order to rationalize and to

correlate the amount of tax paid in line with the quantum of business conducted, it will be mandated that the compounded tax payable by them will be the existing tax rate or 1.25% of the turnover conceded during the last year, whichever is higher. Compounded dealers will not be allowed to collect tax. It is also clarified that turnover of 'bullion' is also compoundable. Currently, there is a provision for cancelling the compounding permission, in case the stock doubles. Since the compounding rate has been linked to the turnover, this condition will be withdrawn. Other conditions will remain the same. The additional revenue expected from this is ₹ 15 crores.

Restoration of the clauses in the Finance Bill

374. In the first budget of 2011-12, certain tax proposals and simplification of procedures were announced. For this purpose, the Finance Bill of 2011 was introduced in the assembly and the provisions of the said bill were brought into force based on the declaration in Sec.4 of the Provisional Collection of Revenue Act, 1986. However, the said bill lapsed on account of the dissolution of the assembly upon the termination of the tenure of the 12th assembly according to Article 196(5) of the Constitution. The provisions of the said bill shall be restored.

Lotteries

375. At present, the State Lotteries Department conducts only one lottery per week. Lotteries will be conducted on all the days of

the week, as it existed before 30th August, 2010. This is expected to yield an additional revenue of ₹ 263 crores.

V

CONCLUSION

376. Due to the mismanagement of State finances during the last five years the State has to shoulder an unbearable financial burden and the people were desirous of getting relieved therefrom. My budget is a humble effort to fulfil this desire and give relief to the whole State. I earnestly believe that I was able to succeed to a certain extent in this regard.

377. I hope that the financial year 2011-12 could end up with a deficit limited to ₹ 350 crore even after taking over the huge liabilities made by the previous Government and setting apart sufficient funds to fulfil the promises the U.D.F. made to the people and meeting the developmental needs of the State.

378. In his Budget for 2011-12, my predecessor quoting few verses from an O.N.V's poem claims as having 'Kept most of the promises' and suggest progressing further towards the 'promised land'. But what is seen is that the journey ended in the deep gorges of the red sea of financial indiscipline and mismanagement without reaching the promised land.

379. The question 'where is the promised land?' as in the O.N.V's poem is the one coming to the minds of every Keralites at this juncture. We all have the responsibilities to answer.

380. Sir, such a situation should not be repeated. Through my budget, I have made a humble effort to bring out our State from this dismal situation.

381. I strongly believe that my budget can achieve greater heights compared to those of the previous one. May I highlight the salient features of this budget.

- ❖ Revenue receipt which was estimated to be ₹ 38547 crore has increases to ₹ 39428 crore .
- ❖ Revenue deficit decreases to ₹ 5534 crore from ₹ 6019 crore.
- ❖ Revenue deficit which was 1.97% of GSDP comes down to 1.81%.
- ❖ Fiscal deficit comes down to ₹ 10507 from ₹ 10641.
- ❖ Fiscal deficit which was 3.48% of GSDP has decreased to 3.43% .
- ❖ Capital Expenditure which was increased to ₹ 5064 crore from ₹ 4712 crore.
- ❖ Development Expenditure increased from ₹ 28646 crore to ₹ 29872 crore.

382. Sir, I present below the brief summary of the revised for 2011-12. (₹ in Crore)

Revenue Receipt	..	39427.51
Revenue Expenditure	..	44961.42
Revenue Deficit	..	5533.91
Capital Expenditure	..	3814.69
Loans & Advances (Net)	..	-1158.38
Fiscal Deficit	..	-10506.99
Public Debt (Net)	..	7793.76
Public Account (Net)	..	2554.15
Overall Surplus/Deficit	..	-159.07
Carry over Surplus/Deficit	..	175.78
Additional expenditure announced	..	982.73
Additional resource mobilisation	..	615.75
Cumulative Deficit/Surplus	..	-350.27

383. I hope this budget will give a vigour and stimulus to the economy.

384. Sir, I am confident that this budget may expedite the growth of our economy, ensure inclusive growth of weaker sections,

accelerate the momentum of basic infrastructure, attract new investments, open new job opportunities and integrate this State economy to world economy.

385. Sir, to accomplish these goals, strong determination and preparations are necessary. The need of the hour is not the war cries between ruling and opposition fronts; but united efforts for people's welfare. Then only, we can conquer the horizons of development. The teaching of Rig-Veda, the corner stone of our culture is

Samani va: aakuthi

Samana hridayani va:

Samanamasthu vo mana:

Yadha va: susahasathi

386. May your actions be united; may your hearts be united; may your mind be united; let us attain welfare through solidarity.

387. With this confidence I submit this budget for the approval of this House

// JAI HIND //