



Government of Kerala



BUDGET SPEECH 2020-2021

Dr. T.M. Thomas Isaac Minister for Finance

7th February, 2020



Sir,

- 1) I am presenting the Budget for the Financial Year 2020-21 before this August House against the backdrop of the unusual challenges being faced by our nation. Before entering into the Budget proposals we have to perceive the gravity of the situation.

I

PREFACE

Menace of Communalism

- 2) Democracy and dictatorship are standing face to face in India. The rulers in Delhi speak only in the language of hatred and rancour. Their followers consider violence and attack as their *karma*. The administrative set up has completely yielded to communalism. Generally speaking, this is the India of today.
- 3) Sir, Let me quote the doubt raised by Anand in the article, 'The pathways before a nation', "how could a society so highly educated and standing at the forefront of intellectual world, be suddenly possessed by hatred towards a community and indulge in unbelievable crimes?"
- 4) Anwar Ali wrote about the times we live,

'When things undreamed of

in our minds

Whirl in like stormy winds,

We are living in times'.

O.P. Suresh literally encapsulated this situation thus,

*'Malice is the pennant,
Terrorism, the diplomacy,
Attack, the mode of greeting
Every citizen, a mighty explosion'.*

The anxiety spread by the amendment to Citizenship Act and National Register of Citizens is beyond words.

*'Fear is a nation,
Silence is an ornament there'.*

We have to remember that these are the lines written by Drupath Gautham, a 15 year old higher secondary student at Meenangadi in Wayanad. Fear has engulfed even the imagination of our children.

The threat of detention camps is hanging over the heads of 19 lakh Assamese, who have lived as Indians till yesterday.

*'Just like a house incorrectly drawn,
was wiped out by a child
with an eraser'.*

P.N. Gopikrishnan has written about loss of house. With the same lucidity the rulers are getting ready to erase the citizenship rights of the people. But, Sir, we cannot give in to this threat. The future of the nation is in the youth who thronged the street taking the pledge not to give up India. Agitations are rising up everywhere in the country against the Citizenship Amendment Act that undermines the very essence of the Constitution.

- 5) We are passing through a period of the biggest agitation in the history of independent India. Students, youth and women are at the forefront of this struggle.

As pointed out by Prabha Varma,

'The campuses are resonating with curled fists

That declare they wouldn't yield an inch

To the fear emanating

From reverberations of guffaws,

The murk of echoing cries,

And eternal black scorpion lashings of

hatred'.

Vinod Vaishakhi's lines are also a true picture of this reverberation.

'Over the snow

Girls gleaming like torches,

Cry out "Sanghvat Se Azadi"

'We, we are the youth

You cannot but fall

into garbage heaps'.

The aspiration of Refeeq Ahammed will definitely become a reality.

- 6) Sir, which Keralite can't be enthused by the fact that Kerala provided the moral leadership to these agitations? Kerala is already a model to India in many

areas. Kerala shall create a new model of unity, when the country is facing a threat to its very existence. The joint agitation organised against the amendment to Citizenship Act by LDF and UDF, keeping away their differences was a surprise to other States. Chief Minister and Opposition Leader sitting at Sathyagraha on the same agitation platform was a powerful message to the whole nation. Then the legislature of Kerala unanimously passed a resolution against this communal amendment. Even at the time of filing a case against the Central Government in the Supreme Court as per Article 130, we were in unison. I am proud to say that the other States in India view with wonder the unity evolved in Kerala.

- 7) There is a chapter named, "Freedom", in the novel '*Mullappoo niramulla pakaluka*' by Benyamin. The chapter begins thus, "by three o' clock in the afternoon, people began to slowly flow along the streets..... Some held the national flag and some others the white flag of peace. Some others moved draped in the national flag. This nation does not belong to anybody else, but it is ours". This was the message given by them. Wasn't Benyamin predicting the act of Kerala which stood along the National Highway holding hand in hand on 26th January 2020? I recollect the words of KGS that there is nothing more beautiful than the virtue that gathers up to calm the clamour. The 'human chain' revealed the beauty of virtue.

Nation in Economic Recession

- 8)** The financial stagnation engulfing the Nation and the suffering of the people are not a problem for the rulers at the Centre. Their greatest issue is the amendment to Citizenship Act. Indian economy is moving towards an economic downturn similar to the one faced in the year 2009. Even the Central Government has admitted that the annual growth rate in 2019-20 would be below 5%. The reason for this is the short fall in the total demand in the economy, ie., in consumption, investment and export. Unemployment is at an all time high. The per capita consumption is lower than that in 2011-12. Food inflation has reached 14 percentage. Life has become a misery.
- 9)** How did the nations of the world, including India, overcome such a situation in 2009? Government raised the demand by enhancing expenditure. Fiscal deficit was allowed to go up for the purpose. But the present stand of the Central Government is contrary to this. The tax revenue of the government has come down due to economic recession. The stand now being taken by the Central Government is to reduce the expenditure. If the Government also reacts the way individual's react, the recession will get more acute.
- 10)** The perception of the Central Government is that reason for this crisis is not the lack of demand, but issues in the area of supply. They are reluctant to enhance the outlay for Employment Guarantee Scheme. Similarly, they are unwilling to enhance the outlay for other schemes aimed at increasing the income and welfare of the common man. They are not willing to provide loans at reduced

rates to common man for purchase of houses and consumables. Instead, large scale tax rebates are doled out to the Corporates. Anti-labour reforms are being intensified. Privatisation is accelerated.

- 11) This supply-side economics of the Central Government has imposed an unbearable burden on the farmers and labourers. The national strike on January 8 was a splendid demonstration of public resistance against this approach. Kerala was at the forefront of this national strike.

'What if they have never swarmed in protest?

Today, raising their fists in front of the horde,

Stands the old.

The children who went to learn history,

Water the streets with their own blood

To create history'.

In this way Vishnu Prasad etched the context.

Discrimination of the Centre

- 12) The Central Government is stealing the powers of the states in all areas as their unilateral decision to amend the Citizenship Act. The federal nature of Indian Constitution is getting diluted every day. The incursion of Central Government into the State Lists, nullifying the Seventh Schedule has become so rampant. Executive power is also being misused. The G.S.T. Council, the Fiscal Responsibility Act and the 15th Central Finance Commission all seem to have deprived the state governments of their entire fiscal freedom.

- 13)** It is apparent that the economic policy of the Central Government is to strangle the state government financially. 3% of the internal revenue of the state is allowed as loan. Based on this, an amount of ₹24915 crore was earmarked in the state budget. But by the middle of the financial year, the Central Government informed that ₹5325 crore would be cut off from the loan amount. Even by this criteria, we had the right to borrow ₹4900 crore in the last quarter. But from this, ₹3000 crore was again slashed arbitrarily. Hence we now have permission to avail loan only for ₹1920 crore. From this amount, ₹1400 crore has to be paid to Central Government as repayment of loan availed in 2009. In effect, the state government has no scope for availing any loan during the last quarter of the current financial year.
- 14)** Grants from Central Government are also being cut short. The Central Government is not ready to give the due GST compensation for the month of December 2019. The arrear will cross ₹3000 crore in February. In addition to this, there is indication that ₹6866 crore received as tax share for the last quarter of the previous financial year would come down to ₹4525 crore during the current financial year. Thus there will be a total short fall of ₹8330 crore in the Central assistance, including loans, for the months of January, February and March 2020. This has put unprecedented financial constraints on the state exchequer.
- 15)** There are also huge amounts pending to be released from the Centrally Sponsored Schemes. Yesterday, the

arrear of National Rural Employment Guarantee Scheme was received six months late. An amount of ₹1035 crore needs to be received from the Centre for the already procured paddy. As a result, loans provided by banks to farmers as paddy price have become arrears. Further more, Centre has excluded Kerala from flood relief assistance of 2019. Foreign loans availed for flood related reconstruction were also included in the normal annual borrowing limit. The Central Government has unilaterally retracted from the assurance given in the GST Council that the foreign loans availed for reconstruction would be considered outside the normal borrowing limit.

- 16)** The reason cited by the Central Government for curtailing the borrowing limit is that there had been an increase of more than ₹6000 crore as treasury deposit during 2016-17 than what was mentioned in the budget. The contention of the State Government, that a significant portion of the amount deposited in Treasury had been the unspent balance of various departments, has not been accepted by the Central Government. Another factor is that many employees and pensioners had kept their arrear emoluments in treasury as fixed deposits. Until 2016-17, no other government at the center had taken a policy of considering such deposits as state government's loan and curtailing the borrowing limit in the succeeding year. But, even after three years, the BJP government is curtailing loans on account of this. The Central Government is adopting

such an approach without any consideration for the financial problems of the state.

Financial Crisis

- 17)** The average growth of the state expenditure during the period from 2013-14 to 2018-19 was 16.13 %, whereas the revenue income during the period rose only by 13.26 %. This gap between income and expenditure has accelerated the crisis. During the period of last LDF government, the revenue deficit could be reduced and the state could be led towards a stable financial path by increasing revenue income by 18 – 20%. However, the expected gain in GST collection has not been materialised.
- 18)** Being a consumer state GST for Kerala should have been beneficial. The lion's share of our consumer goods are coming from other states. If it is ensured that these goods are transported through e-way bills, the tax evasion could be prevented. But live downloading of e-way bills has not been made so far. Similarly, tax evasion could be prevented only if annual returns are available for scrutiny. After a long wait, the annual returns of first year were received only in last December. The steep cut effected in the GST rate, just before the last Lok Sabha elections, was also a set back. Recession has also adversely affected tax collection. It is expected that there will be a short fall of ₹10113 crore in the anticipated tax income of this year.

A leap in Developmental Achievements

19) Let me emphasis the fact that, any developmental stagnation in the state was not permitted due to this financial crisis. This government, within a span of four years, has surpassed the five year performance of the previous government.

i) The previous government had disbursed ₹9311 crore for Welfare Pensions. Now, on completion of its 4th year, the LDF government has crossed ₹22000 crore. Social security pension has been given to 13 lakh old age people. Sir, all Welfare Pensions are enhanced to ₹1300/-.

ii) The total outlay for the Local Self Government Institutions which had been ₹7679 crore during 2015-16 is enhanced to ₹12074 crore in 2020-21. The outlay is raised from 24 percentage to 25.93 percentage. Sir, in addition to this, ₹1000 crore is additionally allocated for the Chief Minister's Rural Road Rebuild Scheme implemented through Local Government Institutions. Including this, the outlay for the road rebuild scheme is ₹2500 crore.

iii) In 2015-16, an amount of ₹188 crore had been expended for coastal development including Tsunami Schemes. Sir, the total outlay for coastal scheme is raised to ₹380 crore. Including this, ₹1000 crore is earmarked for coastal package in 2020-21.

iv) During the period of the previous government, an amount of ₹503 crore had been spent from the Chief Minister's Distress Relief Fund. But during

the four years of the LDF government, the amount has surpassed ₹1216 crore. Apart from this, ₹2851 crore has been disbursed as flood relief.

- v)** During the tenure of the previous government, the total capital expenditure provided in the budget was ₹29689 crore. Whereas the total expenditure provided in the budget for the last 4 years of the LDF government was ₹40497 crore. Sir, the capital expenditure was ₹8342 crore in 2015-16. In 2020-21 capital expenditure is raised to ₹14428 crore.
- vi)** The Public Works Department had repaired or renovated 7780 Km road during the period 2011-16. But 14623 Km of roads were completed and 68 bridges were constructed during the period 2016-19. Sir, ₹1102 crore is earmarked in the budget for Public Works. ₹1500 crore is additionally sanctioned for the works proposed by Legislators and 20 percentage of the required fund is earmarked for this.
- vii)** During the period of the previous Government, 4.9 lakh drinking water connections were provided by Kerala Water Authority. The LDF Government have provided 7.5 lakh connections so far. 2.5 lakh more houses will be given water connection in 2020-21.
- viii)** The previous Government had spent ₹7191 crore for health related schemes. LDF Government have already spent ₹9651 crore. Sir, the number of outpatients in government hospitals has

increased to 3.3 crore from 1.2 crore and the number of inpatients has escalated to 9 lakh from 5.4 lakh.

- ix)** Around 5 lakh students have additionally joined public schools in standards II to X. As a result of this, a significant increase was seen in the overall number of students in public schools. The number had been steadily falling until 2016. The number of students had come down to 499450 in public schools during the tenure of previous government.
- x)** So far 258658 houses have been constructed through Life Mission and other agencies. Sir, 1 lakh houses / flats will be constructed in 2020-21.
- xi)** 14 lakh families were sanctioned new electric connection. Total electrification has been accomplished. Transmission and distribution losses were reduced to 13.4% and 15% respectively. This government have additionally generated 205 Mega Watt electricity whereas, it was 87 Mega Watt during the period of the previous Government. 500 Mega Watt installed capacity will additionally be created in 2020-21.
- xii)** NORKA Welfare fund membership rose to 4.7 lakh from 1.1 lakh. The previous Government had spent ₹68 crore for the welfare of NRKs. This Government has already spent ₹152 crore. The outlay for NORKA welfare is enhanced to ₹90 crore in 2020-21.
- xiii)** Membership of Kudumbasree has increased to 45 lakh from 40 lakh. Bank linkage loan rose to

₹10499 crore from ₹5717 crore. The number of labour oriented ventures has risen to 23453 from 10177 and the number of agricultural groups has increased to 68000 from 54000.

- xiv)** Till date the price of selected grocery items supplied from Maveli Stores has not been increased after 2015-16.
- xv)** 27490 number of houses were constructed for Scheduled Castes during the tenure of previous government. Now within 4 years, 51926 number of houses have been constructed.
- xvi)** The extent of paddy land has been on the rise. The extent of paddy land which had been declining steadily over the past few decades and was confined to 1.7 lakh hectares in 2016-17, but has risen to 2.03 lakh hectares during the year 2018-19. The paddy production rose to 5.8 lakh tonne from 4.4 lakh tonne. Sir, paddy cultivation has a vital role to maintain the ecological balance of nature. Considering this importance ₹40 crore is earmarked as a beginning for providing royalty to the farmers.
- xvii)** The fish production in Kerala was also plummeting. In 2015-16 this was 7.28 lakh tonne, which now stands at 8.02 lakh tonne.
- xviii)** The production of Public Sector Undertakings that stood at ₹2799 crore in 2015-16 rose to ₹3442 crore in 2018-19. The cumulative loss of ₹213 crore in 2015-16 has now turned into a cumulative profit of ₹102 crore.

- xix)** 1.83 lakh jobs, ₹4700 crore investment and 52137 new enterprises in small scale sector have been ensured during the period of this government.
- xx)** The economic growth of Kerala that stood at 4.9 percentage during 2011-12/2015-16 has risen to 7.2 percentage during the period of 2016-17/2018-19. The economic growth of Kerala that had been below the national average in the earlier period has now gone above the national average. Sir, surmounting adverse circumstances we were able to make the development of Kerala a reality.

II

LARGE SCALE INVESTMENT PROJECTS

KIIFB and Anti-Recession Package

- 20)** The experiences of the last four years make us confident that we could overcome the recession. Government had declared anti-recession package in the budget of 2016-17, with the foresight regarding the grave situation that might occur due to Gulf crisis and slump in cash crop prices. Under the Indian federal system, it is not possible to formulate anti-recession package by means of borrowing included in the budget without the concurrence of the Central Government. On the contrary, the Central Government is reducing expenditure of the state governments through constrains even during the recession period. It is an insane act comparable to that of demonetisation. Against this back

drop of the preposterous economic policy of the Central Government, it was decided to invest a capital of ₹50000 crore through KIIFB funding as loan outside the budget. The Act for this purpose was unanimously passed by this August House. The opposition has been criticising this investment project as a day dream because of its sheer complexity and enormity. But now everybody is eying to obtain more and more projects through KIIFB.

- 21)** KIIFB has already sanctioned 675 projects worth ₹35028 crore. Apart from this KIIFB has approved projects worth ₹14275 crore for land acquisition for industrial parks and ₹5374 crore for land acquisition for National Highways. Thus, the total outlay of the projects approved by KIIFB amounts to ₹54678 crore. Of this, tender has been floated for projects worth ₹13616 crore and work has been completed for projects worth of ₹4500 crore.
- 22)** Thereafter, criticism was about the non-availability of funds. However, the sceptics were silenced by the success of Masala Bonds. The next apprehension was about the repayment of debt. As envisaged in the KIIFB Act, passed by this August House, the collection of half of the motor vehicle tax along with petrol cess for 15 years will be sufficient for KIIFB to repay the loan and interest. You may recollect this, as it was discussed in detail in this house earlier.
- 23)** Sir, steps have been completed to spend ₹20000 crore from KIIFB in 2020-21. The KIIFB investment has been changing the face of our state.

- 2985 Km of designed roads, 10 by-passes extending to 43 Kms, 20 Flyovers over 22 Kms, 74 bridges over 53 Kms.
- North-South water way from Kovalam to Bekal.
- Transgrid 2.0 project that ensures electricity up to the year 2040.
- K-Phone project that provides free Internet connectivity to weaker sections.
- 57 lakh sq.feet new school buildings and complete digitalisation.
- 33 lakh sq.feet University and college buildings.
- 4.65 lakh sq.feet IT buildings.
- 4 lakh sq.feet Cultural Institutions.
- 44 Stadiums having a built up area of 37 lakh sq.feet.
- 46 lakh sq.feet hospital buildings, most modern dialysis units, cardiology, oncology facilities and equipments.
- Drinking water projects for ₹4384 crore, 1520 MLD capacity, 2450 Km distribution pipeline, 85 lakh consumers.

24) Sir, 237 projects will be inaugurated before 2021 March having a built up area of 85 lakh sq.ft, 77 roads and bridges covering a distance of 1000 Km will be opened. The construction of all sanctioned projects will commence and industrial parks to the extent of 5000 acres will be created.

- 25) The biggest anti-recession package being implemented in the country is in Kerala. This will support the state economy during the crisis period. It will be ensured that infrastructure facilities, that normally require 25 to 30 years will be materialised in Kerala within a span of next 3 years. The benefit of this will be available to all of us soon. While calculating the construction cost after 20 to 30 years, the burden of present interest is comparatively lower. The real challenge before us is how to complete these projects in a time bound manner and with the assured quality.
- 26) Sir, In the last budget speech more than two dozen projects capable of deep impact in the future of Kerala had been dealt with. In the pre-budget session many have raised queries as to what has happened to those projects? Therefore, such an examination is relevant.

Industrial Parks and Corporate Investments

- 27) 15 land acquisition units will be started for KIIFB for speedy acquisition of land specifically for industrial parks. Half of 482 acres of land acquired from FACT has already been bought for Cochin Refinery and Petro Chemical Parks. Measures are progressing to acquire land for the remaining proposed industrial park and national park. The State Government is willing to take over Hindustan News Print along with its liabilities. At least 500 acres of land will be available for creating a new Industrial Park. KIIFB will fund this. KINFRA will acquire land for Titanium Metal Complex near KMML.

28) All the prominent Corporate companies that had expressed their desire to make investments in Industrial Parks as discussed in my previous budget speech have already commenced their operations in Kerala.

- Nissan has given employment to 800 in Technopark in the field of data science and artificial intelligence. An understanding has been reached to create a new center for the electrical vehicles of the company in a 30 acre plot in Technocity.
- Taurus has commenced the work of two buildings in Technopark having an area of 27 lakh sq.ft. A complex with 57 lakh sq.ft will be completed before 2024.
- H R Block has operationalised 40000 sq.ft building and given employment to 800 persons.
- Nano Space Park of VSSC is ready for opening in Space and Aero Center of Excellence. Electronic components meant for aero space are produced here. VSSC has also completed A P J Abdul Kalam Knowledge Center. Brigade Enterprises has come forward for a building having an area of 2 lakh sq.ft.
- Tech Mahindra commenced their operation in an area of 12000 sq.ft and provides employment to 150 persons.
- Ernest and Young provided employment to 5000 persons in Cochin and Thiruvananthapuram.
- Teranet provides employment to 500 persons in an area of 9000 sq.ft.

- Fijitsu operates a joint venture with Hitachi Nissan Center. Skeleton staff have already been appointed for commencing the operation.
 - Kerala Government has entered into an agreement with the Airbus Company. Under this agreement, the incubator unit of Incubator Altire Company has commenced training in augmented reality. This is under the Startup Mission.
 - Way.com has already employed 100 persons in an area of 6000 sq.ft.
 - The joint venture Coconics has commenced operations for manufacturing of laptops. 100 persons have already been employed. The expected production capacity is 2.50 lakh laptops.
- 29)** Most prominent electronic companies in the world have expressed their desire to invest in Kerala. Since there is non-disclosure clause their names cannot be revealed. In 2016 around 78000 persons were employed in IT/IT related fields. Now the number has risen to nearly 1 lakh. In 2021, another 85000 persons are expected to be employed here.
- 30)** In 2016, the total area of Techno Park, Info Park and Cyber Park was about 145 lakh sq.ft. In 2021 this will be raised to 245 lakh sq.ft. The building of Technocity having an area of 2 lakh sq.ft which is expected to be completed by March has been completely booked by various companies. Against this backdrop the government is adopting a policy that encourages the private companies themselves to establish parks.

- 31)** In 'Ascent 2020' held in Ernakulam, promises for investment more than ₹1 lakh crore were made. Among them the biggest offer was that of Logistics Park of Abudabi Investment Authority worth ₹66900 crore. Kerala Infrastructure Fund Management Ltd (KIFML), a subsidiary of KIIFB, aims at an investment around ₹8110 crore in six projects of Bliss Edutainment Township. 15 prominent companies have signed Memorandum of Understanding.
- 32)** Kerala is becoming more investment friendly. The measures announced by the Chief Minister of Kerala will lift Kerala to a place among the top 5 states in India in 'ease-of-doing-business index' within 10 years from its present 21st position. As part of this package, Hon'ble Chief Minister has declared a scheme for financial aid for enterprises that create new employment opportunities.
- 33)** Sir, Government will give the employers of the newly registered ventures in Kerala either the employer contribution or one month salary of the employee as subsidy. The limit for the maximum amount will be fixed. In case of women employees, an additional amount of ₹2000/- will be given. For this ₹100 crore is earmarked.

Startups

- 34)** Kerala holds the first place in the 'startup promotion ranking' by the Union Ministry of Commerce in 2018. Today, 2300 startups are working across various sectors. Paucity of capital is the biggest issue faced by

them. As a solution to this, three major decisions are announced.

- 35)** Loans would be made available without asset security to those who have secured work order from Government/Quasi government/Major corporates or Institutions. A scheme is being announced for providing 90% of work order as loan, up to a maximum of 10 crore at an interest rate of 10%. If these are purchase orders, money will be given after discounting them. KFC & KSIDC will give money across the counter without any collateral security on the recommendation of an expert committee chaired by the IT Secretary. Any loss sustained on account of this will be made good by the government.
- 36)** Financial assistance up to ₹1 crore will be provided at the time of expansion of new product prototypes that are related to sustainable development goals of UNO and are also required by any government department. For this, an amount of ₹10 crore is provided to KFC. An amount of ₹73.50 crore is earmarked for Startup Mission in 2020-21.
- 37)** There has been a criticism that new companies have their headquarters in Chennai and Bangalore since the stamp duty in Kerala for starting and merging the companies is higher when compared to that in Tamilnadu and Karnataka. It will be included in the Finance Bill to examine and rationalise the rates.

Energy Mission

- 38)** Insufficient power supply and frequent power failure are the most important problems in Kerala's power sector. Remedies are being found for these two issues. The first can be resolved by constructing transmission lines. The amount of electricity that can be brought through the completed Kochi-Edamam corridor is equivalent to 2000 Mega Watt of installed capacity. The work of Transgrid 2 worth ₹10000 crore has been started. Through this, electricity power equivalent to 2000 Mega Watt installed capacity can be brought from outside and electricity requirements up to 2040 can be fulfilled. Voltage deficiency and power cuts will become a thing of past. Next thing to be resolved is frequent interruptions in distribution. 'Dyuthi, 2020 Distribution Renovation Scheme' worth ₹4000 crore is envisaged for avoiding the interruption by ensuring at least double lines from 11KV line to transformer. E-safe scheme will be implemented to reduce dangers resulting from electricity.
- 39)** As per statistics, 2.5 crore LED bulbs were installed during the last year. Street light and bulbs in government institutions will be completely shifted to LED.
- Sir, the sale of CFL and filament bulbs will be banned from November 2020.
 - Assistance will be given to initiatives like Zero Filament at Peelicode for energy economy. The

scheme at Aranmula for getting rid of dangers resulting from electricity is also exemplary.

- 40) The outlay for the power sector is ₹1765 crore. In 2020-21, 500 Mega Watt installed capacity will be created mainly from solar power stations. For this, Roof Top Solar scheme will be intensified.

Designed Roads

- 41) The transformation of prevailing methods in Public Works Department into designed roads using modern technology envisaged in the last budget is being realised. These roads constructed under Rebuild Kerala and KIIFB strictly adhering to the standards of Indian Road Congress will ensure safety, surface drainage and along with long term maintenance. Technique such as full depth reclamation, cold recycling, thin white topping, geo-textiles, mixtures of plastic and rubber added with bitumen etc. are being utilised.
- 42) ₹1102 crore has been earmarked under Plan Scheme. At least ₹3500crore can be expected under Non Plan for maintenance, for new roads and for clearing pending bills. In addition to this construction works amounting more than ₹25000 crore, including ₹13358 crore, ₹4500 crore from earlier Plan schemes, ₹1100 crore from Central Road Fund, ₹1400 crore from Rebuild Kerala and ₹800 crore from KSDP are being carried out by Public Works Department. The construction of 5000 Km roads will be completed during 2020-21.

West Coast Canal

- 43)** The construction of West Coast Canal is progressing in a time-bound manner with the entry of CIAL partnered with Kerala Water Ways Infrastructure. Sir, 585 Km long water way from Bakel to Kovalam will be opened for transportation in 2020-21.
- 44)** Now the canals are 18 to 20 meter wide. 40 meter width will be ensured by 2025. If so 50% of the freight transportation within the state can be made through the water way. This will give impetus to tourism also. A scheme for linking water ways with 3 airports, minor ports, industrial commercial center etc. in Kerala is being prepared.

Silver Line Project

- 45)** A Greenfield railway track which was mentioned in the previous budget is going to be a reality. It will be the work requiring the highest investment in Kerala. Aerial survey has been completed. Alignment will be determined next. Land acquisition procedures will be started in 2020. Once the land is acquired, it could be completed within 3 years. Several International Agencies are ready to invest in this project.
- 46)** This is not just a rail track, but will have a new service road and 5 townships. It will be able to reach Kasaragod from Thiruvananthapuram within 4 hours for ₹1457/-. Time also could be saved. It is expected that there will be 67740 daily commuters in 2024-25 and 147120 commuters in 2051. Even though there are 10 stations, there will be short distance trains to the 28 feeder

stations. Ro-Ro facility for transporting vehicles and freight at night time will be available in this rail. One third of the ticket charge is expected as non ticket revenue. Employment will be provided for 50000 during construction and for 10000 on permanent basis.

- 47) Discussions are going on for availing loan at lower rate from International Agencies including Japan Development Agency with 40 or more years of repayment period. Some major investment organisations have come forward for investment in the development of townships. Today, 95% of transportation in Kerala depends on road. This is not at all desirable. There will be an eco-friendly fundamental change in the transport structure of Kerala when the water way and rail development are added.

Kochi Green Mobility Zone

- 48) Sir, 'Seamless Mobility for Kochi' project has received an award from Central Ministry of Urban Affairs. An eco-friendly and integrated urban transport system will evolve in Kochi. Projects to be implemented in 2020 are given below.

- New lines for Kochi Metro from Petta to Thripunithura and from Jawaharlal Nehru Stadium to Kakkanad Infopark. Expenditure towards this will come to Rs.3025 crore.
- Integrated water transport in 16 routes with 76 Km water ways and 38 jetties. Expenditure towards this will come to ₹682 crore.
- Solar boats for water transport department.

- Green vehicles, subsidies for e-autos, electric/CNG transport buses and KSEB charging stations.
- Smart services such as e-ticketing, mobile app, CCTV, passenger information system etc. will be implemented for all bus operators by forming a cluster. Unified ticket card will be introduced for metro, water transport and buses. Award has been received for this project.
- Arrangements will be made for creating maximum non-vehicle travel facilities. Kochi Metro Zone Project for safe foot-path, cycle track, road-safety, metro rail – water transport connectivity etc. Expenditure towards this will come to ₹239 crores.
- An amount of ₹2.5 crore is earmarked for Kochi-Metropolitan Transport Authority which supervises all these projects. Sir, construction works amounting to ₹6000 crore are allocated for Cochin City including the above mentioned works, important over bridges and other roads. It may be noted that Railway over bridges and flyovers have not been included in it.

Tourism

- 49)** Kerala Tourism has overcome two flood ravages. Effective marketing has played a vital role in this. 18.5 percentage growth could be achieved in the number of domestic tourists and 8.24 percent for foreign tourists in 2019. ₹320 crore is earmarked for development of tourism. Out of this, ₹63 crore is allotted for marketing.
- 50)** Kerala Boat League was one of the most important tourism announcements in the last budget. Kerala Boat

League was successfully organised by completely emphasising the sports, entertainment and tourism potential of boat race. Boat League will be highlighted as the main attraction in this year's tourism marketing. Financial assistance will be given to 'Jalamelas' which do not come under the league. Necessary changes will be introduced in the implementation. An amount of ₹20 crore is earmarked for Kerala Boat League and other 'Jalamelas'.

- 51)** When future possibilities are taken into consideration, Spices Route Project is the most elaborate tourism project. The theme of this circuit is the international path traveled by spices of Kerala from ancient times similar to that of Chinese Silk Route. China and East Asian countries, Africa and Europe will be partners in this. UNESCO has expressed interest in this. We are presently implementing heritage preservation projects, centered on our port cities. Among them, the heritage projects in Muziris and Alappuzha have moved a lot further. Activities of tourism circuits centered at Thalassery are going on. The plans of Kozhikkode, Ponnani and Thankassery ports are being formulated. Muziris Heritage Project will be commissioned in 2020-21. This is not merely a tourism project. This journey along the Muziris historical monuments is a historical study tour as well. The profit from Muziris company will be utilised for encouraging and helping the school study groups for this purpose.
- 52)** At least a dozen museums in Alappuzha could be opened to the public in 2020-21. Ormathervu project

focused on erstwhile Gujarati regions will also be inaugurated. Conservation activities of heritage mansions constructed in 19th century including Churches/Mosques/Temples educational-health-commercial institutions etc. will be completed. When these activities are added with canal renovation works aided by KIIFB, Alappuzha will get a rebirth as a heritage city.

- 53)** Special emphasis is given to tourism projects in Malabar region. The attractiveness of Malabar cruise will be enhanced with the inauguration of National Water Way. Sir, a project will be formulated with the co-operation of Devaswom Board for the renovation of temples in its antiquity, facing ruin and having architectural beauty like that of Mahadeva Temple at Koothattukulam. An amount of ₹5 crore is earmarked for this. A pilgrim tourist circuit will be envisaged by the name, “thatwamasi”. Fund will be provided after preparing the outline for it. ₹10 crore is earmarked for Travancore Heritage Scheme. An autonomous Hotel Management College with International standards will be started at Dharmadam.

Industries

- 54)** A new vigour is evident in Kerala’s industrial sector. The share of industrial sector in state’s domestic revenue which was 9.8 percent in 2014-15 has raised to 13.2 percent in 2018-19. In national factory production, the share of Kerala has increased to 1.6 percent from

1.2 percent. Investment promotion strategies to strengthen this trend have already been explained.

55) KMMML has invested ₹65 crore for its expansion from its own profit. TTP pollution control systems have been completed. Keltron's co-operation in defense sector is progressing. On getting accreditation from railway, Autocast's foundry is moving towards bogie manufacturing. Kerala Automobiles have launched e-auto in the market. Thus the public sector is progressing. In total, an amount of ₹280 crore is earmarked for the Public Sector in 2020-21.

- Travancore Titanium Products - ₹ 21.5 crore
- Travancore Cements - ₹ 10 crore
- K S D P - ₹ 20 crore
- K E L - ₹ 21 crore
- TELK - ₹10 crore
- TRACO Cables - ₹ 9 crore
- United Electricals - ₹ 6 crore
- Steel Industries & Forging - ₹ 7.1 crore
- Autocast - ₹20 crore
- S I L K - ₹ 10 crore
- Metal Industries - ₹ 3 crore
- Kerala Automobiles - ₹ 13.6 crore
- KELTRON - ₹ 17.7 crore
- Kerala Ceramics - ₹ 15 crore
- Kerala Clays and Ceramics - ₹4 crore

- S I D C O - ₹ 17.9 crore
- Bamboo Corporation - ₹ 5.8 crore
- Handicraft Corporation - ₹ 5 crore
- Spinning Mills - ₹33.8 crore
- Working Capital - ₹ 30 crore

56) It was KSDP that I have quoted in all the previous budgets, as the symbol of progress of the industrial sector. In 2015-16 the production was ₹28 crore. The target to achieve in 2020-21 is ₹150 crore . Non beta lactum injectable plant, with an investment of ₹40 crore will be inaugurated in the month of April. The essential medicines for post organ transplantation surgery will commence production by then. The average daily expenditure of 5 essential medicines that is usually used for this comes to ₹250, whereas KSDP is going to make available these medicines for ₹28. Like wise, the cost of medicine for cancer can also be reduced. For this, construction of an Oncology Park with the aid of KIIFB in the 6.4 acre land near to KSDP will begin in 2020-21. The responsibility for managing the park rests with KSDP. Out of the allocation of Medical Services Corporation an amount of ₹50 crore will be made available as advance for medicine. New automatic high pressure moulding line will be established in Autocast for bogie manufacturing.

57) The construction of building for the new Pharmaceutical Manufacturing Unit of HOMCO has been completed. This will be commissioned in 2020-21 after installing machineries and obtaining certifications. An amount of

₹10 crore is additionally earmarked for the completion of this new factory. An amount of ₹4 crore, to be distributed as advance compensation to employees of Excel Glass is yet to be disbursed. This amount will be made available in 2020-21.

- 58)** The outlay for Medium and Large Scale Industrial Sector including investments in Public Sector Enterprises is ₹468 crore. Of this, ₹109 crore is for KSIDC and ₹92 crore is for KINFRA. The construction of all industrial parks mentioned in the last budget is progressing swiftly.

Expatriate Investments and Safety

- 59)** The changes effected in the Central Budget on the definition of expatriates and taxes imposed on them is a huge set back for us. The Central Government is not ready to give due consideration to the expatriates, whose contribution is critical for compensating the trade deficit of the country. Sir, the outlay for NORKA which was ₹30 crore in 2019-20 is raised to ₹90 crore. An amount of ₹36 crore was additionally sanctioned in the previous year over and above the budget allocation. In the 5 year tenure of the previous government, the allocation to NORKA was only ₹82 crore.

- 60)** Top most priority is given to the rehabilitation of expatriate returnees.

- An amount of ₹27 crore is allocated for the Santhwanam Scheme. The family income limit for availing benefits has been raised to ₹1.5 lakh from ₹1 lakh.

- An amount of ₹9 crore is allocated for Pravasi Kshema Nidhi.
- An amount of ₹18 crore is allocated for giving interest subsidy for 4 years and capital subsidy to small scale entrepreneurs.
- ‘Care Home’ or ‘Garden of Life Project’ is a scheme meant for ensuring the usually available facilities to the old age members of Malayalee families settled abroad. NORKA will provide 5 acres of land to the company formed for this purpose, being the share of the first unit.
- An amount of ₹2 crore is for NORKA Business Facilitation Centre.

61) Foreign employment will be promoted.

- An amount of ₹1 crore for comprehensive revision of job portal with the help of an expert team.
- An amount of ₹2 crore for technical enrichment.
- An amount of ₹5 crore for conducting crash finishing course to 10000 nurses for overseas employment. The finishing school will include various foreign language training, certification of language proficiency as stipulated by each country, technical refreshment programme, IT skills and soft skills. This project will be implemented through Community Skill Parks of ASAP, the skill development initiative of Higher Education Department.

- 62)** Assistance programme for expatriates
- An amount of ₹3 crore for Pravasi Legal Aid Cell, Awareness campaign and for providing 24 hour helpline.
 - An amount of ₹2 crore for financial assistance to Pravasi organizations.
 - An amount of ₹1.5 crore for airport evacuation and airport ambulance.
 - An amount of ₹3 crore is allocated to Malayalam Mission for starting on-line Malayalam learning course, libraries in various study centres of Malayalam Mission and Internet radio.
- 63)** An amount of ₹12 crore for Loka Kerala Sabha and Loka Samskarika Mela.
- 64)** Two important schemes initiated for the welfare and financial prudence of the expatriates are Pravasi Chitty and Pravasi Dividend. Both the schemes will be fully operational in 2020-21.
- In the Pravasi Dividend Scheme government will guarantee a monthly dividend of 10% with subsidy for investment.
 - Where as in Pravasi Chits, along with all the benefits of chits, expatriates will be ensured the benefits of pension and insurance as well. Expatriate Malayalees can sponsor projects in Kerala. Incentives will be made available to expatriate organisations for charity in Kerala.

Kerala Bank

- 65) Kerala Bank has become a reality. This enormous achievement is the result of constant and vigilant efforts for the past 3 years. The merger of District Co-operative Banks as per statute has already been completed. Software unification for products and services is progressing swiftly. The deployment of staff is also under consideration of the Government.
- 66) Today, Kerala Bank is the second largest bank in Kerala to have one lakh crore business. Our target is to attain a business of 3 lakh crore rupees and 5000 touch points including primary co-operative societies. A banking network like this, having an organic linkage with Kerala, will be a big support for our Small and Medium Scale Agricultural and Non-agricultural Enterprises. This will create a big leap in domestic investments. The wealth of the state will be utilised for the development and benefits of the State. Kerala Bank will move forward adhering to Reserve Bank guidelines and firmly following co-operative principles and values. The main benefit of Kerala Bank is that, it will not loot the public. The practice of squeezing the public through exorbitant service charge, fees, penalty etc. will not be followed. For providing all sorts of modern technological services to the public, our primary co-operative societies will be equipped through their apex banks by partnering them in core-banking system.

III

DECENTRALISED APPROACH

People's Plan

- 67) We are entering into the 25th anniversary of People's Plan by next August. From the advent of People's Plan, Kerala stands first in India in the decentralisation of power. While centralised mechanism is important for large infrastructures and investment, decentralisation of power is inevitable for small scale production, service sectors etc. where public participation is essential. We are adopting such a dual developmental approach.
- 68) The decentralised planning experience of the past 25 years needs to be analysed. Each Grama Panchayat and Municipality has to prepare a comprehensive report on what they have achieved, not achieved and advancements made in new directions as envisaged in the Development Report of 1996. Working groups will be constituted for preparing the report in the month of May. After getting the approval of the new administrative council, this report will be subjected to elaborate local deliberations.
- 69) KILA will organise an extensive conference in November 2021 for presenting these experiences. Besides the scholars who participated in the International Seminar in 2000, other research fellows, peoples representatives, volunteers, officials etc. will participate in the conference. An amount of ₹1 crore is allocated for this.

We for Ourselves

- 70) Kerala is going to witness another people's campaign in the 25th year of People's Plan. Comprehensive local plans will be formulated for preventing disasters due to climate change. Such an extensive disaster prevention/response programme at the local level will be first of its kind in the world. The training with necessary guidelines for this has been completed. Before finalising the annual plan, draft reports will be prepared. The core aspect of this report illustrates what should be the preventive actions and precautions to be taken on each ward, based on the lessons learned during the natural disasters in 2018 and 2019, if such an eventuality re-occur. This will be discussed in all gramasabhas. Based on these discussions, at least some projects will be included in the plan.

River Rejuvenation

- 71) Sir, let me draw the attention of this August House to the few lines of the poem penned by Thwahitha Shir of Ottappalam Vaniyamkulam School in Palakkad District Youth Festival competition.

'Tree

River

Wind

It was history researchers who

discovered those words destroyed by termites.

It is not just enough to discover them.

The meaning should be made clear.

I racked my brains.

I Google – searched.'

The poem which begins with this line is a strong criticism of the next generation towards the atrocities being committed by our generation to Mother Nature. Sir, we ought to protect our nature and rivers for the next generation.

- 72)** The river rejuvenation projects announced in the previous budget has been carried along by Haritha Mission. The Meenachal River Project in Kottayam is the most prominent example for this. Canals and rivers at a length of 1450 KM have already been cleansed. Many clogged streams have been opened. Barren land to an extend of 4000 acres were cultivated. 20 acres of encroachments were reclaimed. Novel water tourism projects have been initiated. Sir, we bagged an award at the National level for the way in which the Employment Guarantee Scheme for these activities were utilised. Killiyar in Thiruvananthapuram is another example for this. An amount of ₹20 crore is earmarked as additional assistance to similar river rejuvenation projects.
- 73)** By including them in Employment Guarantee Schemes, activities relating to strengthening of river banks by organic means are taken up for cleansing and carpeting the banks with geo textiles. 2000 KM rivulets having a width of more than 200 meter were cleaned under the aegis of Haritha Mission alone. Sir, the total length of

rivulets in the state is 82000 KM. Of this, 50000 KM rivulets, will be cleaned before the end of 2020-21.

- 74)** Centralised septage plants are inevitable. Presently, septage in Kerala is entirely being drained into water bodies. This has to be avoided. An amount of ₹5 crore each will be given as a special grant for the developmental activities of Panchayaths, that ensure land and public consent for the installation of septage plants.
- 75)** Utilising the Employment Guarantee Scheme recharging of wells and renovation of ponds will be undertaken extensively. In 2020-21, 50,000 wells will be recharged. 25,000 ponds will be renovated or new one's will be constructed.

Suchitwa Keralam

- 76)** It will take many more years to clean all the water bodies. But the goal of modern solid waste management is achievable. The local self government institutions presented such a tableau and varied experiences in the 'Haritha Sangamam 2020'. In 2021, 500 Panchayats and 50 Towns including Thiruvananthapuram will attain total cleanliness status in Solid Waste Management. For this, strict criteria is to be adhered to. Waste of households and institutions should be segregated at its source itself. Biowaste should be processed at the source itself or nearby. Non Bio degradable waste shall be collected through Green Work Force (Haritha Karma Sena) and brought to the Resource Recovery Centres. Green Protocol should be complied with in all Public

functions and Public Offices. The public roads have to be kept clean. There should not be any dumping centres. I would consider it as a proud achievement that a major part of Kerala has changed this way. In order to achieve the same all Local Self Government Institutions must earmark funds and projects in the Plan. An amount of ₹20 crore will be made available to Clean Kerala company from the outlay of Suchitwa Mission as a revolving fund.

- 77) Ayyankali Employment Guarantee Scheme occupies an important position in the cleanliness drive of cities. The outlay for this is raised to ₹100 crore.
- 78) 12000 public toilets will be constructed in 2020-21. In addition to the renovation of toilets in existing petrol pumps, toilets in “take a break rest centres” under Kudumbashree and toilets sponsored by other Government agencies and public sector undertakings Local Self Government Institutions will start toilets. This is essential for attaining complete clean status for the State.

Fruit Crop – HortiCorp Campaign

- 79) The third item of people’s Green Initiative will be the Fruity / Horti Corp Campaign announced by the Hon’ble Chief Minister on the eve of new year. This is a campaign for planting one crore saplings of fruit bearing trees each year for a decade. The expenditure for this will be around ₹54 crore each year. This is expected to create an additional income of ₹50,000 crore in the state within 10 years. Along with this, horticulture and

floriculture will be expanded by extensively constructing rain shelters. Amount has been earmarked to Agriculture Department for giving technical assistance to this and for making nurseries. Besides this, there will be a stipulation that Local Self Government Institutions will earmark 10 percent of their annual plan for this green campaign. Thus, an amount of ₹1000 crore will be expended towards the expansion of fruity and horti crops in 2020-21. An amount of ₹7 crore is earmarked for Haritha Keralam Mission.

Local Employment Assurance Programme (LEAP)

- 80) A programme for giving employment to 1.5 lakh people per year will be started through Local Self Government Institutions in non agrarian sector through local ventures. Employment should be created at the rate of one person per thousand persons. This may be implemented through Kudumbashree, Co-operative Society or Private Entrepreneurs. A special programme incorporating this should be included in all local plan documents. Initiatives such as non plastic products, value added farm products and other small scale industries may be included in these initiatives. The financial assistance for this may be made available from plan fund. The block and district panchayats ought to support for entrepreneurship training and marketing. Start up Mission is now focusing on IT sector. Start ups such as small scale agricultural processing initiatives, electrical and mechanical initiatives will be given special encouragement.

81) Technical assistance is essential for implementation of the above mentioned projects. Technical Educational Institutions of the locality will be linked with this campaign. All units of NSS should participate in this. Internship programme will be started for young engineering graduates at the rate of 3 in Corporation / District Panchayath, 2 in Block / Municipality and 1 in Grama Panchayath. During the Onam season, all Local Self Government Institutions should publish the appraisal report of all the above five programmes.

82) An amount of ₹12074 crore is earmarked for Local Self Government Institutions in 2020-21.

- Development Fund - ₹7158 crore
- General Purpose Grant - ₹1717 crore
- Maintenance Grant - ₹2943 crore
- Urban Service Delivery Projects - ₹255 crore
- Of the Development Fund ₹1221 crore is for Scheduled Caste Sub Plan and ₹183 crore is for Scheduled Tribe Sub Plan.

83) Apart from this, ₹6285 crore will also be made available to Local Self Government Institutions in 2020-21.

- Centrally Sponsored Schemes - ₹1411 crore
- State Sponsored Schemes - ₹1027 crore
- Chief Minister's Village Road Development Programme - ₹2400 crore
- Rural Development - ₹344 crore

- Urban Development - ₹1945 crore
- Life Mission - ₹2000 crore

84) Utmost care has been taken to ensure that treasury restriction hasnot adversely affected the activities of Local Self Government Institutions. Local Self Government Institutions have been exempted from 20% plan cut of 2018 and 30% plan cut of 2019.

Hunger Free Kerala

85) Sir, food for the hungry, water for the thirsty, blanket for the chilled and bed for the exhausted is the definition for independence given by Sri. Balachandran Chullikad. The government too share the same perspective. A scheme has been announced in the last budget to make Kerala a hunger free state, in the country which has been sliding down in its ranking in the World Hunger Index. Food Department has given final shape to this scheme. This scheme will be implemented through voluntary organizations& institutions. They mayfreely deliver food to bedridden patients at home. Or else food courts could be established for providing meals at a maximum rate of ₹25. At least 10% of meals should be given free through sponsorship. The Civil Supplies Corporation after ascertaining the number of beneficiaries will provide rice at ration rate and groceries at subsidized rate to the willing institutions. Based on this criteria, Ambalappuzha, Cherthala Taluks will be declared as hunger free zones fromApril onwards. This scheme can be expanded to more areas in 2020-21. An amount of ₹20 crore is set apart as special financial

assistance for this. Under the aegis of Kudumbashree, 1000 food courts will be started for providing food at ₹25/-.

- 86) In the plan fund, ₹62 crore is earmarked for Civil Supplies Corporation. ₹1036 crore is the food subsidy. Additional funds for food subsidy and market interventions will be made available, as required.

Women empowerment & Kudumbasree Branding

- 87) Sir, the cover page of Gender Budget Overview Report is a painting of Anujath, a 9th standard student from Thrissur. This painting was viral in social media. The colour combination and composition reminiscing Mughal era surely will attract our eyes. But what struck my mind was not that. It was the neighbourhood activities of the mother and peer mothers that Anujath painted. Sir, the Kudumbashree's contribution in showcasing the visibility of women in Kerala is immense. During 2016-17 the total outlay for schemes for women was ₹760 crore which was 4% of plan outlay. Sir, in the budget 2020-21, this amount is enhanced to ₹1509 crore which is 7.3 percent of plan outlay. If the special component for women in other Schemes is also taken into account, the total share for women will come to 18.4%. This was 11.5% during 2017-18. This gender priority for women has become the hallmark of the Budget expenditure of Kerala Government.
- 88) It was stated in the last budget that Kudumbashree would introduce brand based centralized marketing for 12 micro entrepreneurship items. As part of this,

agreement has been executed for manufacturing products such as umbrella, coconut products and curry powders on cluster basis with common name and selling it through the outlets of Civil Supplies Corporation. Kerala Chicken has been launched in the market. Already around 1000 poultry units are working under Kudumbashree. Under the brand name 'Nutrimix', general nutritious food items were introduced in the market. 212 handicraft products were launched online in the market. Also, 275 Building construction units run by women, 206 Multi Task teams, 76 Event Management Teams were started. Agreement has been executed for starting more than 100 "Take-A-Break" centres.

'Wrinkled and grey,

With its outer cover cracked,

The unread autobiography'

is the evaluation of feminine life by Vijila Chirappad. The main duty of every modern society is to rewrite such episodes.

89) Along with strengthening of the above mentioned activities, the following targets have been fixed for Kudumbashree in 2020-21.

- She Lodge enterprises in all cities.
- 200 Kerala Chicken outlets.
- 1000 Green initiatives in partnership with Green Work Forces.
- 50 Hotels with a daily turn over of ₹30,000/- per day.

- 1000 Hunger free hotel initiatives.
- Management of 500 toilet complexes.
- 5000 new labour initiatives.
- 14 Tribal Micro Projects based on Alappuzha Model.
- Bio Group Farming in 20000 acres.
- 500 Gender Resource Centres
- Home shops in all districts based on Kozhikode model.
- Kudumbashree Internship Program.
- ₹3000 crore bank loan at 4% interest.

90) An amount of ₹250 crore is set apart for Kudumbashree. In addition to this, an amount of ₹200 crore will be made available from Rebuild Kerala for livelihood initiatives. The total budget of Kudumbashree is ₹600 crore including assistance from Local Self Government Institutions. Apart from this, Centrally Sponsored Schemes for urban areas amounting to ₹950 crore are being implemented through Kudumbashree.

91) The outlay for Women & Child Development Department including Centrally Sponsored Schemes is ₹1053 crore. Dr.Saradakutty makes the society vigilant that the culprit for the heinous crime that shatters the surprises and wonder world of girl children is not an individual, but the whole society. Sir, with such a realisation the government is approaching the budget. The government and the society have the responsibility to find a solution to such atrocities committed on woman

and children. Maintenance assistance for Nirbhaya Home is raised to ₹10 crore.

- Anganwadis that lack proper building facilities and enough children in attendance will be integrated to make Model Centres working in day time.
- Secured rooms for women travelers will be arranged in Working Women's Hostels.
- Facilities will be provided for Specially Challenged Children in selected Anganawadis.
- Smart Anganawadi Scheme will continue.
- International Trade Centre will be opened in Gender Park for marketing the commodities produced by women.

Sir,

*'How do we dismantle the chains that
bind the soul'*

Thus doubts, Girija Pathekkara. One of the most important task of LDF government is to set free women from all such visible and invisible fetters.

Complete Housing

- 92)** Third stage of Life Mission will commence in 2020-21. 40,000 houses will be made available to scheduled community and fisher folks. Another 60,000 persons will be given house / flats. The emphasis at this stage is to provide land to those homeless who do not own land. They will be provided with land and house where ever

land is available. It is proposed to construct flats in other areas. The land for this has been found in all the districts. Construction of 10 flat complexes has already been commenced.

- 93)** The outlay for Housing Department is ₹61 crore. Of this, ₹45 crore is for Housing Board. The important projects are the rented flats for government servants at Kozhikode, new projects for the homeless, Aswas Kendras, Working Womens Hostel and Grihasree. The land of Housing Board at Vallavanad will be acquired by government at Ponnum Vila (premium rate). The price given for this can also be utilised for expansion of the afore mentioned schemes.

Towards Educational Excellence

- 94)** In the poem of Sachithanandan 'Monologue of an Indian student' there is a mention of a golden river which flows through the pure and mischief filled minds of children depositing dreams. Let me say it with pride that the golden river Educational Protection Drive is flowing through Public Educational Institutions of Kerala by depositing dreams of excellence. The main component of the renewed vigour in the educational sector is the expansion of facilities in the public education sector. Sir, there are umpteen avenues opened for the children to express their flair of imagination through the opportunities that spreads open by the General Education Protection Campaign. In the school wiki page of Meenangadi Higher Secondary School student Faikha

Jaffer, who wrote a poem 'Book of shelf have something to say'

'Life itself

Was tacked as letters

On pieces of paper.

To narrate stories of the dark age,

Ann, she awaits.'

While going through these lines, we are unlocking the key to the readings and thoughts of a 10th standard student in our public education school. The public schools will be renovated in such a way as to nurture the imagination of children. Construction of buildings measuring 80 lakh Sq.feet at a cost of ₹3500 crore funded from KIIFB Plan Fund, MLA Fund, MP Fund & LSGD Schemes are in progress. This renovation is unparalleled in history. An amount of ₹20 crore has already been given to Aided Schools as Challenge Fund. This scheme will continue in 2020-21 also.

95) The total outlay for General Education sector is ₹19129.55 crore. All schemes meant for improving academic excellence and allied educational programmes will continue. The following schemes will also be taken up.

- A scheme will be formulated for procurement of new furniture in new buildings . Old furnitures will be reused.
- Solar units will be installed step-by-step in all schools.

- A talent scheme will be formulated to foster the aesthetic flair of students in school clusters.
- 'Sradha Schemes' will be expanded.
- Labs will be modernised.
- School uniform allowance will be enhanced to ₹600 from ₹400.
- The Scheme 'Prathibhatheeram' will be expanded.
- The allowance of Pre-Primary Teachers is enhanced by ₹500
- The wages of cooking staff is enhanced by ₹50

Universal Health Security Scheme

- 96)** 'Karunya Arogya Suraksha Padhathi' is implemented in Kerala ensuring in-patient treatment up to ₹5 lakh per family for 41.37lakh families. The expenditure for this is ₹700 crore. Where as the central assistance provided is only ₹140 crore. Along with this, the families who are outside this scheme and not included in any other health schemes will get the benefits of the old Karunya scheme.
- 97)** As part of Ar dram Scheme, 350 Primary Health Centres were upgraded into Family Health Centres. Out Patient service is available here even in the afternoon. Lab and pharmacy are also available. The renovation of secondary and tertiary hospitals is progressing on a war-footing. Treatment can be made available to 80% of cancer patients in Public Health Sector itself soon. Steps are being taken to establish Cardiology

Department in all District Hospitals and Trauma Care & Dialysis Units in all Taluk Hospitals.

- 98)** Government have approved the Palliative Policy. Palliative network has become a public health initiative that spread to every nook and corner of Kerala. This people's intervention should be expanded to preventive measures and to monitoring of severity of illness. The Health force, along with extension activists in the sub centres, Asha workers and voluntary workers will take up this responsibility. The Aardram Mission could be transformed into a people's movement, only through this.
- 99)** ₹10 crore is additionally earmarked as a special assistance for Local Self Government Institutions which make the database on the health condition of people, evaluate patients through screening, provide treatment and ensure disease prevention activities and arrange palliative care to the needy including mentally challenged. Honorarium for Asha workers is enhanced by ₹500/-.
- 100)** A comprehensive support system will be created with the help of modern technology for palliative treatment and elderly care. Patients will be under surveillance of automated camera. Artificial Intelligence tools will be used to monitor the health condition remotely and alert the nearest palliative centre/health work in use of emergency. The facilities will be inbuilt in the system to provide basic health indicators such as blood pressure, pulse and oxygen status to the health centre. Including camera and other accessories, a patient will need

around ₹10000 for this. Pilot projects for this will be implemented at select places in Kannur and Alappuzha. ₹10 crore is additionally earmarked for this.

IV

PACKAGES

Coastal Area Package

- 101)** The coastal area package announced in the previous budget worth ₹5000 crore will be implemented in 5 years. ₹380 crore is earmarked as plan fund in the current year for Fisheries sector including Harbour Engineering Department. In addition to this, ₹750 crore will be spent through KIIFB in 2020-21. ₹64 crore for schools, ₹201 crore for hospitals, ₹57 crore for sea wall and pulimuttu, ₹209 crore for harbour, ₹100 crore for fish market, ₹150 crore for roads are the projects. The construction of Chethi and Parappanangadi harbours will be commenced in the summer. ₹50 crore is available in the budget for other harbours. As part of Life Mission 7000 houses worth ₹280 crore will be constructed in the fisheries sector. The project amounting to ₹2450 crore from Rebuild Kerala has been approved for the rehabilitation of Fishermen folks in the coastal area with ₹10 lakh per family.
- 102)** Some of the projects mentioned above may take many years to complete. Even if such expenditure in the succeeding years is set aside, the outlay for coastal package for 2020-21 will come to ₹1000 crore. Unfortunately the fisheries sector is unaware of this unprecedented developmental intervention. District level

review meetings will be conducted regarding this . Okhi fund has been expended properly. Even then, critics still air false allegations from some corners. Hence a social audit will be conducted by a team headed by Smt. Aruna Roy on Okhi expenditure.

- 103)** An amount of ₹15 crore is earmarked for development of other allied jobs for the women infisher folk families and ₹6 crore for fish vending women. Fish storage centres in all fishing harbours and online marketing of the same will be implemented through Matsyafed.

Kuttanad Package

- 104)** Kuttanad is the best example for the effectiveness of flood rehabilitation activities in Kerala. After the floods in 2018, 126054 people belonging to 50000 families were relocated within one week without any epidemic or emergency. An amount of ₹10000 each was given to 54066 families. 1920 houses were totally damaged in the flood. Of this, first installment assistance was given to 1880 houses for rebuilding. Reconstruction of 627 houses has been completed. ₹274 crore has been given for maintenance of 49083 partially damaged houses. An amount of ₹152 crore was distributed as agrarian compensation.
- 105)** The Planning Board has prepared a package of ₹2400 crore for Kuttanad. The 2nd Kuttanad package has to be implemented considering the experiences learned from flood.

- The first step is to get rid of the plastic wastes from the bottom of the back waters with the help of fisher folks.
 - The absorption capacity of back waters will be enhanced by mechanised lifting of muddy sludge from the back water swamp. ₹10 crore is earmarked for the above purposes.
 - A massive scheme with the financial assistance of KIIFB will be implemented to draw sludge and sediment from the back waters and canals and to utilize it for widening the outer bunds in order to strengthen it with suitable methodologies. The rubbles and slabs will be used in essential places.
- 106)** Such a comprehensive scheme with people's participation is being implemented in Nedumudy Panchayath on an experimental basis with the aid of Kanalpy, Alappuzha. ₹30 lakh is sanctioned as a special assistance for this. Employment Guarantee Scheme (MNREGS) is primarily used for this. With the help of Coir Corporation, National Coir Research and Management Institute (NCRMI) and Pulinkunnu Engineering College the Grama Panchayat will rebuild one of the paddy field bunds using slurry and geo textiles. Suitable grass carpeting will be provided. Based on this model, not only in Kuttanad area but also in all the Panchayaths on the banks of Vembanadu, a scheme for deepening and cleaning of canals with people's participation will be implemented in the ensuing summer.

- 107)** Backwaters can be kept clean only if towns and villages on its banks are kept waste free. The major chunk of people's programme to clean the canals similar to roads in Alappuzha town will be completed by this year. The practice of releasing waste from Alappuzha into the backwaters will be ceased. Septage plants will be established urgently.
- 108)** An amount of ₹74 crore is earmarked to the Irrigation Department for flood control measures in Kuttanad. This will be utilized for construction of outer bunds and removal of sediments. In the current year's plan, an amount of ₹20 crore is earmarked for Agriculture, ₹11 crore to Inland fish farming and ₹7 crore to Duck farming. The outlay for Roads and Bridges of PWD for which permission has been granted or construction is underway amounts to ₹385 crore. Works worth ₹50 crore is sanctioned under Chief Minister's Village Road Renovation Scheme. Apart from this, ₹50 crore is also earmarked for post flood road renovation works. Thus ₹750 crore will be expended from the budget provision for Kuttanad.
- 109)** As part of Kuttanad package, sanction is accorded for many important schemes which will be completed in two or three years.
- Kuttanad Drinking Water Scheme - ₹291 crore
 - Thottapally Spillway - ₹280 crore
 - Alappuzha – Changanassery Elevated Road - ₹450 crore
 - Pulinkunnu Hospital - ₹150 crore

- Other KIIFB Projects - ₹ 541 crore
- From Rebuild Kerala - ₹200 crore

110) The dream of cleansing Kuttanad by intake of saline water with opening of Thaneermukkam bund for at least one year will be commenced on completion of Kuttanad Drinking Water Project. A new agrarian calendar needs to be discussed and approved by Padhashekara Samithies.

Wayanad Package and Branded Coffee

111) Malabar Coffee and Carbon Neutral Wayanad Scheme announced in the previous budget is the focal point of Wayanad Package. The total expenditure expected for this is ₹500 crore.

- Mega Food Park worth ₹150 crore in 100 acres of KINFRA. Its construction will start in 2020-21. Common processing facilities for branded coffee and fruits will be located here.
- An amount of ₹13 crore is earmarked for Agriculture Department for classifying coffee plantation areas to micro regions considering the local characteristics, ensuring adequate preservation methods and farmer producer societies.
- An amount of ₹10 crore is earmarked for providing the drip irrigation to coffee. In addition to this, an amount of ₹4 crore is provided in micro irrigation project.
- Carbon neutral project will help Wayanad for branding coffee. Presently, the carbon emission is 15 lakh tonne. Existing trees could sequester 13 lakh tonne

out of this. 60000 tonne carbon emission will be reduced through panchayath level projects.

- Bamboo will be planted in 6500 hactre for sequestering the remaining carbon. 70 lakh trees will also be planted.
- Following the Meenangadi Panchayath model, farmers will be provided ₹50 per tree per annum from the third year onwards. Loans are to be repaid only on the occasion of cutting trees. For this, ₹200 crore will be given to banks as deposits from green bonds.
- Biodiversity will catalyze eco tourism. An amount of ₹5 crore is earmarked for tourism development.

112) By including in the annual plan an amount of ₹127 crore is earmarked for Wayanad district. In addition to this, more amount will be sanctioned for controlling wildlife menaces. An amount of ₹25 crore will be spent from TSP for creating job opportunities for tribal women and for other welfare activities. An amount of ₹719 crore is sanctioned from KIIFB for various projects. Medical College will also have KIIFB assistance. D.P.R for alternate Wayanad Tunnel Project is being prepared. Works worth ₹65 crore is being undertaken by PWD in the district. An amount of ₹214 crore is provided for Chief Minister's Rural Road Restoration Programme and Rebuild Kerala Initiative. Thus, the outlay for Wayanad District Package, which is to be implemented within three years, is ₹2000 crore.

Idukki Package

- 113)** Idukki basically needs a development strategy for augmenting the production and productivity of spices such as tea, pepper, cardomom and fruits such as jack fruit, by ensuring ecological balance. An amount of ₹100 crore will be set aside for Idukki district in 2020-21 from Agriculture, Soil - Water Conservation and Animal Husbandry departments. The construction of Spices Park and Agro Park will be intensified. A special consideration will be imparted to winter crops in Vattavada.
- 114)** It is important to retain Idukki as a region suitable for agriculture and inhabitation. A proper consensus regarding land utilisation should emerge from the grass roots. For regaining the lost nutrients and bio components of agricultural lands, remedial measures will be adopted on the basis of soil testing. We have to move towards organic farming. Watershed basedland use planning will be implemented with public participation. An amount of ₹200 crore will be made available from Rebuild Kerala for such an elaborate programme. Local disaster management plan, sanitation and water conservation programmes and tree plantation campaigns have to be connected with this. An amount of ₹10 crore is additionally earmarked for the initial activities of this programme.
- 115)** Sir, a special directorate will be set up with the aim of achieving the prosperity of plantations in Kerala. Housing projects for plantation labourers will be made part of Life Mission.

- 116)** Tourism clusters and circuits will be formulated. Special thrust will be given to farm tourism. Second phase of Munnar Botanical Garden, Tourism Centre attached to Idukki dam under Tourism Department and Hydrel Tourism are the major activities. An Airstrip will also be set up at Idukki.
- 117)** In the backdrop of damages due to flood, special consideration is given to Idukki district for public works. Administrative sanction of ₹130 crore has been accorded under Chief Minister's Rural Road Restoration Project and Rebuild Kerala Initiative. Public roads and bridges worth ₹722 crore are now under construction. The construction of Bodimettu – Munnar National Highway worth ₹278 crore is going on. Sanction for works amounting to ₹1000 crore has been accorded from KIIFB. This includes ₹100 crore to educational sector, ₹80 crore to drinking water, ₹70 crore to Health, ₹40 crore to Sports and ₹300 crore to Public Works. Approximately ₹400 crore worth works are under appraisal stage. Construction of the Medical College will be intensified. From all these, an amount of ₹1000 crore will be expended in 2020-21 as part of Idukki Package.
- 118)** Sir, detailed review meetings on implementation of Idukki, Wayanad and Kuttanad packages will be conducted before the month of April. An amount of ₹90 crore is earmarked for Kasargode Package in 2020-21.

V

AGRICULTURE AND TRADITIONAL SECTORS

Coconut Serried Land of Kerala

- 119)** This scheme is for substantially enhancing the coconut production and ensuring at least 20 percent hike in the

price through value added products. Each ward will be supplied with 75 Coconut seedlings in 2020-21. The price of coconut will be made available to the farmers by avoiding middlemen and their income will be supplemented by value addition of coconut and its by-products. Scheme for connecting coconut villages with co-operative societies is ready. In the first phase, 40 co-operative societies will be partnered with this. Necessary assistance with 90 percent subsidy will be given to the societies for establishing coconut husk mills. A subsidy of 25 percent will be made available on investment for coconut oil and other coconut products. Same assistance will be extended to coconut producer companies also. Labour Societies of these banks will pluck coconuts and provide the price to the farmers through online on the same day of harvest. Share of value addition will be given as bonus also.

‘Jeevani’ - Our Agriculture, Our Health

- 120)** This is the scheme for ensuring healthy food by encouraging backyard farming. An amount of ₹18 crore is earmarked for this. In addition to this, ₹7 crore is earmarked to VFPC for vegetable sector. These three agencies namely Local Government Institutions, VFPC and Agriculture Department will invest a total amount of at least ₹500 crore in the vegetable sector. Self sufficiency can be achieved substantially if co-ordination is ensured. An amount of ₹3 crore is earmarked for Pineapple processing centre at

Vazhakkulam. This centre and Agro Park at Thrissur will have facilities for making wines from fruits.

- 121)** We should be able to procure small scale production surplus of fruits and vegetables after domestic consumption in a single platform. An electronic platform in the model of Uber has been developed by Kerala Development Innovation Strategy Council (K-DISC) for this purpose. Farmers, Co-operative Societies, Banks, other producers, large and small scale merchants and consumers are being brought together in a network on this Kerala Food Platform. Details regarding where, when and how these transacted commodities, are produced, will be made available in this platform. Quality Certification facility as per Partnership Guarantee Scheme will also be available in this platform. Integrated Farming method implemented by Palliakkal Co-operative Bank at Ernakulam district has been currently incorporated in this platform. It is aimed to operationalize this platform by also including the production of Vadakkanchery Municipal area on a pilot basis.

Barren-land free villages

- 122)** An amount of ₹118 crore is earmarked for Paddy Cultivation. Agriculture Department will provide ₹5500 as subsidy per hectare. Local Government Institutions are extending multifaceted support to agriculture as part of barren-land free project. An amount of ₹2 crore is earmarked for “Irippoo Krishi” in Kole area under Operation Double Kole and ₹2 crore is earmarked for

Pokkali cultivation. At present, there are 26 barren-land free villages. It is expected that, this will be raised to 152 in 2020-21.

- 123)** The outlay of Agriculture sector is ₹764 crore. If the contribution of other agencies are taken into account, there will be an approximate expenditure of ₹2000 crore in agriculture sector during this year. ₹52 crore is earmarked for marketing mechanism, ₹20 crore for crop insurance and ₹28 crore for soil card project. Emphasis for soil water conservation activities is continued. An amount of ₹94 crore is made available for this in the current year.

Integrated Rice Park and Rubber Park

- 124)** Integrated Rice Park and Rubber Park were announced in the previous year. Rice Park in Palakkad under Co-operative sector will commence operation in 2020-21. Detailed Project Report (DPR) for two Rice Parks under Industries Department is ready. An amount of ₹20 crore is earmarked. Work will commence in 2020-21.
- 125)** The first phase of Rubber Park will be established in the 500 acre land remaining after the requirement of News Print Factory. As the transport connectivity, water connection and electric connection are already available, operation of the Park could be commenced in 2020-21 itself. The land required for the development of second phase of Rubber Park will be acquired in 2020-21.

Self Sufficiency in Milk production

126) We are able to produce 94 percent of our milk requirement in the State itself. This budget also aims at continuing the Milk production strategy, which has proved to be successful, more intensively. Total outlay of Animal Husbandry sector is ₹422 crore. Out of this, ₹54 crore is earmarked for Public Sector Undertakings and ₹75 crore to Veterinary University. An amount of ₹40 crore is earmarked for marketoriented dairy farms and milkshed projects. An amount of ₹20 crore is earmarked as financial assistance for Dairy Societies and ₹15 crore for Cattle feed subsidy.

Community Micro Irrigation

127) The scheme for implementing drip irrigation technique for horticulture and fruit bearing trees is intended to be extended on the basis of farmers' collective . The trials carried out by farmers of Palakkad Chittoor and Vadakarapathy region are great successes. It was not only able to double the productivity but also to halve the weed control expenditure and electricity charges. Based on this model, an amount of ₹14 crore is earmarked in this financial year for integrated community micro drip irrigation project in 50 acres of land each in 14 districts.

128) A total of ₹864 crore is earmarked for irrigation. So far, an amount of ₹1051 crore has been expended on Moovattupuzha Valley irrigation project, which was commissioned in 1974, with an estimated cost of ₹21 crore. An amount of ₹230 crore is earmarked for clearing pending bills of irrigation projects. It will be

commissioned in the month of April. An amount of ₹61 crore is earmarked for projects related to interstate river water basins of Kabani, Bhavani & Pambar. The new project on the anvil is the Attapadi Valley Irrigation Project.

Modernization of Coir Industry

129) In 2015-16, coir production was below 10000 tonne. In 2020-21 this will become 40000 tonne. The lion's share of fibre requirement for this will be produced in Kerala itself. This coir will be converted into traditional coir products or geo textiles.

- 400 mechanized mills, 2000 automatic spinning machines and 200 automatic geo textile looms are being established.
- Coco Log production factory, rubberized mattress production factory and mechanized geo textiles factory will be started under the aegis of Coir Corporation,
- Instead of Coirfed plastics, Coirmulching sheets production factory will be started.
- Three type of products will be produced in the coir composite factories of Foam Mattings. These are coirboards made using only 20 percent of resin, boards made up of coir and bamboo mat and boards made up of coir pith.
- An agreement has been made with the multinational company Dutch Plantin to establish a coir pith processing company at Valayar.

- Coirfed will act as a service centre for providing coir pith inoculum and its services to various Indian cities. Technology is provided by NCRMI.
 - 25 start-ups will be established under the leadership of young engineers to supply geo textiles.
- 130)** Mechanization will not affect the labour or labourers of traditional sector. Their produce will be processed by government ensuring minimum price and marketed by providing subsidy. It is targeted to enhance the average annual income of the coir spinning society labourers which was ₹13000 in 2015-16 to over and above ₹50000, during the year 2020-21. An income of at least ₹600 per day will be ensured for the labourers of mechanized sector.
- 131)** An amount of ₹112 crore is earmarked in 2020-21. Apart from this, an amount of ₹130 crore is intended to be spent through NCDC assistance. An amount of ₹50 crore is expected from Coir Board for starting 10 coir clusters. An amount of ₹25 crore is additionally earmarked for one time settlement of small scale producers who had availed loan under the remote scheme of the 70s, settling the loan arrears of societies in district banks, gratuity of the employees, pension fund deposits, and also for clearing electricity bill arrears.

Revival of Cashew Industry

- 132)** In 2019, Cashew Development Corporation has provided 161 days of employment and Capex has provided 214 days of employment. 480 factories functioned. 2020-21 will be an year of intense drive to

reopen the other closed factories and to complete the revival activities of the industry. For this an amount of ₹135 crore is earmarked.

- An amount of ₹20 crore is earmarked for giving compensation to the owners of the factories which were taken over in 1970s.
- An amount of ₹20 crore is earmarked for interest subsidy of private cashew factories that come under the revival package.
- An amount of ₹20 crore is earmarked for clearing gratuity arrears.
- An amount of ₹50 crore is earmarked for Cashew Board.
- An amount of ₹20 crore for the modernization of Cashew Corporation and CAPEX.
- An amount of ₹5 crore for cashew cultivation.

133) Capex and the Cashew Development have not become ready to adhere to the conditions laid out in the previous budget to start an escrow account for repaying the price of raw cashew supplied by the Cashew Board. This condition must strictly be followed. From this year onwards Cashew Board will intervene in the cashew kernel market also.

Handloom

134) An amount of ₹28 crore is earmarked in the plan for the Handloom sector. In addition to this, an amount of ₹105 crore is earmarked for Handloom Uniform Scheme and ₹20 crore for income guarantee scheme, making a

gross amount of ₹153 crore. A new handloom processing centre will be opened at Naadukaani at a cost of ₹6 crore.

- 135)** An amount of ₹23 crore is earmarked for power loom mills.

Other Traditional Industries

- 136)** An amount of ₹16 crore is earmarked for Khadi & Village Industries. Apart from this, an amount of ₹15 crore is earmarked for giving rebate for Khadi produced in Kerala. Around ₹20 crore also will be available from income guarantee scheme.
- 137)** An amount of ₹3 crore is earmarked for Handicraft Development Schemes. An amount of ₹5 crore is earmarked for Bamboo Development Corporation. A production facility for bamboo composite boards will start functioning in 2020-21. Large scale bamboo planting activities will be taken up as part of Haritha Mission Campaign.
- 138)** Toddy Board will commence operation in 2020-21 .

VI

OTHER SECTORS

Kerala Financial Corporation

- 139)** Kerala Financial Corporation is the most efficiently functioning State Financial Corporation in the country. The non performing assets which was 10.57 percent in 2015-16 was reduced to 5.77 percent through one time settlement and intensive arrear recovery programmes.

The base interest rate was slashed to 9 percent from 14.5percent. As per RBI stipulation risk weighted asset ratio must be a minimum of 9 percent. The ratio of Kerala Financial Corporation is 19 percent.Fresh loan disbursementin the year 2015-16 was ₹1025 crore. This will increase to ₹1500 crore in 2019-20. Whilethe profit will raise to ₹20 crore from ₹5 crore. In the backdrop of having 'Double A' rating, the Kerala Financial Corporation has resolved to make a giant leap in loan disbursement in 2020-21. For achieving this the equity base of the firm must expand substantially.

- 140)** Sir, the share capital of Kerala Financial Corporation is being increased by ₹200 crore. Based on this, the Kerala Financial Corporation can additionally mobilise ₹2000 crore from the market. The public sector undertakingsin Kerala will be provided with loans amounting to ₹300 crore from Kerala Financial Corporation. The interest of this loan will be paid directly by the Government.

Kerala State Financial Enterprises

- 141)** The Kerala State Financial Enterprises is celebrating its Golden Jubilee. In comparison to 2015-16, the turnover of chits rose by 40 percent and became ₹22744 crore. While the total turnover rose by 50 percent and became ₹43647 crore. The operational profit rose to ₹509 crore from ₹236 crore. New schemes will be formulated and implemented in the Golden Jubilee year.

- ◆ Pravasi Chits will be made available to malayalis residing in other states also.

- ◆ Steps will be taken to make Pravasi Chits more attractive.
- ◆ Gold loan will be enhanced to ₹5000 crore.
- ◆ 50 smart branches will be opened.
- ◆ Kudumbashree Chits will be started.

Small Scale Industries

142) The most vibrant industrial sector in Kerala is the Small Scale Industries Sector. An amount of ₹36 crore is earmarked for industrial parks and the development of common facility centers. An amount of ₹70 crore is earmarked for various entrepreneurship development programmes. An amount of ₹10 crore is earmarked for the revival of sick units and ₹10 crore for interest subsidies.

Commerce

143) An amount of ₹16 crore is earmarked for the commercial sector. Of this, ₹10 crore is for setting up permanent marketing cum exhibition complex. An amount of ₹20 crore is additionally earmarked for settling the pension arrears of Traders Welfare Fund.

Higher Education

144) The plan outlay for higher education sector is ₹493 crore, of which ₹125 crore is for Kerala, Calicut, Kannur, Mahathma Gandhi, Sanskrit, Malayalam & Law Universities. An amount of ₹16 crore is earmarked for Higher Education Council and ₹9 crore for KCHR. An amount of ₹50 crore is set aside for ASAP. An amount of ₹5 crore is earmarked for 'K.R. Narayanan Institute of

Visual Sciences and Arts'. Of this, ₹2 crore is for museums for video documentation. Various scholarships such as 'Erudite', 'Scholar Support', 'Walk with Scholar', 'Fostering Research in Students', 'Orise' etc for improving academic standards will be continued. Sir, non plan share of some universities is low. Necessary enhancement will be provided later after examining the financial condition.

- 145)** KIIFB aided infrastructure development of Colleges and Universities will be implemented in 2020-21. Construction of a ₹100 crore worth laboratory in Cochin University is underway. ₹50 – 100 crore each will be allotted from KIIFB for other Universities. An amount of ₹142 crore is allotted for the construction of College buildings.
- 146)** A program will be implemented in 2020-21 for the renovation of laboratories in all government colleges. Each college has to prepare and submit special projects required for this. The amount required for this will be made available from the Major Infrastructure Head.
- 147)** Higher Education Council will determine the best three departments in universities from the domains of science, arts & literature and social studies, and special awards will be provided for its development. Necessary posts and fund for infrastructure development will be provided. An amount of ₹20 crore is specially earmarked for this. Higher Education Council itself will select researchers for Kairali Research Award.
- 148)** Sir, the Thrissur campus of Calicut University is functioning in the ancestral home and property of

Dr. John Mathai. This house will be renovated and developed as a memorial for first generation economists in Kerala namely P.J.Thomas, V.R.Pillai, Padmanabhan Pillai and Dr.K.N.Raj. The Chief Advisor for this project will be Prof.M.A.Oommen. An amount of ₹2 crore is earmarked for 'N.R.Madhavamenon Interdisciplinary Centre for Research Ethics and Protocols' under Cochin University. An amount of ₹2 crore is sanctioned for the history museum of CMS College which is celebrating its bicentenary.

- 149)** Appointment of sufficient teachers for courses sanctioned in previous years has not been done. A Government order will be issued within the month of March for the creation of 1000 posts as per the criteria of 16 hours teaching per week.
- 150)** It is necessary to sanction new courses in the higher education sector. For that, a committee chaired by the Secretary, Higher Education will be assigned to scrutinize the applications received from colleges. It is intended to sanction a total of 60 courses. Eligible colleges will be selected on the basis of certain criteria.
- New generation inter disciplinary courses will be started.
 - Colleges need to have 'A plus' grade in NAAC accreditation. Exemption will be given to government colleges.
 - Exemption will be given only to the colleges newly started by Scheduled Tribe Trusts.

- Legacy and expertise of the college in that subject, the number of teachers and condition of nearby colleges will be considered for sanctioning courses.
- Permanent posts will be created only after five years. Courses should be conducted on temporary / contract basis till then.

151) The Gulati Institute of Finance and Taxation will continue its national level consultations in Central – State financial relations. An international seminar on Labour Code will be conducted in the month of November with the co-operation of Labour Department. A national seminar on new Emigration Act conducted in association with NORKA. For this, an amount of ₹5 crore is sanctioned to GIFT.

Technical Education

- 152)** The outlay for technical education is ₹210 crore. An amount of ₹22 crore is earmarked for Cochin University and ₹18 crore each for Technical University, Kerala State Science and Technology Museum and IHRD. An amount of ₹37 crore each is earmarked for engineering colleges and ₹40 crore each for Polytechnics.
- 153)** K-DISC is providing leadership to Kerala Medical Technology Consortium. A programme has also been formulated for incorporating emerging technology in government. An amount of ₹25 crore is earmarked for K-DISC.

Drinking Water

- 154)** Never ever in the history of Kerala Water Authority has it undertaken such large number of drinking water projects.
- 61 works worth ₹4384 crore from KIIFB.
 - 283 works worth ₹1254 crore from AMRUT.
 - 1448 works worth ₹1562 crore from State Plan.
 - 39 works worth ₹736 crore from NABARD.
 - 52 works worth ₹620 crore from centrally sponsored drinking water project.
- 155)** Thus, activities are going on for attaining a production capacity of 10 crore litre per day from 1891 projects worth ₹8523 crore. The time bound completion of these works is a challenge. These projects could be completed on time and drinking water scarcity in the State could be resolved substantially, if the enthusiasm and efficiency shown by the employees of Water Authority during floods in restoring the production capacity, that was 52 percent non functional, within two weeks and for ensuring drinking water and sewage treatment in Sabarimala; could be replicated.
- 156)** Moreover, one third of the above projects are to relay the existing supply pipelines. Through this, distribution loss could be reduced substantially and per unit cost of water could be lowered. Today, the average cost of one kilo litre water is ₹23.72 . But the average price charged for water is ₹9.50. This gap has to be reduced. A fundamental restructuring is inevitable for this.

- 157)** An amount of ₹675 crore is earmarked for Kerala Water Authority. An amount of ₹400 crore will also be available from central schemes. Bottled water from Water Authority will be made available on commercial basis in 2020-21. An amount of ₹2 crore is sanctioned for the completion of Aruvikkara Bottled Water Project. In the backdrop of Alappuzha drinking water project getting delayed, an amount of ₹4 crore is sanctioned additionally for rejuvenating old sources, as a part of an emergency plan for overcoming drought.

Forest

- 158)** The outlay for Forest Department is ₹179 crore. An amount of ₹56 crore is additionally expected from centrally sponsored schemes. In addition to ₹110 crore from KIIFB for reducing human – wildlife conflict and an amount of ₹24 crore will be made available from plan. Animals in Thrissur Zoo will be rehabilitated to Puthur in 2020.
- 159)** Sir, thenovel intervention in forest sector in 2020 is the project for rehabilitating deep forest inhabitants. Forest could only be conserved by retaining them as a large contiguous area. Human interference should be limited to the outskirts of dense forests. For this,an amount of ₹106 crore is sanctioned from Rebuild Kerala.

Scheduled Classes

- 160)**

'Not indeed before the king

Or anyone for that matter

*May be stand
Crest fallen,
Hands
Not held behind in acquiescence
But self-assuredly folded in the front.
May he be so guarded
He clamours
Time after time'*

Thus, the poet Asokan Marayur draws the desire of Scheduled communities for self confidence. Sir, improvement in financial status is essential for social progress. But in India, in general, what is the attitude towards scheduled communities? In no other Indian state development fund for Scheduled Tribes has been allocated in proportion to the population. With the discontinuation of five year plan such a principal itself has become irrelevant. But in Kerala, 12.64percent is allocated over and above the proportion of population. Outlay for Scheduled Caste Sub Plan is ₹ 2730 crore and that for Tribal Sub Plan is ₹786 crore. In addition to this, an amount of ₹458 crore will be available from centrally sponsored schemes.

- 161)** Top most priority is for housing. An amount of ₹685 crore under Scheduled Caste Sub Plan and ₹247 crore under Scheduled Tribe Sub Plan are earmarked for, land for landless, completion of incomplete houses,

share of Life Mission and for study rooms. In 2020-21, housing will be provided to 15000 Scheduled Caste families and 5000 Scheduled Tribe families from Life Mission. Under the study room projects started by this government, study rooms have been constructed for 8465 houses so far. In 2020-21, 4000 study rooms will also be constructed.

162) Sir,

*‘Swimming against the flow
Shouting out ‘Arppo’ boisterously,
A fistful of world clusters,
Returning to the boat.....’*

The above lines of M.R.Radhamani include the great desire for social progress by earning education. Next to housing, the priority is for education. An amount of ₹386 crore is earmarked to Scheduled Caste Sub Plan and ₹115 crore to Scheduled Tribe Sub Plan for education. For model residential schools, an amount of ₹93 crore is earmarked through KIIFB and an amount of ₹23 crore from plan. Gothra Bandhu Scheme for providing education to the newly admitted Scheduled Tribe students in schools will be implemented all over the State by appointing the competent youth from the Scheduled Tribe community, have qualifications such as TTC and B.Ed, as mentor teacher.

163) The program announced in the previous budget for giving placement to youths of Scheduled category by

implementing vocational skill training is successful. Placement has been given to 4896 persons so far. Of this, 383 got job in foreign countries. It is targeted to give employment to 10000 persons in 2020-21.

Welfare of Other Communities

- 164)** An amount of ₹101 crore is earmarked for the welfare of backward communities. Of this, ₹53 crore is for OEC educational schemes. Including central share, ₹36 crore is available for Scholarships. An amount of ₹50 lakh is allocated as share capital for Pottery Development Corporation.
- 165)** An amount of ₹42 crore is earmarked for Minority Welfare
- 166)** An amount of ₹36 crore is earmarked for the Welfare of Forward Communities.

Geriatric Care

- 167)** In this sector, formation of 25000 elderly neighborhood groups under the aegis of Kudumbashree was the most significant event in the geriatric care in 2019-20. 'Snehitha calling bell scheme' was also formulated for elderly people living alone. But the proposal 'Pakal Veedu' for 2-3 wards has not been implemented properly. Local Self Governments are bound to set apart at least ₹290 crore from their plan fund for elderly people. This must be included in the local plan for 2020-21. There is no need to construct new buildings. Existing libraries and rented houses can be used for this. Elderly neighborhood groups should be associated with these centers. 'Sayamprabha Scheme' of Social

Justice Department, having an allocation of ₹6.5 crore, has to be integrated. An amount of ₹24 crore is earmarked for 'Vayomithram Project'. Sir, the programmes for the geriatric welfare are spread across all departments. By adding these together elder budget will be prepared likewise gender budget and the same will be presented along with budget documents.

- 168)** The amount of ₹100 crore, that was sanctioned to Kerala Agricultural Workers Welfare Fund Board, will be given at once. In 2020-21, ₹50 crore is also allocated.

Protection of the Differently Abled

- 169)** Kerala got the award of Central Government for being the best differently abled protecting state for formulating a policy frame work suitable to support each phase in the life cycle of differently abled. Immunization including MMR vaccine for preventing deformities in the gestation period itself is the outset. The next phase will be the screening for detecting deformities in the infancy itself and to initiate remedial measures. For this, an amount of ₹50 crore is earmarked for schemes like 'Anuyathra', 'Sruthitharangam' and 'Aarogya Kiranam'.
- 170)** Differently abled children of mild and moderate nature are usually admitted in normal schools. There is also Autism Park, in which differently abled children are taught either in special or common class room on experimental basis irrespective of their intensity of deformity.
- 171)** Sir, an amount of ₹40 crore is earmarked as financial assistance to 290 special schools run by voluntary

organizations and others. Apart from this, an amount of ₹10 crore is earmarked for the protection of differently abled who are above the age of 18. The additional amount required for this should be met from the plan outlay for the Education Department. An amount of ₹35 crore is earmarked for Bud Schools. An amount of ₹1 crore is earmarked for different art centre for the training of differentially abled artists and for providing employment to them as professional performers.

172) An amount of ₹40 crore is earmarked for treatment and care of the differently abled and ₹31 crore is for their Mental Health Programmes. An amount of ₹9 crore is for Barrier Free Kerala. A special scheme will be implemented for making 28 public institutions in the city of Thiruvananthapuram, as barrier free. An amount of ₹40 crore is earmarked for giving allowance to the nursing assistant of the differently abled.

173) An amount of ₹217 crore is set apart for this sector from the departments like Social Justice, Education, Health & Family Welfare and Local Administration. Apart from this, Local Administrative Institutions are bound to set apart at least ₹290 crore. A total amount of more than ₹500 crore is available for expending with clemency and co-ordination.

Transgender

174) Kudumbashree organises 'Special Neighborhood groups' for transgenders. A Co-operative society of them has already been established. An amount of ₹5 crore is earmarked for 'Mazhavillu' programme.

Culture

175) The outlay of cultural sector is ₹157 crore. Some new schemes are on the anvil.

- An amount of ₹4 crore for a new building for the preservation of Palmleef archives.
- An amount of ₹6 crore for International Archives study and Research centre at Karyavattom.
- An amount of ₹8 crore for the construction of a new 'Sreechithra Art Gallery' with most modern technology.
- An amount of ₹7 crore is set apart for Kerala Lalithakala Academy. Out of this, ₹2 crore is earmarked to set up museum in Kerala by engaging artists on contract basis.
- An amount of ₹3 crore is earmarked for constructing a suitable heritage monument at Attingal Palace in connection with 300th anniversary of Attingal riot.
- Financial assistance to the tune of ₹3 crore was announced in the previous budget for Female Directors. This will continue. Apart from this, an amount of ₹3 crore is earmarked for the encouragement of Directors from Scheduled categories. Assistance given to one person will not exceed ₹50 lakh.
- An amount of ₹3 crore is additionally allocated for promoting amateur drama. Theselected drama will get a maximum amount of ₹5 lakh.

- An amount of ₹5 crore is earmarked for K.M.Mani Foundation to construct a monument building, ₹5 crore is for taking over E.K.Imbichibava's house at Ponnani as monument, ₹1 crore is for Unnayi Warrior Samskarika Kala Nilayam.
- Ernakulam Public Library is being rejuvenated with an amount of ₹12 crore from CSR Fund and others. An amount of ₹1 crore is allocated as State Government share.
- An amount of ₹75 lakh is allocated to set up Yesudas Digital Library.

Sports

- 176)** An amount of ₹120 crore is earmarked for Sports and Youth Affairs. 2020-21 will be the year that is going to take off a big leap in the amenities of sports in Kerala, while taking into account of the KIIFB projects also. An amount of ₹33 crore is earmarked for Sports Council. An amount of ₹2 crore is allocated for 'Yogakendra' at Aralam.

Port

- 177)** Vizhinjam International Seaport is the most important project of the Port Department. The construction of 11 KV line, Water Treatment plant and piling of berth has been completed. Land acquisition is upto 97 percent. Whereas, 20 percent of Breakwater construction, 60 percent of Land filling and 60 percent of concreting of Acropod have only been completed. It is estimated that, an amount of ₹350 crore is required for the project upto

March 2021. This has been met from ₹1000 crore set apart for major projects. Apart from this, an amount of ₹69 crore is earmarked for Port Department.

Transport

- 178)** An amount of ₹1000 crore is allocated for KSRTC as special financial assistance. ₹109 crore is earmarked in plan.
- 179)** An amount of ₹111 crore is allocated for Water Transport Department. Out of this, ₹26 crore is earmarked for State Water Transport. An amount of ₹75 crore is earmarked for Coastal Shipping and Inland Navigation Department.

Civil Supplies

- 180)** An amount of ₹60 crore is earmarked for Civil Supplies Corporation. Of this, ₹38 crore is meant for the arrangements of National Food Security Act. An amount of ₹12 crore is earmarked for the renovation of Supplyco outlets.

Co-operation

- 181)** The outlay of Co-operative Sector is ₹134 crore. Of this, the most important is the various financial assistance of ₹41 crore to primary credit co-operative societies. An amount of ₹7 crore is earmarked for the expansion and diversification of co-operative institutions. 2020-21 will be an year that Primary Co-operative Societies of Kerala are going to take vital steps for procuring of coconut and its value addition. An amount of ₹10 crore is earmarked for promoting these activities.

Kerala State Lottery

182) The turn over of Kerala State Lottery in 2015-16 was ₹5445 crore. This will be raised to ₹12000 crore in 2019-20. The target for 2020-21 is ₹15000 crore. The evil ploy of lottery mafia is the main threat faced by us. They succeeded in unifying the GST rate to 28 percent. The Act and rules framed by us is, having, a great barrier to their illegal activities. They have challenged these Acts in the Court. Along with effective legal fight the Keralites should be arrayed together against this lottery mafia. For this, the co-operation of all is requested for. Comprehensive software update of Lottery Department will be implemented this financial year. A mechanism in which authenticity of Lottery ticket can be verified by the public is about to come.

Uniformed Forces

- 183)** An amount of ₹193 crore is earmarked for the modernization of Police and Vigilance Departments. Apart from this, ₹60 crore will be received from centrally sponsored schemes including state share.
- 184)** An amount of ₹16 crore is earmarked for renovation of Jail and ₹10 crore for the welfare and rehabilitation of prisoners.
- 185)** Outlay of Fire & Rescue Service worth ₹70 crore is almost completely for ensuring modern equipments and technical amenities.
- 186)** An amount of ₹12 crore is earmarked for Excise Department. Out of this, ₹5 crore is for 'Vimukthi' – a De-addiction programme.

- 187) Outlay of Motor Vehicle Department is ₹39 crore. Of this, ₹6 crore is for road safety measures.

Other Regulatory Departments

- 188) Top priority for technical renovation of Treasuries will be continued. ₹20 crore is set apart for this. More Treasury buildings will be taken up for renovation.
- 189) A total amount of ₹86 crore is earmarked for Land Revenue Department. Out of this, ₹42 crore is for computerization and ₹18 crore is for setting up of Smart Revenue office.
- 190) An amount of ₹1034 crore is earmarked for State Disaster Management Department.
- 191) An amount of ₹305 crore is earmarked for Labour Department. ₹20 crore is earmarked for the scheme for guest labourers.
- 192) An amount of ₹84 crore is earmarked for State Audit and ₹19 crore for State Insurance.
- 193) Reconstruction of Registration offices through KIIFB assistance will almost be completed this year. An amount of ₹10 crore is set apart for renovation and digitalization of Registration Offices.
- 194) An amount of ₹15 crore is earmarked for the technical renovation of GST Department and for the installation of surveillance camera network.
- 195) An amount of ₹10 crore is set apart for Legal Metrology Department.
- 196) An amount of ₹9 crore is earmarked for Printing & Stationary Department.

- 197)** An amount of ₹2 crore is earmarked for Economics & Statistics. An amount of ₹64 crore is expected from the Central Government towards the survey activities of this Department.
- 198)** The 11th Pay Revision of government employees will be implemented in this year. DA arrears will be given in phases next financial year. Considering the opinion of Government employees, House Building Advance will be restored in the manner that the Government will provide the same directly.

Constitutional Institutions

- 199)** The outlay of Judiciary is ₹33 crore. This is in addition to the Court Complexes now under construction.
- 200)** PSC - An amount of ₹5 crore is earmarked for construction activities and ₹3 crore for computerization.
- 201)** Legislative Assembly – construction of new apartments is progressing on a war footing.

Others

- 202)** An amount of ₹38 crore is earmarked for information and publicity.
- 203)** An amount of ₹30 crore is set apart for State Planning Board. Out of this, ₹18 crore is for strengthening of District Planning Offices.

VII

TAX PROPOSALS

204) As indicated in the preface the state treasury is in serious financial crisis due to the discrimination by centre and economic slowdown. However, it is made clear from preceding paragraphs that it is not intended to cut expenditures resulting stagnation of developmental activities. The budget declarations have a higher expenditure of 15% above the revised estimate for 2019-20. A fiscal policy with expenditure cuts will end in making the possibility of recession a reality. But this situation of high increase in expenditures vis a vis not achieving the expected growth in revenues, cannot continued herein after.

Austerity Measures

205) Sir, the efficiency of expenditure has to be increased while curtailing avoidable frivolous spending. Let me state certain suggestions, before embarking on the revenue augmentation measures.

206) It should be possible to exclude ineligible persons from Governments welfare and service schemes. The mustering of old age-welfare pensioners will be completed within the coming days. Even after several extension of time limits 4.98 lakhs persons have not turned up or has refused to inform the secretaries of local bodies to collect the requisite information from their

homes. Deceased persons, Government pensioners, non-residents, non-eligible persons, drawing more than one pension, married persons drawing widow pension, etc, will be deleted from the list. Because of these measures an expenditure of 700 crore rupees is avoided. This enabled to give a raise of 100 rupees in pension amount to eligible pensioners, even in this time of financial crisis. These type of examination of beneficiaries under various Government schemes will continue

207) 17614 Number of new posts were created during the tenure of this Government. It was sanctioned after intense deliberations and detailed examination. However, 18119 number of posts were created in Government aided schools without following these procedures. 13255 numbers of teachers continues to be in the protected category. With the implementation of Right to Education Act, the teacher-student ratio was reduced from 45 students to 30 per teacher in lower primary schools and to 35 students in upper primary schools. It was interpreted that even if there is one student above this ratio, new posts could be created. At the sub district level if the AEO approves, posts were created. Many complaints were received on creation of such posts. These complaints will necessarily have to be examined. The situation that one post could be created

if the student ratio exceeds by even one student will have to change. New posts should be created only with concurrence of Government. K.E.R will be amended accordingly.

- 208)** As stated earlier, it is decided to expend 21174 crore rupees through local bodies in the year 2020-21. All missions and campaigns are centred on local bodies. Present staff strength is not sufficient for this. However, LSGD has 1000 employees in its DRDA and performance audit wings. Their duties are not relevant at present. More important tasks has to be done at lower levels. So, it is decided to re-deploy them. All of them will be re-deployed before the end this financial year.
- 209)** In State Goods and Service Tax Department 234 number of employees have no work due to the abolition of check-posts. Out of this, 25 persons have been re-deployed to Lotteries department and the remaining will be re-deployed to panchayaths. While re-deploying, facility will be given to the employees to opt for local body at their native place.
- 210)** Likewise, all departments will be subjected to detailed scrutiny on this aspects. Many lower posts have become irrelevant due to computerisation. Even though text books are now despatched directly to schools from the press, is earlier centralised infrastructure is still continuing. People recruited for various schemes at

different times are still continuing even though the schemes are completed. Engineers remain in many irrigation schemes even though the works have completed. At the same time, for local water shed development programmes, canal cleaning, preparation of estimates and supervision etc. more engineers are required.

- 211)** At present there is an order restraining expenditure on purchase of cars, TA bills, starting new grant-in-aid institutions etc. This will be implemented strictly. The new policy is hire cars on monthly rent rather than purchases. If contracts are entered with EESL, a central Government institution, to hire electric cars, Rs.7.5 crores per 1000 vehicles can be saved. It is expected to avoid excess expenditure of 1500 crores by aforesaid measures.

Goods and Services Tax

- 212)** Goods and Services Tax has not yielded the expected revenues. Since the reasons were discussed in the beginning, it is not intended to repeat the same. Considering 2015-16 as the base year and applying 14% growth rate should have yielded a revenue of 28416 crores. But only rupees 15030 crores was collected under GST, upto December 2019. Though the difference between protected revenue and GST

collection has to be compensated, the Central Government is failing to do so.

213) Our aim is to get out of compensation limit in the financial year 2020-21. To achieve this the following actions will be implemented.

1. 75% Offices of SGST department will exclusively deployed for collection of GST.
2. Though the GST registrations in other states have doubled since the implementation of GST, no proportionate increase is observed in Kerala. Necessary steps would be taken to widen the tax net by including upto 1 Lakh new registrations.
3. The annual returns for 2017-18, 2018-19 will be available before the end of March. It will be subjected to scrutiny and audit. By this, wrong input tax availment and tax evasion can be detected and collected.
4. The data received from GST information system will be analysed using various data analytic methods. Based on the analytical reports the sectors where Inspection and audit are required, will be identified.
5. The details of goods vehicles will be collected through cameras installed at borders. When the facility to cross verify the details with E-way bill will be completely operational, smuggling across the border can be prevented.
6. The business related information gathered from different sources and third parties will be verified with the return filed by tax payers

7. The genuineness of information furnished while taking GST registration will be verified after visiting the place of business. Mobile apps will be utilized for this.
8. Assistant State Tax Officers will be specially entrusted to watch proper filing of returns and payment of tax. They will continuously interact with the defaulters over phone, visit their business places, clear the doubts and their responses will be updated through mobile apps.
9. Red flag reports will be provided to the officers after analysing the return data with e-way bill, and information received from external sources.
10. GST surveillance units will be brought under centralized monitoring system. For the purpose command centres will be established at Amaravila, Walayar and Manjeswaram.
11. E-invoice will be made compulsory for evasion prone goods and services.
12. Amendments in State GST Act will be made based on the amendments incorporated in the Central Goods and Services Act as per the Union Finance Bill 2020.

Kerala Value Added Tax

214) As per the details available from GST Department. The outstanding tax arrears comes to 13000 crores. The break-up is as under;

- Rs.400 crores is irrecoverable through revenue recovery process.

- Rs.5000 crores is outstanding against dealers who have either stopped the business or not migrated to GST.
- Rs.4500 crores involved in court cases and appeals.
- Rs. 3100 crores balance amount.

215) Considering the previous experiences, a comprehensive amnesty scheme is declared to collect the outstanding arrears;

- Entire interest on tax and penalties will be waived.
- Entire admitted tax will have to paid 50% waiver will be allowed.
- Amnesty will be applicable for all pending tax arrears including cases pending in appeals.
- Option should be filed on or before 31st July 2020.
- 10% of rebate will be given to the persons who are remitting arrear demand is lumpsum within 30 days of receipt of the amnesty order. Those who opting for the instalments shall pay 20% of demand within 30 days of receipt of the order and balance amount shall be paid in four instalments before 31st December 2020.

216) Those who could not settle arrears under previous amnesty scheme can opt this scheme and credit will be given to the amounts already paid in under previous scheme. In addition to this, any amount paid after receipt of the demand notice shall be credited to tax. Those who had compounded offences and paid tax in such proceedings, such tax will be given credit. No

refund will be allowed to those cases which opted this scheme. Other conditions of amnesty will continue.

- 217)** This scheme is applicable to all demands coming the Kerala Value Added Tax Act, Central Sales Tax Act, Tax on Luxuries Act, Kerala Surcharges Act and Kerala Agriculture Income Tax Act. The scheme can also be opted within 30 days of receipt of the assessment order. It will be applicable to modified assessments based on appellate orders. In the case of appeals filed by the State, this scheme can be opted, based on the demand in the original assessment order. Those who opt the scheme shall settle the entire outstanding arrears together in a financial year. The Commissioner will be empowered to review cases settled under the scheme suo-moto.
- 218)** The amnesty scheme for Presumptive Tax payers and arecanut dealers will be continued. If such dealers opts this new scheme, continuation of other amnesty scheme will not be allowed.
- 219)** The dealers were allowed to submit the request for return revision under Kerala Value Added Tax upto 30th September 2019. Considering the request from the trade it will be extended upto 31st December 2020.
- 220)** The pending assessments from 2014-15 onwards under the VAT and Luxury Tax Act which are subsumed in GST will be completed before 31st March 2021.

Assessments will be limited to penalty cases, cases received from the commissionerate after scrutiny and detection of irregularities and cases pointed out by Accountant General in audit.

Kerala General Sales Tax

- 221)** During the budget 2019-20 amnesty scheme was declared for arrear demand under Kerala General Sales Tax Act. This scheme will be continued during this year also.
- 222)** The Bar Hotels which were closed as per the Government policy and obtained license subsequently could not file return for the relevant period due to software related issues. In such cases huge demand were created against the dealers. Such dealers are provided with an option to pay tax based on compounding pattern during the period. All conditions relating to compounding specified under Kerala General Sales Tax Act will be applicable to them. As turn over tax is not a collected tax, the persons who opt this scheme is eligible for relief of 50% of interest and complete waiver or penalty. The option for this shall be filed on or before 31st July and 20% of the demand shall be paid towards 1st instalment within a month and balance to be paid in 4 instalments before 31st December 2020.

Luxury Tax

223) During the budget 2019, assessment under tax on Luxuries Act were deemed to be completed in respect of dealers having annual turnover of Rs.5 lakhs. This relief is extended to dealers having turnover upto 10 lakhs.

Motor Vehicles

224) Encouraging electric vehicles is the policy of the Government. For this,

- The tax on electric auto-Rikshaw will be exempted for the first five years.
- The existing rebate on the first five year tax on new petrol and diesel autorickshaws will be done away with. The first five year tax on these vehicles will be fixed at one time tax of Rs.2500/-
- The onetime tax on new electric cars, electric motor cycles, Electric private service vehicles for personal use and electric three-wheelers will be limited to 5%.

225) Vehicles used exclusively for demonstration purposes, in possession of dealers will be levied 1/15 of the tax of the vehicles of the same kind for one year. Onetime tax for 15 years will be levied from such vehicles at the time of registration.

226) The quarterly tax on multi axle vehicles is higher than that of registered in neighbouring states. Hence 25 percent reduction is declared on goods vehicles other than tipper category having registered laden weight greater than 20000 kg.

- 227)** Purchase value is defined in the Motor Vehicles Taxation Act includes all particulars included in the invoices issued by the vehicle dealers or manufactures. When vehicles above Rs.10 lakhs are sold, 1% of tax has to be collected and paid to the IT Department by the seller. This will be given credit to the vehicle owner while paying income tax. It will be clarified in the Act that this amount will not be includable in purchase value.
- 228)** The tax rate of motor cycles not exceeding value upto Rs.2 lakhs will be increased by 1% and that of motor cars and private service vehicles for personal use not exceeding value of 15 lakhs will be increased by 2%. Rs.200 crores additional revenue is expected through this measure.
- 229)** The tax on three wheelers for private use has not been revised for last 13 years and that of construction equipment vehicles was not revised for last 10 years. Hence the tax on such newly registered vehicles will be increased by 2%. 8 crores additional revenue is expected.
- 230)** The present License fee of Pollution testing stations was not increased for last 16 years. It will be increased to Rs. 15,000/-.
- 231)** Now only 74 numbers are designated as fancy numbers in Kerala Motor Vehicle Rules. More numbers will be included in this category.

- 232)** The tax on education institution buses was not increased for the last 23 years. The tax on buses for educational institutions excluding that of Government and aided educational institutions will be increased in proportion to the seats. Quarterly tax at Rs.50 per seat will be levied on buses having upto 20 seats. For buses above 20 seats the tax will levied at Rs. 100 per seat per quarter Rs. 6 crore additional revenue is expected from this.
- 233)** The Government policy is to encourage Public Transport System. But there are complaints that the tax on stage carriages based on floor area, was fixed at higher rate. Hence, 10% reduction of tax will be made as stage carriages where tax is fixed on the basis of floor area.
- 234)** The existing fee levied under Kerala Motor Vehicle Rules for displaying advertisement is Rs.20 per 100 Sq.cm area for one year. For digital advertisement it is Rs.40. The minimum period for display of advertisements will be limited to one month. The fee for normal advertisements will be revised as Rs.5 per 100 square cms for one month and Rs.10 for digital advertisements. Necessary amendments will be made in Kerala Motor Vehicles Rules for this purpose.
- 235)** Many private motor vehicles which ought to have registered in Kerala, are now being registered in other states including Puduchery and continuously used in

Kerala. The efforts to collect tax from them is being hindered by litigations. The condition that these vehicle owners shall pay the tax from the date on which it was registered in other states, is causing hardship for those vehicle owners who intends to change their address to our state. To alleviate this hardship and to avoid further litigation, it will be mandated that they need to pay tax in Kerala only from the date on which NOC was issued from other states for change of address. All penalties in this regard will be waived. This concession will also be available for vehicles currently under litigation.

- 236)** On payment of prevailing rate of tax in Kerala, private vehicles registered in other states and conducting service in that state and also in Kerala intermittently will be allowed to conduct service in Kerala, without NOC for changing the registration.
- 237)** The onetime settlement for tax arrears, introduced in earlier years, will continue this year also, with certain changes. Transport vehicles in arrears of tax for four years or above can settle the arrears on payment of 30% of the arrears of last 4 years. For non-transport vehicles it will be 40% of the arrears for last four years. On settlement all penal actions will be dropped. For vehicles currently not in service, not usable or sold can be exempted from future liabilities, on submission of an

affidavit. Arrears currently under revenue recovery can also be settled under this scheme.

238) Transport vehicles registered before 1st January 2007 which have not approached motor vehicle department for any service for the last 10 years and non-transport vehicles which are not approached motor vehicle department for the last 20 years will be removed from the arrear list of the department. But if it is found subsequently that the vehicles are conducting service, tax along with penalty will be levied.

239) As per section 22 of Kerala Motor Vehicle Act, the tax on vehicles under Government custody is exempted for the custody period. But, with regard to vehicle taken into custody for non-payment of tax such exemption will be granted only on submission of Form G by the owner. Submission of Form G will be dispensed with in such cases for exempting tax for custody period.

Registration and Stamp Duty

240) The current novel idea of IT, Block Chain Technology will be used to reform the registration system. The idea of smart contract will be implemented by formulating model formats of deeds.

241) Sub registrar offices will be elevated to ISO levels.

242) To enable ease of doing business registration facilities will be made available in selected sub registrar offices on holidays also.

- 243)** There is no clear guidelines for valuing buildings other than flats, for the purpose of stamp duty. This causes large scale evasion of tax. To settle this amendments will be made in the Kerala Stamp Act to value such buildings as per CPWD rates. An additional revenue of Rs.225 crores is expected.
- 244)** To narrow down the differences between fair value fixed by Government and market value, 10% increase will be made in the existing fair value. Rs.200 crore is expected through is measure.
- 245)** Implementation of largescale projects will raise in market value of surrounding land. Hence notified land near such largescale projects will be valued at a maximum of 30% above the declared fair value. Rs.50 crore is expected.
- 246)** As per the present provisions, offences relating to Chitties can be compounded only upto 3 times. This limit will be dispensed with. Further the compounding amount will be increased.
- 247)** In order to promote registration and mortgage deed by way of Deposit of Title Deed, Stamp Duty, Registration Fee were reduced. But they are not registered due to the lack of statutory provisions. Therefore, suitable amendments, at par with other states, will be made in the Registration Act to make compulsory registration of title deeds.

Land Revenue

248) Annual luxury building tax levied on residential building is revised.

- 278.7 - 464.50 Sq. Meter = Rs.5000
(3000 - 5000 Sq. Feet)
- 464.51 - 696.75 Sq. Meter = Rs.7500
(5001 - 7500 Sq. Feet)
- 696.76 - 929 Sq. Meter = Rs.10000
(7501 - 10000 Sq. Feet)
- Above 929 Sq. Meter = Rs.12500
(Above 10000 Sq. Feet)

20% rebate will be allowed for those who pay luxury tax in advance for 5 years or above. Additional revenue of Rs.16 crore is expected.

249) The onetime building tax levied by revenue department has not been increased since 2014. This rate will be re-fixed rationally with an upper limit not exceeding 30 percent. Hence forth, the tax rate will be categorised in to three viz. Grama Panchayaths, Municipalities and Corporations. A rebate will be fixed to limit the disproportionate increase with regard to Panchayaths which were not in the special grade earlier.

250) In order to ensure payment of onetime building tax before assigning building number by local self-government institutions necessary provisions will be included in the respective statute.

251) Fees for transfer of registry is revised. Necessary amendment will be made to treat each schedule in the deed as a separate unit

- Up to 10 Are = Rs.100
- 11-20 Are = Rs.200
- 21-50 Are = Rs.300
- 51- 1 Hectre = Rs.500
- 1 Hectre to 2 Hectre = Rs.700
- Above 2 Hectre = Rs.1000

Additional revenue of 8 crores is expected.

252) A fee of Rs.200 is imposed for issuing location map prepared by village office after inspecting the location. Location map issued for Government Housing Scheme is exempted. Additional revenue of Rs.50 Crore is expected.

253) A fee of Rs.100 is imposed for issuing Record of Right (Thandaper) by village office. Record of Right issued for Government Housing Scheme is exempted. Additional revenue of Rs.50 Crore is expected.

254) Lease rent of Government Land of Rs.1173.6 crore is in arrear. An onetime settlement scheme is declared to settled arrears. 50% relief on the lease rent is given to the dues based on the lease rent revised in Municipal Corporation and Grama Panchayath upto 27/01/2016, 05/02/2016 respectively. Additional revenue of Rs.100 Crore is expected.

- 255)** The fees leviable under the schedule of Kerala Paddy Land and Wet Land Act 2008 and the rules made there under to alter the nature of un-notified land is revised. The fee is based on the fair value of adjacent property. Necessary amendment will be made in this regard.
- 256)** Discussions are going on the matter of de-siltation of dams in Kerala more than ten years. For various reasons this has not materialised now international tender has been floated in case of Mangalam Dam. Taking into account of this experience steps will be taken to prepare DPR for mining in case of 12 dams own by water resources department and 20 dams of KSEB. Tender proceedings will be initiated within 4 months at least in 6 dams. Finance department will co-ordinate the procedures.

VIII

CONCLUSION

- 257)** Sir, let me present the summary of the Revised Budget Estimate for the year 2019-20

Revised Estimate for 2019-20

(₹in crore)

Revenue Receipts	99042.58
Revenue Expenditure	116516.85

Revenue Deficit	(-)17474.27
Capital Expenditure (net)	(-)7958.38
Loans and advances (Net)	(-)753.59
Public Debt (Net)	19987.25
Public Account (Net)	5899.00
Overall Deficit	(-)299.99
Opening balance at the beginning of the year	(-)17.81
Closing balance at the end of the year	(-)317.80

258) As per the Revised Estimate of 2019-20, there is a considerable fall in revenue income and borrowings. Accordingly, Government has been compelled to reduce the expenditure. Total expenditure is less than 12 percent compared to what was provided in the budget. Revenue deficit is higher than the budget estimate, but lower than in the year 2017-18.

259) Let me present the Budget Estimate for the year 2020-21,

Budget Estimate for 2020-21

(₹in crore)

Revenue Receipts	114635.90
Revenue Expenditure	129837.37
Revenue Deficit	(-)15201.47
Capital Expenditure (net)	(-)12863.21
Loans and advances (Net)	(-)1230.70
Public Debt (Net)	24491.91
Public Account (Net)	4750.00
Overall Deficit	(-)53.47
Opening balance at the beginning of the year	(-)317.80
Closing balance at the end of the year	(-)371.27
Additional expenditure announced	(-)632.93
Tax Relaxation	
Additional resource mobilisation	1103.00
Cumulative Deficit at the end of the year	98.80

- 260)** Including the additional expenses now announced in this budget speech, the expenditure of 2020-21 is 15 percent higher than the Revised Budget Estimate of current year. 58 percent hike is earmarked in Capital Expenditure compared to the revised estimate. The State has to be led to a stable financial path without curtailing the developmental expenditure. With this objective, additional resource mobilisation amounting to ₹1103 crore has been announced. Compared to previous years, there are also proposals in the budget to raise the own revenue of the State. Hence, it is estimated that the revenue deficit would come down from the 2019-20 revised estimate figure of 2.01 percent to 1.55 percent. Fiscal deficit would be kept at 3 percent itself.
- 261)** In the present condition, it will take years to reach the stage when loans could entirely be used for capital expenditure. Because, as per the existing accounting system the expenditure for education and health are not classified as capital investment. But, for us this is the capital expenditure for human resource development. So we cannot nullify revenue deficit mechanically. Our determination to bring it down is visible in the budget accounts of 2020-21.
- 262)** We are creating a new edition of the Kerala Development Model. We are making a leap in industrial

growth along with protecting our social achievements. We have seen in the budget a true picture of these attempts getting results. Sir, the budget for 2020-21 will create the excitement of the leap towards this direction. We should hold on firmly to secular renaissance values for this new edition of our development model and take it forward. The famous 35th chapter of Geethanjali written by Rabindranath Tagore is in our blood,

'Where the mind is without fear,

And the head is held high,

Where the knowledge is free'

That is the heaven of freedom. The prayer of Tagore was to let Indians awake into that heaven of freedom. I am presenting this budget, once again paying homage to those young fighters who campaigned fearlessly for that heaven of freedom.

263) Sir, I am presenting the budget of 2020-21 for the consideration of this august House.

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