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# BUDGET SPEECH

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Minister for Finance

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**GOVERNMENT OF KERALA**

**BUDGET SPEECH  
2021-22**

By

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FINANCE MINISTER**

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1.

***Day will dawn  
And Sun will rise radiant,  
Merciful flowers will bloom  
And light will make a paradise of earth  
We will fight  
Corona and succeed  
And bring back  
a happy dawn***

Sir, Let me present the Budget speech for the year 2021-22 with the poem of Kumari K.Sneha, a seventh standard student of GHS Kuzhalmannam, Palakkad.

2. Sir, the confidence and spirit the Kerala shares is well reflected in these lines of this smart girl both in the matter of overcoming the challenges of Covid-19 or in the matter of revival of the economy. Let me proudly and politely claim that this confidence has been instilled in the people of Kerala by the Government under the leadership of Shri. Pinarayi Vijayan that has done everything possible to usher in a new dawn of happiness.

For this government, each crisis is a mother of new opportunities. Sir, in the last five budgets we have marched forward on a new developmental path after consolidating the achievements of the past. The budget for the year 2021-22 is in continuation of that stand. Let me declare with confidence that this Budget is a blueprint of the post-Covid developmental priorities and initiatives of Kerala.



3. Kerala's Covid response has won world acclaim. We were able to effectively contain the pandemic in its first phase. But the spread is on the rise in the subsequent phases. But Sir, because of success in containing the spread of Covid within the capacity of treatment facilities, we could keep the death rate to the lowest possible level. If the health intervention was not effective, death would have risen multifold. I request the House to join me in appreciating all Covid warriors including Health Workers, Police Force, Revenue Officials, Volunteers, Local Government Institutions and others.
4. We are not ready to stand panic-stricken before Covid. All of us, including our children are dreaming of new avenues to thrive. Let me share the aspiration expressed by Kumari R.S.Karthika, NSS HSS, Madavoor, Thiruvananthapuram.

***The war will be won  
A new dawn will rise  
We shall move on  
History would resound  
Our saga of triumph.***

This budget ensures the continuity and further development of Kerala's success story.

### **The Kerala Alternative**

5. The State Government has strict limitations on decision-making in a federal system. However, the measures adopted by Kerala were widely appreciated. We scripted a new chapter of survival. The world viewed with awe the willpower of the people who were not ready to yield. See how that fight got imprinted in the hearts of our children!

These lines were penned by Kumari K.H.Alakananda, a ninth standard student of GHSS Kaniyabetta, Wayanad

***When you announced a world war  
from inside a protein membrane,  
You were also teaching us  
How not to be defeated.  
A great book not taught  
By even a thousand war histories  
We have ingrained now within us.***

The government have shown a new model to the world on responding effectively to crisis with utmost discrimination. Kumari Kaniha, a 9<sup>th</sup> standard student, Government HSS, Ayyankoickal writes,

***To lend strength  
To our brethren,  
Don't we stand not just beside,  
But right in front...?  
A focussed government too, with us  
Marching by the side of us***

Let me narrate in a nutshell what the government has done.

6. **First**, we ensured free Covid treatment to all. The expenses of Health Department were freed from all kinds of economy restrictions. Medicines, appointment of temporary employees, establishment of Covid centres, Quarantine - Reverse – Quarantine procedures etc. made our Covid response effective. Once again the strength of Kerala's Health sector attracted world attention. The Government of Kerala is aiming to strengthen Kerala's public health system further.

New posts need to be created in 221 Family Health Centres. Posts as per the Central Government criteria have to be ensured in Medical Colleges. More posts are essential to completely utilise the new facilities created through KIIFB in other hospitals.

**Sir, In 2021-22, 4000 posts will be created under the Health Department. The Health Department can decide the fields and levels in which they are required.**

7. **Second**, during Covid-19, the focus was on providing distress relief to the people. Kerala announced a package of Rs.20,000 crore at the time of declaration of lockdown itself. Arrears were fully cleared. Pension has been enhanced. The members of Welfare Board who had no pension and those who had not been included in any of these were given special financial assistance. Community Kitchens and distribution of food kits were started to ensure that nobody starved. Interest free loans amounting to Rs.2000 crore were distributed through Kudumbashree at people's doorsteps.

**Sir, all Welfare Pensions are enhanced to Rs.1600.**

8. **Third**, the Local Governments were completely involved in the response against Covid. It was clarified that necessary funds for Covid response will be made available from plan funds and the additional expenditure will be given as additional grant at the end of the year. The Reserve Bank in its report on the fiscal position of the state, has set apart one page to compliment the local government institutions in Kerala.

**Sir, an amount of Rs.1000 crore is additionally allotted to Local Self Government Institutions. As recommended by the State Finance Commission, Development Fund is enhanced from 25%**

**to 26%. Maintenance Fund is enhanced from 6% to 6.5% and General Purpose Fund is enhanced from 3.5% to 4%.**

9. **Fourth**, Along with this, unlike other states, Kerala witnessed yet another phenomenon. That was the stimulus package of Rs.60000 crore implemented using KIIFB funds. Kerala is implementing the biggest state level anti-recession infrastructure package in India.

**Sir, In 2021-22, projects worth Rs.15000 crore will be completed through KIIFB.**

10. **Fifth**, Chief Ministers 100 days program was announced to kick-start the state administrative machinery out of the lock down. All announcements were fully implemented. As against the targeted 50,000 jobs, 1 lakh jobs were created. 'Subhiksha Kerala' paved a way for a big leap in the agricultural sector. Projects were completed in a time bound manner. New Developmental activities worth Rs.10000 crore are being implemented as second action plan.

**Sir, 8 lakh employment opportunities will be created in 2021-22. 3 lakh employment for the educated and 5 lakh for others.**

### **Economic Crisis**

11. Sir, I began my last Budget Speech pointing to the slipping of the national economy towards an acute slowdown. The national economic growth in the last quarter of the previous year was only 3.1%. The Covid pandemic engulfed the nation thereafter. The supply chains were disrupted by the lockdown and bottleneck in freight transport. Demand collapsed due to income fall caused by unemployment. It is estimated that the global production will shrink by 4.9%.

***No trade, no business  
These are times  
Man gets confined,  
At home -- jobless, wageless***

Is how Navalu Rehman, a ninth standard student of Government Technical School, Thottada narrated this situation.

12. Due to the non-cooperative attitude of the United States, a unified approach to contain the pandemic and economic crisis have not materialised. The advanced economies have taken on debt and increased Government spending in a big way to energise the demand. The poorer nations could not afford such an approach. The international assistance provided to them was very meagre. The developing nations like India have ended up following an intermediate policy.
13. Let me state very clearly that the response of the Central Government has been poor, by any standards. The additional expenditure in the Central Budget towards the stimulation package come to around 2% of the GDP only. Even in the health sector, the Central Government has not raised the expenditure significantly. Due to this policy, the Indian economy has become one of the worst affected in the world. When the global GDP marked a slump of 10% in the first quarter of this financial year, Indian GDP shrunk by 23%. Our economic revival is also comparatively weak. Faulty Central Government policy is responsible for this.

## **Discrimination of the Centre**

14. The stand of Central Government put the States also in a crisis. State Governments had to compensate for the failure of the Central Government. 60% of the total government expenditure of the country is through State Governments. It is the responsibility of State Governments to provide relief and ensure treatment to the public at the time of Covid. The revenue receipt of the State Government fell to one third during the Covid crisis. The financial assistance through the Finance Commission has also been decreased. The Central Government has delayed the GST compensation also. Even not ready to give it completely. Even though states were permitted to take additional loan of 2% of the State GDP, no State has fully utilised this due to the stringent conditions. Because of all these, State Governments were constrained to cut expenditure during a period of recession. This also aggravated the crisis.
15. The 15<sup>th</sup> Finance Commission has not yet finalised their report. The tax share of Kerala, that was 2.34% during the period of 14<sup>th</sup> Finance Commission, has come down to 1.94% during the year 2020-21. There is no hope for any change in the coming years. The widespread apprehension that the Finance Commission would impose conditions over the loans of State Governments is justified by the recent actions of the Central Government. The Central Government wants to tighten the fiscal responsibility laws. There is a move to impose restrictions on off-budget borrowings also. All these and the uncertainty created by the approach of 15<sup>th</sup> Finance Commission is hanging like the sword of Damocles over the State economy.

16. There are organised moves against KIIFB by certain vested interests. It is part of this move that KIIFB was noted as unconstitutional in the Finance Accounts Report of 2019-20. Let me note that KIIFB was in existence since 1999 and the relevant legislation was passed in the assembly after detailed discussions. Such observations were not present in the draft report. The denial of opportunity to the State Government to explain its position is against the existing audit regulations in the country. These vested interests have also started to move against the Treasury Saving Bank, which was in existence since the times of the Travancore state and is a part of our heritage. Kerala has to defend against such vested interests. Let me remind the lines of S.S.Jackson, a 9<sup>th</sup> standard student of St.Joseph HSS, Thiruvananthapuram.

***We who saw many depths***

***We who writhed in many vortices***

***We who were consumed by many fires***

***We are born to rise again***

***We wouldn't lose even in death.***

Yes, we have not decided to be defeated, we will survive and march forward. Sir, as a result of carefully planned interventions by the government of Kerala we not only provided relief to the people, but also ensured robust economic recovery.

## **Agricultural Crisis**

17. The Central Government views the Covid crisis as a chance to aggressively implement blind, neo-liberal reforms. Their calculation is that the implementation of these reforms would attract foreign capital into the country. With this expectation they have come up with a weak stimulus package, giving priority to keep down the deficit. Rampant privatisation of the public sector, redrafting of labour laws, new educational policy, electric and motor vehicle laws etc not only appease corporates, but also grab the constitutional powers of the states. The most notorious among them are the three anti-farmer laws. The laws relating to encouraging markets outside the recognised 'Mandis', abolition of restriction on essential commodities, and encouraging contract farming will end the Minimum Support Price system, strengthen the middle men, and lead to corporate subjugation of farmers. The 'Dilli Chalo' movement of the Indian farmers against this has already turned into a historical event. The Central Government's arrogant attitude of doing whatever they wish based on their majority in the Parliament will have to bow down before the farmers.
18. Kerala should come forward unitedly to protect our cash crops. The Central Government should be willing to announce a support price of Rs.200/- for rubber. The support price of coconut should be raised. In view of the uncertainty created in export, the support price should also be extended to all other cash crops.



**Sir,**

- **The base price of Rubber is raised to Rs.170 from April first onwards.**
- **Procurement price of Paddy is raised to Rs.28.**
- **Procurement price of coconut is raised from Rs.27 to Rs.32.**

### **Kerala's Development Leap**

19. The State faced great crises in the last few years. Nipah, two massive floods, and finally Covid. The new tax system of GST has not yet been effectively implemented. All these have inflicted huge impact on the financial position of the State. But none of these could hinder the developmental surge of the State.

- i. The economic growth of Kerala during the period 2011-12 /2015-16 was 4.9%. Excluding the Covid-19 year 2020-21, the average economic growth during the period of this government has been 5.9%, inspite of the havoc caused by the floods.
- ii. While Rs.9011 crore was disbursed as pension during the tenure of the previous government, this government has so far disbursed Rs.32,034 crore as pension. The number of beneficiaries of Social Security Pensions, which was 34 lakh in 2015-16 has now been raised to 48.6 lakh. There are 59.5 lakh pensioners including welfare pensioners. Among the social security pensioners, 30% have received pension for the first time during the period of this government.

- iii. The previous Government had spent a total of Rs.5,242 crore for strengthening Public Distribution system. This government has spent Rs.10,697 crore so far. The price of selected food items in Maveli Store has not been raised since 2015-16. Till, in India the average monthly inflation up to September 2020 was 6.70% where as in Kerala it was only 6.13%.
- iv. 15 lakh deserving families were included in the Red card category. This could be achieved by excluding the underserving from the beneficiary list prepared during the period of previous government.
- v. During the period of previous Government, an amount of Rs.503 crore was spent from Chief Minister's Disaster Relief Fund. During the tenure of this government, an amount of Rs.1703 crore has been expended. Apart from this an amount of Rs.3729 crore was spent for Flood Disaster Relief.
- vi. During 2011-16, 7780 Km roads were either renovated or modernised by Public works Department. During 2016-21 period, 11580 km roads were completed so far. The renovation of 4530 km will be completed soon.
- vii. During the period of the previous government, water authority provided 4.9 lakh drinking water connections. LDF government has already provided 11.02 lakh connections.
- viii. Complete electrification has already been achieved by providing 17.14 lakh connections. During the period of the last government, the production capacity increased by 88 Mega Watt. Now 236 Mega Watts of electricity is additionally generated.

- ix. The people who use public health system has declined and reached 38% at a stage. In 2019 it become 48%. During Covid period, huge majority of people depended on public health sector. The infant mortality rate, which was 12 has come down to 7.
- x. The membership in Pravasi Welfare Fund has increased from 1.1 lakh to 5.06 lakh. An amount of Rs.68 crore was totally spent for the welfare of Non Resident Keralites during the tenure of previous government. This government has spent Rs.180 crore so far.
- xi. The number of Kudumbashree members increased from 40 lakh to 45 lakh. Bank linkage credit rose from Rs.5717 crore to Rs.11804 crore. The number of micro enterprises increased from 10177 to 30176. Number of farm groups increased from 54000 to 71572.
- xii. Area under paddy cultivation has started to increase again. Declining for the past few decades, it had reached a low of 1.7 lakh ha in 2016-17. Today land under paddy cultivation is 2.23 lakh ha.
- xiii. Only one harbour was completed during the tenure of the previous government. Five harbours has been completed under this Government. Three harbours will be completed in March. 13018 number of houses has been constructed in the fisheries sector.
- xiv. The production under public sector undertakings which was Rs.2799 crore in 2015-16 has increased to Rs.3148 crore in

- 2019-20. Cumulative loss of Rs.213 crore in 2015-16 has turned into a cumulative profit of Rs.102 crore.
- xv. The number of Micro - Small - Medium enterprises was 82000 in 2015-16. This has increased to 1.4 lakh in 2020-21. The number of employees has increased from 4.18 lakh to 6.38 lakh.
  - xvi. There were only 300 start-ups when this government came into power. Now that has increased to 3900. 32000 people got employment.
  - xvii. During 2016-21, 6.79 lakh children have additionally enrolled from class 2 to 10 in public education institutions. During the tenure of previous government, there was a drop of 4.99 lakh students in the public education system.
  - xviii. Housing assistance has been increased to 4 lakh from 2.5 lakh. Till now, a total of 273632 houses have been constructed.
  - xix. Till date 1.64 lakh land titles have been distributed by this government. But the previous UDF Government had granted only 1.15 lakh land titles.
  - xx. Upto November, 43224 post including temporary employees were created. Appointments of 1.5 lakh have been made in PSC.

## **Part – 2**

### **Employment for the educated**

20. Sir, Kerala has witnessed an unprecedented thrust in development in the past five years. Relying on these achievements, Kerala is

taking on an important developmental challenge being faced by the State since its formation. The core of the 2021-22 budget is the action plan for this.

21. Unemployment of the educated is the biggest developmental challenge faced by Kerala. The present employment schemes are inadequate to resolve unemployment of the educated. While the national level unemployment in the age group of 15 to 59 was 5.8% in 2018-19, it was 10.4% in Kerala. The main reason attributed is the unemployment of women in Kerala. While the male unemployment rate in Kerala is 5.8%, the female unemployment rate is 19.1%. On realising the difficulties in getting a job, women stop seeking job and go out of the labour force. It is shameful to note that while the labour participation rate of men is 73.5% that of women is only 28.5%.
22. Kumari. Arundhati Jayakumar, a 10<sup>th</sup> standard student of Rajiv Gandhi Memorial HSS, Mokeri, Kannur, outlines the life of housewives.

***Like an old garment greyed with age,  
Like an old bronze vessel dulled with verdigris,  
Her life.  
Stuck between washed and ironed garments  
Within the scoured and stacked pots  
On the cleaned and polished floor.***

This poem lays bare the sad state of the women in our state. This situation can be changed only by ensuring financial independence of women. This budget puts forth a massive scheme for this.

23. Sir, Covid pandemic has created huge changes in the job structure globally. We should be able to utilize the avenues opened by its. Globally, almost 50 lakh people were doing digital jobs outside centralized offices. This increased to 3 crore during the Covid pandemic. It is assumed that their number will go up to 18 crore in the next five years. Work from Home has become a norm. Kumari. Anjana Santhosh, a 9<sup>th</sup> standard student of Mar St.Stephen High School, Valakom, Ernakulam observes the situation thus,

***Needn't go out.***

***If you open the laptop***

***You can do the outside work***

***As much as you wish***

***See the whole world without, within it.***

We are intending to formulate a scheme to utilise this situation most effectively and imaginatively.

24. During the period of last Left Government, along with the centralised IT parks, small parks were also started in places such as Kundara, Cherthala, Koratti and Kozhikode. As per the **work near home** scheme, steps were taken to convert resorts to work stations during the Covid-19 period.

**Sir, if at least 5000 sq. ft. building facility is made available at block or municipal level, we propose a scheme to convert them into work stations. An amount of Rs.20 crore is earmarked for this.**

25. We aim to utilise all the possibilities created by work near home and work from home. Opportunities will be created for companies to recruit employees for centralized or decentralized jobs. Details of those professionals and trained persons will be made available on a digital platform.
26. The government will provide the following benefits to the candidate selected by companies through this digital platform.
- KFC, KSFE and Kerala Bank will provide over the counter loans for the purchase of computer and other peripherals required for their jobs. Loans that could be repaid in monthly instalments extending to 2 year period will be sanctioned. In case of job loss, they need to repay the amount only after securing the next job. Any possible losses to financial institutions on account of this will be compensated by Government.
  - If required, work station facility will be provided to them on concessional rent.
  - The employer's contribution of the provident fund will be remitted by the government.
  - If PF is not preferred, insurance premium for termination benefit payable on retirement will be paid by Government.
  - Health insurance will be provided.
27. It is estimated that in Kerala, 5 lakh women professionals have taken career break, and are staying at home. Another 40 lakh educated women who are outside the labour force and are staying at home, will be willing to work from home or a nearer location. 16 lakh

educated youngsters registered with employment exchange are waiting for employment. Hence the total comes to 60 lakh.

**Sir, An extensive scheme is being initiated to provide employment to at least 20 lakh among them through digital platform within 5 years. The registration will be started in February.**

28. Changes happened in global job market and the fame attained by Kerala in Covid defence will help in the success of this employment strategies. There was no other time the brand Kerala got discussed even among the common men. The above mentioned scheme will be made successful by fully utilising this conducive situation.
29. For this, intricate and time bound activities will be taken up through maintaining regular contacts with global job providing companies, imparting training to job seekers depending on the requirement of companies, maintaining a platform for providing their information, and encouraging innovation. For this, the Kerala Development Innovation Strategy Council (K-DISC) will be restructured as a registered society with the Chief Minister as its Chairperson. The Ministers concerned and the Vice Chairman, Planning Board will be the members. Vice Chancellors of Universities and skill training and innovation oriented institutions like Kerala State Council for Science, Technology and Environment, ICT academy, TrEST Park, Start-up mission, ASAP, KASE etc. will have representation in the society. In addition to this, experts of International or National repute in technology and industries will also be given membership in the council. A renowned person in technology, innovation and business sector with proven ability will be appointed as Member Secretary of



K-DISC. The main responsibility of K-DISC is co-ordination and monitoring. There will not be any change in mandates or Budgets of existing institutions. The making of Digital Platform and the advance preparation for training and deliberation with companies will be completed in 2021-22 itself.

**Sir, an amount of Rs.200 crore is earmarked for K-DISC as 'Knowledge economy fund'. The amount will be provided in three instalments. Jobs will be ensured to at least 2 lakh people who have taken break from professional jobs in 2021-22. Twenty Lakh persons will be given employment in five years.**

### **Skills Training**

30. The educated need to be provided the right skills before registration in the digital platform. The challenge before us is to impart industry relevant skills training to all the educated unemployed youngsters by considering their abilities. These 60 lakh professionals and graduates can be categorised into three.

- First, the professionals who returned to Kerala either due to job loss or other reasons. They can be registered in Digital Platform without any special training.
- Second are those who took long break due to some reasons after working for a short while as professional. This is the sad fate of several women professionals. According to a survey conducted by a national agency, 27% of professionals in India are Women. 48% among them quit their job in five years. 65% quit the job in the next 5 years. Such women

professionals could be equipped for job by imparting short term training. They could work either from or near home.

- The third category is other graduates. They need to be given more prolonged and focussed training.

31. Seventy Five percent of beneficiaries of this scheme will be young women. Kudumbashree will have responsibility for finding out such women with interest and capability who are either unemployed or homemakers. For this, a special sub-mission will be started in Kudumbashree and an amount of Rs.5 crore is allocated to Kudumbashree.

32. Let me clarify that, what is intended here is not basic training like data entry.

- **Industry 4.0 Skills:** Data analytics, Machine learning, Artificial Intelligence, Robotic process automation, full stack development, cyber security.
- **Digital Skills:** Digital designs, Digital content creation and delivery, Digital Marketing, Content creation tools, Media.
- **Life Skills:** Oral-Written communication, negotiation skills, Financial management, Legal and labour law awareness, ethics in business.
- **Language Skills:** Foreign language skills, Malayalam computing skills.
- **Functional Skills:** HR process, Finance and accounting, Audit etc.
- **Domain Skills:** Synthetic Biology, Genetic Engineering, Renewable energy, Advanced communication technology, electronics and additive manufacturing designs, agricultural

consulting, pet care, Medical coding in paramedical domain, Fashion and apparel design etc.

- **New opportunities in the field of Science, Technology, Engineering and Maths:** Urban planning, Smart habitats, structural designs, Remote network administration etc.
- **Business Skills:** Business Analysis, Product development, Project management, Business process re-engineering etc.
- **Fintech Skills:** Special Domain training in the fields of Banking, Financial services, Insurance etc.

Training will be customised based on the requirements of companies in the sector.

33. Today agencies like ASAP, KASE, ICT academy etc are the agencies which provide leadership in skill training. Even excluding ITIs and polytechnics, an amount of Rs.250 crore has been expended to impart various training programmes. But major part of their training programmes are not related to high end skills. Therefore some changes need to be adopted in the priorities. If required, new agencies will be formed. Separate training centres will be set up depending on requirements. A major part of this could be done online.

**Sir, an extensive programme will be formulated on war footing to impart training to an estimated 50 lakh educated youth. A skill mission will be formed for this purpose under K-DISC.**

34. An amount of Rs.10 crore is earmarked for Kerala skill delivery platform for providing training to 50000 students annually through

inter-connecting Engineering Colleges and IT parks through high speed internet.

35. Technical education Institutions in Kerala play a crucial role in moulding experts for all sectors of the economy. An amount of Rs.215 crore is earmarked for technical education. Of this amount Rs.35 crore is for Engineering Colleges and Rs.40 crore is for Polytechnics. An amount of Rs.13 crore will be provided for skill gap reduction of technical students.

### **Kerala - Knowledge Society**

36. There are certain pre-conditions for successfully skilling the educated and linking them with the global market through the digital platform. These are:
- Kerala should be transformed into a digital economy.
  - Higher education should be of the highest quality
  - The knowledge created should transform into innovations.
  - These innovations should drive new start-ups.
  - Knowledge industries should flourish.
  - New techniques should be integrated into all sectors.

In short, Kerala should transform into a **Knowledge Society**. I intend to examine the features of these one by one.

37. Sir, Renaissance in Kerala was implemented through the growth in education. To present this idea Sree Narayana Guru had said, "Liberate through Education". Ayyankali said to Mahatma Gandhi at Venganoor in January 1937 "I would like to die after seeing 10 graduates in my community". The first Government of E.M.S which made the educational facilities common throughout Kerala has also

done this. Another revolution in education is inevitable for the next leap of Kerala Society. A scheme for transforming Kerala into a knowledge economy is proposed in this budget.

38. We shall be very careful on certain crucial issues during the conceptualisation of a knowledge economy. Digital Capabilities should be made available to everyone. In other words, the digital divide should be eliminated. Innovations should be interwoven in to all avenues, leveraging the rich experiences of people from all sectors, including agriculture. In such a society, the knowledge will be recreated perpetually.

### **Digital Economy**

39. For transformation into such a society, it is essential to have a suitable information and digital ecosystem. The digitalisation of schools is a decisive step towards this goal. The new generation can develop expertise in information technology and access the vast universe of knowledge opened by it. The next logical step is to ensure the availability of at least one laptop in every household. For this, the laptop distribution program declared as a part of first 100 days program will be made more generous and expansive.
- Laptops will be distributed at half the cost to children hailing from fisherfolk, Scheduled Communities and Antyodaya households. 25% subsidy will be provided to other BPL families. The cost will be borne jointly by Departments and Local Governments concerned.
  - The amount excluding subsidy can be repaid via KSFE Micro Chit Fund within 3 years.

- Laptops will be made available in the month of February, March and April to all who join KSFE Micro Chit Fund through Kudumbashree. The Government will bear the cost of interest for this.

40. The next step is to provide internet to all households and institutions. This will be done through the completion of the K-FON project. Sir, the first phase of the project, consisting of Network Operating Centre, 14 district PoPs and 600 associated offices, will be completed in February. The K- FON project will be completed by July. The important changes brought about by this will be:

- Internet will be provided free of cost to BPL families.
- 30000 Government institutions will be connected by high speed intranet facility.
- The internet speed will range from 10MBPS to 1GBPS.
- In Kerala, the internet connectivity will not be a monopoly of anyone. All service providers will have equal opportunity of access.
- The quality of internet will improve and better service will be available at cheaper rates.
- Facilitate the growth of fields such as artificial intelligence, Block chain and Internet of Things.
- E-commerce and digital services will be made available to Industrial, Commercial and Tourism enterprises including small scale sector of Kerala.

**Sir, Rs.166 crore is earmarked for the share capital of K-FON.**

41. K-FON will become a shot in the arm for our e-governance system. The panchayaths have already started implementation of enterprise

resource planning. Services related to e-health, e-education, e-commerce etc. will improve. When all Government services are brought into intranet, efficiency of services will improve manifold. Major e-governance projects of Kerala such as State Data Centre, Kerala State Wide Area Network, Secretariat Wide Area Network and digital services are being implemented through Kerala State Information Technology Mission. Rs.125 crore is earmarked for these programmes.

### **Towards excellence in Higher Education**

42. Our next aim is to transform higher education in line with our achievements in school education over the past five years. A number of different indicators are now available globally for measuring the standard of higher education. The most prominent among them is the ranking of global universities published by times higher education. Only one university from Kerala figures in the list and the ranking for this is between 600-800 range. Another prominent ranking is by the Shanghai Ranking Consultancy, which ranks 4000 universities across 54 subjects. Not even one University from Kerala finds a place in these 54 subjects. Investment many times higher than the present one is inevitable in higher education. Similarly, the approach to teaching & research needs a paradigm shift. Both are not easy. We ought to move towards this goal with resolve. Else, the developmental strategy presented in this budget will remain a mirage. Six important measures are put forward.

- i. The higher education sector will accommodate 3-4 lakh more students.
- ii. 1000 more faculty will be appointed in the Higher Education Sector.
- iii. 30 Centres of Excellence would come up within Universities.
- iv. 500 post-doctoral fellowships. Nava Kerala Post-doctoral fellowships of the Chief Minister will carry a monthly stipend of upto Rs. One lakh.
- v. Rs.2000 crore financial aid from KIIFB for infrastructure development of Universities.
- vi. Rs.1000 crore financial aid for affiliated colleges.

43. **One**, the enrolment ratio in higher education sector shall be raised to atleast 75%. The all India average is 26%. At present the enrolment ratio in Kerala is 37%. This does not include the students studying outside the State. A comprehensive study for finding the actual enrolment ratio will be undertaken. If students studying outside the state are included included, the number of students in Higher Education Sector would come to around 16 – 17 lakh. This shall be raised to 20 - 22 lakh.

**Sir, our colleges will accommodate 20000 more students when they reopen this year. This shall be achieved by means of 10% increase in seats, new courses and research facilities. In selected colleges classes shall be arranged in the afternoon on an experimental basis, as additional batches.**



44. **Two**, our Universities have 1881 sanctioned faculty posts, of which 886 are lying vacant. These will be filled urgently. In addition to this, at least 150 more posts will be created.

**The additional expenditure for these 1000 posts will be provided in the Non-Plan grant.**

45. **Three**, 30 fully autonomous Inter University Centres and Schools will be established within universities. The appointments to these institutions will be made from experts at the national level through a search committee. The schools will develop under the leadership of top-experts in the respective fields. Sir, half a dozen centres of excellence in higher education, started in the 70's like CDS and Sri Chitra Thirunal Centre still enjoy huge reputation. Let me remind that one main reason for the success of these institutions was the selection of eminent persons like Dr.K.N.Raj and Dr.Valiathan and giving them complete autonomy in the running of the institutions.

46. These new schools will be named after prominent scientific scholars from Kerala like M.G.K Menon, E.C.G Sudharshan, P.K.Iyenkar, B.C.Shekhar, G.N.Ramachandran, Anna Mani, P.K. Menon, R.S.Krishnan, P.R.Pisharody, E.K.Janaki Ammal, K.R.Raman, Gopinath Kartha and M.K.Vainu Bappu. These are some of the institutions that we propose to start:

- i. Inter University Centre for translational research – The centre will link scientific innovation in universities and research institutes with agriculture and industry.
- ii. Inter University Centre for digital transformation
- iii. Inter University Centre for disaster resilience
- iv. Inter University Centre for policy studies and research

- v. Inter disciplinary school of Nano science and Nano technology
- vi. Inter disciplinary school of data science
- vii. Inter disciplinary school of food science and technology
- viii. Inter disciplinary school of mathematics and statistics
- ix. Inter disciplinary school of energy materials
- x. Inter disciplinary school of material science and metallurgy
- xi. Inter disciplinary school of infrastructure and industrial engineering
- xii. Inter disciplinary school of life science
- xiii. Inter disciplinary school of design innovation and social science
- xiv. Inter disciplinary school of social entrepreneurship and non-profit management
- xv. Inter University Centre for IPR studies, International commercial and environment law
- xvi. Inter disciplinary school of bio science and genetics
- xvii. Inter disciplinary school of Industries 4.0 technology
- xviii. Inter disciplinary school of space science and technology
- xix. School of technology and enhanced education
- xx. Advance research interventions for vernacular upgradation
- xxi. School of Forensic Science

47. This list is not comprehensive. After evaluating the excellence of existing University schools / departments / centres, they could also be transformed into centres of excellence. Considering the developmental needs of Kerala, K-DISC will take decision in this matter, in consultation with the Higher Education Council.

**Sir, as special financial aid, Rs.100 crore is earmarked for starting these centres of excellence. Rs.500 crore is allocated from KIIFB for creating infrastructure facilities of these new institutions.**

48. **Four, 500 'Nava Kerala' post-doctoral fellowships ranging from Rs.50000 to Rs.100000 per month are granted.** To set up laboratory and other facilities, an additional Rs.50000 will be made available subject to requirement. The period of fellowship will be for two years, which may be extended for one more year, if required. It may take up to 3 years for granting these fellowships. All experts both in India and abroad can apply for these fellowships. The selection will be made through advertisements at the national level for each subject. The registration can be done either in selected departments or schools of the Universities. But the studies will be undertaken in connection with outside hospitals, industries and technical centres. Under the present developmental needs of Kerala, the following sectors will be given priority.
- In order to explore the possibilities of Ayurveda and eco-diversity, the fellowship may be in the sectors of Bio-Informatics, Computational Biology, Bio Manufacturing, Bio-Processing, Genetic Engineering, Cell and molecular Biology, Systems Biology and Biotechnology.
  - Against the backdrop of commercial crops and rubber, polymer science and technology is another priority sector. The composites of bamboo, coir and wood will also be given priority in this sector.

- In view of the major leap in cyber physical digital technologies, sectors such as Artificial Intelligence, Robotics, Block Chain, Internet of Things, Machine learning, Big data Analysis, Gaming, Augmented Reality, Virtual Reality, Digital Security Systems, Geo Spatial Systems, Quantum Technology and Application, Space Technologies, Advanced Materials, Edge Computing etc.
- Based on the major leaps in the scientific branches of genetics and genomics, Genetic Medicine, Stem Cell biology, Medical imaging, Bio Medical Photonics, Medical devices and modelling, Brain Computer interface, epidemiology, Asistu Technologies, Genomics in medicine, Social Medicine, Public Health, Health Science and Technologies.
- We need to strengthen the search for the alternative possibilities for reducing the use of fossil fuels. In this background, sectors like Energy storage, Fuel cells, E-mobility, Battery technologies, Photo Voltage, Solar, thermal, bio energy modelling, Bio-mass recycling.
- For the all-round development of agricultural sector of Kerala – Food Science and technologies, Food Processing, Land and Water Management, Agricultural Sciences, Organic Farming, Agricultural value added products, Precision Agriculture, Agriculture drones.
- For facing the challenges of climate change and for scientifically tackling recurring natural calamities – Housing, transport and Infrastructure, Climate Change, Disaster Management, Carbon foot printing, Hydrological Modelling,

land slide prediction, Disaster forecasting, Waste recycling, Pollution control.

- Considering the importance of Innovation Sector – Innovation eco systems, Innovation studies, frugal innovation, Innovation Methodologies.
- In order to reinforce the indigenous culture of Kerala, Social equality and cohesion of Kerala – Archaeology and Material culture studies, Migration Studies, Art, history, language, Social studies, ecological laws, Intellectual property rights, Econometric Modelling of Kerala economy, Digital transformation of Kerala Co-operative sector, handling of new generation technologies including fintech.

49. **Five**, the infrastructure facilities of Universities will be expanded with the help of KIIFB financial aid. Rs.242 crore has already been allotted to the Cochin University. The proposals of other Universities are at appraisal stage. Funds will be allocated for Labs, Class rooms, Student/Faculty hostel and international hostel.

**Sir, we are allotting assistance to a maximum of Rs.125 crore each to Major Universities and Rs.75 crore each to other Universities.**

50. Separate funds will be allocated for construction of headquarters buildings for Kerala Technical University, Medical University and Sree Narayana Open University. Sir, a total of Rs.2000 crore will be expended for modernisation of Universities which includes funds already allocated from KIIFB.

51. The total capital outlay for higher education sector is Rs.1175 crore. Of this, Rs.392 is earmarked for 15 Universities.

52. IIITMK has been elevated to a digital university. For this, we are earmarking Rs.24 crore. Innovative research, entrepreneurship and co-ordination of Industrial higher education are the main objectives of the IIITMK Digital University. Rs.20 crore is earmarked for this. The Digital Transformation Mission which is a part of modern entrepreneurship promotion project, will function under the Digital University.
53. The Kerala University of Health Sciences will be expanded to a university with its own departments and research. The first school of epidemiological studies, established here will be named after Dr.Palpu. The Thrissur Medical College will be transformed into a Campus Medical College.
54. **Six,** All class rooms of affiliated colleges will be digitalised. The responsibility for this will be with KITE. For this Rs.150 crore is allocated from KIIFB. So far Rs.594 crore has been allocated for development of infrastructure facilities of government colleges. Proposals worth Rs.92 crore are under consideration. In 2021-22, Rs.144 crore will be made available to affiliated colleges from RUSA. Rs.56 crore is being earmarked for the development of infrastructure facilities of government colleges. Rs.28 crore is earmarked for creating facilities meant for NAAC accreditation. Sir, 2021 is the centenary year of the Union Christian College of Aluva. Rs.5 crore is allocated for construction of a new library building as a memorial to P.K. Vasudevan Nair and P. Govinda Pillai. Rs.20 crore is sanctioned for special schemes in the Golden Jubilee Year of the Kannur University.

55. Sir, as mentioned in the previous budget, new courses were allotted to all colleges that have secured Grade 'A' and above. Apart from this, courses were also allocated to some corporate management colleges. A total of 197 courses were allotted.
56. Sir, the above mentioned activities signal the onset of a transition. We aim to get a NAAC accreditation score of at least 3.5 for all universities in the next five years. Selected departments and schools of Kerala shall gain recognition at the national level. Above all, this should turn into a vital catalyst for the big leap of Kerala towards an information society.
57. In this transformation of higher education, Kerala State Science & Technological council and its related institutes will play a major role. Rs.131 crore is earmarked for this, of which Rs.50 crore is for Institute of advanced Virology and Rs.51 crore is for 7 institutes working under the Council such as CWDRM, KFRI, NATPAC etc. Rs.16 crore for higher education council, Rs.9 crore for Kerala council for historical research and Rs.5 crore for K.R.Narayanan National Institute of Visual Science & arts are earmarked. Rs.20 crore for IHRD, Rs.19 crore for Kerala Science and Technology Museum are also earmarked.
58. E-journal consortium will be implemented under the auspices of higher education council. Rs.10 crore is earmarked for this. A scheme will be formulated for grading departments in affiliated colleges and universities. Special financial aid will be given to departments securing better grades. Rs.5 crore is granted for the purchase of headquarter building for Higher Education Council.

## **Kerala – an innovation society**

59. Innovation or new technology means the evolution of new knowledge into a process, organising technology, product or marketing methods. Incessant innovation needs to be made at all levels for the rapid growth of Kerala. Let me explain an example from the last budget. Binder-less board made of coconut pith is a product that can deeply influence the development of Kerala. This idea was born in a laboratory at the Wageningen University. Foam Mattings Ltd have converted this idea into a prototype in their pilot plant. It has been proved that a strong plank can be made from the pith of coconut or from dust of dry husk of coconut without using any chemicals. When it is turned into a product on commercial basis, the change in the plywood industry of Kerala will be phenomenal. This will not only lead to industrial growth but also ensure at least one more rupee for the coconut of Kerala even if it is dry husk.
60. This budget puts forth a four-point action plan for creating an environment for integrating innovation in all sectors. Sir, Experts will not be the only participants in it. Farmers, Labourers and other groups who embrace innovative ideas on the basis of richness of their experience will have a share in it.
61. **One**, Any persons who finds a solution to any of the problems in agriculture, industry, service, business of their locality will have a platform to upload their innovation. K-DISC will classify and evaluate such new ideas and techniques with the help of experts of concerned sectors. In the next stage, Start up Mission and Kerala Digital Transformation Mission in unison will grade these innovation and ensure mentoring and financial assistance for developing them



into products. They will take the initiative to spread these products in society as soon as they get 5 star rating. Conditions will be created for Government and Semi-Government institutions to buy such products at a specified rate without tendering. There will also be a scheme for providing diffusion subsidy in proportion to turn over of services and technologies. This is a conscious intervention to ensure that, there will not be any digital divide in integrating new technologies.

62. **Two**, We are integrating and expanding the hackathon of ASAP and young innovation of K-DISC as Kerala Innovation Challenge. The challenge will be organised in 3 phases covering 20 sectors. Any group of students or researchers in Kerala can register for this. After registration, the applications will be carefully examined at domain centres. Those who are shortlisted will present their proposals at the district level. Rs.25000 will be given as prize to 8000 groups. 2000 groups shortlisted from here will get Rs.50000 as prize. The government will provide technical and financial help for 3 years to transform the prototype into products of those who are selected at the state level. Rs.40 crore is earmarked for this scheme.
63. **Three**, The local self-governments in Kerala are implementing projects, not 'schemes'. Hence, they have immense freedom to utilize latest technologies and methods. To promote this, half a percent of the developmental funds will be set apart as "S.B Sen Innovation Fund". Special assistance will be given to local self-governments which design the best innovative projects in each developmental sector. This will be done through a collaboration of KILA and K-DISC. Innovation in sectors such as resources,

organisational methods, procedural innovation, transparency, monitoring and marketing will get priority in this. A district innovation council will be formed with the DPC president as chair to encourage this. Let us not forget the fact that the 'Jalanidhi' project of Olavanna Panchayath, 'Asraya' scheme of Nedumbassery Panchayath, Buds school of Venganoor Panchayath, People's Vegetable Scheme of Kanjikkuzhy Panchayath and Community compositing project of Alappuzha Municipality were the innovations of Local Self Government Institutions.

**Sir, Rs.35 crore is earmarked for S.B Sen Innovation Fund.**

64. **Four**, Start-up innovation zones will be started in Government Departments. It is a conscious movement to utilise start-ups for solving developmental issues related to government departments. Let me explain the scheme by an example. In the first budget of this Government, importance of mechanisation in sewage has been highlighted citing the story of award winning film 'Manhole'. Responding to this, a group of engineering students designed a robot named 'Bandicoot' for cleaning manholes. The innovation zone in Kerala Water Authority set the stage for further finetuning and developing the machine designed by the students. KFC extended help to give final shape to it. The firm which developed this, Genrobotic Innovations is one of the finest campus start-ups in India. The present market value of this company is Rs.200 crore.

**Start Ups**

65. Start-ups will be encouraged to transform the products coming from innovation promotion schemes into commercial ventures. Start-ups

are relevant not only in the IT sector, but wherever innovative concepts are utilized. Kerala has remained at the top of national rankings for the past two years in the creation of environment for promoting start-ups. A six point program is being declared for promoting start-ups.

66. **One**, A venture capital fund will be created collectively by Kerala Bank, KSIDC, KFC, and KSFE. For this Rs.50 crore is earmarked. This fund will be operated in a transparent and professional manner. If any start-up attracts external investments, then matching investment will be made available from this fund. If any start-ups have already been provided with seed fund, then that will be converted into share capital.
67. **Two**, If loans extended by KSIDC, KFC, and Kerala Bank to start-ups result in a loss, then Government will cover up to 50% of this loss..
68. **Three**, Rs.20 crore is being earmarked to expand 'Kerala fund for Technology Products' which is now being implemented by the Kerala Start-up Mission. This too will help attract external venture capital funds to Kerala
69. **Four**, 90% of the work order of start-ups, subject to a maximum of Rs.10 crore will be made available at an interest rate of 10%. Discounting will be permitted for purchase orders. No collateral security will be demanded for this. Upto Rs.1 crore will be made available for the expansion of innovative prototypes related to the developmental needs of Government. These schemes will be implemented through KFC and Kerala Bank.

70. **Five,** In major tenders of the Kerala Government, Start-ups will be encouraged to bid as consortiums. Tenders that are won by start-ups of Kerala as consortium partners will get some priority. Guide lines will be prepared to adopt this type of approach by all Government Departments.
71. **Six,** Special initiatives will be formulated to strengthen the international market relations of Kerala start-ups. 10 International destination launch pads will be established linking foreign universities, research institutes, foreign companies, and organisations.
72. The function of Start-up Mission is the development of start-ups and their co-ordination in various development sectors. Technology innovation zone was established last year under the Start-up Mission in KINFRA high tech Park in Kochi. Rs.10 crore is earmarked for strengthening this system. Rs.59 crore is set apart for youth entrepreneurship development scheme under the Start-up Mission, incubation of start-ups, acceleration, development and marketing of products and start-ups under the leadership of women. Rs.11 crore is earmarked for the innovation acceleration scheme of KSIDC. A mentoring platform will be established for start-ups.

**Sir, on the strength of this six point programme, 2500 start-ups providing employment to 20000 people will be started in 2021-22.**

## **IT Industry**

73. Covid pandemic was a huge set back to the fledgling IT Industry. Only a small percentage of employees are working from office. Many companies have reduced their office space. Even during this time 8 companies providing employment to around 2000 IT professionals were newly started at Technopark, Thiruvananthapuram. Quantiphi, an multinational American company will start operations in the first quarter of 2021. The construction of Taurus Downtown is progressing in Technocity. The construction of World Centre of Brigade Enterprise will begin in April. 40 companies providing employment to 2000 people were started in Infopark, Kochi. Most prominent among them is Ortho Effects, a dental company based in the United States. The works of ClaySys Technologies, Media systems soft solutions, Caspian Techs Park and IBS software solutions are progressing at a fast pace in Kochi.
74. We do not intend to slacken the emphasis on development of parks even as we emphasise decentralised IT Parks. Rs.22 crore for the development of Technopark, Rs.36 crore for Infopark and Rs.12 crore for Cyber Park are earmarked. 4.6 lakh Sq. ft. labour complex with financial aid from KIIFB will be inaugurated in Techno City and Info Park in Kochi.

## **Other Knowledge Industries**

75. Biotechnology industries have immense scope in Kerala because of our tradition of Ayurveda and ecological diversity. Life Sciences Park with an area of 260 Acre at Thonnakkal will play a crucial role in the development of bio-technology units and connected research

institutes. 70 Acre have already been allotted to entrepreneurs. The bio-incubation centre of Rs.136 crore is under construction. Rs.24 crore is earmarked.

76. Medical devices will be established jointly by Sri. Chithra Thirunal Institute and KSIDC with an investment of Rs. 230 crore in Life Science Park . Rs.24 crore is set apart for this scheme which has already got approval from NITI Aayog.
77. Kerala needs to place emphasis on the pharmaceutical industry. Let us take pride in the fact that KSDP has risen as an alternative model at a time when the centre is recklessly selling all the public sector industries in India. The production of KSDP, that was about Rs.20 crore in 2015-16, is Rs.150 crore in 2020-21. With the inauguration of Non Beta Lactam Injectable unit in the current year, the production capacity will go up to Rs.250 crore. Rs.15 crore is earmarked for completing existing projects.
  - A special park for cancer medicines under the management of KSDP with a funding of Rs.150 crore from KIIFB will become a reality in 2020-21.
  - Six medicines having market value of Rs.250/- and essential for organ transplant patients will be marketed at Rs.40/- on commercial basis in February.
  - 15 formula medicines will newly be marketed in 2020-21.
  - With the certification of World Health Organisation, drugs exports to Asian and African countries will soon begin.
78. BPCL has already bought 170 Acre out of 600 Acre land in Kochi Petrochemical Park. The park having an investment of

Rs.1864 crore will be completed in 3 years. One more Pharma park will be established here to produce drugs in bulk.

79. The Engineering Industrial park of KSIDC is a prominent one in the light engineering sector. Rs.5 crore is earmarked for this. Rs.7 crore is earmarked for the second phase development of KINFRA film and video park. The facilities in 240 Acre Kochi high-tech Park will be enhanced.
80. Keltron was established at the outset of revolution in electronics. But we couldn't fully utilise the potential of Keltron due to many reasons. Keltron will again continue to be the back bone of electronic hardware industry of Kerala. Rs.25 crore is earmarked for various Keltron units. The construction of electronic hardware park at Amballoor will be intensified.

### **Other Large Industries**

81. Currently three important Industrial Development Corridors are being planned. **The first one is** Kochi – Palakkad High Tech Industrial Corridor. It has been approved by the Central Government as part of Chennai – Bangalore Industrial Corridor. This project is being implemented by a special purpose company in which the State and the Central Government have 50% shareholdings each. This will have an investment of Rs.10,000 crore and will provide 22000 direct employment opportunities. Steps are being taken to acquire a total of 2321 acres of land in Palakkad and Kochi. Funds for this will be provided from KIIFB. In the first phase itself, a hub of high-tech services and finance namely Global Industrial Finance and Trade

City (GIFT City) will be set up at Ayyambuzha in 220 hectares of land. An amount of Rs.20 crore is earmarked for this.

82. **The second one is** Kochi – Mangalore Industrial Corridor which will be a big shot in the arm to the development of the Malabar region. The master plan for this has to be prepared. Meanwhile, an amount of Rs.12,000 crore has been sanctioned from KIIFB for acquisition of 5000 acres of land near Kannur Airport.

83. **The third one is** Capital City Regional Development Programme. In connection with Vizhinjam Port, we will construct a six lane road of 78 Kms from Vizhinjam to Navayikulam, along the eastern side of Thiruvananthapuram City and will establish a massive network of Knowledge Hubs, Industrial Parks, Amusement Centres and Townships in 10000 acres of land on both sides of the road. The company registered for this purpose will be ready to purchase land in the proposed region at market price from all those who are willing to sell. The price can be given as land bond or in cash. Those who are unwilling to sell their land can become shareholders in the Land Pooling Scheme. The land prices will become fourfold in ten years. Otherwise, the company will be ready to purchase the land at fourfold the current price in ten years. The land will be allotted to investors after ensuring the best infrastructure facilities. The expected investment of this scheme is Rs.25,000 crore and the direct employment opportunities is 2.5 lakh. As seed money for Capital City Development Company Rs.100 crore is earmarked.

**Sir, thus, the construction of three industrial corridors with a capital investment of around Rs.50,000 crore will be started in 2021-22.**



84. A total of Rs.401 crore is provided for the major industrial development agencies such as KSIDC and KINFRA. Industrial Parks are being set up by KSIDC in Kasaragod, Amballoor, Kuttiyadi, Wayanad, Kozhikode and Kakkanad.
85. 'Kerala Rubber Limited' will be established with 26% of Government share for setting up a hub for rubber based industries including tyres. The anticipated capital investment is Rs.1,050 crore. A co-operative society on the lines of Amul will procure rubber for this company. The headquarters of this company will be in the surplus land of Velloor News Print Factory. An amount of Rs.250 crore has already been sanctioned by the State Government for the takeover of the Central PSU Velloor News Print Factory. Rs.4.5 crore is set apart as the initial expenses for the formation of the company.
86. Another important Value Added Agricultural and Industrial venture to be started in 2021-22 is the Integrated Rice Technology Park in Palakkad. An amount of Rs.20 crore is earmarked for this. The construction of Carbon Neutral Coffee Park in Wayanad will be completed with the financial aid from KIIFB. Rs.10 crore is allocated for the initial expenses.
87. An amount of Rs.250 crore is allocated for the PSUs altogether. The amount will be utilized for the modernisation of technology and diversification of products. Rs.57 crore for Chemical Industries, Rs.25 crore for Electronic Industries, Rs.42 crore for Engineering Industries, Rs.13 crore for Ceramic Industries, Rs.57 crore for Electrical Industries, Rs.28 crore for Textile Industries, and Rs.21 crore has been earmarked for other industries. An amount of Rs.35 crore is allocated as working capital.

88. Intensive efforts are being taken to raise Kerala's position to one among the top 10 in the ease of doing business index in 2021-22. Procedures will be simplified in such a manner that applications need to be submitted only at one place; advance sanction will also be accorded.

## **Tourism**

89. Tourism is a sector that moved to the verge of a complete lockdown due to the Covid-19 pandemic. Loans with interest subvention for tourism entrepreneurs and financial aid for house boats have been provided. An amount of Rs.35 crore has been allotted to KTDC for disbursing salary. The Tourism sector will return to normalcy by 2021-22. With a view to this, intensive marketing has already been started in the current year itself. Measures have been taken to provide Rs.25 crore additionally for this.
90. Presently, top priority is being given to Heritage Spice Route Project. Thiruvananthapuram and Kozhikode will also become part of it in 2021-22, in addition to Musiris, Alappuzha and Thalassery heritage projects,. Rs.40 crore is allocated for these projects. An amount of Rs.10 crore is specially provided for Thiruvananthapuram Heritage Project. Sir, the aim of heritage tourism projects is not only tourism but also informal education and creation of self-esteem in the heritage of Kerala. A special programme has been prepared for the students to visit and learn about Musiris project locations. Rs.5 crore is earmarked to encourage such study tours.
91. Since the formation of Munnar Townships train had its own role. Train journey will be revived for tourist attraction. Discussions have been

made with TATA estate and they have expressed their willingness to relinquish the land.

92. An amount of Rs. 117 crore has been allocated for the infrastructure development of existing tourism destinations. In addition to this, Rs.25 crore is allocated for the renovation of tourism guest houses. Rs.13 crore is allocated for the preservation of heritage architecture in private sector and for modern tourism products. Rs.10 crore each is allocated for tourism hospitality institutions and KTDC.
93. Champions Boat League, which was halted due to Covid-19 pandemic, will be resumed in 2021-22. For this Rs.20 crore is allocated. Rs.3 crore is allocated for the encouragement of modern tourism products, including eco-tourism. Rs.7 crore is allocated for Cochin Biennale and Rs.2 crore for Global Painting Exhibition in Alappuzha. Rs.10 crore is allocated for other cultural fares.

**Sir, Kerala Tourism Workers Welfare Fund Board will be established.**

94. More attention has to be paid to rebrand and propagate our tourism projects during the post Covid-19 period.

**Sir, an amount of Rs.100 crore is allocated for marketing which is the highest ever provision.**

### **Modern Small Scale Industries**

95. During the year of 2021-22, Industries Department will create job opportunities for 55000 people. This will be done by supporting 16000 new MSME units by investing Rs.1600 crore. Four kinds of interventions are mainly intended for this.

- Rs.38 crore is allocated for the development of infrastructure facilities of Development Areas and Estates for Small Scale Industries. There are plans to construct parks with private participation also.
- The second intervention is entrepreneurial development projects. Rs.8 crore is allocated for the expansion of Kerala Institute of Entrepreneurship Development.
- Rs.68 crore is allocated to provide capital assistance to new MSME entrepreneurs.
- Rs.11 crore is allocated for the rejuvenation of sick MSME units.

### **Non Resident Keralites**

96. Non Resident Keralites have a vital role to play in Kerala's transformation into the newly emerging job sectors. Foreign remittances come to 25 to 30 percentage of State Domestic Income. We should be able to utilise their skills, savings and global exposure. At the same time, we need to protect the NRK returnees who lost their jobs due to the changing labour laws in gulf countries and in the back drop of Covid-19 pandemic.
97. Pravasi Online Meets will be organised in July by all Panchayaths and Municipalities. The list and needs of both returnees and those who intend to return will be compiled on local basis and it will be converted into action plans at the district level.
98. Priority will be given to the expatriate returnees in four schemes, i.e., Digital Employment Scheme for the Educated, Loan based Entrepreneurial Development Programmes, Service Providing

Societies and Marketing Network. Skill development training will be provided to the returnees so as to help them go abroad again.

**Sir, for this Integrated Expatriate Employment Scheme Rs.100 crore is earmarked.**

Another amount of Rs.30 crore is allocated for relief activities. Unfortunately, Central Government has not been ready to address the issue of rehabilitation of expatriate returnees seriously.

**Sir, after the completion of the first phase of the above mentioned Expatriates Rehabilitation Project, third Loka Kerala Sabha will be convened by the end of 2021.**

99. An amount of Rs.9 crore is allocated for Pravasi Welfare Fund. The welfare fund contribution for those abroad is increased to Rs.350 and their pension to Rs.3500. The welfare fund contribution of the returnees is enhanced to Rs.200 and their pension to Rs.3000.
100. The expatriates who invest in Pravasi Dividend Scheme are promised an interest of 10%. This amount will be invested in KIIFB bonds. KIIFB has slashed the interest rates, but this will not affect the investors. The additional expenditure on account of the interest will be met by the Government as a welfare measure. The number of expatriates who have joined in Pravasi Chitti is 30230. The monthly Sala is Rs.47 crore. An amount of Rs.300 crore has been invested in KIIFB bonds. Pravasi Chitti will be activated in the post covid period.

## Part – 3

### Livelihood Jobs

101. Sir, so far, we have been discussing about the job opportunities to those who have attained higher education. Now, I am going to discuss about the livelihood and job opportunities of common people and also about improving their service and wage conditions. The seventh standard student of Government HS Pacheni, Kannur, Inara Ali exhorts:

***It is dark all around  
A murk spawned of pandemic  
We should light  
A taper of care!***

We are surviving from a pandemic under the able guidance of the Government. The Government will always be there with the needy common man, extending helping hands to lift them from the miseries caused by the bad times.

**Sir, much consideration has been given to livelihood schemes in the plan. The total outlay for the related schemes is Rs.7500 crore.**

### Employment Guarantee Scheme

102. Presently thirteen to fourteen lakhs of people are working under the Employment Guarantee Scheme. They are working 50 to 55 days on average. The total outlay for National Employment Guarantee Scheme during 2021-22 is Rs.4057 crore. But we are not intending to restrain the working days within the limit of this amount. At least

three lakhs people will additionally be provided with employment under the scheme. During 2021-22 Labour Budgets will be arranged with a view to provide work for at least an average of 75 days.

103. Sir, Welfare Fund will be created for workers under the National Employment Guarantee Scheme in February 2021. Draft rules have already been prepared. Those who work at least 20 days in a year can be enrolled in the Welfare Fund. Matching contribution of the employee contribution will be provided by the Government. When the employee leaves the scheme, the entire amount will be given. Pension will be given to all the members on completion of 60 years of age, on condition of availing no other pension. Henceforth festival allowance will also be provided through welfare fund. All those who have worked a minimum of 75 days will have the eligibility for festival allowance.

### **Ayyankali Scheme**

104. National Employment Guarantee Scheme is being implemented only in the rural sector. The Central Government has not accepted the demand for extending the scheme into urban areas as well. That is why, the last LDF Government have started Ayyankali Employment Security Scheme in the urban areas of Kerala. Presently Ayyankali Employment Security Scheme is being utilised for manual labour, including sanitation work. Presently the allotment for the scheme is equally divided among all wards. Instead of this guidelines will be issued to give preference for rural wards in the city limits.

**Sir, an amount of Rs.100 crore is earmarked for Ayyankali Employment Guarantee Scheme.**

105. During 2021-22, measures will be formulated to include specially skilled educated youth also in this scheme. If they are employed as apprentices or interns in private enterprises, the employment guarantee wages will be given to the entrepreneurs as subsidy. The fixed wage should be paid to the employees by the employers through banks. The opportunity for employment as apprentice or intern will be for a specified period. There will be a limit for the number of apprentices or interns that can be engaged by an institution. Those workers now in the unit should not be included in this scheme. This scheme will also be implemented through Local Self-Government Institutions as in the case of Ayyankali Employment Guarantee Scheme. A portion of the expenditure is to be identified from plan fund.

**Sir, Rs.100 crore is earmarked for Ayyankali Internship Scheme. Thus, the total outlay for Ayyankali Employment Guarantee Scheme is Rs.200 crore.**

### **Two Lakhs Employment Opportunities in Agriculture Sector**

106. Fallow-land free Kerala is our goal. Special schemes will be there for turning 'Single Rice Cultivation' into 'Two Rice Cultivation' and also for cultivating continuing crops and inter crops. Presently three lakh women are employed in 70000 Farm Collectives of Kudumbashree. During 2021-22, the number of Farm Collectives will be raised to one lakh. 125000 persons will additionally be provided with employment. Agricultural loan on low interest rate will be made available to all these Farm Collectives. The interest will be borne by Government and Local Self-Government Institutions jointly.



Machinery support will be ensured by forming agricultural task forces at block levels. Agriculture will be promoted under the aegis of Farming Groups, Self-Help Groups, Co-operative Societies etc. Employment Guarantee Works will be undertaken in the manner of supporting these groups.

107. Rs.130 crore has, so far, been sanctioned for giving survival benefits of Agricultural Welfare Fund. Rs.100 crore is additionally allocated. This will be disbursed within this March.

**Sir, at least 2 lakh people will additionally be provided with jobs in agriculture sector.**

### **Three lakhs Employment Opportunities in Non-Agricultural sector**

108. Three different ways are envisaged to create job opportunities in non-agricultural sector. **The first** one is small scale enterprises based on loans provided by co-operative societies and other government agencies. Integrated Micro and Small Job Entrepreneurship Support Programme will be formulated by integrating different loans provided by government agencies like KSIDC, KFC, KSFE, different development corporations, Co-operative societies, Kerala Bank and also loans related to District Industries Centres. Employment will be provided to two lakhs people in 50000 enterprises during 2021-22. For these enterprises, Rs.2000 crore will be provided as loan by all government agencies together. The interest of these loans will be at unified rate. Subsidy for these will jointly be borne by both State Government and Local Self-Government Institutions.
109. A unified system will be formulated to simplify the procedures of loan for micro enterprises. District Kudumbashree Mission will examine

the projects and impart training and supervise the implementation and 'Across the Counter Loans' will be provided. No collateral security is required. Repayment will be on weekly basis. Interest subsidy will be there. Ensuring repayment is the responsibility of Kudumbashree. Sir, not a single case of default has occurred of the six hundred micro loans that have already been provided from Chief Minister's Micro Enterprise Development Programme. KFC will provide loans to 2000 micro enterprises before March. Similarly all the Government financial institutions will have targets in 2021-22. A special agency will be entrusted to examine the loan applications of micro enterprises that comes outside the purview of Kudumbashree.

110. Sir, presently Kudumbashree has 30000 micro enterprises under 150 production and service sectors. Among them, clusters will be formed based on products of similar nature. With direct participation of Kudumbashree a unified nature will be ensured in Cluster Centres and marketing companies. The loans and grants already provided by Kudumbashree to marketing companies, like the 'Mari Cluster' for umbrella, will be restructured into shares. The Government agencies such as Civil Supplies, Consumerfed, Police Canteen, Corporative Marketing Centres etc should buy at least 10% of their turnover from these clusters or MSME sector of Kerala.
111. **The second** is the special skill development programmes formulated by Kudumbashree, Block Training Centres, ASAP and Local Self-Government Institutions. To those who obtain these training, special schemes will be formulated for self-employment or wage based employment. Sir, It is intended to provide one lakh such job opportunities. "ARISE" programme, being implemented by

Kudumbashree, is a notable one. One or more Multi Task Teams of trained women in entrepreneurship model will be formed in all Blocks and Municipalities for the trades like plumbing, carpentry, electrician, masonry and repairing of household appliances. The number of labour groups such as Covid-19 disinfectant teams and building construction teams will be increased.

112. **Third**, as part of Hundred Days Programme, labour network such as Janakeeya Hotels, vegetable sales centres, home shoppies, service groups, coconut procurement and processing centres, co-operative mart etc have already been formed under the aegis of Kudumbashree and Co-operative Societies. These centres will be ensured in all Local Self-Government Institutions. Consumer products such as rice, coconut oil, cereals and spice powders will be produced in a decentralised manner and will be branded and marketed. Online sales platforms will be promoted. Employment will be provided to 50000 people in this labour network.

**Sir, three lakhs skilled and unskilled job opportunities will be created in Non-agricultural sector in 2021-22.**

113. The Industries Department has schemes to provide financial assistance to nano units and also to set up industrial co-operative societies at panchayat level. In addition to this there are schemes to set up micro food processing units in association with Central Government. In 2021-22, an amount of Rs.20 crore is available including central share. There are schemes for other micro enterprises also. All these have to be co-ordinated at Panchayat level.

## **Traditional Job Sectors**

114. Policies of modernisation and diversification have been taken for protecting the jobs of traditional labourers and to enhance their income.

## **Coir**

115. The production in Coir industry has increased to 30000 ton from 7000 ton in 2015-16. This will rise to 50000 tons in 2021-22. At least 10000 additional jobs will be given. The coir workers in the state are getting Rs.300 per day with the assistance of Income Support Scheme and the same will be increased to an average of Rs.500 without any subsidy.
116. Total mechanisation is progressing in the sector. Since this technical transformation is done under the co-operative model, no conflict is created in the industry. The number of coir mills will raise to 300, automatic spinning machines to 4000 and automatic looms to 200. Efforts to identify markets are to be intensified with the increase in coir production. Market for geo-textiles need to be expanded. With this aim, Coir Fair will be conducted digitally in February 2021 at Alappuzha. Sir, this digital trade fair at Alappuzha is going to be one of the first of its kind in the country at the time of Covid-19.
117. An amount of Rs.112 crore is allocated for coir sector in 2021-22. This includes Rs.41 crore for mechanisation and Rs.38 crore as price fluctuation fund. In addition to this, Rs.50 crore from Coir Board for cluster formation and Rs.100 crore from NCDC will be available for coir industry. Sir, an extensive coir cluster will be setup in 10 acres of land at Pallippuram Growth Centre. A factory for the commercial

production of coir binder-less board will be set up at Kanichukulangara. During 2021-22 ten mechanised co-operative production factories will be started. A special scheme for the renovation of small scale production units will be formulated. For this, Rs.20 crore is specially earmarked.

### **Cashew**

118. In 2020-21, Cashew Development Corporation and CAPEX together gave jobs to 5000 workers in cashew sector. 2000 more workmen will be given jobs in 2021-22. The formation of Cashew Board helped procure raw cashew nuts at a comparatively at a low price. In the next year 30000 tons of raw cashew nut is targeted to be imported. Rs.40 crore is sanctioned to Cashew Board. Rs.10.5 crore is earmarked for the modernisation of CAPEX and Cashew Development Corporation and Rs.5.5 crore is earmarked for the extension of cashew cultivation.
119. Sir, the previous Government has not sanctioned even a single paise as gratuity to cashew workers. The gratuity arrears since 2011 has been disbursed in a phased manner. This Government has already disbursed Rs.52 crore. An amount of Rs.63 crore is sanctioned to disburse the whole arrears.

### **Handloom**

120. The most significant job security measure adopted by this government for handloom workers is School Uniform Scheme. Rs.52 crore is earmarked for handloom sector. In addition to this Rs.105 crore is set apart for uniform scheme. Sir, revival packages will be formulated for Hantex and Handweave.

121. An amount of Rs.16 crore is earmarked for Khadi and Village Industries. A new scheme for starting Gramodaya Khadi Clusters will be launched in 2021-22.
122. An amount of Rs.4 crore is allocated for the Handicrafts sector. Large scale use of mats and bamboo in plywood production is the way for improving the employment and income of reed and mat workers. An amount of Rs.5 crore is allotted to Bamboo Corporation for the expansion of the pilot plant for this.

### **Aqua Culture and Processing**

123. By the initiatives of Matsyafed and Coastal Area Development Corporation, measures are being taken for the large scale employment diversification and value addition in fish processing and marketing sector. In addition to this there are also enterprises of 'Theera Mythri' and 'SAF Women Fraternity'. In this sector at least 5000 people will be given employment during 2021-22.
124. More employment opportunities are created in aqua culture sector. One crore fishlings will be deposited in 20000 ponds. The Fisheries Department will take the initiative for this. Beneficiary groups will be formed under the leadership of Local Self Government Department. Rs.66 crore is earmarked for aqua culture.

### **Coir and Craft Store**

125. A chain of Coir and Craft stores is being launched in all Local Self-Government Institutions under the auspices of Kudumbashree. All products, made by the traditional workers of Kerala, such as coir, pottery, handloom furnishing, mat and reed will be available in these stores. These centres will act as home shoppee centres of

Kudumbashree as well. This will be a great stimulation for the traditional sectors.

**Sir, Interest Free Loan of Rs.5 lakh each will be provided per stall.**

126. An amount of Rs.4 crore is earmarked for establishing multi trade facilitation centres for artisans under the auspices of Industries Department.

### **Labour and Labour Welfare**

127. Rs.100 crore is earmarked for Labour Commissionerate. Rs.13 crore is set apart for the security of unorganised labourers. This includes the special financial assistance of Rs.5 crore for domestic labourers. Rs.72 crore is allocated for the income support scheme of traditional labourers.
128. An amount of Rs.10 crore is allocated for the welfare of guest workers. A new scheme is being launched with the assistance of Local Self-Government Institutions for creating common facilities at the dwellings of guest workers in Payippadu, Pattambi and Perumbavoor.
129. Many of the Centrally Sponsored Schemes for skill development are being implemented through employment exchange. Rs.18 crore is earmarked for the self-employment schemes meant for widows, unmarried mothers and wives of incurable patients. Rs.6 crore is earmarked for the self-employment rehabilitation of the specially abled. A new self-employment scheme for the elderly will be started in 2021-22.

130. An amount of Rs.98 crore has been allocated for industrial training. This includes Rs.34 crore for KASE and Rs.51 crore for the modernisation of ITIs.

## **Part – 4**

### **Eradication of Absolute Poverty**

131. Sir, the increase in employment opportunities will reduce poverty. Kerala is the state where poverty is decreasing at the maximum pace in the country. Next, we have to completely eradicate poverty. As per the Reserve Bank of India statistics of 2011 the percentage of people living below poverty line in Kerala is only 11.3%. Goa is the only other state with a lower rate. The national average is 22%. Though the official statistics after 2011 is not available, it might have been reduced to 5-6 % in Kerala, by this decade, that is almost 4-5 lakh families. Specific family based micro plans should be prepared to identify them and to uplift them from poverty.

### **Micro Plans**

132. The first thing to be done is to precisely identify four to five lakhs of absolutely poor families and to enlist them. State wise list will be prepared for this. A priority list will be prepared by conducting a state level survey based on distress factors among the existing Ashraya beneficiaries and the newly nominated families by local self-government institutions and Kudumbashree. Presently there are 1.5 lakh families as beneficiaries of Ashraya Scheme. It is targeted to cover 4 to 5 lakhs of families as beneficiaries by including all the existing eligible families.



133. Micro Planning is a process of studying the needs and problems of each absolutely poor family and also documenting the remedial measures and expenses for it. The 'Ashraya' scheme was envisaged with this approach. But, it has been reduced to mere beneficiary programmes like housing schemes. There are substantial flaws in beneficiary selection also.
134. The method of plans prepared for the families of Ulladar community under P.K.Kalan Scheme in Alappuzha is going to be adopted in this new scheme. In Ulladar Community, 76% of 165 families were identified as absolutely poor. Around 15 - 20% of families did not have even the basic rights like ration, jobs and health cards. Basic needs, including houses and toilets, were ensured to all of them. Jobs for 56 women were arranged in coir factory. The factory work brought a great transformation in their lives. They became the agency of change in their houses in the fields of education, health and sanitation. Now, co-operative society for those doing 'tree cutting' and modern tools have been ensured for men. Except a limited number of families, all others could permanently be lifted out of absolute poverty.
135. Teams of Resource Person could be formed at Block Panchayat and Municipality level and be provided training in the preparation of micro plans. The existing scheme will be converged with other plan schemes to the extent possible. For instance, the main problem faced by the absolutely poor is housing. They may not possess land. Certainly, they might have been enlisted in Life Mission. If not, another alternative will be adopted. Similarly, plan projects are prepared by integrating the existing schemes in sectors like

education, health, labour etc. Special recommendations can also be proposed. Permission will be given for monthly income transfer to help those families who are unable to work and earn their income. The Local Self-Government Institutions should bear half of this additional expenditure. The balance will be provided by Government through Kudumbashree.

136. These micro plans will be implemented by Kudumbashree after they are examined by Panchayath or Municipal Councils. The basic needs of all the families coming under the scheme will be ensured. We should be able to save them permanently from poverty within five years.

**Sir, thus Rs.6000 – 7000 crore will be expended in five years through different schemes for 4 - 5 lakhs families providing Rs.15 lakh to each family. Rs.40 crore has been allocated as State Plan provision for 'Ashraya' scheme. Rs.100 crore is additionally allocated.**

### **Hunger free Kerala**

137. Hunger free Kerala, announced in the last year's budget, will be a reality. More than thousand fair price hotels have already been started by Kudumbashree. Required rice and provisions can be purchased for these hotels from Maveli stores at subsidised rate. If the palliative and other voluntary organisations also participate in 'Hunger free Kerala' scheme this benefit will be extended to them also. The support meant for Kudumbashree Janakeeya Hotels from Local Self-Government Institutions will be compulsorily made

available. Those persons in micro plans, who are identified as the needy, will be supplied food at their homes from these hotels.

### **Scheduled Caste and Scheduled Tribe**

138. Majority of the absolutely poor people might belong to Scheduled Castes and Scheduled Tribes. In this context, special development schemes for these sections have special relevance. Unlike the Central Government and other states, money is allocated for sub plans at higher rates than their share in the population. The total outlay for Scheduled Caste Sub Plan is Rs.2709 crore and that of the Scheduled Tribe is Rs.781 crore. This comes to 9.81% and 2.83% respectively of the total plan outlay. An amount of Rs.468 crore will also be available from centrally sponsored schemes.

139. The top most priority is for housing. An amount of Rs.635 crore has been earmarked for various schemes like buying land for the landless, completion of incomplete houses, Life Mission contribution and for study rooms under Scheduled Caste Sub Plan and Rs.247 crore for Scheduled Tribe Sub Plan.

**Sir, through Life Mission 40000 number of houses will be given to Scheduled Caste families and 12000 houses to Scheduled Tribe families during 2021-22. For this Rs.2080 crore will be expended.**

140. After housing, priority is given to education. An amount of Rs.387 crore is earmarked for Scheduled Caste Sub Plan and Rs.121 crore is earmarked for Scheduled Tribe Sub Plan. For Model Residential Schools, Rs.93 crore has been allotted through KIIFB and

Rs.50 crore has been allotted under plan scheme. This budget gives more importance to remedial education schemes and co-curricular activities than in the previous years.

141. 1997 number of young men and women were given placement so far under the skill development programme for Scheduled Caste youth. Among them 201 persons secured jobs abroad. It is targeted to provide employment to 2500 persons in 2021-22.
142. Co-operative Societies for Scheduled Caste and Scheduled Tribes will be totally restructured and rejuvenated. An One Time Settlement Scheme will be formulated for the settlement of loans of Scheduled Caste and Scheduled Tribe Co-operative Societies availed from District Co-operative Bank and others.

### **Fisheries Sector**

143. Another sector having comparatively higher poverty level is the fisheries sector. To redress this backwardness, a special package of Rs.5000 crore was announced for the coastal area development in the previous budget. The package will be implemented in five years.

**Sir, during 2021-22, Rs.1500 crore will be expended in fisheries sector.**

144. An amount of Rs.209 crore is earmarked in the annual plan for coastal development. In addition to this a total of Rs.676 crore will be spent through KIIFB comprising Rs.209 crore for fishing harbour, Rs.109 crore for sea wall, Rs.165 crore for hospitals & schools and Rs.193 crore for 65 markets.

145. Sir, construction of sea wall has to be completed in many coastal areas like Cherthala – Chellanam reach. An amount of Rs.100 crore is allocated from KIIFB on priority basis for coastal protection in these areas. Rs.100 crore is allocated to Harbour Engineering Department for Coastal roads.
146. During the last five years, 13018 numbers houses were constructed on coastal area. 7500 number of houses will be constructed expending Rs.300 crore under LIFE Mission in 2021-22. 2500 numbers of fishermen residing within the limit of 50 meters from the sea coast will be rehabilitated under 'Punargeham' Scheme, expending Rs.250 crore.
147. Loans will be provided for 100 number of deep water fishing crafts with modern facilities. 25% subsidy will be given. It costs 1.7 crore per unit. Rs.25 crore is earmarked.
148. An amount of Rs.92 crore is allocated for inland fishing and aqua culture.
149. Sir,
- Kerosene will be made available at Rs.25 per litre to traditional fisher folk. Rs.60 crore is earmarked for this.
  - Motorisation subsidy will be given for converting fishing boats with kerosene engines of more than 10 years into petrol engines.
  - Fuel subsidy will be given to small scale inboard mechanised boats also. Rs.10 crore is earmarked.
  - One Time Settlement Scheme will be formulated to exempt interest and penal interest on non-performing asset loans and

those loans sanctioned before the introduction of interest subsidy in 2018-19. Rs.5 crore is additionally allocated.

- MATSYAFED will provide loans to purchase e-auto for online trading. 25% of subsidy will be given by the Government. Rs.10 crore is earmarked for this.
- 25% subsidy will be provided by Government for loans sanctioned by MATSYAFED to fishermen for buying their equipments.
- An amount of Rs.3 crore is provided as special financial assistance to Clam Societies.

150. An amount of Rs.10 crore is earmarked for 'Prathibhatheeram' project.

### **Other Sections**

151. An amount of Rs.101 crore is allocated for the welfare of other backward classes. Of this, Rs.53 crore is for OEC educational schemes. There is a provision of Rs.84 crore for scholarships, including central share. Rs.20 crore is earmarked for Kerala State Development Corporation for Christian Converts. Rs.1 crore is earmarked for Kerala State Pottery Manufacturing Marketing and Welfare Development Corporation. For the modernisation of Barber shops Rs.2 crore is earmarked as Loans Subsidy Scheme.

152. Rs.42 crore is earmarked for Minority Welfare.

153. Rs.31 crore is earmarked for the welfare of economically backward classes among forward communities.

## **Specially Abled**

154. Families with specially abled members are more susceptible to fall into the absolutely poor category. Special financial aid for the care and treatment of such families, can be found from the existing schemes themselves. Rs.50 crore is earmarked for the care and treatment of specially abled and Rs.64 crore is earmarked for their mental health programmes.
155. In Kerala, policy has already been formulated to give support to specially abled at each stage of their life cycle. There are schemes like 'Anuyatra' for preventive measures to avert deformities at pregnancy stage, programmes to detect the deformities at infancy stage and also for ensuing supportive measures. A comprehensive insurance programme 'Anaamayam' will be started.
156. In 2021-22, buds schools will be launched in 250 more Local Self Government Institutions also. Presently there are buds schools in 342 number of Local Self Government Institutions.
157. More counsellors will be appointed for mild-moderate specially abled students in schools and training will be provided for more teachers.
158. Financial aid to 290 special schools run by voluntary organisations and others is enhanced to Rs.60 crore. More schools will be included. In addition to this, Rs.10 crore is allocated for the care of those who crossed the age of 18. Rs.1 crore is earmarked for the Different Arts Centre in Trivandrum.
159. A time bound programme will be prepared for uplifting Kerala as the first complete barrier free State in the country. In all new buildings being constructed using Government Funds, facilities should be ensured for the specially abled. Norms for specially abled friendly

Local Self Government Institutions will be fixed. Schemes that the Local Government Institutions formulate, based on this criteria, to make Government Institutions and public places in their locality barrier free, will be given priority. Rs.9 crore is set apart for barrier free programme.

160. An amount of Rs.321 crore is set apart for the specially abled through Social Justice, Education, Health and Local Self Government departments. In addition to this, Local Self Government Institutions are also bound to set apart at least Rs.290 crore. Thus, Kerala can be transformed into a specially abled friendly state if we are able to spend a total of more than Rs.600 crore in this sector with co-ordination and compassion.

### **The Elderly**

161. In our state many people are taking medicines regularly for life style diseases and the like, especially the aged. A project named 'Karunya at Home' will be implemented under the aegis of Kerala Medical Service Corporation Limited, for supplying medicines at their door steps. On top of the discount given by Karunya medical schops, 1% of additional discount will be given to the aged. For those who register, medicines are delivered at their door steps strictly on the basis of prescription. At the present context of living along with Covid-19 pandemic, 'Karunya at Home' project will be a great support for the aged.
162. Geriatric Clubs in all wards was an important proposal in the last year's Budget. But such a gathering centre would have been against the reverse quarantine protocol at the time of Covid-19. But in 2021-



22, with the recess of Covid-19, Local Self Government Institutions will take measures for this. There is no need to construct new buildings. The existing reading rooms and rented building can be utilised for this purpose. Neighbourhood Geriatric Groups will function in these centres. Local Self Government Institutions will set apart at least Rs.290 cores from their plan fund for the elderly. In 2021-22, 5000 'Geriatric Clubs' will be started. An amount of Rs.30 crore is earmarked for 'Vayomithram' and 'Sayampraba' schemes.

### **Food Security**

163. This distress period has proved how much relief the market intervention by the Kerala government has brought to this land. The distribution of food grains and rations became one of the greatest relief efforts which were supposed to keep no one hungry. All major festivals came in during the period of Covid and subsequent lockdown. Inflation, which is a regular phenomenon did not even make it to half a column news. On perusing the data of Economics and Statistics Department, it is evident that the prices of five major varieties of rice and vegetables that are used by Keralites got reduced during Onam season. Such a fruitful intervention in the market is being carried out by the Government of Kerala.
164. An amount of Rs. 40 crore were earmarked for implementing Food Security Act. For the modernisation of Civil Supplies Department including SupplyCo an amount of Rs. 25 crore is provided. 5.5 crore food kits were distributed during the Covid pandemic. 1.83 lakh metric tonne ration rice was made available additionally. This fruitful intervention was acclaimed universally. Government has decided to

continue with the distribution of food kits against the backdrop of increased Covid cases.

**Sir, besides this, additional rice of 10 kg @ Rs. 15/- will be provided to 50 lakh families having blue and white ration cards.**

165. An amount of Rs.1060 crore is allocated for food subsidy. Rs. 230 crore is set apart for market intervention. Necessary increase in allocation of funds will be made in the next year considering the Covid scenario.

**Sir, a scheme is announced for providing official rating to hotels, provisional stores, supermarkets from 2021-22 onwards. This will help increase the quality of services to consumers.**

## **Part – 5**

### **Decentralisation of Power**

166. The new representatives of the Local Government Institutions assumed power during the 25<sup>th</sup> anniversary of Peoples Plan. The local bodies will have a significant role in creating livelihoods and in eradicating poverty. One of the main weaknesses during the 25 years of decentralisation has been in the production and employment sectors. Subhiksha Keralam Scheme teaches that this could be redressed.

## **Local Industrial Clusters**

167. The Town and Country Enterprises driven by local governments have played a crucial role in China's industrial growth. We need to develop clusters of micro and small enterprises in each of our panchayats and municipalities. For this, the existing Central and State Government Schemes should be utilised. They should carefully be studied and plans formulated for implementation in the respective areas. Mini Industrial Estates can be established and interest subsidy can be provided. Marketing can be facilitated at the Block and District levels. The expenditure incurred for these schemes may be met from Plan funds. Each local administration should create new employment opportunities of at least 5 among 1000 persons. For this, a special coordination council will be set up in the Panchayat – Municipal levels.
168. An amount of Rs. 225 crore will be made available to local bodies in 2021-22 from the Centralized Schemes like Rural – Urban Livelihood Mission. As part of this, Resource Centres can be established at Block level. Major share of Rs. 50 crore of National Rurban Mission may be utilized for entrepreneurship development.
169. Distribution of ID cards to street vendors will be completed. An amount upto Rs. 10,000/- will be made available at an interest rate of 7 percent.

## **Watershed Planning**

170. Although mentioned from the time of people's planning, watershed based planning has not been implemented yet. Natural calamities stress the gravity of this.

- The wider campaign will be organised for planning watershed projects in Kattakada - Taliparamba model.
  - In most of the local government institutions, the watershed development reports prepared by various agencies are in existence. They should be used fully for this campaign.
  - There should be a coordination of KILA, Land Use Board, Institute of Land and Disaster Management, Soil Water Conservation Department and Irrigation Department.
  - In future, watershed schemes of various departments and agencies should be based on this basic document. This watershed document should be prepared in ensuring the participation of everyone.
171. Due to Covid, most of the local government institutions could not complete the regional disaster management reports. An action committee shall be constituted for making the report comprehensive by including the details collected for watershed development scheme.
172. Sir, the objectives of Haritha Mission in 2021-22 are as follows:
- 10000 kms of drains and 100 kms of rivers will be newly cleaned and conserved using geotextile.
  - The area of green islets will be expanded from 529 acre to 1000 acre.
  - 1000 Haritha Samrithi wards will be created.
  - Water quality standard assessment labs will be set up in every Higher Secondary Schools.
  - Water budget will be formulated in model Blocks.

- Atleast one large pond will be rejuvenated as a model in every local government institution.

## **Suchitwa Keralam**

173. We should be able to achieve total sanitation status in 2021-22 based on the decentralized source waste management.

***Proudly perched on the heights  
Of "Total Literacy"  
They don't get repelled  
Throwing waste around,  
In the stealth of darkness.***

We should come out of this bad habit pointed out with indignation by the 8<sup>th</sup> standard student Shinaz Ashraf of Kannadiparambu GHSS, Kannur.

- 501 Panchayats & 55 Municipalities have achieved hygiene standards in solid waste management, so far. All local government institutions will attain hygiene standard status.
- The aim is to collect and segregate waste and market it after processing on an entrepreneurial model based on Vadakara – Kunnamkulam – Taliparamba model.
- Kerala will be made slaughter waste-free state with the help of private entrepreneurs.
- 100 septage will be installed.
- Green grading and certification will be introduced for government offices, institutions, and private business entities.
- Organic manure will be marketed by Harithamithram branding.

174. For this, an amount of Rs. 15 crore is provided to Haritha Mission. Rs. 57 crore is earmarked for Suchitwa Keralam Mission. Including central share, Rs. 87 crore is available for Swach Bharat Mission.
175. Existing 1235 toilet blocks will either be reconstructed or renovated. Local bodies will have the freedom to provide the viability gap funding for Haritha Karma Sena in future also.
176. The following schemes will be implemented by including them in the sanitation programmes of World Bank.
- Regional Land Fillings.
  - Bio Medical Waste Managements of Medical College, District and Taluk hospitals.
  - Model construction & demolishing of waste recovery centres.
  - Financial assistance to Green Protocol.

## **Rural Roads**

177. Sharing of funds on ward basis is an undesirable trend. The remedy to this is to prepare plan for every sector including roads for 5 years. If the plans are taken on a priority basis, developments can be eventually ensured in every ward. We must also stop the tendency to wait until the roads get damaged for maintenance works.
178. The road construction amounting to Rs. 488 crores as part of Rebuild Kerala and Rs. 1,000 crore in connection with Chief Ministers Road Renovation Programmes will be completed in the beginning of 2021-22. An amount of Rs. 120 crore is allocated for PMGSY. Rs. 130 crore will be available as central share.

179. The State attained ISO standards in 935 Grama Panchayats and 152 Block Panchayats. Integrated Local Governance Management System will be implemented in every Local Government Institutions in 2021-22. The criteria for service quality will be published. Social audits will be conducted in the three sectors viz. Hospitals, Schools and Employment Guarantee schemes in 2021-22.

### **14<sup>th</sup> Five Year Plan**

180. Detailed guidelines will be issued for preparing the 14<sup>th</sup> Five Year Plan document. As a prelude to this, all local government institutions shall prepare a comprehensive overview of the changes that have taken place in their area, the developmental gains of the last 25 years and the issues to be resolved. The next Five Year Plan should be formulated based on this.
181. A participatory study series will be formulated under the local governments with best performance and reports.
182. Government is providing special importance to the capital city development. The major factors of this perspective are these;
- Second phase of City Road Improvement Scheme – Rs.864 crore.
  - KIIFB, Public Works – Rs.900 crore.
  - Neyyar – Aruvikkara drinking water projects – Rs.635 crore.
  - Total sanitation, completion of sewage – Rs.525 crore.
  - Turning cities into Education – Health Hub – Rs.900 crore.
  - Thiruvananthapuram Heritage project – Rs.250 crore.
  - Akkulam, Veli tourism development – Rs.150 crore.

- Chitranjali Film City complex, other cultural centres – Rs.150 crore.
- IT, Life Science and Video parks development – Rs.534 crore.
- Ring roads and Capital City Region development.
- Second phase of Kaliyikkavila road.

## **KILA**

183. An amount of Rs.30 crore is earmarked for Kerala Institute of Local Administration. Among this, Rs.19 crore is for the training and allied activities of people's representatives and employees. The International Seminar intended to be held in December as prelude to the 25<sup>th</sup> anniversary celebrations of People's Plan will be held in 2021. KILA will publish 25 books in English and Malayalam on the experiences hitherto of decentralisation during the Silver Jubilee year. An amount of Rs.3 crore is specially provided for this.

## **Sixth Finance Commission**

184. The recommendations of Sixth Finance Commission have been already approved by the State government. It will be submitted in the House in this session itself along with the action taken report.

185. 25 percent of the total plan outlay ie, Rs.6903 crore is now earmarked for Plan Development Fund. It has been raised to 26 percent as per the recommendation of Finance Commission. That is Rs.277 crore is additionally allocated for Development Fund. From this, proportionate share will be earmarked for Scheduled categories. The commission has recommended to increase the Plan fund by half percentage every year.



186. Four percentage of Own tax, ie. Rs.1950 crore is earmarked for General Purpose Grant and 6.5 percent of Own tax, ie. Rs.2944 crore is allocated to Maintenance Fund.
187. Thus a total of Rs.12074 crore is set apart for Local Government Institutions as tied fund. Besides this, atleast Rs. 100 crore will be additionally available as part of World Bank's Urban Sanitation Scheme.
188. Apart from this, an additional Rs.6952 crore will be available to the local bodies in 2021-22.
- Rs.5714 crore for Centrally Sponsored Schemes including Employment Guarantee Scheme.
  - Rs.1238 crore as State share in Centrally Sponsored Schemes.
  - Rs.534 crore for State Sponsored Schemes.
  - Rs.4000 crore for Life Mission.
  - Rs.2000 crore Own Revenue.

Thus a total of Rs.25660 crore will be available for local bodies in 2021-22 for expenditure.

189. There were no treasury restrictions for local body expenditure in 2020-21. Still, sanction will be accorded to carry over up to 20% of funds to the next year as in the previous years of this government.
190. The honorarium of all people's representatives is increased by Rs.1000.

## Part – 6

### Agriculture and Allied Sectors

191. The Covid period again raised a threat of food security in Kerala. State responded to this through Subhiksha Keralam Scheme. Subhiksha Keralam Scheme is a people's campaign to create a surge in the production of vegetables, paddy, tubercrops, fruits, milk, egg and meat. An amount of atleast Rs. 1500 crore will be invested jointly by various departments, local bodies and agricultural agencies in agricultural production sector in 2021-22. We can achieve self-sufficiency in vegetables, milk, egg etc. in two to three years. As expected by the 9<sup>th</sup> standard student Alex Robin Roy of Koyikkal GHSS, Kollam;

***The spring will return***

***So will the wintry fall***

***The autumnal showers***

***and torrential rains***

***We'll fight without losing***

***Soft breeze will caress***

***Paddy fields will yield***

***If we move together in unison***

***Everything will return to us...***

## **Vegetables**

192. Kerala is the first state in the country to announce base rate for vegetables. Vegetable cultivation in every houses is a goal that can be realized. People who cultivates for their own use may have surplus production with them. Besides this, there are cultivators who cultivates on a commercial basis. Agriculture may be significantly improved, if the procurement is ensured. For this, Co-op Marts were launched announcing base rate. VFPCCK will procure the products from commercial cultivation. Local government institution can spend up to Rs.5 lakh to compensate the loss incurred on implementation of base price by Co-op Marts. For this, Rs.20 crore is allocated to VFPCCK.
193. An amount of Rs.80 crore is earmarked for the development of vegetables and tubercrops. It is expected to set apart atleast Rs.400 crore in the next annual plan by the local government institutions. There will be another Rs.75 crore for vegetable development from VFPCCK, planting material production scheme and RKVY Scheme, etc.
194. The decadal programme for planting 1 crore fruit tree saplings annually will generate an additional income of Rs.50,000 crore in the State. The necessary planting material will be identified through the nurseries of agencies under Agriculture Department and Local Government Institutions. The exact statistics regarding the fruit bearing trees planted will be maintained in each panchayat and monitored on a plot basis. An amount of Rs.22 crore is provided for this.

## **Paddy**

195. An amount of Rs.116 crore is earmarked for development of paddy cultivation. Out of this, Rs.60 crore is the financial assistance to paddy cultivators at the rate of Rs.5500 per hectare. Additional assistance of Rs. 5000 to Rs.10,000 will be provided by the local bodies. Besides this, Rs.40 crore is provided as royalty at the rate of Rs.2000 per hectare. Kerala is providing highest rate of subsidy in India. Procurement price fixed by the Central Government is Rs.18. The procurement price in Kerala will become Rs.28 after this budget. The defects experienced in some areas for giving exact procurement price to the farmers, will be rectified.

## **Commercial Crops**

196. An amount of Rs.75 crore is earmarked for coconut cultivation. This is mainly expended for cutting down old trees and replanting relatively short and high yielding coconut varieties. Tissue culture technology will be encouraged for this. Intercropping and Irrigation will also be encouraged.
197. Four decades ago, 40 percentage of total revenue from coconut in Kerala was either from value added products or by-products. But today, 95 percentage of the revenue is from coconut itself. The income of the farmers can be substantially increased only by encouraging industries for coconut value added products owned by the coconut farmers. For this, coconut clusters will be established either directly under the aegis of service co-operative banks or under the ownership of farmers. Besides this, an assistance of Rs.10 lakh will be provided to each cluster for formulating a system for coconut

plucking and procurement. For this, an amount of Rs.10 crore is earmarked. The Coir Department will provide subsidy to the 90 percent investment in coir mills. Attractive incentives will be made available from Industrial Department to coconut oil mills etc. Through value addition, farmers can be given a bonus of Rs. 2 to Rs. 3 above the support price.

198. Sir, the support price similar to that of coconut will be introduced for coffee cultivators in Wayanad in 2021-22. The production of branded Wayanad Coffee will be started from next month. Brahmagiri Coffee plant will be utilised in the initial stage. Emergency assistance of Rs.5 crore will be provided to Brahmagiri Society for its expansion. Vending machines of Wayanad Coffee at 500 offices and 100 Kiosks will be started through Kudumbasree within April. For this, Rs. 20 crore is additionally allocated to Kudumbasree. A base price of Rs. 90 per kg is fixed for the procurement of coffee bean for the production of branded coffee. Government will provide viability gap funding, if necessary. Wayanad coffee park will be set up in 2021-22 with the financial assistance from KIIFB. Thus a system will be in force for the procurement of coffee bean of majority of farmers in terms of base price.
199. Uncontrolled imports of cash crops viz. Arecanut, Pepper, Cardamom and Tea creates uncertainty in the prices. Kerala needs to strongly demand central government to protect these crops by ensuring the support price as that of rubber. The assistance of Central Government is essential for enhancing the support price of rubber from Rs.170/- to Rs.200/-.

200. An amount of Rs.9 crore is earmarked for strengthening the agro service centres in the Blocks. Krishishree will act as a single window system for all farmer related services. Agricultural task force function in connection with these centres. An amount of Rs.38 crore is allocated for maintaining the health of soil, roots and for the immunity of crops.
201. An amount of Rs.258 crore is made available from “Krishi Unnathi Yojana” for agricultural mechanization and horticulture development. An amount of Rs.30 crore is provided for strengthening agricultural marketing. Cold Room Chain will be set up in blocks under the aegis of Service Cooperative Bank. The potential of Agro Processing Industries will be identified and integrated with entrepreneurship development schemes. An amount of Rs.12 crore is earmarked for value addition activities.

### **Irrigation**

202. Adequate watering at the required time is essential for achieving the agricultural goals. An amount of Rs.168 crore is earmarked for small scale irrigation. Micro irrigation scheme will continue with the aid of NABARD. Out of this, Rs.26 crore is for lift irrigation and Rs.25 crore is for ground water development and recharging. Remaining amount is for check dams, sluices, regulators, bunds and drainage channels. The irrigation department will undertake planning in terms of river basin and large water body basin. An amount of Rs.1.5 crore is earmarked for this. The planning of micro watershed have to be under the aegis of local government institutions. Small Scale Irrigation activities should be implemented with their involvement.

203. Large scale irrigation projects are not suited to Kerala's landscape. Their completion is indefinitely going on. In this year, an amount of Rs.40 crore is earmarked for Edamalar and Moovattupuzha river irrigation projects. An amount of Rs.49 crore is earmarked for medium and small scale interstate river water conservation works in Kabani, Bhavani, Pampa and Cauvery basins. An amount of Rs.4 crore is earmarked for the completion of Chamravattom project.
204. An amount of Rs.216 crore will be made available for 16 dams in the second phase of Dam Rehabilitation scheme with the assistance of World Bank. The works of the Kanjirapuzha and Chitturpuzha projects are being newly taken up in this year. An amount of Rs.25 crore is earmarked.

### **Animal Husbandry**

205. The development strategy that lead to the brink of self-sufficiency in milk production will continue. An amount of Rs.385 crore is earmarked for Animal Husbandry. An amount of Rs.50 crore is provided for calf care scheme which will jointly implemented with local bodies. Centres with ambulance facilities will be established in Blocks for providing veterinary services to farmers even at night. An amount of Rs.10 crore is earmarked for this.
206. An amount of Rs. 96 crore is provided to Dairy Department. An amount of Rs.40 crore is allocated for development of milk shed, fodder scheme and Rs.14 crore for fodder subsidy.

## **Soil water conservation**

207. An amount of Rs.103 crore is earmarked for soil water conservation. The lion's share of this is for various watersheds and other soil water conservation and flood control programmes.

## **Part – 7**

### **Sectors of Service Excellence**

208. Providing basic services directly to people by the government is the speciality of Kerala. Such a system was evolved out of a long period of people's agitation. But the quality of these public facilities not raising to the expectations of people created a crisis. One of the biggest achievements of this government is that these services have been made excellent to suit the modern times.

## **School Education**

209. Sir, the public schools in Kerala have changed drastically. With the digitalization of schools, the extra ordinary change in the academic excellence and creativity of the children is being felt by the entire society. Recognising that change, it was decided to include children's poems in this budget. Not only that but the cover picture of the Budget documents are also children's work. During Covid, the department of education had launched a project called 'Aksharavriksham' to illuminate the creativity of children who spend their vacations at home. 56399 creations were published from 4947 schools. This massive literary collection is available in school wiki website and anyone can read this. The selected writings from them



are included in this budget. This government has made unprecedented capital investments in schools with the aim of encouraging various talents of the students by modernising the educational environment and infrastructure facilities.

210. The qualitative change in the public schools and its acceptance by the parents in Kerala is evident from the flow of students to the public schools. The renovation works of 85.7 lakh square feet of school buildings are going on with the financial aid from KIIFB. School education has been completely digitalised. Nevertheless, Rs.120 crore is earmarked in this budget for improving the infrastructure facilities, utilizing this fund,

- A scheme will be formulated for new furniture in new buildings. Old furniture will be repaired and reused.
- Solar panels will be installed in all schools.
- Labs will be renovated.
- For schools without adequate space, there will be schemes to expand its space.
- Play grounds will be improved.

211. Next we have to lay stress on the activities for enhancing the standard of education. For this, there are various schemes aimed at different sectors and segments. An amount of Rs.73 crore is earmarked for this.

- Teachers training with emphasis on IT based education.
- Programmes for special subjects like the District English Education Centres.
- Programmes like SRADHA for the sectors and students backward in education.

- Sruthipadam, training in Indian Sign Language and projects like “Thenkoode” scheme for specially abled.
  - Special Programme for students who excel in their studies.
  - Co-curricular activities like Self Reflection Kiosks, Think and Learn Project, various School clubs etc.
  - K-DAT online aptitude test to identify children’s aptitude.
  - Program for artistic and sports development.
212. We still need to move forward to ensure full utilization of the IT facilities deployed in schools. An amount of Rs.30 crore is earmarked to KITE for taking these responsibilities.
213. An amount of Rs.105 crore is allocated to school uniform. An amount of Rs.526 crore is for mid-day meal distribution.
214. An amount of Rs.18 crore is earmarked for Literacy Mission. “Prerak”s will be redeployed to local government institutions. The allowances to them will be additionally provided to local bodies by the government.
215. An amount of Rs.111 crore is earmarked for Vocational / Higher Secondary sectors. Total outlay of Samagra Shiksha Abhiyan is Rs.240 crore. Including this, the total outlay of school education is Rs.1655 crore.
216. Sir, Government is planning to appoint atleast one Councillor in every schools gradually. The honorarium of Psycho school councillors is enhanced to Rs.24000. The daily allowances of the cooks is increased by Rs.50. An increase of Rs.500 is effected to the allowances of pre-primary teachers / Ayahs who have less than 10 years of experience and Rs.1000 to those having more than 10 years.

217. The lion's share, including retirement benefits of Kazhakootam Sainik School is imposed by the Centre on the State Government. This has been the policy of Central Government. They have been following a policy of transferring the responsibility of running the Central schemes to the shoulders of State government. The Centre has made steep increase in the share of State governments in Central schemes. This is totally objectionable and needs to be resisted. Even though the decision is unilateral, new agreement will be signed taking into consideration the importance of Sainik school.

### **Public Health**

218. The Covid response has showcased the excellence of our health sector before the world. All health workers deserve the respect of the land for this. Sir, I would like to highlight the role of ASHA workers in this. They have rendered a great service on a meagre allowance. An increase of Rs.1000 is made on their allowances.

219. The health sector also has witnessed a great surge as in the educational sector. The plan budget of health sector in 2021-22 is Rs.2341 crore. This includes Rs.811 crore from the National Health Mission.

220. With the conversion of 221 Primary Health Centres into Family Health Centres, the transformation will be completed at primary health level. Henceforth, everywhere OP, Labs and Pharmacy will function in the afternoon. 85 health institutions in Kerala have secured National Accreditation with more than 90 percentage mark. Necessary posts will be created.

221. Based on experiences, Kerala has shifted from the system of Health Insurance to Health Assurance. The State Health Agency (SHA) under the Health Department is implementing this scheme by coordinating various health insurance schemes.
- Sir, Kerala is providing benefit of In-Patient treatment upto an amount of Rs.5 Lakh through Karunya Health Security Scheme to 41.5 lakh families. Karunya Benevolent Fund will continue.**
222. In the last two years, 16.2 lakhs families were provided health care. An amount of Rs.941 crore is expended. 190 Government Hospitals and 372 Private Hospitals are empanelled under this scheme.
- A project for ensuring free treatment in the first 48 hours for those injured in road accidents will be implemented under this scheme.
  - Meagre percent of eligible families excluded from the data base will be included under this scheme.
  - Sir, the assistance from Karunya Benevolent Fund will continue through State Health Agency to those eligible families who were not beneficiaries of the Karunya Arogya Suraksha scheme.
223. The rapid renovation of Medical College, District and Taluk hospitals is progressing with KIIFB funding. An amount of Rs.3122 crore has already allocated for this from KIIFB. Cherthala Taluk Hospital will also be renovated by including in this scheme. Rs.420 crore will be provided for Medical Colleges and Rs.20 crore for Dental Colleges in 2021-22.
224. More speciality services and necessary health workers will be engaged in the newly formed Medical Colleges viz. Konni, Idukki,

Wayanad and Kasargod. Of the allotted 4000 posts to Health Department, priority will be given to Medical Colleges.

225. An amount of Rs.71 crore is allocated for Regional Cancer Centre. Of this, Rs.30 crore will be for creating facilities for detecting cancer in early stage. An amount of Rs.25 crore is allocated for Malabar Cancer Centre. Kochi Cancer Centre will be completed by 2021-22.
226. Nursing colleges will be started in Paripally and Manjeri Medical Colleges. Finishing courses including on Foreign Language Skills, will be expanded for those who have passed Nursing. For this, there will be cooperation with foreign hospitals.
227. E-health will be upgraded as an agency for availing all the IT based services of the Health Department. An amount of Rs.25 crore is provided for e-health and e-governance.
228. An amount of Rs.78 crore is allocated for Ayurveda sector. Out of this, Rs.30 crore is for renovation of hospitals. The Ayurveda Hospital and Research Centre in Kannur amounting to Rs.69 crore, Thrippunithura Ayurveda Research Centre costing Rs.38 crore, constructed with KIIFB assistance, will be inaugurated in 2021-22. An amount of Rs.43 crore is allocated to Ayurveda Colleges. An amount of Rs.5 crore is allocated for Kottackal Ayurveda Studies and Research Society.
229. An amount of Rs.32 crore is allocated to Homeopathy sector. Of this, Rs.8 crore is for Homeo Colleges. The new factory building of Kerala State Homeopathy Co-operative is completed. An amount of Rs10 crore is provided for operationalizing this.
230. Sir, let me recite the lines of 7<sup>th</sup> Standard student Devananda, GUPS, Malancheri, Malappuram.

**Parting dark clouds away,  
Wading through woeful days and nights,  
Claws and beaks tempered,  
We shall fly aloft  
As Garuda, the divine.  
Let's rise to a new dawn!  
Let's take off, soaring high!**

Our Health Department itself has instilled this confidence to Kerala for facing the challenges raised by the pandemic.

231. The mankind's struggle against Covid is on the verge of victory. Covid vaccine has become a reality. Kerala is providing completely free Covid treatment.

**Sir, let me repeatedly make it clear that Covid immunization vaccine too will be given free of cost.**

### **Drinking water**

232. An amount of Rs. 1300 crore will be expended in 2021-22 for providing drinking water to 12 lakh families through Jal Jeevan Mission. State Government will invest Rs.400 crore, local government institutions Rs.250 crore and beneficiaries Rs.130 crore for this scheme. Unlike other Indian States, this scheme will be completely implemented in village levels through local government institutions.
233. 4.51 lakh families were provided drinking water through 5889 small scale schemes of Jalanidhi. But as per the CAG report, 35 percentage of the projects in the first phase have partly or completely ceased to function. An amount of Rs.30 crore is

earmarked for rejuvenating this. An amount of Rs.10 crore is allocated for ground water recharging and rain water harvesting.

234. An amount of Rs.285 crore is earmarked for drinking water schemes of water authority. 60 drinking water schemes worth Rs.4,046 crore with KIIFB assistance are under the various stages of construction.

## **Housing**

235. **Sir, LIFE Mission will construct 1.5 lakh more houses in 2021-22.** Of this, 60000 houses are for scheduled categories and fishermen. In this phase, priority will be given to 1.35 lakh landless and homeless families. As of now 20000 of them were already provided with land. An amount of Rs.185 crore is earmarked for the purchase of land to Scheduled categories. The construction of 26 flat complexes for the landless is going on. In 2021-22, construction of 21 flat complexes will be started. A total of Rs.6000 crore is required for LIFE project. An amount of Rs.1000 crore is earmarked in the budget. Excluding the share of local government institutions, rest will be borrowed through KURDFC.
236. The repayment liability of local government institutions for LIFE project is limited to 20 percent of its development fund. The additional repayment of local government institutions over this threshold will be borne by the Government.
237. An amount of Rs.20 crore is earmarked for implementing Grihasree scheme through Housing Board and Rs.23 crore for other schemes.

## **Sports**

238. An amount of Rs.120 crore is allocated for Sports and Youth Welfare. The construction works of 44 sports stadium amounting to

Rs. 762 crore with KIIFB finding is underway. An amount of Rs.33 crore is allocated to Sports Council. The reconstruction of EMS stadium at Alappuzha and District Stadium at Pathanamthitta will be started soon.

239. An amount of Rs. 30 crore is specially provided for rejuvenating rural play grounds. Half of this expenditure would have to be met by concerned local government institutions or from MLA Development Fund or through sponsorship. Maximum of Rs. 25 lakh will be provided under this scheme.
240. Common places like parks will be setup in every Panchayats and Municipalities for peoples to assemble and perform mild exercises. An amount of Rs.20 crore is allocated for this. Maximum of Rs.5 lakh will be provided. Half the amount shall be arranged locally.

## **Culture**

241. The total outlay for Cultural sector is Rs. 157 crore. Fund is earmarked for various academies, cultural centres and museums. Some of the remarkable novel schemes are these:
- Rs.3 crore is earmarked for encouraging women directors and Rs.2 crore for directors belonging scheduled categories. Financial assistance to an individual should not exceed Rs.50 lakh.
  - An amount of Rs.3 crore is earmarked for encouraging amateur drama. Maximum of Rs.5 lakh is provided for a single drama. An amount of Rs.2 crore is allocated for professional drama.



- A scheme will be launched with the People's Participation for digitalization and preservation of archaeological documents.
- An amount of Rs. 4 crore is additionally earmarked for Malayalam Mission.
- A cinema post production centre will be started in Kadavanthra, Kochi.
- Rural Art Hubs will be set up to promote artists' talents and skills and also to link them to the international art market.
- A scheme will be started for creating cultural street / public places.
- Gaming Animation Habitat will be started.
- 1000 fellowships to young artists will continue.
- An amount of Rs.5 crore is allocated towards field Archaeology.
- A Literary museum will be set up in Kottayam in connection with the Platinum Jubilee of "Sahithya Pravarthaka Sahakarana Sangam".
- Artist Square with international standards will be constructed in memorial of Raja Ravi Varma near Kilimanoor private bus stand. This will be implemented under the supervision of Lalithakala Academy.
- An amount of Rs.25 lakh each will be allocated for constructing memorials for scheduled caste and scheduled tribe renaissance leaders in their homeland who were the members of Travancore-Kochi Legislatures. We plan to rename and expand existing institutions like libraries for this.

- An amount of Rs.5 crore is earmarked for installing a befitting memorial for the most eminent socialist leader of Kerala, Shri. M. P. Veerendra kumar in Kozhikode.
- Ancestral home of Sugathakumari at Aranmula is a protected monument. An amount of Rs.2 crore is sanctioned to the Trust for the establishment of a museum and audio-visual collection of Malayalam poems there.
- An amount of 1 crore is earmarked for setting up a permanent stage for exhibiting KPAC's historical dramas.
- An amount of Rs.50 lakh is allocated to convert the 175 year old headquarters of Chavara Kuriakose Elias at Koonammavu, into a museum.
- An amount of Rs. 50 lakh each is allocated to Soorya festival, Hyderali Kathakali Academy at Thrissur, Umbayi Musical Academy etc.
- An amount of Rs. 25 lakh is allocated to Sree Ramakrishna Mutt at Puranattukara in Thrissur for installing the statue of Swami Vivekananda.
- The monthly allowances of Librarians under State Library Council is increased by Rs.1000.

## **Media**

242. The government will pay all the arrears to media by the end of March once the arrear bill is prepared.
243. An amount of Rs.5 crore is earmarked for Media Academy. An amount of Rs.1 crore is specially provided for the establishment of Kerala Newseum. Press Club to women journalists will be set up in

the capital city with accommodation under the aegis of Media Academy.

244. The pensions of journalists – non journalists is increased by Rs.1000. State assistance for working journalists' health insurance is enhanced to Rs.50 lakh.

## **Part – 8**

### **Infrastructure facilities**

245. On review of the the last 5 years, it is evident that the most decisive turnaround has occurred in the creation of infrastructure. This extraordinary increase has been occurred outside the budget. This is the result of a deliberately adopted policy. The lion's share of the Rs.60,000 crore projects sanctioned from KIIFB will be spent in the next two years.

### **Power**

246. Transgrid is the project for solving power shortage upto 2040. 2000 Megawatt installed capacity of electricity could be brought through Kochi -Edamon corridor. In order to bring this across Kerala, the transmission line of 400 KV has to be commissioned. This is transgrid 2 worth Rs.10,000 crore. The day to day power failure due to various reasons can be avoided by ensuring atleast two lines from 11 KV line to transformer. The Rs.4000 crore distribution – modernisation scheme “Dyuthi”, is meant for this. With the completion of these two, the power infrastructure for industrial surge will ready. By now, the transmission loss has been reduced to 3.7 percent and distribution loss to 8.7 percent.

247. In 2021-22, 8 Hydroelectric projects with 170 MW installed capacity and 452 million unit production capacity will be commissioned. The construction of 13 Hydroelectric power projects will be started with an installed capacity of 414 MW. An amount of Rs. 97 crore is the outlay of Hydroelectric projects.

### **Public Works**

248. In 2021-22, 8383 km roads will be completed. One fourth of this will be KIIFB- Rebuild designed roads. Techniques like full depth reclamation, cold recycling, thin white topping, geo textiles, bitumen-plastic- rubber mixtures etc will be made extensive.

249. Public works including KIIFB, Rebuild, KSTP and annuity schemes worth around Rs.25,000 crore are progressing under various schemes. In 2021-22, works worth at least Rs.10,000 crore will be completed. An amount of Rs. 910 crore is earmarked from Plan. In comparison with the experience of the past five years, the amount spent by the Public Works Department is 75 percent more than that of the plan outlay. An amount of Rs.1123 Crore is earmarked as Non Plan for maintenance and clearing old bills.

250. These are the new road – bridge projects to be undertaken in 2021-22.

- Alappuzha – Changanassery semi-elevated highway.
- Wayanad tunnel, after the completion of environmental assessment.
- 36 railway overbridges
- Ponnani, Munambam bridges
- Punaloor- Konni- Placheri- Ponkunnam 82 Km road

- City Road Improvement Program : Thiruvananthapuram second phase, Kozhikode second phase, Kollam, Thirissur, Alappuzha
- The completion of 12 reaches of hill highways.
- New reaches of NH-66.
- Major road network in Kochi including Thevara Pandit Karuppan elevated parallel road.

## **KSRTC**

251. Including Plan fund an amount of Rs.5000 crore has been spent for sustaining KSRTC for the past five years. But the restructuring was not successful. Again, a second restructuring is in progress.

- An amount of Rs.25 crore can be saved per month on fuel expenditure by converting 3000 buses into eco-friendly CNG / LNG engines. An amount of Rs.50 crore is allocated for this.
- Of the 1000 new buses declared in the budget of 2016 from KIIFB, only 300 are allotted so far. Once the KSRTC SWIFT Company becomes operational, the remaining also will be considered.
- Long distance services will become a forth zone named K-SWIFT. This will function as a profit making centre.
- An amount of Rs.225 crore is allocated for disbursing arrears such as medical benefits and the amount deducted and diverted from the salaries of the employees.
- KSRTC and KIIFB will jointly construct a building complex having an area of 2 lakh square feet in 2.89 acres of land at Vikas Bhavan depot.

- The renovation of bus stands like Ernakulam and Kayamkulam will be done on commercial basis in 2021-22.
- In 2021-22, an amount of Rs. 1000 crore is earmarked for salary, pension, loan repayment etc.
- An amount of Rs.30 crore is earmarked in the Plan for the renovation of workshops and garages and Rs.19 crore for e-governance.

**Sir, the total assistance for KSRTC in 2021-22 will be at least Rs. 1800 crore.**

Unfortunately, political advocates, who vouch for privatisation of all the public sector institutions in India and favour the amendment Motor Vehicle Act intended to destroy all road transport corporations, have entered the scene against the package to save KSRTC.

## **Ports**

252. The construction of a major harbour will be started in 2021-22. Azheekal is a riverine harbour. A company named Malabar International Port has already been registered for the construction of an outer harbour to this, having a depth of 14.5 m, at a cost of Rs.3698 crore. This port will be constructed in three phases. The new company will prepare the detailed project report and a plan for financial mobilisation.
253. Covid and natural calamities have adversely affected the construction of Vizhinjam International Seaport. Despite that, all components except breakwater construction and land reclamation have been almost completed. Construction works worth

Rs. 2,000 crore are expected in 2021-22. Vizhinjam Cargo Terminal has already become a major crew change hub.

254. The fund for development of Kollam and Beypore ports is intended to be mobilized from the Sagarmala project of the Union Government. Rs.80 crore is allocated for all other ports.

### **Inland Navigation**

255. An amount of Rs. 28 crore is allocated to the State Water Transport Department. Of this, lion's share is for the purchase of new boats and renovation of old ones. An amount of Rs.9 crore is allocated for Kerala Shipping and Inland Navigation Corporation.
256. Inauguration of the first phase of West Coast Canal network will be held in February. New canals are being dredged in the 26 km stretch between Mahi and Valapattanam. These works and the canal widening activities will be completed in 2021-22. Besides the main canal project, this will include more than thousand kilometres of feeder canals. In addition to Rs.1000 crore KIIFB fund, an amount of Rs.107 crore is earmarked.
257. The first phase of 19 boat jetties of Kochi Water Metro will be inaugurated by the end of this month. As second phase, 19 jetties will be completed in 2021-22. The total expenditure for the German aided project is Rs.682 crore.

### **Railway**

258. The 2 km extension of Kochi Metro from Pettah to Thrippunithura will be completed in 2021-22. The resources mobilisation for this has been ensured. Along with this, the construction of 11 km railway

line, between Kaloor Stadium and Kakkanad IT city, will also be carried out at an expenditure of Rs.1,957 crore.

259. The revised DPR of Thiruvananthapuram – Kozhikode Light Metro as per revised Central Government Criteria is under preparation. Similarly, DPRs of Sabarimala airport and air strips in Idukki, Wayanad and Kasaragod districts are also under preparation. An amount of Rs.9 crore is earmarked.
260. The Silver Line Semi High Speed Rail Project worth Rs. 60000 crore will be implemented through Kerala Rail Development Corporation, a joint venture of the Central and State Governments. In 2021-22, the land acquisition activities will be started after completing necessary environmental assessment and clearance. Same KRDC will undertake construction of railway lines such as Thalassery – Mysore and Nilambur- Nanjangud.
261. The Central Government is not ready to heed to our request of constructing Sabari rail line at Railway's cost in spite of the national significance of Sabarimala. In this back drop, the State Government has decided to bear half the cost. More than about Rs.2000 crore required for this will be allocated from KIIFB.

### **Rebuild Kerala Initiative**

262. Administrative sanction has been accorded to projects worth Rs.7192 crore under Rebuild Kerala Initiative. Of this, projects worth Rs. 3909 crore has been tendered. An amount of Rs.1830 crore is earmarked for 2021-22.
263. A World Bank loan of \$ 25 crore has already been availed. As next phase, £ 10 crore German loan at zero percent interest has been



received. It is expected to receive another \$ 25 crore World Bank loan by the end of February. A loan agreement for \$ 21 crore for solid waste processing through local government institutions is in the last stage.

## **Part – 9**

### **State Financial Institutions**

264. Sir, the Government have adopted various novel initiatives in the past five years after having realised that the resource mobilization for State's Development through the budget is inadequate. Financial institutions in the State can play a crucial role in the development of the State. Most significant among these are KIIFB and Kerala Bank. The former is for capital investment in infrastructure development. The latter is for providing working capital to farmers and entrepreneurs. Kerala puts forward an alternate financial policy.

#### **KIIFB**

265. Along with KIIFB, the projects to be taken up were also announced in this government's first budget itself. The opposition had then criticized the Rs. 50,000 crore investment as a mere daydream. But those are becoming a reality before our eyes today. Even though only projects worth Rs.7000 crore have been completed, it has created an enormous impact in the society and the economy of the state. Given that, imagine how big the change in Kerala in the next two to three years will be after the completion of all the projects? KIIFB has accorded sanction for 821 projects worth Rs. 40,100 crore. In addition to this Rs. 20,000 crore has been sanctioned for land acquisition of industrial parks and the like. Projects worth

Rs.19,100 crore has either been tendered or at the implementation stage. KIIFB projects worth at least Rs.15,000 crore will be completed in 2021-22.

266. I do believe that there will not be any disagreement in this House regarding the necessity of these projects. Everybody is demanding more KIIFB projects. Normally by mobilizing funds through budget, the above cited projects could be implemented only in 15 – 20 years. We need to wait for that long to reap its benefits. Construction costs also will increase many times. Hence, it is desirable to complete these projects urgently by taking loans through KIIFB. The money will be given to KIIFB by the Government as annual grants like annuity projects undertaken in the previous times. But there is a difference. While annuity amounts are equal, the annuity given to KIIFB will increase in proportion to the hike in Motor Vehicle Tax and Petrol Cess. So far, nobody has demanded that projects implemented through annuity mode to be included in the government borrowing. But this is what CAG is arguing today. This argument is not only wrong but also discriminatory towards Kerala. Almost all states have infrastructure financial institutions like KIIFB. They too avail loans. But the fact is that nobody could mobilize resources in a massive scale as done by KIIFB. So far, no CAG report has opined that these institutions are unconstitutional. But they accuse that KIIFB is unconstitutional. We have to stand united and defeat such moves aimed at undermining the development of Kerala.

## **Kerala Bank**

267. Kerala Bank promised in the first budget of this government has become a reality today. This bank, with a deposit base of Rs.61,000 crore, is the second largest bank in Kerala. As soon as the approval for NRI deposits is received from RBI, it will not be difficult to double the bank's deposit base. Any expatriate could become part of Kerala's development by making deposit in this bank. This deposit could be utilized as agricultural loans and also for the development of industries for value added products through farmer enterprises. Kerala Bank can play a crucial role in financing the entrepreneurship development discussed in the first part of this budget.
268. Along with this, Rs 1.6 lakh crore deposit in the Primary Cooperative Banks also needs to be taken into account. They could become part of the core banking system through apex banks and deliver all sorts of modern technological services to the public. This will help them in enlarging their deposit base. On becoming part of the core banking, Cooperative banks will be converted into bankers of local government institutions.
269. While standing firmly by the cooperative principles and values, Kerala Bank will abide by all the RBI guidelines also. So non-banking services cannot be taken up directly. But Primary Cooperative Societies could offer leadership in services including the agricultural product processing. The Co-op Marts intended for implementing base price for vegetables will be made common soon. Coconut procurement and processing unit chain will be a remarkable step into the agro processing sector.

270. The outlay for Co-operative sector is Rs 159 crore. Of this, Rs 40 crore is for Primary Credit Co-operative Societies.

### **KFC**

271. Kerala State Financial Corporation is the most efficient State Financial Institution functioning in the country. The non-performing assets that was 10.7 percent during 2015-16 could be reduced to 3.5 percent through imaginative financial restructuring. The risk weighted asset ratio, which was 17.65 percent could be raised to 22.4 percent. The AA rating was achieved on the basis of all these. As a result more fund could be mobilized from the market at a relatively lower cost. Against the total loan of Rs. 657 crore disbursed in 2015-16, an amount of Rs.2,764 crore could be disbursed in 2020-21 so far. The repayment was Rs.684 crore in 2015-16. An amount of Rs.1,407 crore has already been repaid in 2020-21. Loan conditions were made simple. Even then, the profit will rise to at least Rs. 20 crore in 2020-21 from Rs. 5 crore.
272. KFC is currently functioning under the State Financial Corporation Act, 1951. Instead of this, KFC will be reorganised as a Company functioning under the regulations of the State Government. With the approval of the Reserve Bank, it will be converted into a financial institution capable of mobilising deposits. This will help in mobilising additional resources and formulating more helpful credit schemes for entrepreneurs.

## **KSFE**

273. Another important financial institution is Kerala State Financial Enterprises. It has deposited Rs.8000 crore in Treasury. Investment in KIIFB bonds through 'Pravasi Chits' will increase to Rs.1000 crore in 2021-22. Vidhyasree Laptop Scheme is another effective intervention of KSFE in the development of Kerala.
274. The turnover of KSFE in 2015-16 was Rs.28,960 crore. Even though all activities including chits had to be stopped for three months due to Covid, the turnover up to November is Rs.51,000 crore. Chit sala has increased from Rs.1433 crore to Rs.2,228 crore. The profit before tax has increased from Rs. 154 crore to Rs. 313 crore in the previous financial year. Following new schemes will be implemented in 2021-22.
- New marketing wing will be started- 3000 business promoters will be appointed by giving priority to returnee expatriates.
  - Insurance security will be provided to KSFE Chits.
  - Online based resident chits will be started.
  - Arrears Eradication Scheme will be continued.

## **State Insurance**

275. The year of 2021-22 will be that of reorganisation of State Insurance Department. Radical modernisation efforts and vigorous steps towards business expansion will also be adopted. Revenue, which was Rs.411 crore in 2015-16, has increased to Rs.658 crore in 2020-21. Important thing to be noticed is that Insurance Department has Rs.8348 crore as fund balance from a limited operational area.

It is aimed to increase this fund balance significantly. For this, it is intended to extend insurance activities to government related sectors like Kudumbasree, Co-operative Societies, employment guarantee, Welfare Funds etc.

276. Sir, similarly, comprehensive reorganisation of other financial institutions like Power Finance Corporation, Kerala Transport Development Finance Corporation, Tourism Finance Corporation, KURDFC and other corporations like Women's Development Corporation will be done through an expert committee.
277. A council of State Financial Institutions will be setup under the Chairmanship of the Chief Minister. The main duty of this council will be to define the aim of loans for entrepreneurship development and to review its progress.

## **Part – 10**

### **Environmental Consideration**

***No fish inflicts wounds  
On the ocean,  
No bird-wing  
Ruptures the sky,  
The butterfly- kiss  
Leaves the bloom  
Un-burdened,  
Still man alone  
Thus ruins the earth.***

Sir, these are the lines of a 7<sup>th</sup> standard student. It is written by Afra Mariam of GUPS, Karingapara, Malappuram. It is a reality that we elders do not possess the environmental awareness that even our children have.

278. If we read the projects already mentioned in this budget speech, we can see a comprehensive environmental approach being shaped. The main activity regarding the preparation of 13<sup>th</sup> Five Year Plan of new local government institutions will be the formulation of comprehensive watershed based plans for soil moisture conservation and agriculture on the basis of a public campaign. Final shape has to be given to the already prepared local disaster management plan reports. Proposal have been put forward for cleaning and deepening canals, rivers and water bodies. In order to sustain the achievements of this, solid- liquid waste processing in catchment areas has to be made successful. Further there are plans to annually plant one crore fruit trees and expand the green cover. Local biodiversity registers will be updated and local plan for fostering biodiversity in next five years will be prepared.
279. The urban canals and rivers have become carriers of sewage. Those like Killiyar have been popularly taken up. In urban scenario along with people's participation new technologies also read to be utilised. A special scheme will be formulated for this by including all major canals in corporations. Examples are Fort Kochi Boundary Canal, Thiruvananthapuram Amayizhanchan Thodu, Alappuzha Kappithodu etc. Money for this will be sourced from the World Bank aided Sanitation Project, KIIFB, AMRUT etc.

## **E- Vehicle policy**

280. Sir, Kerala is the first State in the country to formulate an e-vehicle policy. Kerala is the State which brought solar and electric ferries into use for the first time in the country. Currently, 2000 e-vehicle have been registered in Kerala. In order to encourage the use of e-vehicles, full hybrid battery electric vehicles, fuel cell electric vehicles etc these will be given 50 percent reduction in Motor Vehicle tax for the first five years.
281. Kerala Automobiles Ltd has started production and export of e-auto rickshaws. Sir, a subsidy of Rs.25000 – Rs. 30000 will be granted to 10000 e-auto rickshaws.
282. 3000 KSRTC diesel engines will be converted to LNG / CNG engines. To the maximum extent, government cars shall be e-vehicles. KSEB will install 236 charging stations in 2021-22.
283. The project for converting street lights to LED will be completed within a few months with the financial assistance from KIIFB. The amount will be repaid to KIIFB from the savings earned from the reduction in electricity expenditure. In the same manner, an amount of Rs. 250 crore will be given from KIIFB for installing small scale roof top solar plants. This amount has to be repaid in next five years through the Renewal Energy Service Company. One crore LED bulbs has already been distributed under Filament free project. This will be implemented as a public campaign.
284. A policy for encouraging eco-friendly construction of buildings will be formulated. Sir, exact standards will be devised for avoiding power wastage, water conservation and for adopting eco-friendly



construction methods. Following incentives will be provided to buildings adhering to these standards.

- 50 percent reduction in one time building tax
- 1 percent reduction on Stamp duty during transaction.
- 10 percent reduction in electricity tariff for 5 years if 20 percent power savings is achieved.
- 20 percent reduction in local building tax.

285. With vehicle as the collateral, KFC will provide loans at 7 percent interest for the purchase of electric cars. Loan at 10 percent interest will be given for converting diesel buses to LNG / CNG.

### **Forest**

286. An amount of Rs.200 Crore is earmarked towards forest conservation and its rejuvenation in necessary regions. An amount of Rs. 36 crore is expected additionally from Centrally Sponsored Schemes. An amount of Rs.52 crore is earmarked for digitalizing and recording forest boundaries and fostering buffer zones. In addition to Rs. 110 crore from KIIFB, an amount of Rs.22 crore is earmarked for reducing human – wildlife conflict. Money has been allocated from Rebuild Kerala for rehabilitating deep forest inhabitants. An amount of Rs.14 crore is allocated for biodiversity conservation.

### **Kuttanad**

287. A package for ecological restoration and social infrastructure improvement is being implemented in Kuttanad. An amount of Rs.10 crore is additionally earmarked towards the public campaign for cleaning lakes. Along with this, an amount of Rs.160 crore has

already been sanctioned from KIIFB for the extensive project for protecting outer bunds by widening them with clay bricks made from clay extracted from backwater swamps with the aid of machines. This work will commence this summer in 'Pazhanila Kayals' and selected paddy fields. Employment guarantee scheme will also be utilised extensively for the renovation of 420 km long drains and canals.

288. Flood control projects to ensure smooth flow in Pamba- Achankoil rivers, deepening of leading channels and improvement in functioning of Thottappally spillway are in the last phase of implementation. Work of second and third reaches of AC canal will also be taken up. Including this, an amount of Rs.200 crore is expected from Rebuild Kerala.
289. Towards Kuttanad projects, Rs. 39 crore is earmarked for Irrigation Department and Rs.20 crore for Agriculture Department for various other projects. An amount of Rs.7 crore is earmarked for setting up a duck hatchery which was announced in the last budget. An epidemic insurance will be implemented for duck farmers.
290. Other major ongoing projects as part of Kuttanad Package include Kuttanad Drinking Water Project worth Rs.291 crore, Alappuzha-Changanassery road worth Rs.450 crore and Pulinkunnu hospital worth Rs.150 crore. The outlay for KIIFB projects is Rs.540 crore. Total outlay for Kuttanad Package is Rs.2,400 crore.

## **Wayanad**

291. Today, farmers obtain only 10 percent of the value of branded coffee powder as the price of coffee beans. The crisis of cultivators of

Wayanad could be solved if this proportion can be raised substantially in three to four years as part of branding and sale of coffee powder. Carbon neutral project will help Wayanad in branding coffee. Presently, carbon emission in the district is 15 lakh tonnes. Of this, existing trees could absorb 13 lakh tonne carbon. Panchayats should take up carbon reduction projects. For this, 70 lakh trees and bamboo shall be planted in 6500 hectares of land. In order to encourage planting of trees, Meenangadi model tree banking should be implemented. It is an annuity loan scheme given to cultivators on the condition that repayment need to be made only after felling trees. Banks could give financial assistance for giving loans in this way from KIIFB green bonds. Biodiversity is helpful for eco-tourism. Similarly, it will give way to fruit processing industries as well.

292. More than Rs.100 crore is earmarked in annual plan for Wayanad district. An amount of Rs.25 crore will be spent from TSP towards creating job opportunities for scheduled tribe women and for welfare activities. An amount of Rs.941 crore is earmarked for various projects from KIIFB. Environmental assessment of road tunnel is underway. Kerala has clarified that it will bear part of the expense of Wayanad- Bandipur elevated highway once the clearance is obtained. Works under Public Works Department worth Rs.286 crore are going on in the district. An amount of Rs.255 crore will be spent from Rebuild.
293. A medical college is a longstanding dream of people of Wayand. That will be realised in 2021-22. **Sir, an amount of Rs. 300 crore is sanctioned from KIIFB. As part of the Medical College,**

**a Haemoglobinopathy Research and Care Centre will be setup for studying genetic diseases like sickle cell. Considering the convenience of tribal children, Pazhassi Tribal College will be started in Wayanad.**

## **Idukki**

294. Fundamental approaches to Idukki's comprehensive development include increasing production and productivity of spices like tea, pepper, cardamom etc., fruits like jack fruit and that in animal husbandry along with establishing agricultural processing industries based on these; preserve ecological balance etc. The Idukki Package announced on the basis of this approach has not gained momentum. These activities will reach operational stage in 2021-22. A consensus on land utilization need to emerge from the grassroots. What is needed is a watershed based comprehensive land utilization plan. Money needed for such a package will be met from Rebuild Kerala. Soon after the budget, a workshop with the participation of the Chief Minister will be conducted this month in Idukki.
295. Works worth Rs.1000 crore are undertaken in the district using the KIIFB fund. Public Works Department is constructing roads and bridges worth Rs.245 crore. The construction of Bodimettu-Munnar National Highway is underway. Construction of Medical College building will be completed. Necessary staff will be appointed.
296. A KTDC budget hotel with 100 rooms and dormitories will be constructed at a cost of Rs.100 crore in the 3 acre land at Munnar KSRTC bus stand. 10 percent of the revenue income will be given

to KSRTC. An amount of Rs.10 crore is earmarked towards initial expenses. Other major tourism projects are expansion of Munnar Botanical Garden, farm tourism, and hydel tourism.

297. An amount of Rs.125 crore is earmarked towards Kasargode Package in 2021-22.

## **Part – 11**

### **Women Friendly Budget**

298. We have been proud of lot of things as gender budgeting reaches its fifth year. In 2016-17, the outlay for wholly women centric schemes was Rs.760 crore which was also 4 percent of plan outlay. This dismal situation existed at the state level when the women component of Local Government plan outlay was 10 percent. Sir, this amount is Rs.1,347 crore in 2021-22 budget. Plan share will become 6.54 percent. When special component for women in other schemes are also taken into consideration, the total women share comes to 19.54 percent. In 2017-18 it was 11.5 percent. This consideration towards women was the hallmark of Kerala Government's budget expenditure.
299. The crux of 2021-22 budget is job creation. The major beneficiaries of this approach will be women in Kerala. As a result of effective implementation of employment schemes, unemployment among women could be considerably reduced and labour participation could be enhanced. Stress is also laid on women entrepreneurship. Women facilitation centres will be setup in 9 KSIDC, KINFRA parks. There will be a specific Women Entrepreneur Mission under KSIDC.

300. How can change societal expectations in light of rising labour participation of women? As stated by the Chief Minister in the beginning of Covid times, men should also participate in household chores. Along with this automation should be promoted in household activities. **Sir, for this, a Smart Kitchen scheme is announced.** KSFE will start Smart Kitchen Chits. Cost of household equipment packages may be repaid as instalments within a few years. The interest will be equally shared between beneficiary, local government institution and the State Government. Other collaterals are not necessary if it is through Kudumbasree.

### **Kudumbasree**

301. By availing loans from banks, Kudumbasree has disbursed Rs.12,000 crore loan to 45 lakh families as microcredits. But Kudumbasree is not merely a micro finance organisation. It functions as a platform for co-ordination of poverty eradication projects and a major instrument for women empowerment. I have already explained the crucial role played by Kudumbasree in creating livelihood jobs and poverty eradication.

302. The government is taking up the abatement of atrocities against women as an inevitable obligation. Our new generation is growing up with utmost certainty regarding atrocities faced by women at various levels. In the lines, '*the sharpness of no sword will rise. Higher than her risen head*', by Adhithya Ravi of Irattayar STHSS, Idukki resonates the dignity of women who holds her head against atrocities. Sir, a massive campaign is started in 2021-22 for the creation of a Kerala devoid of atrocities against women. The aim is

to reduce the atrocities against women by 25 percent in 5 years. Special recognition will be given to local government institutions adhering to the criteria for this.

303. A mapping of atrocities against women will be done in all local government institutions. Data on where, when and from whom women faced atrocities will be collected by using members of Kudumbashree neighbourhood groups. The secrecy of filled up questionnaire regarding this will be fully ensured. On the basis of crime mapping, projects for reducing atrocities against women should be compulsorily included in the women component plan. Women consideration should be ensured in public projects also. Vigilance committees should be strengthened as well. For this campaign an amount of Rs.20 crore is additionally allocated to Kudumbashree.
304. 'Nirbhaya' short stay homes and 'Snehitha' gender helpdesks, under the aegis of Kudumbashree will be two major support mechanism for women fighting atrocities. Rs. 10 crore is earmarked for Nirbhaya Helpdesk and Rs. 7 crore is earmarked for Snehitha Gender Helpdesk.
305. Presently Kudumbashree has 45 lakh members. But a serious issue is inadequate representation of young women. This is one of the reasons for the growth of parallel self help groups. In this backdrop, government will consider opening auxiliary units for young women. This will create a quantum leap in Kudumbasree membership in 2021-22.
306. Amount given to Kudumbasree by government in 2015-16 was Rs.75 crore. In 2021-22 that has been raised to Rs.260 crore.

An amount of Rs.125 crore has been additionally announced in my budget speech. In addition to this at least Rs.300 crore will be made available as interest subsidy for laptop and covid assistance. An amount of Rs.1064 crore will be available from Centrally Sponsored Schemes, such as Rural-Urban livelihood schemes, Start Up Village Entrepreneurship, Deen Dayal Upadhaya Skill Development Scheme, Pradhanmantri Urban Awas Yojana. Thus a total of Rs.1749 will be available to Kudumbasree.

307. The honorarium of CDS chairpersons is enhanced to Rs.8000. An amount of Rs.500 per month is allocated as TA to CDS members.

### **Women – Child Welfare**

308. Including Centrally Sponsored Schemes, the outlay for the Women and Child Department is Rs.901 crore. Of this, Rs.607 crore is for Anganawadis. An amount of Rs.11 crore is outlaid towards smart Anganawadis, setup in association with local government institutions. Facilities will be arranged for specially abled children in selected Anganawadis. An amount of Rs.10 crore is earmarked for developing Anganawadis as community resources centres.
309. Pension of Anganawadi workers will be made available from its own fund. Monthly pension of Anganawadi teachers is increased to Rs. 2000 and that of helpers is increased to Rs.1500. Monthly allowance of both are increased with a Rs.500 hike for those with less than 10 year service and Rs. 1000 hike for those with more than 10 year service.



310. Child friendly model grama panchayats will be encouraged. Criteria regarding this have been prepared by KILA. An amount of Rs. 84 crore is earmarked for child protection and development.
311. Gender Parks were conceived during the previous tenure of the Left Government. Now, after the passage of a decade. Gender Park has achieved a new dimension with the cooperation of United Nations. MoU was signed with UN Women for designating Gender Park as a centre in the South Asian region. An International Trade Centre will be established with the aim of harnessing international business for women's products. An amount of Rs.25 crore had been allocated for constructing buildings as per the master plan. An amount of Rs.15 crore is allocated for other activities.
312. The outlay for women protection and development is Rs. 208 crore. An amount of Rs. 25 crore is earmarked for Women Development Corporation.

### **Transgender**

313. An amount of Rs.5 crore is earmarked towards Project Rainbow for Transgenders.

## **Part – 12**

### **Regulatory Departments**

314. The pay revision report of employees will be submitted by January last. On the basis of the recommendation of the Pay Revision Commission order will be issued for revising salaries and pensions from the month of April. As in the previous pay revision, the arrears will be given later in 3 instalments.

315. Employees have an arrear of 2 DA instalments. The first instalment will be granted from the month of April 2021. The second instalment will be given October 2021. Arrears will be merged in the PF.
316. Medisep will be implemented in 2021-22.

### **Uniformed forces**

317. A lot of IT based projects are being implemented in the Police Department. An amount of Rs. 5 crore is allocated towards Virtual Police Stations for utilising Artificial Intelligence. An amount of Rs.143 crore is earmarked for Police. Of this, Rs.53 crore is for construction activities. An amount of Rs.45 crore is allocated from Centrally Sponsored Schemes for the modernisation of Police.
318. An amount of Rs.9 crore is earmarked for Vigilance.
319. An amount of Rs.18 crore is earmarked for jail modernisation.
320. An amount of Rs.69 crore is earmarked for the modernisation of Fire & Rescue Services. A new Scheme named 'Civil Defence' will be formulated in 2021-22.
321. Amount earmarked for Excise Department is Rs.18 crore. Of this, Rs.7crore is for 'Vimukthi'.
322. The outlay for Motor Vehicle Department is Rs.39 crore. Of this, Rs.8 crore is for road safety.

### **Other Regulatory Departments**

323. Treasury transactions have already been computerised on the basis of core banking system. An amount of Rs.18 crore is earmarked for its upgradation.
324. The total outlay for Revenue Department is Rs.93 crore. Rs.36 crore is earmarked for the construction of Smart Revenue Offices, Rs.20

crore is earmarked for computerisation and Rs.11 crore for land record mobilisation.

325. An amount of Rs.9 crore is allocated for State Disaster Management Department.
326. According to the recommendation of Finance Commission Local Fund Audit will be reorganised as an Audit Commission.
327. An amount of Rs.90 crore is being spent from KIIFB for the renovation of buildings of the Registration department. An amount of Rs. 20 crore is earmarked for preserving old legacy records by digitizing them.
328. An amount of Rs.12 crore is earmarked for GST Department.
329. An amount of Rs.5 crore is earmarked for Legal Metrology Department. Emphasis is laid on strengthening laboratory calibration facilities.
330. An amount of Rs.9 crore is earmarked for Printing & Stationery Department. This is mainly for the modernisation of press.
331. The functioning of Kerala Statistical Commission has commenced. An amount of Rs.2 crore is earmarked. An amount of Rs.65 crore will be received from the Central Government for furnishing agricultural statistics. Major share of data collection is for Centrally Sponsored Schemes.

### **Constitutional Bodies**

332. An amount of Rs.16 crore is earmarked for the modernisation of judiciary. An amount of Rs.60 crore has been earmarked for the construction of courts and quarters.

333. More and more of recruitments are being shifted to the Public Service Commission. An amount of Rs.9 crore is earmarked for modernisation. In the back drop of Covid, an amount of Rs.5 crore is additionally allocated to PSC for expanding online examination facilities.

## **Others**

### **State Lottery**

334. State Lottery is the livelihood of over a lakh of poor people. Kerala State Lottery, started in 1967, functions in a most transparent and honest manner. The consensual view in the State is to prevent the limitless fraud committed by other State lotteries through middlemen. Till date, other State lotteries had no opportunity to operate during the tenure of this government. With the implementation of GST the legal distinction of lottery got drastically changed. Thus, the Kerala State Tax on Paper Lottery Act, prevalent in the State, became void. Regulations as per this become impossible. The differential GST rate on lotteries was the result of Kerala's huge struggle in GST Council. The situation of 28 percent tax on State lotteries and 12 percent tax on our lotteries came into being as a result of this struggle. Despite the lottery mafia questioning this in the court, the differential tax rate was upheld by the court. Thus they started efforts outside judiciary for reducing their tax rate through intrigues also. Kerala defended this extensively within the GST Council. The Central Government has fixed the tax rate of all lotteries at 28 percent through voting. Eventhough the efforts to reduce the tax rate didn't succeed this

lottery mafia is striving to gain entry into the state in the background of this unified tax rate. The hindrance posed to this again was due to the amendment brought by us to Kerala Lottery Regulation Rules, 2018. The amendment was questioned by them in the Court. The single bench ruled that the State Government do not possess power to make such an amendment. The government's view is that this will not be legally valid. The appeal filed against this is under consideration of the Court.

335. Sir, other state lotteries will not be allowed to plunder the people of Kerala through middlemen. The provision of Kerala State GST Rules will be stringently implemented. Despite being limited, the government will use its power and rights in all sense. Kerala's opinion is that the central government should amend the Central Lottery Regulation Rules by giving powers to the State Government for regulating other state lotteries. This has been earlier conveyed to the Centre. This will be demanded again.

336. In the background of Covid, the government has given maximum assistance to the lottery sellers who belong to weakest labour segment. Post lockdown, the government has adopted a balance approach in the phased restoration of the trade.

**Sir, when this government came to power the share of prices of Kerala State Lottery was 40 percent. Now it has become 58.5 percent. The prize share is increased by another 1.5 percent of the sale income. Thus, weekly lotteries will have 11000 more prizes.**

- Agent's prize given for prizes worth Rs.100 will be enhanced to Rs.20 from Rs.10.
  - Agent's prize for all other prizes are also enhanced to 12 percent.
  - Discount in all slabs is increased by half percent each.
  - "Life Bumper Lottery" will be conducted for giving housing assistance to lottery seller who are members of Welfare fund. The draw will be conducted in the next March.
  - If the agent dies, the tickets will be guaranteed for the nominee. Necessary amendments for this will be brought in.
  - Agents will be given bumper tickets on bank guarantee. The software modification needed for this has been completed.
  - There will be a system to remit GST online.
337. Huge increase has been made in the welfare benefits of sellers and labours.
- Marriage assistance has been enhanced to Rs. 25000 from Rs.5000.
  - Maternity benefit has been raised to Rs.10000 from Rs.5000.
  - Special treatment assistance has been enhanced to Rs.50000 from Rs.20000.
  - Treatment assistance has been enhanced to Rs. 5000 from Rs.3000.
  - Annual scholarship has been started for courses from Higher Secondary to Post graduate levels and professional courses. Scholarship for various courses ranges from Rs.1500 to Rs.7000.
338. Sir, the intention of the government is not raise the profit from lotteries, but to preserve the livelihoods of over a lakh of lotteries sellers by restricting the lottery mafia at any cost.

## **Devaswom**

339. An amount Rs.118 crore has been given till date to Devaswoms in 2020-21. An amount of Rs.150 crore is allocated. Sir, an amount of Rs.46 lakh was decided as the yearly annuity of assets acquired by the Government during the formation of Devaswom Board in 1949. As of now, this has been increased to Rs.80 lakh. An amount of Rs.10 crore is specially allocated as yearly annuity.
340. An amount of Rs.34 crore is earmarked for information and publicity.
341. Kerala is the only state to continue with the Five year plan. An amount of Rs.21 crore is earmarked for the modernisation of Planning Board.

## **Part – 13**

### **Tax**

342. G.S.T., though implemented with great expectations, has not yielded the desired revenue growth for the past three years. Due to non-operationalisation of the G.S.T.R -1, 2, 3 return system, and other technical glitches (I.G.S.T. settlement) Kerala did not get the due revenue according to the destination principle. Besides, the G.S.T. Council made steep reductions in tax rates before the Loksabha Election. By improving the efficiency and solving the technical issues the revenue growth can be increased in the coming years. Thereby, a strong fiscal situation for the State can be maintained in the post compensation period also. Further details about this are provided in the Medium Term Fiscal Policy.

## **Goods and Services Tax**

343. Even during these crisis, strong measures were undertaken to improve the efficiency of the State G.S.T Department.

### **Resource Mobilisation**

- **Return Scrutiny:-** The scrutiny of G.S.T return has started. Majority of the officials are now allocated to G.S.T. related activities. Scrutiny of around 36000 G.S.T. returns was completed in 2020-21 financial year. Wherever the defects are found, notices have been issued.
- **Third Party Information and Data Analysis:-** By utilising Data Analytics, sectoral analysis of goods and services have started. The reports thus generated are being used to investigate tax evasion. Data gathered from other sources are also used to match with the G.S.T. return declarations.
- **Automatic Number Plate Reading System:-** Surveillance Cameras have been deployed in State borders. Now 18 important transport routes in various districts are under camera surveillance of the department. The information gathered is used to detect tax evasion.
- **Mobile Apps:-** To verify the authenticity of G.S.T. Registrations and to collect data regarding tax payers who have not taken registrations, the officers are now equipped with Mobile Apps.
- **E-invoice:-** E-invoices have been made mandatory for dealers having turnover above 100 Crores.



- Action against Fake Invoice:- Rules have been amended to mandate that the tax payers having annual turnover above 6 Crore to pay one percent of tax in Cash.
- Informer Scheme:- A scheme was implemented for incentivising the informants who furnish information on tax evasion.
- Vehicle Checking:- 24X7 Vehicle Checking have been strengthened by deploying Surveillance Squads. 8.9 Kilogram of Gold valued at around 4 Crores has been confiscated for the clandestine transport of Gold evading tax. From this sector, Rs. 1.62 Crores have been collected as tax and penalty for tax evasion on 54.43 Kilogram of Gold.

#### Infrastructure Development of State G.S.T. Department

- Goods and Services Tax Appellate Tribunal with headquarters at Thiruvananthapuram will start functioning this year.
- New Tax Complexes at Kannur, Alappzuha and additional Tax Complex at Ernakulam will be constructed in the new financial year.
- All officials of the State G.S.T. Department are being trained with the co-operation of the Gulati Institute of Finance and Taxation. For this a training calendar will be prepared. Training will be mandated for the declaration of probation of Officers of and above the cadre of Asst. State Tax Officer.

## **Tax Payer Services**

- **Restructuring of the GST Department:-** The State G.S.T Department will be restructured by having separate wings for Tax Payer Services, Audit, Enforcement and Intelligence.
- **E-Office:-** The e-office system will be implemented in all offices. The e-office system facilitates timely services to the tax payers and dealers by accurately tracking action taken on their representations. With the implementation of e-office paperless office and internet based file movements will become a reality. This will facilitate the implementation of faceless return scrutiny similar to practices implemented in Income Tax and Customs Department.
- **Surveillance Cameras:-** The enforcement vehicles of the State G.S.T Department will be fitted with cameras and the inspecting officers will be given body worn cameras. This will ensure transparency and efficiency in the department activities.
- **Tax Payer Report Card:-** All tax payers will be issued with Tax Payer Report Cards. This will help the tax payer in obtaining prompt and efficient tax payer services. This can be used by the financial institutions and banks as credit rating criteria.
- **Review Mechanism:-** The review mechanism under G.S.T. Law will be strengthened. By doing review of incorrect adjudications, accuracy in tax adjudication can be ensured.

- Kerala Flood Cess:- The period of Kerala Flood Cess levied at 1% on GST implemented in the backdrop of the 2018 floods will be over by July 2021. This cess will not be levied further.
- Court Fee for Appeals:- Additional court fee is not leviable for G.S.T. appeals filed by the tax payers under Central G.S.T authorities. But 1% additional court fee exists for G.S.T. appeals filed by the tax payers under the State G.S.T. authorities. To rectify this imbalance, a limit will be fixed for the additional court fee for appeals filed by tax payers under the State G.S.T. authorities.
- Public Relations:- To create awareness among tax payers, the public relations wing of the State G.S.T. Department will be strengthened. The services of the officers belonging to the Information and Public Relation department will be utilized through deputation arrangement.

### **Value Added Tax**

344. A comprehensive amnesty scheme was implemented last year for VAT arrears. Total number of 32237 dealers have benefited under this scheme and Tax arrears of 3400 Crores will be settled. Pending VAT assessments are expected to be completed only by March this year. In these circumstances the amnesty scheme will continue in the new financial year also. The scheme will be applicable for tax arrears under KVAT, CST, Luxury Tax, arrears under Surcharge Act and Kerala Agriculture Income Tax Act.

345. If the arrears under this scheme are paid in lump sum, 40% reduction in tax will be allowed. For those who opt to pay in instalments, the reduction will be 30%. Options shall be filed before 31st August 2021. All other conditions of the present amnesty scheme will continue.
346. The loss making public sector undertakings of the State Government who opt for the amnesty will be provided with a special loan scheme to clear the tax arrears. Detailed guidelines will be issued in this regard.

### **Tax on LNG / CNG**

347. The present VAT on CNG/LNG is 14.5%. It is understood that this high tax rate is an impediment for attracting new investments and for the development of public sector undertakings like FACT and BPCL. Hence the tax rate of LNG/CNG will be reduced to 5% at par with Tamil Nadu. This tax concession will be beneficial to the City Gas projects and domestic consumers. A revenue loss of Rs. 166 Cr. is expected.

### **Kerala General Sales Tax Act**

348. The amnesty scheme announced in the last year's budget for the Kerala General Sales Tax Arrears for the period 2005-06 to 2017-18 will continue this year also.
349. 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. There were complaints against exorbitant demands created against the dealers

on account of tax and penalty. Last year such dealers were provided with an option to pay tax based on compounding pattern. They were allowed complete reduction in penalty and 50% reduction in interest. Due to COVID related crisis the default in filing return continued in the year 2020-21 also. Hence the concessions granted in last year will be extended for the arrears up to 31<sup>st</sup> December 2020. The option shall be filed before 30<sup>th</sup> June 2021 and the arrears shall be paid before 31<sup>st</sup> July 2021.

350. In the 2019-20 budget certain concessions were granted in the criteria for fixing compounded tax of bar hotels who lost their licence due to the Abkari policy of the Government for the year 2014-15. It will be clarified that this concession will be applicable to those who have lost their licence in 2015-16 also.

### **Kerala Money Lenders Act**

351. Various complaints have arisen on money lending operations and charging of exorbitant interests through digital platforms including mobile apps. To curb these illegal activities, stringent measures are being contemplated. The Kerala Money Lenders Act, 1958 will be amended in consultation with the law department.

### **Motor Vehicle Tax**

352. A reduction of 50% in motor vehicle tax will be given for newly registered electric vehicles for the next five years.
353. The motor vehicle tax on vehicles registered in the name of institutions engaged in palliative care and used exclusively for

palliative activities will be exempted based on the recommendations of the District Collector.

354. Motor cabs and tourist motor cabs registered from 01<sup>st</sup> April 2014 and had remitted the five year tax in lieu of 15 year one time tax based on orders of High Court has to remit the balance tax and interest. This arrears will be permitted to be remitted in ten bi-monthly instalments before 31<sup>st</sup> March 2021

### **Registration and Stamp Duty**

355. A compounding scheme was introduced in the budget 2018-19 for undervaluation cases. This scheme is set to expire on 31<sup>st</sup> March 2021. This compounding scheme will be extended to the new financial year also. Rs. 100 Cr. additional revenue is expected through this.
356. The present rate of stamp duty on sale deed is 8% and the registration fee is 2%. These rates are also applicable to the industrial parks run by KSIDC, KINFRA, SIDCO, DIC, Other special purpose vehicles formed by the Government for development of industries, related plots, sheds, lease deeds, lease cum sale, sub-lease and absolute sale deeds. To attract investments in industries, stamp duty for the above transactions would be reduced to 4%. The registration fees will be reduced to 1%. A revenue loss of Rs. 25 Cr. is expected.

## **Electricity Duty**

357. Presently there is a 10% electricity duty on electricity consumption. The electricity duty on electricity charges will be exempted for new industrial investments for the first five years.

## **Land Revenue**

358. A one-time settlement of the lease rent arrears of Government land was declared in the last year's budget. This scheme will be extended to the new financial year. An additional revenue of Rs 100 Cr. is expected.
359. Tax concessions on environmental friendly buildings are mentioned in earlier paras.

## **Part – 14**

### **Conclusion**

360. Sir, The sixth Budget of the Government of Mr.Pinarayi Vijayan is opening a new path before Kerala. Like in the time of previous Left front Governments, the last five budgets had laid emphasis on social welfare and livelihood jobs. But right from the beginning, there was a significant change. That change was the thrust given to infrastructure development. This materialised through the investments from KIIFB. The next duty is to create Knowledge intensive industries and employment opportunities on this foundation. Kerala has to be transformed into a knowledge society. Thereby employment and welfare of everybody could be ensured.

This is the Kerala alternative of Left front. This is the track envisioned by the Budget 2021-22.

361. Sir, we have done this within the stringent fiscal policy frame work of federal system. After the huge spending on welfare schemes, sufficient funds will not be left for infrastructure investment. In this circumstances, the surge in capital investment could be ensured only by mobilising resources through financial institutions outside the budget. A precondition is inevitable for the success of such a fiscal strategy. The fiscal condition of the budget is to be consolidated. The fiscal deficit will be contained at 3%. The revenue deficit shall be brought down gradually.
362. As a part of budget document, the report of expenditure review committee also has been distributed. I am inviting the attention of the house to their review about the evolution of fiscal condition of Kerala over the last two decades. The crisis faced by the State in the late nineties compelled us to take stringent economic measures. As a result of this, we were able to reduce the fiscal deficit throughout the next decade. This was achieved by strictly reducing expenditure. In the next five years, the emphasis was on increasing income. We have succeeded in this.
363. But in the years 2013-14 onwards, the income from VAT began falling steeply and the deficit started to escalate. The fiscal opportunities from VAT was closed when entry tax was declared unconstitutional. It was against this backdrop we had accepted GST. But GST has not yielded the expected results. Our revenue income is stagnant at around 10% growth. Sir, as a result of stringent control in expenditure, we were able to slowly move into fiscal consolidation.



As pointed out by the expenditure review committee, both the deficits have come down since 2016-17. This fiscal consolidation was shattered by the Covid crisis.

364. The impact of Covid can clearly be seen in the revised budget estimate of 2020-21. Let me present a brief of it.

### **Revised Estimate for 2020-21**

<i>Item</i>	<i>Rs. in crore</i>
Revenue Receipts	93115.11
Revenue Expenditure	117321.55
Revenue Deficit	-24206.44
Capital Expenditure (Net)	-9350.82
Loans & Advance (Net)	-1392.24
Public Debt (Net)	30499.96
Public Account (Net)	4436.00
Contingency Fund (Net)	74.50
Overall Deficit	60.96
Opening balance at the beginning of the year	-184.97
Closing balance at the end of the year	-124.01

365. There is a fall of 18.77 percent in revenue income than the budget estimates. There was only a marginal dip of 9.64 percent in revenue expenditure as a result of the care given for Covid response. So the revenue deficit rose to 2.94 percent. This additional expenditure was met by availing more loans. Naturally the fiscal deficit rose to 4.25 percent.

366. We need to return to the path of fiscal consolidation at the earliest. This is inevitable for powering extraordinary investments in infrastructure facilities taking place outside the budget. The path for this has been clarified in the Medium Term Fiscal Policy document. Sir, the budget of 2021-22 marks the beginning of this consolidation.
367. Let me present the summary of the budget estimate for the year 2021-22.

**Budget Estimate for 2021-22**

<i>Item</i>	<i>Rs. in crore</i>
Revenue Receipts	128375.88
Revenue Expenditure	145286.00
Revenue Deficit	-16910.12
Capital Expenditure (Net)	-12546.17
Loans & Advance (Net)	-1241.30
Public Debt (Net)	24419.91
Public Account (Net)	6250.00
Overall Deficit	-27.68
Opening balance at the beginning of the year	-124.01
Closing balance at the end of the year	-151.69
Additional Expenditure announced	-1164.00
Tax Relaxation	-191.00
Additional resource mobilisation	200.00
Cumulative Deficit at the end of the year	-1306.69

368. The income and expenditure for the year 2021-22 will show considerable increase compare to the previous year. A part of the

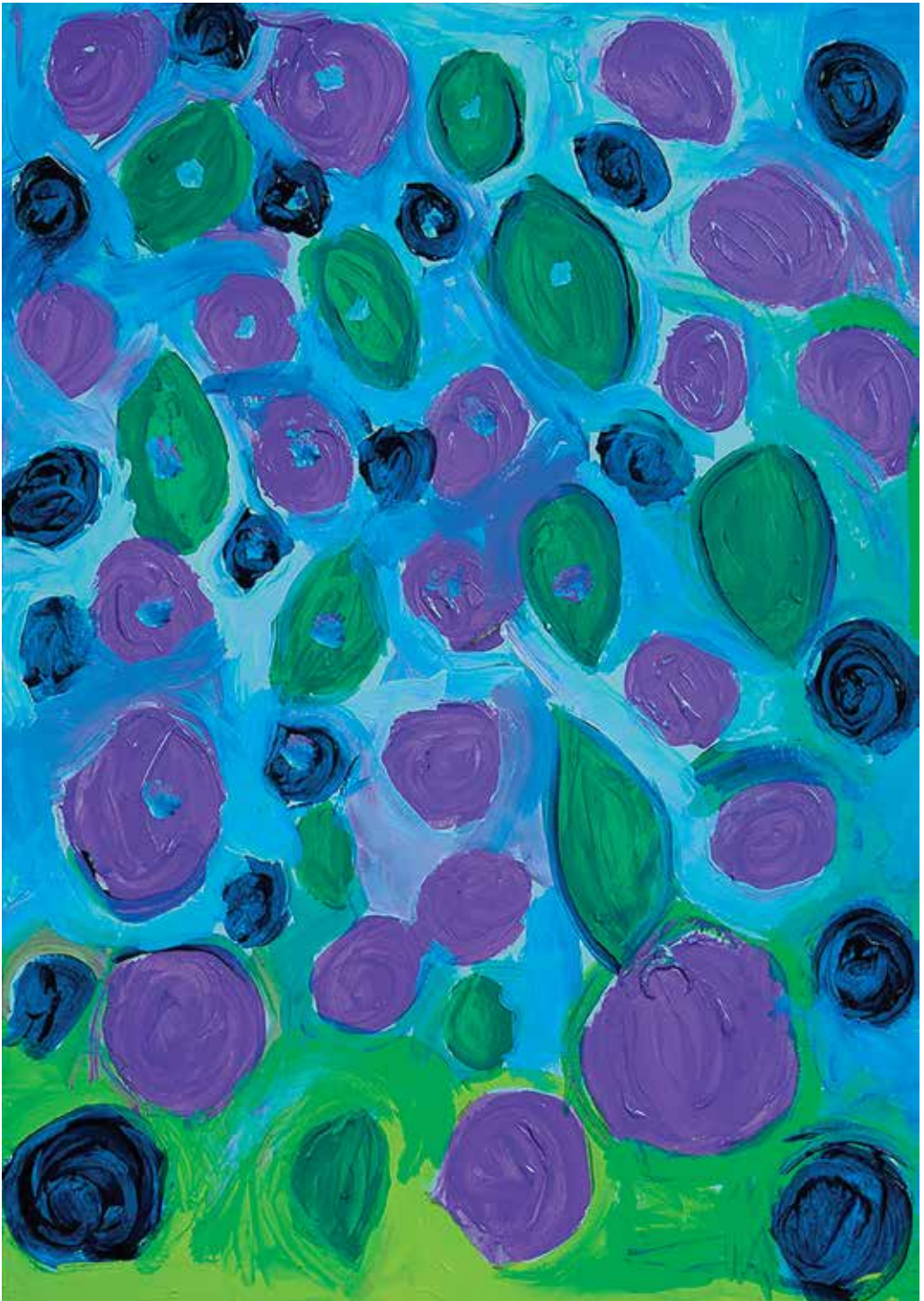
loan sanctioned during 2020-21 has been earmarked for the next year. This is the reason why fiscal deficit is at 3.5% during 2021-22. As stated in the Medium Term Fiscal Policy, it would fall to 3% in the coming years. The annexure to the Medium Term Fiscal Policy document prepared by Taxes Department narrating the GST experience of Kerala indicates a rosy picture that the revenue will improve further. The budget figures of 2021-22 puts forward this approach.

369. We are creating a new edition to the Kerala development model. We will transform into knowledge based society, with strides in modern employment opportunities and industrial growth while consolidating our achievements in the social sector.
370. Isn't education the greatest wealth of all? Doesn't Sree Narayana Guru teach us to be sagacious through education? Doesn't King Solomon point to the importance of knowledge and new inventions? Doesn't the Quran verse say that wise men will be resurrected? Development strategy means creation of knowledge, new techniques based on them, training centres for acquiring them, entrepreneurship, and knowledge based employment. We will hold everyone together in this forward march. We will create a new Kerala ensuring welfare, justice and growth.
371. Sir, election results to the Local body institutions was a decisive approval for the policies and activities of this government in welfare and developmental sectors. The people of Kerala have whole heartedly adopted this Government which stands with them providing vigour and care in crisis and calamity. During the time of floods and calamities, the Government of Mr.Pinarayi Vijayan acted in a way

which was not possible to any other Government in India. The Government has already received recognition and complements for this efficacy from across the world. The world recognises that Governments have to be like this and administration done, in this manner. The reason for this recognition is the belief of the people that Government is not separate from them: the people and the Government are the same. This entrusts the Government with a greater responsibility. This is the creation of a right and steady way for future development. I have already stated in the preface that the present budget is an outline for that target.

372. Sir, let me conclude this Budget Speech quoting the lines of Master K.P.Amal of GHSS School, Kannampadi, Idukki:

***Oh let my dreams  
Gently grow wings!  
And therein blow the conch,  
The morning clarion  
Of a radiant new age.***



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