



GOVERNMENT OF KERALA



# BUDGET SPEECH

2014-15

**K.M.MANI**  
FINANCE MINISTER  
24 JANUARY 2014

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## PREAMBLE

Sir,

1. I am presenting the State's Budget for 2014-15 before this august house.
2. We are now entering the 3<sup>rd</sup> year of the 12<sup>th</sup> Five Year Plan. While considering the budget proposals we need to recognize that since 2011-12, growth in the national economy has been declining, with an accompanying decline in revenue mobilization. At the same time, inflation has been high at an average level of 10%; the steady increase in prices of essential commodities due to inflation has been a major problem during the last two years.
3. But I am happy to point out that Kerala has fared better. During the 11<sup>th</sup> Plan our growth rate was 8%. During the present Plan period also we have maintained this rate of growth and during the current year the expected growth is 8.58%. Our per capita income has improved from ₹ 59052 during 2011-12 to ₹ 63491 during 2012-13.
4. However, our revenues have been declining due to the overall lack of growth in the economy. The growth in revenue is only about 11%, whereas the State's expenditure has increased by about 20%

due to the various development initiatives and welfare measures. Due to the same reason, our budget deficits have also been increasing. Our share of central taxes has also started declining significantly. We therefore need to take stock of the fiscal situation and bring in appropriate corrective measures.

5. High rate of inflation has resulted in increase of expenditure under social sector. Similarly economic recession has caused reduction of growth of revenue. In the context it has become impractical to achieve the targets stipulated in the Kerala Fiscal Responsibility Act. In the memorandum submitted before the 14<sup>th</sup> Finance Commission, the State has demanded to refix the economic indicators with respect to deficit, taking in to account of these realities. In the memorandum, the state has also strongly demanded to increase the central share of taxes to the state from the existing 32% to 50% and to formulate more scientific criteria for the share of taxes among the states.
6. The lack of growth in the economy has adversely affected employment opportunities and income generation in the unorganized sector, which accounts for more than 77% of employment. We need to formulate policies and schemes that will stimulate growth and generate employment to rejuvenate the State's economy. While doing so, we also need to focus on our core sectors such as agriculture, tourism, animal husbandry, milk production, fisheries, industries, rural development and information technology. We also need to create an environment that encourages entrepreneurship and innovation.

7. The outlay for the annual plan 2014-15 is ₹ 20,000 crore, which represents an increase of 17.65% over the current year's plan outlay. 31% of the plan outlay is earmarked for Social and Community Services. There is an increase of 27% in the outlay for Rural Development, 17% for Industries and 16% each for Agriculture and Health. A substantially higher provision of ₹ 1225 crore has been made for the mega projects in the Infrastructure Sector.
8. I may inform the august house that the present Annual plan outlay is subject to approval of the Planning Commission. The Planning Commission recently decided to restructure the Centrally Sponsored Schemes by routing the Central Assistance for such schemes through the State budgets. The plan outlay may undergo some changes, subject to final decision on the suggestions now under consideration of the Central Government.

## **PRIORITY PROGRAMMES**

### **9. Income Guarantee and Price Fixation Right to Farmers.**

I have great pleasure in announcing a prestigious Income Guarantee Insurance Scheme for farmers, which is first of its kind in India, in which 90% of the premium amount will be borne by Government. While manufacturers in industrial sector and service providers in service sector enjoy the right to fix the price of their products and services, the farmers coming under the primary sector are unable to fix the price of their products. Agriculture production sector can be revitalised only if we create an environment which ensures that

farmers are getting fair returns against the actual cost of production. Considering this, an Income Guarantee Scheme will be introduced for small and micro level farmers having land area upto 2 hectare. For this purpose, Government will formulate a broad project in consultation with Insurance Companies for insuring 25 major crops. Under the scheme 90% of the insurance premium will be borne by Government and 10% by the beneficiaries. It is expected that this programme will reduce anxiety and boost up confidence among farmers. An amount of ₹ 50 crore is earmarked for this.

**10. Health Insurance to farmers having land area below two hectares**

Government have already provided free Health Insurance to people who are in the BPL category. Government now proposes to extend this benefit to all small scale farmers of the State. A comprehensive Health Insurance Scheme covering all farmers who possess agricultural land of area below 2 hectares will be launched. Government will bear 50% of the premium amount. An amount of ₹ 50 crore is provided for this scheme. This will be implemented through the Insurance Department of the State Government.

**11. Laptop to Girl Students**

Government is committed to the welfare and educational development of girl students. We aim to ensure that educational avenues shall not be denied to any student owing to financial distress. Steps have been taken to provide scholarships and facilitate

educational loan from banks. Government now proposes to give free laptops to all girl students, who have obtained admission to professional courses, belonging to BPL families or families having agricultural land less than 2 hectares or small scale farmers having less than 2 ½ hectares of paddy farm. This scheme will be implemented by the Information Technology department. An amount of ₹10 crore is earmarked for this.

## 12. **Agri Card**

The agricultural sector needs special packages comprising of financial support including loans, technical support and market support for its rejuvenation. In the present situation, a number of hurdles have to be crossed for assessing to such assistances. To address this issue, Government proposes to issue Agri Cards to 18.77 lakh registered farmers. New registration will also be allowed for those who have not registered so far. All the basic information relating to farmers will be included in this Card. Farmers can avail the following facilities using the Agri Card.

- (a) All concessions, loans, and other assistance under Government schemes available for farmers.
- (b) Agricultural loans with interest rate of 4.1% from banks (crop loan)
- (c) Medium term and long term loans with 7% interest rate. State Government will provide 50% interest subsidy to this.

### 13. **Kerala to be transformed into a High-Tech Agricultural State**

Though agriculture is the main livelihood of majority of the people, its contribution to state's economy has been decreasing gradually for the last few years. During the last five years, the cost of fertilizers, agricultural equipments, wages to labourers have almost doubled. But Agriculture production and price of agricultural products have not increased commensurately. Moreover, the climatic changes and lack of support from financial institutions, forced the farmers to leave this sector. In Kerala, 96% of the farmers are cultivating in small holdings of land having area less than one hectare. Issues can be solved only through ensure increased production using modern agricultural technologies. In my previous budgets I announced a few schemes to promote high- tech agriculture, which needs to be extended further. A leap in the agricultural sector can be achieved only by making available the benefits of advanced technologies to all farmers. With this aim, I announce a scheme for converting Kerala as a high-tech agricultural State by providing sufficient support for training and extension of high tech farming methods.

Under this scheme, Master High-tech Agricultural Trainer's training will be provided at state level to selected Agriculture graduates and Botany graduates, by utilizing the services of the experts in national level institutions including the *Swaminathan Foundation* and with the service of such trainers, district level training will be given thereby assuring availability of two to four trainers in each local body. Subsequently free training will be given

to all farmers in the State who are interested in high- tech farming with the help of local self government institutions, Krishi Bhavans, financial institutions including co-operative banks and rural development offices. Certificates will be issued to farmers who successfully complete the training. Interest free advance upto 5 lakh based on the project proposal with support of financial institutions will be provided to such trained farmers to undertake high-tech farming. This benefit interest subsidi will be available to those who make prompt repayment of loans.

In my previous budgets, I have announced schemes for starting poly houses and rice bio-parks to encourage high-tech farming. A minimum of 5 poly houses to be started under each Krishi Bhavan and a system will be put in place to ensure its successful functioning. The agricultural produces from poly houses will be marketed through the State Horticulture Corporation. Krishi Bhavans will provide required training, estimates for construction and management of Green Houses to selected farmers / organizations. Following benefits will be given to persons/institutions, who setup poly houses.

- (a) Loan to the extent of. 90% of poly houses.
- (b) Subsidy of 25% of estimate amount to farmers/institutions, who make prompt repayment.
- (c) Free electricity
- (d) Building Tax relaxation
- (e) All financial assistance from the Central/State/Local Governments through Agri Cards

An amount of ₹ 200 crore will be earmarked for this. The project will be made operative after selecting the beneficiaries through a special mission (Agri Mission).

**14. Interest free Loans up to ₹ 5 lakh to societies for marketing of Agricultural products.**

Along with increased agricultural production, better marketing facilities are also required for the development in Agricultural Sector. Despite the presence of many agencies, the marketing of agricultural produces is yet to gain strength. Taking cue from MILMA, an Agricultural Co-operative Society will be formed in each development block as a first phase to market agricultural produces benefitting farmers and consumers. Interest free loan upto ₹ 5 lakh on personal surety of members, will be provided for three years to procure and market agricultural produces without lose of quality. Full interest subsidy will be given for prompt repayment. An amount of ₹ 10 crore is set apart for this..

**15. Loan take over consequent on demise of head of the family**

I hereby announce a family benefit scheme to help poor families, having agricultural land holdings of less than one hectare, which are in distress consequent on the death of head of the family. Government will take over 50% of the loan liability of the deceased individuals, who had availed loan up to ₹ 50,000 from Co-operative or Commercial Banks. The amount will be repaid to the bank by

Government. An amount of ₹ 25 crore is earmarked for this purpose.

#### **16. Encouragement to small Scale Food Processing Industries**

Even though our food production does not meet the actual requirements, many quality products like Jack fruit, Mangoes, Tubers etc produced indigenously get wasted due to inadequate food processing systems causing national loss. If these food produces can be converted into value added products, this will help to attain food security and create more employment opportunities. In this context, I put forward a project for the processing of food products. Entrepreneurs who are interested in this project will be given special training and financial assistance under the Self Entrepreneurship Development Mission. The project will be implemented with the assistance of Food Processing Mission, Government of India.

#### **17. Water Rich Kerala**

Despite Kerala being a state with highest rainfall, due to our peculiar topography, separated by mountains, midland and coastal region, 96 % of rain water flows to the sea within hours. Due to this, the hill area as well as the coastal zone equally experience scarcity of water during non rainy seasons. More than half of the population of the State does not have access to public water supply system. Water borne diseases and epidemics still create problems in the State. In order to resolve this issue, arrangements have to be

made for natural and artificial collection of rain water. With the above objective, I am announcing a scheme to provide financial assistance upto 50% of the project cost to Local Self Government Institutions and to individuals for constructing check dams over rivers, streams and canals. Project reports will be prepared by the Engineers of Local Self Government Institutions or by a panel of Technical Experts including Engineers. Local Self Government Institutions will have to prepare and forward the Project Reports within six months from the date of receipt of applications. Along with this, the project reports for constructing and rejuvenating rain pits for recharging adjoining well, and ponds for irrigation purposes will be prepared by Chief Engineers and got scrutinized by Kerala Water Authority. Financial assistance upto 50% of the project cost will be given to selected projects. In addition to this, technology for ensuring purity of water will be familiarised and steps taken for generation of awareness on hygenity and water borne diseases. An amount of ₹ 100 crore is provided for this.

#### **18. Special Incentives for Women Entrepreneurship Programmes**

In continuation of the self entrepreneurship programme announced in my previous budget, I announce another programme to enhance the employment prospects of women. Women entrepreneurs will be given special training to start such ventures under this programme. Entrepreneurship societies formed by girl students in colleges will be given 5% grace marks. Kudumbasree Mission will be the nodal agency for implementing the scheme. Benefits under the scheme will be available to the individuals/group institutions of women and

selected entrepreneurs will be given free training and stipend. Financial assistance upto 80% of project cost will be arranged through bank loans. This loan will have a moratorium period of six months and 75% interest subsidy will be given for prompt repayment. Apart from this, managerial subsidy at the rate of 2% will be given for investments made for the first 5 years. An amount of ₹ 10 crore is earmarked for this.

Advertisement tariff at Government rate will be made applicable for the advertisements of such venture through media. They will be given 50% subsidy for stalls/advertisements in shopping festivals organized by Government / Quasi Government Institutions. Marketing of the products will be arranged through Government/ Quasi Government organisations for the products of these entrepreneurs.

#### **19. Awareness and Diagnosis Camps for Cancer**

Various studies show that the number of cancer patients in the state are on the increase. In order to prevent this most dreadful lifestyle disease and detect it at an early stage, awareness and diagnosis camps will be conducted with the help of employees of Health department, ASHA workers and Local Self Governments. Five doctors each including two lady doctors and staff nurses will be specially trained in each district and medical camps conducted in each panchayats. Expert treatment will be arranged to those who are detected with cancer in the next stage. In third stage continuous

treatment and rehabilitation of such patients are planned . An amount of ₹ 10 crore is set apart for this.

## **20. Award for talented Students**

I propose to encourage entrepreneurship talents among students studying in high schools/ higher secondary schools with novel and practicable ideas/ inventions. Three awards will be given at district/state level each to those students who think beyond conventional curriculum topics and present novel ideas for setting up industries, making industrial inventions worth emulating and showing outstanding leadership in industrial sector. The amount of award will be ₹ 1 lakh, ₹75000/- and ₹50000/- at state level and ₹ 50000/-, ₹ 35000/- and ₹25000/- at district level. Apart from this grace marks will also be given @ 5% at state level and 3% at district level along with certificates. Individuals or groups with not more than 5 members formulating ideas /making inventions will be eligible for these awards. The project will be implemented through State Science and Technology Department.

## **21. Young Talent Award**

I am announcing a new scheme for nourishing the industrial talents among the students from degree to research level. As per this scheme, recognition/approval will be given to those who come up with innovative and practical ideas, inventions, industrial projects based on innovative ideas, which can be implemented in the Industrial Sector.

Cash award and certificate with grace mark will be given in the State level and District levels. Awards of ₹ 3 lakh, ₹ 2 lakh and ₹ 1 lakh along with certificates and 5% grace marks will be given for those who secure first, second and third places respectively at State level. In the district level, the cash prizes will be ₹ 1 lakh, ₹ 75000/- and ₹ 50000/- respectively with certificates and 3% grace marks. Individuals as well as groups consisting of 5 students with innovative contributions will be eligible for recognition. The Scheme will be implemented by the Science and Technology Department.

## **22. Award for Agriculture based industries**

For the promotion of agro-based industries, awards will be instituted for entrepreneurs /entities bringing in innovative ideas. Those who secure first, second and third prizes will be given ₹ 5 lakh, ₹ 3 lakh and ₹ 1 lakh respectively with citation. Apart from this, special incentives viz. 25% of the Electricity charges, 5 % interest subsidy on bank loans, 1% managerial subsidy on the total investments made for the industry will also be given to award winners during the award year. The Scheme will be implemented by the Science and Technology Department.

## **23. Assistance to LSG institutions for starting Fish markets**

With a long coastal line of 630 kms, the Fisheries sector has a prominent role in the State's economy. Fishing is the livelihood of lakhs of families in our State and its contribution to food security is

substantial. In all my budget presentations, I have given much emphasis to this sector and have introduced various welfare measures. It is essential that fish is made available to the consumers fresh and clean which will provide sufficient market for fish at reasonable price. In the above backdrop, Government proposed to provide assistance to local bodies having adequate land and space for the construction of fish markets at the rate of ₹ 4 lakh each to Corporations, ₹ 3 lakh each to Municipalities and ₹ 2 lakh each to Panchayaths. The project will be implemented through Matsyafed. An amount of ₹ 30 crore is set apart for this.

**24. Kerosene at subsidised rate to fishermen.**

Kerosene will be distributed to the fishermen at subsidised rate . For this purpose, a project will be implemented through the Primary Fishermen Welfare Co-operative Societies. An amount of ₹ 100 crore is earmarked for this.

**25. Matching Grant to Panchayats who give priority to Agricultural development activities**

The agriculture production of Kerala accounts for about just 16% of our actual requirement. The deficit of food products can be overcome to a great extent by increasing the production of paddy as well as tuber crops, fruits and vegetables. Local Self Government Institutions have to take more initiatives for the agricultural development through the production and distribution of high yielding seed and seedlings, food processing, tissue culture etc. with

the help of the Agricultural University. If the Local Self Government utilizes more than 15% of their total plan outlay for the agricultural development activities, they will be given matching grant equal to the amount spent on agriculture in excess of 15% of the plan outlay. An amount of ₹ 25 crore is set apart for this.

**26. High yielding seed/plant production Centers.**

The income of farmers can be augmented only by increasing the productivity of the farming sector. For this, high yield seed and seedlings are to be made available at low cost. With this objectives, at least one high yield seed/seedling production unit will be started in all Block Panchayaths. This scheme will be implemented through selected farmers with the help of Kudumbasree/Janasree/ Grihasree and Employment Guarantee Scheme. Seed/Plant production will be as per local requirements. The seed/plants so produced will be given to the needy farmers at subsidized rates with the help of Local Self Government Institutions. These nurseries will be supervised by the Committees formed under Krishi Bhavan. An amount of ₹ 15 crore will be set apart for this purpose.

**27. Value added products from Agricultural wastes**

Conversion of Agricultural waste into value added products can in a big way help agriculture sector if nano- particles such as cellulose, Kitosin etc can be segregated from waste, using nano technology. Value added products used for packaging, purification of water, bio medical products can be manufactured utilizing these

nano particles. An amount of ₹ 1 crore is earmarked for taking up such projects.

**28. Vertical farming**

Vertical farming ,which can generate an annual profit upto ₹ 2 lakh per cent, will be promoted by integrating agriculture, fisheries and animal husbandry sectors. Farmers having limited land holdings can also make use of this project. Government will provide subsidy for vertical farming units having a land area of 10 cents or more.

**29. Procurement of agricultural produces by giving fair price**

The crash in prices of agricultural produces is alarming.. It has to be ensured that farmers get fair price commensurate with the production cost. Government will intervene in the market as and when the price of rubber falls inordinately. Similar steps will be taken in the case of other crops also.

**30. Protection from wild animals**

People living adjacent to forest areas faces serious threats on their life from the attack of wild animals. I believe urgent steps need be taken to protect the life of such people. This threat can be avoided to a certain extent by constructing walls and electric fencing. Government proposes to implement this scheme with the support of both Forest Department and Panchayat level working groups. An amount of ₹ 10 crore is additionally earmarked for this scheme.

### **31. Global Agri Meet**

In order to attract investments in Agricultural food processing, Government proposes to conduct a Global Agri Meet at Kochi in association with Confederation of Indian Industry and countries such as Srilanka, Thailand, Vietnam, Netherlands and Israel. An amount ₹ 25 lakh is set apart for this.

### **32. Development of Kerala Brand Products**

It is proposed to introduce a new brand in the market 'Made in Kerala-Safe to Eat' in the model of Kerala tourism, in collaboration with CII to fetch premium price to Kerala's indigenous products.

### **33. Utilizing National/International Market Potential for Kerala Products**

Government will develop centres of excellence for development of horticulture, floriculture, dairying and piggery in association with Central Government and the Government of Netherlands.

A broad project will be launched for marketing coconut, pineapple, banana and other fruits in Indian cities in association with Railways, and in Middle East Countries including UAE, with the help of shipping companies.

**34. Nano Technology**

Nano technology is a new sector that is going to exert tremendous influence in the future development of mankind. In order to co-ordinate the research activities in the field and to facilitate exchange of ideas among researchers of different Universities, a Convergence Academia Centre will be established under the Nano Technology Centre in the Mahatma Gandhi University. An amount of ₹ 1 crore is set apart for this.

**35. Protection to Orphan children**

Government proposes to take over the liabilities of educational expenses upto higher secondary level of all orphan children below ten years of age.

**36. Special assistance to the bed ridden patients**

The Government will provide financial assistance upto a maximum of ₹1000 per month to the critically ill and bed ridden patients of families with annual income not exceeding ₹1 lakh.

**37. International Media Education Centre and News Archives**

An amount of ₹ 5 lakh is earmarked for the establishment of an International Media Education Centre and Mass News Archives at Press Club, Trivandrum.

### **38. Projects for increasing employment opportunities and economic growth**

The income and opportunities in the traditional labour sectors like agriculture, animal husbandry, dairy, fisheries etc have come down to a great extent as a result of the current economic slowdown. A new programme will be launched for rejuvenating these sectors, under which appropriate interest subsidy will be provided to small farmers, manufacturers and those involved in fishing, for the loans availed by them from Banks including Co-operative Banks . This benefit will be available to those who are promptly repaying the loans. I hope that such an initiative will stimulate development and growth of these sectors. An allocation of ₹ 10 crore will be made for this purpose.

A number of e-governance programmes have been initiated by Government through the State IT Mission. About 500 services in Government departments and agencies can now be accessed through designated web portals and Akshaya Centers. It is proposed to make available 400 more services through the electronic mode during the next year. In addition to this, action is underway to introduce e-file system in Government offices, which will improve efficiency and transparency in Governance. Government intends to equip the existing Akshaya Centers with additional facilities and institute new Akshaya Centres for facilitating this transformation. This could generate about 10000 new employment opportunities in the State. An allocation of ₹ 5 crore will be made for the implementation of this scheme.

More than 2 lakh small scale industrial units are there in our state now and new units start at an average rate of 15 % every year. The growth of this sector is of vital importance for State's economic growth and for the creation of employment. With a view to simplifying the procedural formalities for starting new small scale industrial units, Government will introduce a system by which necessary approval will be made available on the strength of self certification. Existing rules will be amended to this effect immediately.

The Tourism sector has an important role in the economy of the State. More than 1 crore tourists are visiting Kerala each year. As per the latest figures, this sector generates an income of over ₹ 20,000 crore and provides employment for about 10 lakh people. But the growth under the sector also stands affected owing to the economic slow down prevailing for the last some years. Adequate remedial measures are needed for promoting growth of this sector. The allocation for marketing activities of Tourism Department will be increased to ₹ 40 crore this year.

### **39. Encouragement of Skill development**

A new generation with skills and excellence has to come up now. We can achieve this target quickly if we can provide necessary facilities and encouragement of skill and excellence at school level itself. Government consider that suitable planning and budgeting are necessary for achieving such an aim. Hence an amount equivalent to 1% of the budget provision of each department will be

earmarked for formulation and implementation of employment generating schemes to be evolved by the student and youth community.

**40. Award for skilled farmers**

The farmers selected for excellence in the field of agriculture, at the state and the district levels, will be sanctioned a travel grant of ₹ 5 lakh and ₹ 2 lakh respectively for conducting international and national level study tours.

**Various Departments**

**AGRICULTURE**

41. In order to uplift this sector, the production storage & distribution system will be streamlined. Agricultural Research Centres will also be strengthened through modern technologies which interalia helps the farmer to get a reasonable price for his commodity. An amount of ₹ 964.82 crore is set apart during 2014-15 for the overall development of the agricultural sector.
42. An amount of ₹ 3.5 crore has been earmarked for converting the research centres at Kumakarom, Mannuthy, Vellayani, Pattambi and Ambalavayal into "Centres of excellence".
43. An amount of ₹ 1.61 crore is set apart for strengthening technological transfer through District Krishi Vijnana Kendras.

44. As a part of integrated services delivery Agriculture Malls will be set up with central assistance in selected locations, for which an amount of ₹ 5 crore has been provided.
45. A package for safe guarding the areca nut farmers of Kasargod district will be granted. An amount of ₹ 10 crore will be set apart for this.

### **SOIL – WATER CONSERVATION**

46. The need for conservation of soil and water have gained much prominence owing to rapid changes in the landscapes due to the increased human intervention. An amount of ₹ 73.25 crore is set apart for this sector.

### **ANIMAL HUSBANDRY**

47. Total amount of ₹ 295.16 crore is set apart for addressing the various issues being faced by this sector.
48. The Foot and Mouth Disease is a serious threat now being faced by the State. An amount of ₹ 9.19 crore is set apart, for strengthening the State/Regional level disease investigation Laboratories and allied activities with Central assistance.
49. A new breeder farm under Kerala State Poultry Development Corporation will be established in Kasargod. The outlay earmarked is ₹ 4 crore.

## **DAIRY DEVELOPMENT**

50. In order to achieve self sufficiency in the production of milk, an increased outlay of 47 % is earmarked for this sector.
51. Kunnukara Grama Panchayath, Ernakulam will be declared as dairy village.

## **DEVELOPMENT OF FISHERIES SECTOR & WELFARE OF FISHERMEN**

52. The outlay provided for fisheries sector and welfare of fishermen during 2014-15 is ₹ 177.40 crore, which is 12 % higher than the outlay during 2013-14.
53. It is proposed to establish Model Fish Farms and innovative aquaculture practices for increasing the inland fish production. An amount of ₹ 5 crore is set apart for this.
54. An amount of ₹ 1 crore will be provided for the start up activities of the establishment of fishing harbour at Parappanangadi.
55. Fisheries villages of Vizhinjam, Pulluvila will be included in the model fisheries village project.
56. A new scheme will be implemented for giving production bonus to the fishermen so as to make increase in production and there by increase their income. An amount of ₹ 2 crore will be provided for this.

57. An amount of ₹ 5 crore will be provided for replacing the old machinery, in a phased manner, in the net manufacturing factory in Ernakulam.

## **FOREST AND WILDLIFE**

58. As the conservation of Forest is inevitable for the life of human being, Government is pledged to protect this sector. An amount of ₹ 150 crore is set apart for activities such as water conservation programmes, greening rain shadow regions, nature appreciation centres, establishment of model forest stations, engaging Scheduled Tribes youth as tourism guides etc.
59. An amount ₹ 10 crore has been provided for the development of Periyar Tiger Reserve and Parambikulam Tiger Reserve based on ICT with the assistance of the Centre.
60. An of National Parks under Centrally Sponsored Schemes.

## **RURAL DEVELOPMENT**

61. An outlay of ₹ 617.23 crore is set apart for the Rural Development sector during 2014-15.
62. It is intended to construct 1000 Km rural connectivity roads under PMGSY scheme. An outlay of ₹ 75 crore has been earmarked for meeting the extra financial burden due to tender excess under this scheme.

63. An outlay of ₹ 40 crore has been earmarked as state outlay for MGNREG scheme.
64. As part of implementing the various schemes through LSGD, a sum of ₹ 28 crore to Grama Panchayats, ₹ 61.448 crore to Block Panchayats and ₹ 9.18 crore to District Panchayats have been earmarked.

## **REVENUE**

65. An amount of ₹ 10 crore is set apart for "Zero landless Kerala Scheme".
66. It is proposed to integrate the services of Revenue, Survey and Registration Departments relating to issuance of land records. This will be implemented as pilot project in one district during 2014-15, for which an outlay of ₹ 2 crore is provided.
67. Intensive action programme will be implemented for providing 'Pattayas' to all the farmers settling in the hill areas having occupied land prior to 01-01-1977.

## **PANCHAYAT**

68. Steps for constructing a new building for Pulikeezhu Block Panchayat in Thiruvalla will be taken up during this year.
69. As part of the implementation of total e-literacy programme through the P.N. Panicker Foundation, each Panchayat will be permitted to utilize ₹ 2 lakh out of the Plan funds.

## **LEGAL METROLOGY**

70. An amount of ₹ 5.78 crore is set apart for the construction of a seven storied building at Thiruvananthapuram for the Legal Metrology Department.

## **URBAN DEVELOPMENT**

71. At present many migrant labourers, working in Kerala, have very limited facilities for their stay at night. Hence it is proposed to establish 5 night stay homes in urban areas for which a sum of ₹ 50 lakh has been provided.
72. An amount of ₹ 45 crore is set apart for Thiruvananthapuram, Kollam, Kochi, Thrissur and Kozhikkode Development Authorities.
73. An amount of ₹ 5 crore is provided as Share Capital Contribution of Government to the Kerala Urban & Rural Development Finance Corporation (KURDFC)
74. A sum of ₹ 20 lakh will be earmarked for the construction of Rajiv Gandhi Memorial Stadium in the land of 13 acres available in the Thirur Municipality.

## **CO-OPERATION**

75. The total outlay provided for the co-operative Sector is ₹ 83.39 crore for 2014-15. This is 11.19% higher than the outlay for 2013-14.

76. An amount of ₹ 3 crore has been provided for the construction of head quarters of the Co-operative Department with modern facilities and to bring all offices of the Co-operative Department situated in Thiruvananthapuram district under one roof.
77. Thriveni medical stores will be started at Kalamassery H.M.T. Junction, Kadungalloor Muppathadam Junction and Kunnukara.
78. An amount of ₹ 2 crore will be provided for the revival of Gandhigram Agro based Industrial Co-operative Society Limited, Kuravilangad.

## **WATER RESOURCES**

79. The total outlay of ₹ 749.64 crore has been provided for Water Supply and flood control schemes. This outlay is 48.40% higher than the outlay for 2013-14.
80. An Irrigation Museum will be established in Thodupuzha.
81. 'Rehabilitation of the flood affected poor people of Kuttanad scheme' will be considered for inclusion in the Kuttanad Package.
82. A dam will be constructed at Pattisseri to utilize the water available as per the award of the Kaveri Tribunal. An amount of ₹ 5 crore will be earmarked for the preliminary activities.

## **WATER SUPPLY AND SEWERAGE**

83. Scarcity of drinking water is an acute problem being faced by the world. In this backdrop, an outlay of ₹ 774 crore has been provided for drinking water supply and sewerage schemes.
84. An amount of ₹ 60 crore has been provided for Rural drinking water supply schemes including water supply schemes at Kumarakom, Parassala, Cheekode in Kozhikode district, Erumeli Panchayat, Kilimanoor, Pazhayakunnummel and Madavoor Villages.
85. An amount of ₹4 crore is earmarked for Water Supply Schemes. This includes Water Supply Scheme to Kollam and augmentation of Water Supply Scheme to Kochi City. In order to protect Sasthamkottah lake water will be lifted from Kallada river also for the drinking water supply to Kollam.
86. An amount of ₹ 10 crore will be provided for a comprehensive Water Supply Scheme to resolve the drinking water scarcity in Aruvikkara, Vellanadu, Uzhamalackal and Aryanadu Villages.
87. An amount of ₹ 2 crore will be provided for the renovation of "Kayannachira" to resolve the drinking water scarcity at 'Kayanna Panchayat' in Kozhikode district.
88. An amount of ₹ 5 crore will be provided for the Water Supply Scheme of Tanur and allied Panchayaths,

89. An amount of ₹ 1 crore will be earmarked for changing the Muttada-Kesavadasapuram, Uloor-Ambalamukku pipelines and also for replacing the damaged pumps and motors

## **POWER**

90. In Energy Sector, it is envisaged to implement various schemes to the tune of ₹ 1370.04 crore for this year.
91. An amount of ₹ 215.26 crore is earmarked for the Hydro Electric Projects implemented by KSEB. A provision of ₹ 10 crore is set apart for developing solar power projects to generate 60MW energy. An amount of ₹ 2 crore has been provided to gas based power projects. An amount of ₹ 5 crore each has been provided to enhance the capacity of Wind Power Projects to 100 MW and the Thermal Power Projects.
92. A provision of ₹ 32 crore has been earmarked for Dam Rehabilitation and Dam Safety Projects with the assistance of World Bank.
93. It is aimed to complete 22 new Substations and lines to strengthen the transmission works during 2014-15. An amount of ₹ 240 crore has been earmarked for this purpose.
94. An amount of ₹ 317 crore has been provided for power distribution activities during 2014-15.
95. For the implementation of "Rajiv Gandhi Grammeen Vidhyuthikaran Yojana (RGGVY) Scheme" aimed at electrification of Rural BPL

households, a provision of ₹ 26 crore has been set apart. An amount of ₹ 10 crore has been allocated as State share for the completion of the ongoing activities under this scheme.

96. To give priority to the Energy Conservation activities, an amount of ₹ 1.05 crore has been provided.

## **INDUSTRIES**

97. The Department of Industries is implementing various activities by giving more attention on revival and development of Village and Small Scale industries. Village and Small Scale industries have a significant role in the economic development of Kerala. More emphasis should be given to attract appropriate investment for industrial promotion and for infrastructure development. In 2014-15, an amount of ₹ 639.40 crore has been provided which includes ₹ 23.44 crore as One Time Additional Central Assistance, for implementing various schemes focusing on the activities of traditional small scale industries, handicrafts, industrial parks, industrial investment promotion activities etc.
98. Promoting green initiatives in the industry is the need of the hour. Government will launch a major initiative to attract and channelize substantive investments in green and clean industries into the State. It is intended to make a policy change accordingly. As part of this, Green Financing scheme will be introduced with a cost of ₹ 100 crore. An initial allocation of ₹ 10 crore is made to provide financing for clean and green enterprises.

99. An amount of ₹ 6.5 crore has been earmarked to set up an International Furniture Hub with Central assistance to provide infrastructure facilities of furniture manufacturing Units clustered around Ernakulam for National and Global market connectivity.
100. As part of the promotion of Young Entrepreneurs who come up with innovative ideas for setting up new enterprises, a start up assistance not exceeding ₹ 5 lakh for single project will be given. For this purpose, an amount of ₹ 5 crore has been earmarked.
101. As part of the scheme 'Start up subsidy' for creation of new employment opportunities', those enterprises that have provided new employment for at least 10 persons after 01.04.2013 and also those who are not eligible for any other subsidy or grant from Government or other Governmental agencies, shall be given a subsidy of ₹ 10,000/- per job slot. For this purpose, an amount of ₹ 2 crore has been earmarked.
102. For establishing Industrial Parks, an amount of ₹ 1 crore is earmarked as an initial provision for acquiring land and to meet the development costs.
103. Government propose to implement an 'Innovative Enterprises Promotion Programme in Handloom' to preserve the traditional heritage and attracting new entrepreneurs to set up Handloom Units. For this purpose, an amount of ₹ 1.5 crore has been provided, out of which ₹ 50 lakh is earmarked for providing margin money to set up such units.
104. A special package will be sanctioned to grant higher rate of production incentive to the weavers in the handloom sector and to attract more

entrepreneurs to the production and marketing field of handloom. Margin money will be given to primary handloom co-operative societies towards working capital assistance. An amount of ₹ 10 crore will be provided for these schemes. An amount of ₹ 7 crore will be specially provided for clearing the handloom rebate.

105. An amount of ₹ 1 crore will be provided to Hantex towards State share as part of the centrally assisted scheme of "Revival, Reforms and Restructuring".
106. The scheme for increasing productivity of Power looms will be strengthened. An amount of ₹ 50 lakh will be set apart for this.
107. An amount of ₹ 8.98 crore is set apart for spinning mills towards the modernization.
108. Share capital to the tune of ₹ 28 crore and ₹ 18 crore will be sanctioned to Kerala Cashew Development corporation and Capex respectively for providing more labour days to the cashew sector workers.
109. As part of the schemes to provide more income to the experienced workers in the Handicraft sector ₹ 2 crore each will be granted to Primary corporative societies, Surabhi and Handicraft Development Corporation.
110. A modern castic soda plant will be set up in the Travancore – Cochin Chemicals Limited. An amount of ₹ 10 crore is set apart from the lumpsum provision for the rejuvenation and revival of PSU's.

111. An amount of ₹ 148.79 crore has been provided during 2014-15 for the development of infrastructure for various projects of KINFRA. The provision is meant for establishing new projects such as Industrial Park at Mattannur, Green field Electronic Park at Ernakulam, Non-Conventional Energy Park at Palakkad, Eco Industrial Park, Global Ayurveda Village for manufacturing and acquiring land for the development of infrastructure in the industrial development zones in Thiruvananthapuram, Kochi, Kozhikkode and Kannur and establishing Land Banks.
112. An amount of ₹ 116.93 crore is earmarked for the year 2014-15 as the total outlay for the comprehensive development of Coir industry.

## **INFORMATION TECHNOLOGY**

113. Information Technology plays a pivotal role to speed up the developmental activities of the State and to increase the transparency in government administration and in policy matters. I am happy to inform the House that our State is 1<sup>st</sup> in e-Redyness. The Akshaya project which started in Malappuram during 2003 for the limited purpose of computer literacy now become the backbone of the e-Governance programmes of the State. 600 service from 40 departments will be implemented through the e-District Project during 2014-15. Considering the importance of this sector, an amount of ₹ 313.33 crore has been allocated.
114. As part of providing various services of people based on IT, Government is proposed to implement complete online services to

Government servant, teachers & students, farmers and laborers. To accomplish this, treasuries should be modernized. For providing online services, office procedure should be simplified and made people friendly apart from digitalizing documents & files. An amount of ₹ 10 crore is set apart for this activities to IT Mission.

115. As part of National e-Governance Programme, an amount of ₹ 13.34 crore has been allocated, which includes Central Assistance, for the upgradation and ongoing activities of State Data Centre located at Technopark in Thiruvananthapuram.
116. An amount of ₹ 134.45 crore has been provided for land acquisition and other basic infrastructure development of Kerala's prestigious projects of 'Technopark', 'Cyber Park 'and 'Infopark'.
117. An amount of ₹ 25 crore has been provided for the Kerala State Technology Innovation Zone (KSTIZ) in the KINFRA Hi-Tech Park, Kalamassery.
118. As part of promoting entrepreneurship among youth in the state, an amount of ₹ 3.95 crore has been earmarked for starting 'Entrepreneurship Development Clubs' in all higher educational institutions. Also an amount of ₹ 4 Crores has been provided for giving 10000 Rasberry Pi computers to school students.
119. In order to encourage entrepreneurship among college students, start-up kits will be provided to 100 highly promising teams of college

students. An amount of ₹ 2 crore has been set apart for this project in which modern computers and accessories will be given.

120. In order to promote entrepreneurship among youth, high quality leadership training camps will be organized to student entrepreneurs of the state in association with world class universities like Stanford and Harvard. It is also proposed to conduct start-up leadership summer camps for youth entrepreneurship. An amount of ₹ 4 crore is set apart for this. An amount of ₹ 4 crore is also set apart for the exposure visits of students & youth entrepreneurs to entrepreneurial capitals of the world.
121. In order to ensure the transparency in policy related and administrative governance, a new project viz, 'e-office' will be implemented in the state. An amount of ₹ 5 crore has been provided for implementing this as a pilot project in Finance Department, Government Secretariat.
122. An amount of ₹ 2 Crore has been earmarked for the new project 'Service Plus' providing online services to the Public.

## **PORTS**

123. The allocation for the Port section is for ₹ 98.69 crore. The Vizhinjam Deep Water International Transshipment Terminal will be developed as per approved master plan and the project reports. Funds required will be utilized from the outlay provided for major

infrastructure development projects on the basis of actual requirement.

124. A feasibility study will be made for transporting accident prone goods such as L.P.G, Chemicals Chemicals, acids, liquid chlorine etc through water ways.

## **PUBLIC WORKS**

125. In Public works department an amount of ₹ 836.41 crore for roads and bridges and ₹ 46.69 crore for buildings sections are earmarked.
126. A fly over will be constructed at Kurissurpalli junction in Pala to reduce the traffic congestion. A sum of ₹ 1 crore will be provided for this.
127. A Mini Civil Station will be constructed in Idukki, for which a sum of ₹ 1 crore will be provided.
128. A sum of ₹ 25 lakh will be provided for the construction of Idukki-Ayyappan Kovil Bridge.
129. A bridge namely Manikkal Palam will be constructed across the Thalipparabu-Kuppam river. An amount of ₹ 10 lakh will be provided for undertaking the preliminary activities.
130. An amount of ₹ 1 crore will be earmarked for Kainagari-Mundakkal bridge.

131. An amount of ₹ 5 lakh will be earmarked for the renovation of Town Hall and Swadesabhimani Park at Neyyattinkara.
132. Mini civil station will be constructed at Kattakada in Thiruvananthapuram district. A sum of ₹1 crore will be earmarked for this.
133. A regulator-cum-bridge across Thrithala-Kangappuzha river, parallel to Kuttippuram bridge, will be constructed to connect Palakkad and Malappuram Districts. A sum of ₹ 1 crore will be earmarked for this.
134. An amount of ₹ 1 crore will be earmarked for the construction of an additional block in the Civil Station, Konni.
135. An amount of ₹ 2 crore will be granted for the construction of Kulanada-Panthalam Bypass and bridge in M.C. Road.
136. Varkala is a famous tourist destination. To develop its infrastructural facilities, a sum of ₹ 50 lakh will be earmarked for the construction of Varkala bypass and Edava bypass.

## **TRANSPORT**

137. Vyttila mobility hub and Trivandum multi-model & airport hub will be set up in 2014-15. An amount of ₹ 1 lakh has been included as token provision. Additional funds required will be utilised from the outlay provided for major infrastructure development project.

138. Suburban train services will be introduced in Thiruvananthapuram-Chengannur/Haripad Sector in Phase I once the feasibility study conducted by the Mumbai Railway Vikas Corporation (MRVC) Limited is made available. This project is expected to be a relief from the heavy traffic congestion of the day. A token provision of ₹1 lakh has been provided for this project and additional funds required will be utilized from the outlay provided for major infrastructure development projects.
139. The Government of India has been requested to construct the Nilambur – Nanchancode Railway line with the participation of the State and Central Governments. An amount of ₹ 5 crore will be set apart for the initial activities.

#### **K.S.R.T.C**

140. An amount of ₹ 17.32 crore has been earmarked for the renovation of bus depots, workshops, construction of new bus stations, modern garages etc.
141. In order to complete the computerization and implementation of 'e-governance' in KSRTC, an amount of ₹ 10.30 crore has been provided.
142. In view of the financial crisis being faced by the Corporation, a special assistance to the tune of ₹ 150 crore has been earmarked.

## TOURISM

143. Recognizing the importance of tourism in stimulating the economic development of Kerala, an amount of ₹ 206.65 crore has been provided for various activities in this sector.
144. An amount of ₹ 6 crore has been earmarked for the incentive schemes to encourage responsible tourism practices and infrastructure developments for tourism in private sector.
145. An amount of ₹ 50 crore has been provided for the development of tourism destinations viz, Kovalam, Kumarakom, Thekkady, Fort Kochi, Munnar, Wayanad and Vagamon and for revenue generating activities,
146. An amount of ₹ 1 crore each will be provided for Idukki rural tourism project and Vadakkepuzha hydel tourism project.
147. A 'sea life leisure park' will be established at Varkala on PPP mode. A sum of ₹ 10 lakh will be earmarked for the preliminary activities.
148. Neyyadam will be converted into a tourist destination centre. A sum of ₹ 50 lakh will be earmarked for this.
149. An amount of ₹ 1 crore will be provided for the Nilambur Eastern Corridor tourism project.

## SCIENCE, TECHNOLOGY, ENVIRONMENT

150. An outlay of ₹ 131.12 crore has been provided for the research and development activities of Kerala State Council for Science, Technology and Environment (KSCSTE) and Regional Cancer Centre (RCC).
151. Sustainable development can be realised through the transfer and adaptation of technology between the Centre and the State. The Centre-State Technology Partnership Institute will be established with this aim.
152. An amount of ₹ 22.51 crore has been provided for various programmes of Kerala State council for Science, Technology and Environment, such as young scientist award, training for science & technology management etc.
153. An amount of ₹ 10 lakh will be provided to the Research activities of Centre for Socio Economic and Environmental Studies.(CSES)
154. Three Biomedical Waste Disposal Units, each costing a sum of ₹ 4 crore, will be established in Thiruvananthapuram, Ernakulam and Kozhikkode under Public-Private Participation basis. 50% of the cost will be met by the private company and the remaining 50% will be met by the State and the Central Governments in the ratio of 25:25. A sum of ₹ 3 crore will be earmarked as State share for this purpose.

## EDUCATION

155. Government gives special priority to education sector which bears a very important role in the development approach of the Five Year Plan. Education plays a crucial role in moulding socially responsible citizens. An outlay of ₹ 879 crore has been set apart towards this sector in the budget for 2014-15.
156. 'ASWAS' a new centrally assisted scheme for imparting focused approach in the areas of arts, sports and work-education will be implemented at secondary education level. An amount of ₹ 5 crore has been provided for the scheme.
157. An amount of ₹ 8 crore has been provided for setting up of basic infrastructure facilities in G.V. Raja Sports School, Thiruvananthapuram and GVHS Sports School under the Kannur Sports Division with an aim for the comprehensive development of sports sector.
158. An amount of ₹ 10 crore has been provided to start new Government Autonomous Colleges and Deemed Universities in the state.
159. Online administrative system will be developed for linking Universities and College Offices.
160. The centrally sponsored scheme Rashtriya Uchchar Shiksha Abhiyan (RUSA) gives ample opportunities to the State for making available large quantum of resources from the Centre. It is envisaged to

constitute a Project Directorate to prepare RUSA projects. The Project will be implemented through the State Higher Education Council.

161. Additional Skill Acquisition Programme is a scheme envisaged for acquiring skills to the students enrolled in Arts & Science Colleges in the field of industry/business. An amount of ₹ 85 Crore has been provided for this ADB assisted project.
162. Class rooms of Govt. Arts & Science Colleges will be converted as smart class rooms. An amount of ₹ 50 lakh is earmarked for this.
163. As part of technological support for teacher training on interactive distant e-learning mode, an amount of ₹ 2 crore has been earmarked in the budget. This scheme will be implemented under Public Private Partnership mode.
164. A production cum training centre will be established in the women's polytechnic college campus, Kozhikkode. An amount of ₹ 30 lakh has been set apart for the project.
165. As part of building self confidence among the newly passing out engineering degree/diploma students for starting new entrepreneurship, it is proposed to set up new technology business incubation centers in engineering colleges and polytechnics. An amount of ₹ 75 lakh is earmarked for the scheme.
166. Action will be taken to integrate syllabus and introduce uniform examination fee for the short term courses being conducted by the Continuing Education Cells of polytechnics and bring these cells

under the administrative control of Centre for Continuing Education, Kerala.

167. Government of Kerala is in the process of implementing e-governance in all the government institutions and offices. As part of this, Department of Technical Education proposes to conduct a Computer Application Eligibility Test (CAET) to examine the basic computer skills of applicants. An amount of ₹ 75 lakh is set apart for this.
168. Government of India has introduced a scheme for establishing Community Colleges all over India to empower unemployed youth. An amount of ₹ 6 crore has been set apart for implementing the scheme through Polytechnics.
169. An IIT in Kerala is a long cherished dream of our State. A detailed project report for the setting up of an IIT in Palakkad has been submitted to the Central Government.
170. Science city will be established at Kuravilangad in Kottayam. An amount of ₹ 10 crore will be earmarked for this.
171. A chair will be established in the Mahatma Gandhi University in the name of Sri.I.C.Chacko, a renowned scholar in scientific and literary field, for shedding light on his research work and his outlook on life.
172. A Polytechnic will be established in the government land at Mukkam Panchayat of Kozhikode District.

173. Dwaraka Technical High School at Mananthavadi will be upgraded to polytechnic.
174. A sports school will be started in the name of the late Sri. K. Narayana kurup, former Minister and Deputy Speaker, in the place available at Government High School, Ponkunnam-Kunnubhagam, Kanjirappally. An amount of ₹ 2 crore will be earmarked.
175. The grant to special schools will be enhanced from ₹10 crore to ₹ 15 crore.
176. The Assistance to the special schools for the payment of honorarium to teaching/non-teaching staff will be enhanced from ₹ 3.5 crore to ₹ 5 crore.
177. The honorarium to Preraks and Asst.Preraks functioning under the State Literacy Mission will be enhanced by ₹100 each. An amount of ₹ 50 lakh will be provided towards this.
178. A centre of C-DAC will be established at the Polytechnic College, Kalamassery.
179. 'Victors' channel, under education department, aims at the delivery of quality education to the students with the help of Information Technology. Regional studio of the channel will be established in the available space at the office of the Deputy Director, Kottayam for extending the benefits to the students in Kottayam, Pathanamthitta and Idukki districts. An amount of ₹ 25 lakh is provided for the purpose.

## **ART & CULTURE**

180. An amount of ₹ 80 lakh has been provided for the various activities of Malayalam Mission under the Cultural Affairs Department.
181. It is proposed to launch a website to promote awareness on the rich cultural heritage of Kerala, strengthen its cultural forms and to spread Kerala culture within India & abroad. An amount of ₹ 25 lakh is provided for the website and its maintenance.
182. An amount of ₹ 2 crore will be provided for the Kochi Mussiris Binale.
183. A financial assistance to the tune of ₹ 10 lakh will be provided to the Public Library, Kozhikkode.
184. An amount of ₹ 20 lakh will be provided as financial assistance to Panmana Asramam.
185. A new art village (Kalagramam) will be set up at Kumbidi in Thrithala. An amount of ₹ 50 lakh will be provided.
186. An amount of ₹ 5 lakh will be provided for the establishment of 'Poorakkali Kala Academy' at Payyannur.
187. The assistance to Unnayi Warriar cultural centre will be enhanced to ₹ 25 lakh.
188. A grant-in-aid of ₹ 2 lakh will be given for the day to day activities of the Thakazhi Memorial.

189. An amount of ₹ 5 lakh will be provided for the construction of Memorial of Sri.Vaikkom Muhammed Basheer at Thalayolaprambu, his birth place.
190. An international art and heritage city will be established at Irinjalakkuda. An amount of ₹ 20 lakh will be earmarked for this.
191. A sum of ₹ 15 lakh will be earmarked for the renovation of 300 years old Arnos Bhavan at Velur, Thrissur.
192. Financial assistance of ₹ 2 lakh will be provided for constructing memorial for Kavarikkulam Kandan Kumaran, member of the erstwhile Sreemoolam Prajasabha, a social reformer and founder of Sambava Mahasabha.
193. A museum in memory of Vaikkam Sathyagraha will be set up and a life size statue of Mahatma Gandhi will be installed for which a sum of ₹ 20 lakh will be earmarked.
194. An amount of ₹ 5 lakh will be earmarked for the Study Centre in the name of former Chief Minister Sri. Achuthamenon.
195. An amount of ₹ 3 lakh will be earmarked for the Cartoon Museum at Kayamkulam in the name of Cartoonist Sankar.
196. A sum of ₹ 50 lakh will be earmarked to the Mahakavi Moyinkutty Vaidyar Mappila Kala Academy.

197. An amount of ₹ 10 lakh will be earmarked to the memorial of Elenjikkal Sister Beneenja.
198. A sum of ₹ 25 lakh will be earmarked to the centenary memorial of Sri. M.R.G. Panicker, the great freedom fighter who led the Vaikkam Sathyagraha.
199. An amount of ₹ 3 lakh will be earmarked for the renovation of Kunchan Memorial Kala Peedom.
200. An amount of ₹ 10 lakh will be earmarked to Vaikundaswami Dharma Pracharana Sabha for starting Vaikundaswami International Research and Study Centre at Thiruvananthapuram.
201. An amount of ₹ 5 lakh will be earmarked for giving assistance for the construction of memorial for Malayinkeezhu Madhavakavi.
202. A financial assistance of ₹ 5 lakh will be set apart to T.K. Divakaran Memorial Centre at Vazhuthakkadu, which is now under construction.
203. An amount of ₹ 3 lakh will be earmarked for the construction of a memorial for D.C. Kizhakkemuri at his birth place.
204. A sum of ₹ 2 lakh will be earmarked to the Mahakavi Kumaranasan Memorial at Kaikkara.
205. Grant-in-aid for the Moolur memorial, Elavumthitta will be enhanced to ₹ 5 lakh.

206. An assistance of ₹ 1 lakh will be sanctioned to start Vasthuvidya Studies, Research and Training Centre in Meenachil Taluk.
207. An amount of ₹3 lakh will be set apart for the Nationally famous veda related gathering 'Kadavallloor Annyonnyam'.
208. An amount of ₹15 lakh is earmarked for the construction of the memorial building of the famous Malayalam literary giant, "Pala Narayanan Nair".
209. A cultural centre will be established in Chirayinkeezhu in memory of late Sri. Prem Naseer, Bharat Gopi, (famous actors), Sri. G. Sankarappillai (famous literary writer) and Sri. Sobhana Parameswaran Nair (film producer). An amount of ₹ 20 lakh will be provided for the purpose.
210. The residence of Swadeshabhimani Ramakrishna Pillai at Neyyattinkara in Thiruvananthapuram will be taken over and converted as his memorial and for that ₹ 15 lakh will be provided.
211. It is intended to include the Central Archives, Thiruvananthapuram in the world heritage list . For this ₹50 lakh will be earmarked.
212. An amount of ₹ 50 lakh will be provided for establishing freedom struggle history museum in Thiruvananthapuram.

## **MUSEUM - ZOO**

213. A total amount of ₹ 14.5 crore is earmarked for the renovation of history museum, installation of new interactive display units in museums and zoos and other allied activities.
214. An amount of ₹. 50 lakh will be provided for the completion of Zoological Park, Puthur in Ollur Constituency.

## **HEALTH & FAMILY WELFARE**

215. A Nation can achieve progress only if its people are healthy. During 2014-15 an amount of ₹ 629.40 crore has been set apart for this sector.
216. Government of Kerala has launched the 'Arogya Kiranam Scheme' in which state would bear the treatment expenses of all children below the age of 18 years for all other illness including accidents which does not come under Rashtriya Bal Swasthya Karyakram (RBSK). An amount of ₹ 10 crore, including central assistance, has been set apart for the scheme.
217. 110 acres of vacant land at the Leprosy hospital, Koratty is proposed to be utilized for constructing a training centre for human resource development. An amount of ₹ 5 crore, including central assistance, is earmarked for infrastructure development.
218. An amount of ₹ 1 crore has been provided for conducting anti-rabies programme with the support of Animal Welfare Board and NGOs.

219. An amount of ₹ 5 crore, including central assistance, has been set apart to improve the quality of District Hospitals & General Hospitals as per Kerala Accreditation standards,
220. An additional block will be constructed as part of the upgradation of Taluk Hospital Todupuzha to District Hospital. An amount of ₹ 50 lakh is earmarked for this.
221. An amount of ₹ 50 lakh will be provided for the development of the hospital at Vadakkancheri which has been upgraded as District Hospital, Thrissur.
222. A Centre for Integrated Medicine & Public Health will be established under the Institute of Applied Dermatology in Kasaragod district. An amount of ₹ 1 crore will be granted for the purpose.
223. An amount of ₹ 1 crore will be set apart for the implementation of 'CHIPS' (Cleaning of Hospitals and Infection Prevention System) scheme for the sterilization and sanitation of Government Hospitals.
224. A PET Scanner will be installed in the Medical College, Thiruvananthapuram for which a sum of ₹ 8 crore will be provided.
225. Infertility is one of the major areas of concern of the present day Kerala which involves high cost of treatment. In order to get treatment to the people belonging to poor strata of society, it is proposed to start Infertility clinics in all other Government Medical Colleges in addition to the facilities in the SAT Hospital, Thiruvananthapuram.

An amount of ₹ 10 crore is earmarked for the scheme, including central assistance.

226. Bio-medical wing with Central Government assistance, will be set up in all the Government Medical Colleges in the State. An amount of ₹ 3 crore is set apart for this.
227. 50 Acres of land has been made available to the Wayanad Medical College free of cost by the ChandraPrabha charitable trust. An amount of ₹ 5 crore will be provided for the infrastructure development including construction of building.
228. In view of the increasing number of elderly persons, the special geriatric care centre in Government Ayurveda College Hospital, Thiruvananthapuram will be strengthened with central assistance. An amount of ₹ 1 crore has been provided for the purpose.
229. Geriatric clinics will be started in Government Hospitals under the 'AGE' Scheme (Assistance for Geriatric Emergencies) for the Health care of Senior citizens.
230. Special Health Programme for the people living in urban slum area, viz, 'USHUS' (Urban Slum Health Upliftment Scheme) will be implemented .
231. In central Kerala, there is lack of sufficient facilities for the treatment of cancer of poor patients. So new cancer centre centered at Kochi will be started to provide less expensive and modern cancer treatment facilities to such patients of this region.

232. An amount of ₹ 5 crore will be provided from Karunya Benevolent Fund for the purchase of linear accelerator in Kottayam Medical College for the treatment of cancer patients.
233. An amount of ₹ 18 crore has been provided to the Regional Cancer Centre, Thiruvananthapuram for the augmentation and upgradation facilities for early detection and treatment of cancer. An amount of ₹ 20 lakh is set apart for the setting up of a Cancer Information Centre and Early Cancer Detection Centre (ECDC) in the Pala Municipality.
234. Super speciality wing will be established in Kottayam Medical College. An amount of ₹ 2 crore will be provided for the purpose.
235. Chengannoor Taluk Hospital will be upgraded to District Hospital considering Chengannoor as a base camp to Sabarimala.
236. The Primary Health Centre at Manimala will be upgraded to Community Health Centre.
237. An additional block will be constructed for the Taluk Hospital, Konni. An amount of ₹ 50 lakh will be provided for the purpose.

## **HOUSING**

238. Housing being a very basic requirement, plays a major role in accelerating the pace of development of the state. This sector provides

job and income to thousands of skilled/unskilled labourers. Various schemes such as Saphalyam, Grihasree etc for the beneficiaries of economically weaker sections and low income groups, are being implemented through Kerala State Housing Board. A total of ₹ 32.59 crore has been earmarked for these schemes.

239. 'Soubhagya Housing Scheme' will be implemented for the construction of houses by way of granting house loans at 4 % to those who belongs in the weaker sections having income up to ₹ 1 lakh and at 6.5 % interest rate to those having income up to ₹ 2 lakh. An amount of ₹ 10 crore will be provided for the purpose.
240. A share capital of ₹ 5 crore will be granted to the Kerala State Housing Development Finance Corporation.

#### **INFORMATION AND PUBLIC RELATIONS**

241. An amount of ₹1 crore has been earmarked for the construction of the building for Kerala Chapter of the Indian Institute of Mass Communication at Kottayam.
242. A new building for the District Information office in Alappuzha which is in a dilapidated condition will be constructed. A sum of ₹ 25 lakh has been provided for the purpose.
243. An amount of ₹ 20 lakh is earmarked for the construction of Media Research centre in Kottayam Press Club.

## **LABOUR & REHABILITATION**

244. An amount of ₹ 470 crore has been set apart for the upliftment of this sector during 2014-15.
245. An amount of ₹ 63.10 crore which consists of ₹ 47.10 crore under revenue head and ₹ 16 crore under capital head has been provided for the modernization of the Industrial Training Institutes.
246. Kerala is far behind, compared to other states in India in the field of skill development in Government Sector. To change the situation, a new Residential Industrial Training Institute will be set up in the minority concentrated area at Kozhikode. An amount of ₹ 1 crore has been provided for the purpose.
247. A technical training centre in the PPP mode will be established in Thiruvananthapuram under the aegis of Kerala Skills Excellence Academy for imparting training and technical knowledge in the field of Aviation and other skill areas. It is also intended to start skill development centre for the development of skills in the field of production of 3 D and fiber optics. An amount of ₹ 20 crore is earmarked for this.
248. An amount of ₹ 2 crore has been earmarked for the establishment of Multi-Purpose Job Clubs under duly constituted groups of qualified and registered unemployed persons in the unorganized sector.
249. An amount of ₹ 14 crore has been set apart for the 'SARANYA' scheme implemented through the Employment Department for the

welfare of the unemployed widows, deserted/legally divorced/unmarried women by equipping them with self employment.

250. Various programmes for improving the socio economic conditions and addressing social security issues relating to the migrant workers in Kerala are envisaged. As part of this Government is envisaging a scheme for collecting the authenticated data regarding the number, type of origin, family background and caste of these employees and to issue UID cards to them. An amount of ₹ 3.50 crore is earmarked for this scheme.
251. A new insurance scheme for enhancing the family welfare of farmers, cashew workers, fishermen and other traditional workers is declared. The scheme envisages to provide an amount of ₹ 2 lakh to the legal heir of the family as security insurance, if death occurs to any worker. A sum of ₹ 5 crore will be earmarked for this purpose.

#### **SCHEDULED CASTE & SCHEDULED TRIBE**

252. Several schemes for the welfare of the Scheduled Castes and Scheduled Tribes are being implemented in the State. An amount of ₹ 460.78 crore for Scheduled Tribes and ₹ 1034.42 crore for Scheduled Castes have been earmarked for the year 2014-15.
253. Government intend to give assistance to tribal families who do not have livable house/shelter for the construction of new houses. During the financial year 2014-15, 1000 such families will be given financial assistance at the rate of ₹ 2.50 lakh per family for this purpose.

254. An amount of ₹ 150 crore has been earmarked for the project, Integrated Sustainable Development of Scheduled Tribe population in identified locations/settlements under the Additional Tribal Sub Plan which focus on the socio-economic development by protecting the cultural values of the scheduled tribe. This scheme will be implemented in the 14 identified most backward locations.
255. There is a debt relief scheme for the loans upto ₹ 50,000 availed by the Scheduled Caste. This benefit will be made applicable to the Scheduled Tribe also. An amount of ₹ 2 crore will be provided for this.
256. Steps will be taken for setting up of multi-purpose hostel for STs for providing hostel facilities to ST women along with their children when they leave their homes for seeking employment /higher education/ training in other locations. An amount of ₹ 1lakh has been earmarked for this as token provision. Central assistance is also expected for this scheme.
257. An amount of ₹150 crore has been provided for giving, financial assistance to Scheduled Castes for construction of new houses for the houseless, completion of partially constructed houses and improvement of dilapidated houses.
258. An amount of ₹100 crore is earmarked for providing financial assistance to the Poor landless scheduled Caste families for purchase of land for construction of houses.

259. In order to enhance the employment opportunities of the Scheduled Tribes, financial assistance will be given to the industrial entrepreneurs of this community. An amount of ₹ 2 crore will be earmarked for this scheme.
260. An amount of ₹ 20 lakh will be earmarked for Ayyankali Centre for Research Studies.

### **OTHER BACKWARD CLASSES**

261. A total amount of ₹ 80 crore has been earmarked for the welfare activities of Other Backward Classes.
262. An amount of ₹ 10 crore will be provided to the Kerala State Development Corporation for Christian Converts and Recommended Communities Limited towards its welfare activities.

### **MINORITY WELFARE**

263. An amount of ₹55 crore has been earmarked for the welfare activities of minorities. This is inclusive of ₹ 15 crore as equity to the Kerala State Minority Development Finance Corporation.

### **WELFARE OF FORWARD CLASS**

264. An amount of ₹ 25 crore has been earmarked for the implementation of various welfare schemes by Kerala State Welfare Corporation for

Forward Communities. Out of this an amount of ₹ 4 crore for self employment and ₹ 1 crore for Skill Development Programme have been set apart.

265. An amount of ₹ 1 crore will be set apart towards the constitution and preliminary expenditure of the Kerala State Forward Caste Welfare Corporation.

### **HOME AND JUDICIARY**

266. A comprehensive scheme for safe guarding the security and protection of women against atrocities namely viz 'Nirbhaya Keralam , Surakshitha Keralam' will be implemented by the Kerala police. An expenditure of ₹ 7 crore is expected for this.

267. It has come to the notice of government that anti national elements are spreading their activities centering the tribal colonies of the State. In order to meet this challenge, it is proposed to co-ordinate and make effective the functioning of Police for which special teams namely 'Tribal Quick Reaction Team' will be constituted in 6 districts. The anticipated expenditure towards this is ₹ 5.67 crore.

268. An amount of ₹ 15 lakh will be earmarked for the Court Complex, Irinjalakkuda.

### **SOCIAL JUSTICE - SECURITY**

269. An amount of ₹ 505 crore has been earmarked for the sector social security & welfare including nutrition for the year 2014-15.

270. A new scheme, “Our Responsibility to Children, Kerala”, envisaging to address the increasing tendency among the adolescents to indulge in deviant behaviour, will be implemented through Kerala Social Security Mission. An amount of ₹ 50 lakh has been earmarked for this scheme
271. “We Care” is a new scheme, envisaging to provide financial assistance to meet the medical, social or psychological needs of every citizen of Kerala, who does not have the wherewithal or access to such care. This new scheme will be implemented through Kerala Social Security Mission and the funds for this is proposed to be mobilized through a public payment gateway from philanthropic individuals and organizations. A sum of ₹ 100 crore is thus expected to be mobilized during 2014-15. For meeting the administrative and overhead charges, an amount of ₹ 1 crore has been earmarked.
272. An amount of ₹1.50 crore has been earmarked to implement the new scheme 'Shelter homes for women' to set up shelter homes in every districts for the destitute women above 18 years of age who are facing domestic violence.
273. A “State Wide disability Survey” will be conducted with the help of various Departments for collecting detailed data of the disabled so as to find solution for various socio-economic difficulties being faced by them. An amount of ₹ 5 crore inclusive of the central assistance has been earmarked for this.

274. An outlay of ₹ 10 crore has been provided for starting 14 old age homes with the partnership of NGOs. Grant-in-aid at approved rates will be provided to such voluntary organizations functioning for the welfare and protection of senior citizens.
275. A POCSO (Protection of Children from Sexual Offences) division will be started in the State Commissionerate for protection of child Right to protect the children from sexual offences. An amount of ₹ 75 lakh has been earmarked for this.
276. Let me announce a social welfare scheme to the family which become destitute due to the untimely death, permanent disablement of the breadwinner, by granting a monthly allowance of ₹ 2000 as *Sustaining Fund*. Only one family member would be eligible for the benefit provided there shall not be any permanent income, pension/insurance protection (including MACT). If the beneficiary is the mistress of the family, the benefit would be available for the rest of her life and if the beneficiaries are children, the benefit would be available only up to their adulthood, subject the above conditions.
277. A shelter home under the 'Nirbhaya' scheme will be established at Mancheswaram constituency.
278. An amount of ₹ 800/- per month will be sanctioned to mentally challenged persons, as given to the handicapped persons.
279. Daily Wages of cooks in schools will be enhanced by ₹ 100

280. Pension for Artists in indigent circumstances and circus artists in indigent circumstances will be enhanced as ₹ 750 and ₹ 1200 respectively.
281. Pension for journalists and non-journalists will be enhanced as ₹ 8000 and ₹ 5000 respectively.
282. The existing social welfare pensions and other financial assistance will be enhanced as follows:-

<b>Pension/Benefit</b>	<b>Present Rate (₹)</b>	<b>Enhanced Rate (₹)</b>
Agricultural Workers Pension	500	600
Small and nominal farmer's pension	500	600
Widow pension	700	800
Pension for differently abled	700	800
Pension for differently abled with above 80% disability	1000	1100
Pension for unmarried women above 50 years	700	800
Old age pension	500	600
Old age pension for above 80 years	1100	1200

Monthly grant to the inmates of orphanages, old age homes, shelters for beggars and homes for differently abled	700	800
Monthly food grant for students in the Government and aided blind and deaf schools	900	1000
Monthly pension for dialysis dependent renal patients falling under BPL category	900	1100
Assistance for TB patients	800	1000
Assistants to Leprosy patients	800	1000
Assistance for cancer patients	800	1000
Honorarium to Anganvadi workers and helpers	1400	1600
Honorarium to Asha worker	700	900

## **SPORTS & YOUTH WELFARE**

283. An amount of ₹ 69 crore has been provided this year for the Sports & Youth Affairs sector. Kerala State Youth Commission was established in 2013 with an objective to provide better education, secure better employment opportunities, develop potential of the youths etc. In 2014-15, an amount of ₹ 1 crore has been earmarked for the upliftment of the youth by conducting seminars, symposiums, workshops, adalaths, awareness programmes against drug abuse and ragging.

284. A new Stadium of International Standard with Synthetic track will be constructed at Valiyathura in Thiruvananthapuram. An amount of ₹ 2 crore will be set apart for this.
285. An amount of ₹ 10 lakh will be provided for the construction of District Sports Complex in Kaiparambu.
286. A synthetic track will be constructed at Palakkad. The provision for this is included in the provision for the Kerala Sports Council.
287. In order to make the football stadium at Arikkode into a centre of excellence and to construct a synthetic turf, a sum of ₹ 10 lakh will be earmarked.
288. An amount of ₹ 10 lakh will be earmarked for the ongoing construction work of the sports complex, near to Chelad Polytechnic ground, Kothamangalam.

## **GENERAL ADMINISTRATION**

289. Online examination system is being implemented by KPSC for the selection of candidates. An amount of ₹ 5 crore has been provided in the budget for starting well equipped seven online examination centers in Thiruvananthapuram, Kollam, Ernakulam, Thrissur, Kozhikkode, Pathanamthitta and Kottayam districts, with central assistance.
290. Government have quite friendly relations with the employees. It was this government which sanctioned LTC to the employees for the first time. Dearness Allowance have been granted timely without any

arrears. Next Pay Commission for modification of the pay and allowances has already been appointed. The same approach has been taking by the Government in the case of service pensioners also. The various demands put forth by the pensioners before the government will be placed before the newly constituted pay commission for its consideration.

291. Two medical insurance schemes providing insurance cover of ₹ 1 lakh and ₹ 50,000 will be implemented for the Government Service Pensioners with effect from 01/07/2014 for the treatment of fatal diseases like heart diseases, cancer, renal diseases, brain related diseases and treatments owing to accidents. The Director of State Insurance is entrusted to prepare a detailed scheme urgently.

## **LAW**

292. The Welfare Fund of advocate clerks will be enhanced to ₹ 2.50 lakh.

## **DEVASWOM**

293. Sabarimala Masterplan will be implemented in a time bound manner.
294. In order to reduce the traffic congestion during the Sabarimala Pilgrim season, a new road namely 'Sabari-Harivarasanam' will be constructed starting from Kalady, the birth place of AdiSankara linking Kalady-Moovattupuzha-Koothattukulam-Uzhavoor-Marangattupally-cherpungal - Kozhuvanal - Pallikkathodu - Kodungoor - Manimala-Edamannu Kannampally - Perunad via-

Pampa. A sum of ₹ 50 lakh will be earmarked for the preliminary activities.

295. A total drinking water project will be implemented at Nilakkal as part of Sabarimala pilgrimage. An amount of ₹ 5 crore will be earmarked for this purpose.
296. An amount of ₹ 1 crore will be provided for the scheme of conservation of the holy groves and ponds.
297. An amount of ₹25 lakh will be provided for starting an Institute for Temple Arts under Malabar Devaswom Board.

#### **FOOD & CIVIL SUPPLIES**

298. An amount of ₹ 70 lakh has been earmarked for establishing a Drug testing unit under the Food Quality Monitoring Laboratory (FQML), which is established for ensuring food safety.
299. In order to ensure the availability of vegetables, a chilled storage unit for vegetables and fruits will be established in Ernakulam. An amount of ₹ 1.25 crore has been provided for this.
300. Strong market intervention activities are being done by the Government to prevent the price hike of essential commodities. The scheme for supplying essential commodities at subsidised rates will be continued this year also. An amount of ₹ 65 crore has been earmarked for SUPPLYCO as a support for strong market intervention. In

addition to this an amount of ₹ 11 crore has been provided to Consumerfed for the same purpose.

## **REGISTRATION**

301. A training centre for the Registration Department will be established in Ernakulam District. An amount of ₹ 1 crore will be set apart for this.
302. A new sub registrar office will be established at Edavanna.
303. The existing ceiling limit for sales in respect of stamp vendors will be enhanced to ₹ 50000.

## **SAINIK WELFARE**

304. In order to ensure security in the selected thickly populated areas of Thiruvananthapuram city, a new scheme " In E Safe Home Project" (Responsible security) utilizing the service of ex-service men will be implemented. An amount of ₹ 1 crore will be provided to Kerala State Ex-Service Corporation (KEXCON) for this.

## **Welfare of Non Resident Keralites**

305. Many Keralites are languishing in Jails of Gulf Countries. They are the victims of illegal recruiters and visa racketeers. To avoid such a situation, massive awareness programmes will be conducted through print and electronic media. For this an amount of ₹ 60 lakh has been earmarked.

306. A training programme will be planned by making use of the service of returned Non Resident Keralites as master trainers based on their experience and qualifications for the upliftment and welfare of the unemployed NRK returnees. An amount of ₹ 2 crore has been provided for this.
307. A 'data bank' of eminent Non Resident Keralites in the field of science, academic, industry and other eminent professional area will be created. This will help to identify their knowledge and experience, which can be used for the development of the State. An amount of ₹ 50 lakh has been allotted for this.
308. An amount of ₹ 25 lakh has been provided to conduct seminars and meetings to showcase the State's rich cultural heritage and investment opportunities before the NRKs working in the United States/Europe who have roots in Kerala.
309. Non-resident Keralites play a major role in the state's economy. An amount of ₹ 10 crore will be provided for the rehabilitation of Non-resident Keralites.

## **RESOURCE MOBILIZATION**

### **Registration Department**

310. The rates of Fair value of land in the state of Kerala were fixed 8 years ago. Since the said Fair value are seen much lesser than the existing market rate of land, it is proposed to make suitable modification in the statute enabling to increase Fair value by a fixed percentage.

311. The co-operative banks / Co-operative societies functioning in the State of Kerala are conducting Monthly Deposit Schemes (MDS) which are similar to chitty business. It is proposed to bring this scheme under the provisions of the Kerala Stamp Act. All agreements and deeds executed between the depositors and co-operative banks/ Societies under the scheme will be levied a stamp duty at the rate of ₹ 100/- per person.
312. The State of Kerala is developing, without rural-urban divide at a rapid pace. In order to harness the resources needed for the infrastructural development of the state, the stamp duty rates of 5, 6 and 7 percent prevailing in panchayath, municipal council and municipal corporations respectively will be rationalized at the rate of 6% for all conveyance deeds.
313. It is proposed to waive the existing stamp duty for all agricultural and educational loans granted by the commercial banks. The stamp duty rates for other loans will be reduced from 5% to 0.50% which will be limited to a maximum capping of ₹ 20,000/-. The registration fee in respect of these deeds and reconveyance deeds will be reduced from the existing rate of 2% to 1% which will be limited to a maximum of ₹ 500.
314. Eventhough stamp duty was fixed for the Memorandum of Association (MoA) of Companies, no stamp duty was fixed for Memorandum of Association (MoA) and Rules and Regulations of the charitable societies registered in the state. It is proposed to impose a

stamp duty of ₹ 500 for Memorandum of Association (MoA) and Rules and Regulations filed by Charitable Societies.

315. All deeds and agreements and its revival deeds executed in favour of land lords for the erection of Automatic Teller Machines (ATM) and Mobile Towers will be levied a stamp duty of ₹ 2500 and ₹ 5000 per year respectively.
316. The prevailing stamp duty for Chitty Variola or Kuri Variola was revised lastly on 22-11-1996. The existing rate is ₹ 25 for every ₹ 1000. The said rate has to be modified suitably. It is proposed to enhance the rate of stamp duty for chitty or Kuri variola at the rate of ₹ 50 for every ₹ 1000.
317. Gahan document is a declaration given in lieu of mortgage deed, to the co-operative banks and societies for taking loans. Gahan system is applicable to all co-operative societies, miscellaneous societies empowered to grant loans and co-operative banks. Eventhough registration is not mandatory for registration of Gahan or Gahan release, all formalities related to registration of other deeds will have to be followed in Gahan deeds. For the additional work and for the safe custody of Gahan document by the Sub Regisrty office, a nominal fee needs to be levied in future. Hence it is proposed to levy a fee at the rate of 0.25% for all agriculture loans up to ₹ 2 lakh and for all other loans a fee of 1% of the loan amount.

318. The stamp duty for registration of Articles of Association of Companies has to be revised in accordance with the paid-up capital of the company. In order to promote the incorporation of new companies in the state, stamp duty is proposed to be revised as follows;

- Paid-up capital up to ₹10 Lakh will be levied a stamp duty of ₹ 2000
- Paid –up capital above ₹10 Lakh and up to ₹ 25 Lakh will be levied a stamp duty of ₹ 5000, and
- Paid up –capital above ₹ 25 Lakh will be levied a stamp duty at the rate of 0.50%.

319. It has come to the notice of the Government that excess fines are to be paid under various provisions of the Travancore Cochin Literary, Scientific and Charitable Societies Registration Act, 1955, by the societies for no fault of theirs. Therefore it is proposed to revise the rate of fine rationally.

320. It is proposed to increase the sale limit of Stamp Papers by licensed Stamp Vendors from ₹ 20,000/- to ₹ 1,00,000/- and to revise the discount rate rationally.

A sum of ₹ 100 crore is expected from the above mentioned amendments.

## Lotteries Department

321. For the past two years, the Department of State Lotteries has achieved remarkable progress in augmenting sale of tickets as well as in implementing benevolent programmes. After coming to power, the present Government have initiated stringent action against all illegal activities in the lottery sector and other State illegal lotteries. For strengthening these activities further, besides the State and the District Lottery Monitoring Cells, a Vigilance Wing will be established in the Department of State Lotteries.
322. Though the anticipated revenue collection from Lotteries for the current year is ₹ 3000 crore, the same is expected to touch ₹ 3750 crore by the end of the year. During 2014- 2015 financial year, the income from lotteries is expected to increase to ₹ 5500 crore. This will be achieved by enhancing the face value of the four prevailing weekly lottery tickets of value ₹ 20/- to ₹ 30/- and that of two weekly lotteries of value ₹ 40/- to ₹ 50/- and also by effecting revision in the respective prize structures.
323. For augmenting the income more towards benevolent activities, the net revenue from one more running weekly lottery will be set apart for Karunya Benevolent Fund. Further an existing weekly lottery will be named 'Mangalya' and earmarked to the Mangalya Nidhi.
324. In order to extend the services of Lottery Department to common man, three Taluk Lottery Offices were sanctioned in the previous year. Taking into account of the request from the agents and the

general public alike, and as part of effective expansion programme of the department, one Taluk Office in each of the remaining 11 Districts will be opened. Considering the growth of lottery sector and increase in turnover, the infrastructural facilities of the Lotteries Department will be modernized and enhanced considerably. An amount of ₹ 5 crore is earmarked for this purpose.

325. For inquiring about the complaints received from the public, agents and sellers of lottery tickets and also for studying the various problems faced by the department, the Government have appointed a Retired District and Sessions Judge as a single man Commission.

### **Building Tax**

326. The present building tax rates were fixed 17 years back. Government proposes to double the existing rates of building tax and luxury tax. Residential buildings upto an area of 100M<sup>2</sup>, other buildings upto an area of 50M<sup>2</sup>, buildings for cattle farms, chicken farms and pig farms will be completely exempted from building tax to help the poor and farmers. Revenue of ₹ 70 crore is expected.

### **Motor Vehicles Department**

#### **Simplification and Modification of Procedures**

327. **e-payment**

Taking into account the hardships faced by the general public in visiting the offices for paying tax and to lessen the financial burden of DD commission levied by the Banks, it is decided to implement

e-payment facility in addition to new vehicles for payment of tax for all vehicles.

**328. Lumpsum tax from Goods Carriages having RLW up to 3000 Kg.**

The Central Government has already directed the States to consider levying one time tax from Goods Vehicles for 15 years. Hence I have decided to levy lumpsum tax for 5 years from Goods Vehicles having RLW up to 3000 Kg without any enhancement in the prevailing rate of tax to alleviate the hardships faced by the vehicle owners, in visiting the office every year for paying tax.

Goods vehicles having RLW upto 300 kg	₹ 2700/- for 5 years
Goods vehicles having RLW above 300 kg but not exceeding 1000 kg	₹ 4400/- for 5 years
Goods vehicles having RLW above 1000 kg but not exceeding 1500 kg	₹ 8400/- for 5 years
Goods vehicles having RLW above 1500 kg but not exceeding 2000 kg	₹ 11000/- for 5 years
Goods vehicles having RLW above 2000 kg but not exceeding 3000 kg	₹ 14100/- for 5 years

The Government anticipates an advance income of ₹ 116 Crores from the above amendments.

329. **Levy of lumpsum tax from motor cycles and motor cars**

At present, biennial tax is levied from motor cars and motor cycles in respect of which one time tax for fifteen years has been paid on expiry of registration validity even though the registration is renewed for 5 years. Hence I intend to levy lumpsum tax for 5 years for the above vehicles without any enhancement in the prevailing rate, in the following manner.

All types of motor cycles	₹ 900/- for 5 years
Motor Cars having ULW upto 750 Kg	₹ 6400/- for 5 years
Motor Cars having ULW above 750 Kg but not exceeding 1500 kg	₹ 8600/- for 5 years
Motor Cars having ULW above 1500 Kg	₹ 10600/- for 5 years

The Government anticipates an advance income of ₹ 34 Crores from the above amendments.

330. **Purchase Value**

At present 'purchase value' of a vehicle is the price fixed by the manufacturer including Excise/Customs duty, VAT, cess, etc. But the Hon'ble High Court has held that Excise/Customs duty, VAT, cess, etc. shall not be included while calculating the purchase value of the vehicle. But such exclusion of excise duty, customs duty, VAT, cess etc. will result in a huge loss of the revenue. Hence it is decided to modify the rate of one time tax as shown below. From this

modification the Government does not anticipate any additional income.

Motor cycles having purchase value below ₹1 lakh	7% of the purchase value
Imported Motor cycles having purchase value below ₹1 lakh	13% of the purchase value
Three wheelers	7% of the purchase value
Motor Cars and Private Service vehicles for personal use having purchase value up to ₹ 5 lakhs	7% of the purchase value
Imported Motor Cars and Private Service vehicles for personal use having purchase value up to ₹5 lakhs	13% of the purchase value
Motor Cars and Private Service vehicles for personal use having purchase value above ₹ 5 lakhs but below ₹10 lakhs	10% of the purchase value
Imported Motor Cars and Private Service vehicles for personal use having purchase value above ₹ 5 lakhs but below ₹ 10 lakhs	18% of the purchase value
Motor Cars and Private Service vehicles for personal use having purchase value above ₹10 lakhs but below ₹15 lakhs	12% of the purchase value

Imported Motor Cars and Private Service vehicles for personal use having purchase value above ₹10 lakhs but below ₹ 15 lakhs	22% of the purchase value
Motor Cars and Private Service vehicles for personal use having purchase value above ₹15 lakhs	17% of the purchase value
Imported Motor Cars and Private Service vehicles for personal use having purchase value above ₹ 15 lakhs	33% of the purchase value
Construction equipment vehicles	7% of the purchase value
Imported Construction equipment vehicles	13% of the purchase value

**331. Authority to auction the vehicles seized for non payment of tax**

At present the department officials do not have the power for auction sale of the vehicles seized for non payment of tax. The vehicles seized are completely being worn out, creating great huge loss to the public exchequer and also creating difficulties to the public as well as the department since the vehicles have to be kept under safe custody. Therefore it is proposed to make suitable statutory provision empowering the department officials to auction the vehicles which are seized for non payment of tax if the tax arrears and additional tax in respect of the vehicle are not paid within a specified time.

**332. Tax for vehicles with three passenger capacity in the category of motor cabs**

At present there is no separate provision to levy tax for motor cabs having seating capacity 3 in all. Hence it is proposed to incorporate a provision to levy tax by including such vehicles in the category of motor cabs.

**Tax proposals**

**333. Imposing one time tax for new Motor Cabs, Tourist Motor Cabs and Luxury Taxis**

The tax for motor cabs and All India Motor Cabs has not been increased for the last 17 years. It is also noticed that a large number of luxury cars costing several lakhs and crores of rupees are being registered as taxies after paying the tax applicable to taxis and are being used for personal purposes in order to escape from payment of one time tax applicable to motor cars, causing heavy loss to the State exchequer. Taking into consideration the above and in view of the Central Government direction to levy one time tax based on the price of the vehicle in order to rationalize the rate of tax for taxis through out the country, Therefore it is proposed to classify taxis having cubic capacity of 1500 or more as 'Luxury taxis' and to levy ₹ 1500/- for quarterly tax for the old luxury taxies and to levy one time tax for 15 years from newly registered taxis of all kind in the rate shown below:-

New Motor Cabs having cubic capacity below 1500cc and new tourist motor cabs having purchase value up to ₹ 10 lakhs	7% of the purchase value
New Motor Cabs having cubic capacity below 1500cc and new tourist motor cabs having purchase value above ₹ 10 lakhs which are imported	13% of the purchase value
Tourist motor cabs having cubic capacity below 1500cc and having purchase value more than ₹10 lakhs and luxury taxis having purchase value up to ₹15 lakhs	12% of the purchase value
Tourist motor cabs having cubic capacity below 1500cc and having purchase value more than ₹10 lakhs and luxury taxis having purchase value up to ₹ 15 lakhs which are imported	22% of the purchase value
Luxury taxis having purchase value more than ₹ 15 lakhs	17% of the purchase value
Imported Luxury taxis having purchase value more than ₹15 lakhs	33% of the purchase value

Government anticipates an additional income of ₹ 80crores from the above in the forthcoming financial year.

334. **Imposing Lumpsum tax for Motor Cabs and Tourist Motor Cabs**

The tax for taxis has not been increased for the last 17 years. Hence I propose to levy lumpsum tax for 5 years with a slight enhancement in the prevailing rate of tax as shown below.

Motor Cabs	₹ 7000 for 5 years
Tourist Motor Cabs	₹ 8500 for 5 years
Luxury Taxis	₹12000 for 2 years

Government anticipates an advance income of ₹ 32crores from the above in the forthcoming financial year.

335. **Enhancement in rate of lumpsum tax for Autorickshaws extending the facility for all autorickshaws**

Eventhough the auto fare was revised several times; the tax is not enhanced during the last 17 years. Though payment of lumpsum tax for a period of 5 years is mandatory for newly registered autorickshaws the same was not made mandatory for old autorickshaws. Now, I propose to introduce lumpsum tax facility for all autorickshaws including the old ones and to enhance the rate from Rs 2000 for 5 years to ₹ 2500. This enhancement will not cause much financial burden to the owners of these vehicles as the approximate rate of tax per day presently is ₹ 1.32/day for petrol

autorickshaws and ₹ 1.42/day for diesel variant and whereas as per the enhanced rate, this becomes ₹ 1.37/day for both the variants.

Government anticipates an additional income of ₹ 25crores from the above in the forthcoming financial year.

**336. Enhancement of tax for Luxury Motor cycles**

Government proposes to introduce life time tax of 10% ad valorem for motor cycles having purchase value more than ₹ 1 lakh and at 22% ad valorem for imported motor cycles having purchase value more than ₹ 1 lakh.

An additional income of ₹ 4 crores is anticipated.

**337. New tax structure for Caravan/Camper van**

The number of caravans/camper vans with modern facilities being registered in the State is on the rise, but the amount of road tax collected from these vehicles is meagre. Hence it is proposed to levy tax from such vehicle based on the floor area at a quarterly rate of ₹ 1,000/sq.m.

Government anticipates an additional income of ₹ 10 lakhs this.

**338. Separate rate for tax on Generator vans**

Generator vans are classified as Non Transport Vehicles from 2004 onwards as per Central Government Notification. As a result Goods Vehicles which are fitted with Generators are altered as Non Transport Vehicles, resulting in revenue loss to the Government exchequer.

Hence in order to avoid such loss in revenue, it is proposed to introduce quarterly tax for Generator Vans, Rigs / Compressor vehicles in the following manner:-

Generator Van/Compressor/Rig	Light Motor vehicle	₹ 1000
	Medium Motor Vehicle	₹ 1500
	Heavy Motor Vehicle	₹ 2000

The Government anticipates an additional income of ₹ 25 lakhs from this.

**339. Levy of enhanced rate of tax from luxury contract carriages.**

Several Contract Carriages fitted with push back seats and sleeper berths are conducting both interstate and intrastate operations. No separate rate of tax is prescribed for such luxury vehicles, they are being operated after paying the tax applicable to ordinary contract carriages. Further, total number of seats that can be fitted on the vehicle gets reduced on fitting push back/sleeper berths. As the tax for contract carriages is assessed on the basis of number of seats, this will result in loss of revenue to Government by way of tax. Hence it is proposed to levy the following rate of tax for the above vehicles as shown below:-

Contract Carriages permitted to operate within the State and having push back/sleeper facility and permitted to carry more than 7 passengers	Push back seat	₹ 1000 per seat
	Sleeper berth	₹ 2000 per seat
Contract Carriages operating inter State and having push back/sleeper facility and permitted to carry more than 7 passengers	Push back seat	₹ 2000 per seat
	Sleeper berth	₹ 3000 per seat

The Government anticipates an additional income of ₹ 1 crore from this.

340. **Revision of tax for Other State Contract Carriages entering the state of Kerala**

The tax levied by some of the neighbouring States for vehicles registered in the state of Kerala and entering those States after obtaining permit under sub-section(8) & (9) of Section 88 of Motor Vehicles Act, is excessive and highly disproportionate in comparison with the rate levied by the State of Kerala. Hence it is proposed to introduce a separate rate of quarterly tax for other State Contract Carriages as shown below:

Ordinary Contract Carriages	₹ 4000 per seat
Contract Carriages with Push back seats and having seating capacity more than 7	₹ 6000 per seat
Contract Carriages with Sleeper berths and having seating capacity more than 7	₹ 7000 per seat

This proposed rate is less than the rates prevailing in the neighbouring States.

An additional income of ₹ 2 crore is anticipated from the above amendment.

**341. 12% interest for belated payment of tax arrears**

At present an amount of ₹ 254crores is under Motor Vehicle tax arrears. Only a maximum 50% of tax due can be imposed as additional tax while remitting tax arrears, or on realizing the same by way of Revenue Recovery even if the arrears are long pending. Hence it is proposed to levy 12% interest along with additional tax from vehicles which are in tax arrears for more than 6 months. The interest so levied shall not exceed the principal amount.

An amount of rupees One Crore is anticipated on this.

**Commercial Taxes Department**

**Tax Proposals**

342. In Kerala, presently Foreign Liquor other than Beer and Wine is taxable at 105% and Beer and Wine at 50%. Tax on liquor is one of the factors determining the price of liquor and its affordability. In accordance with the Abkari Policy, Government has taken several steps to control excess consumption and availability of liquor in Kerala. It has to be ensured that affordable cheap liquor is also available in the market to aid the enforcement strategy of controlling

spurious liquor. As a step in this direction, it is proposed to increase the rate of tax of Foreign Liquor having purchase value of ₹ 400/- per case or more paid by Beverages Corporation, by 10%. An additional revenue of ₹ 400 crores is expected from this measure.

343. The ban on imposition of sales tax on textiles came to an end with the withdrawal of additional excise duty by the Central Government. Without causing burden to the public, a turnover tax of 2% will be levied on dealers having turnover of ₹ 1 Crore or more, on their turnover of textiles excluding readymades. The dealers will not be allowed to collect tax from the consumers and will have to pay this from their profits. ₹ 100 crores of additional revenue is expected.
344. Tax on draw of paper lottery will be increased from existing rate of ₹ 30 lakhs to ₹ 50 lakhs for ordinary draws and from ₹ 60 lakhs to ₹ 1 crore for bumper draws. From this an additional revenue of ₹ 100 crores expected.
345. In order to aid the coconut farmers, coconut oil is exempted from tax. But, in the Budget of 2011, I had reduced the tax rate of all edible oils from 4% to 1%. Due to this, trade in the coconut oil suffered a set back. To protect the interest of the coconut farmers, it is proposed to increase the tax rate of all edible oils except coconut oil to 5%. ₹ 80 crores of additional revenue is expected.
346. UPS is presently taxable at 5% and invertors at 14.5%. Rampent tax evasion is noticed by billing different types of invertors as UPS. Considering this, the tax rates of all UPS (uninterupted

power supply) and invertors will be unified at 14.5%. An additional revenue of ₹ 6 crores is expected.

347. The tax rate of aluminium composite panels, used as a luxury item to decorate posh buildings, residential apartments and shopping complexes will be increased to 14.5%. The additional revenue expected is ₹ 5 crores.
348. Many restaurants operating under multinational brands sell food items at exorbitant rate, and avail the concessional rate of compounding of 0.5% intended for ordinary restaurants are not meant for common man. Considering this fact, it will be made clear in the Act that such restaurants which exclusively use a brand name registered under the Trade Marks Act will not be allowed the compounding provisions applicable to ordinary restaurants. They will have to pay tax at the schedule rates. Also, dealers paying compounded tax will be ousted from the compounding scheme if they purchase goods, excluding capital goods or packing materials from outside the State. An additional revenue of ₹ 10 crores is expected.
349. The trend of renting out service apartments on daily basis is widely prevalent across the State. Their operation is similar to that of hotels. Presently, these apartments are not covered under the Luxury Tax Act. It is proposed to include these apartments under the luxury tax net and taxed at the rate of 12.5%.

350. Compounding scheme for metal crushing units are based on the jaw size of the crusher units. After the introduction of compounding scheme, the price and production of metal has increased many fold without proportionate increase in the rate of compounding. Taking into consideration of all of these, it is proposed to increase the compounding rate of metal crushers aptly, as follows. The tax rate of crushing machines of size not exceeding 30.48 cm x 22.86 cm will be increased to ₹ 1,20,000/-. The tax rate of crushing machines of size exceeding 30.48 cm x 22.86 cm but not exceeding 40.64 cm x 25.40 cm will be increased to ₹ 4,80,000/-; and that of sizes above this will be increased to ₹ 9,60,000/-. The present compounded tax of cone crushers will be increased to ₹ 54,00,000/-. With regard to dealers having single crushing machines of first and second category, there will be no change in the existing rates. ₹ 100 crores additional revenue is expected from this reform.

### **Rationalization of tax rates**

351. It is noticed that the present compounding structure for works contractors has certain issues relating to inadequacies in the structure and administration of tax. The Accountant General has also observed that these provisions are adversely affecting the tax collection of building materials and works contract. To resolve this issue, it is proposed to restructure compounding provisions. Contractors with CST registration will be bound to pay compounded tax at 6% of the whole contract amount. The present rate of 4% to Government contractors having CST registration, will continue as such. Dealers

paying compounded tax will have to pay purchase tax for the purchases from unregistered dealers.

352. Due to scarcity of river sand, the new product called manufactured sand, produced by crushing granite stones, is currently being used widely in construction. As per the present provision, a compounded quarry producing granite metals need not pay any tax for quarry dust, a bye-product in the process. Taking advantage of this exemption, many units which primarily produce manufactured sand using dedicated machines, are claiming tax exemption in case of manufactured sand, causing tax loss to the Government. In order to curtail this, it is proposed to introduce a separate compounding provision for manufactured sand. To study the practical issues involved in this matter, a special committee consisting of the Officers of Commercial Taxes Department was set-up. The proposed scheme is based on the study report of the said Committee. It is proposed to introduce an annual compounding scheme for manufactured sand based on the production capacity of the machines used for this purpose, i.e., vertical shaft impactor / horizontal shaft impactor, in the following five slabs.

Production capacity of the machine	Annual compounded tax
Capacity upto 50 MT per hour	₹ 25 Lakhs /Annum
Capacity above 50 MT upto 100 MT per hour	₹ 45 Lakhs /Annum

Capacity above 100 MT upto 150 MT per hour	₹ 65 Lakhs /Annum
Capacity above 150 MT upto 200 MT per hour	₹ 90 Lakhs /Annum
Capacity above 200 MT per hour	₹ 1.40 Crores /Annum

The schedule rate of tax for manufactured sand will be increased to 14.5%. Additional revenue expected is ₹ 40 crores.

353. The rate of turnover tax for bar hotels is 10% on the turnover of liquor. The components for the calculation of bar hotels of two star and below are 10% of the value arrived by adding a specific percentage of increase of the current years purchases or a specific percentage increase on the tax paid last year, which ever is higher. But, it is noticed that these bar hotels are withdrawing from the compounding scheme. In order to retain them in the compounding scheme, the following amendments would be made in the compounding structure.

The present scheme of calculation of compounded tax, which takes into account two factors, will be limited to the sole criteria of purchases made from Kerala State Beverages Corporation and also to dispense with current classification of rates based on Municipal

Corporation, Municipality, Cantonment Area and Panchayath and the rate will unified at 160%. For three star hotels, the present compounding scheme will continue.

### **Concession**

354. Last year farmers were exempted from payment of agricultural income tax. In continuation with this measure, coconut, arecanut and pepper farmers and all farmers except companies coming within the purview of Plantation Labour Act will be completely exempted from payment of plantation tax.
355. The present compounding scheme for gold ornaments has certain unscientific elements. This came up for consideration of the Subject Committee and on the recommendation of the Subject Committee, Gulati Institute of Finance and Taxation was authorized to study the same and furnish its report. Considering the report submitted by them and the recommendation of the Subject Committee, it is proposed to make the following amendments in the compounding scheme.

For dealers opting compounding for the first time, existing provision will continue. Considering the recommendations of the Subject Committee, for dealers who were paying compounded tax, reduced rates will be prescribed for those who had compounded continuously for three years and five years respectively, based on the turnover slabs, which will be as follows.

Total turnover for the previous year	Dealers who were paying compounded tax continuously for more than five years	Dealers who were paying compounded tax continuously for more than three years	Dealers paying compounded tax upto three years
Above ₹10 lakhs and upto ₹ 40 lakhs	103% of the tax paid last year	104% of the tax paid last year	105% of the tax paid last year
Above ₹ 40 lakhs and upto ₹ 1 crore	109% of the tax paid last year	112% of the tax paid last year	115% of the tax paid last year
Above ₹ 1 crore.	115% of the tax paid last year	120% of the tax paid last year	125% of the tax paid last year

With regard to dealers who were paying compounded tax and whose annual total turnover is ₹ 10 lakhs or less need only pay compounded tax at the rate of 1% of the sales turnover.

Apart from the above, it will also be stipulated that they have to pay tax at the specified rate relevant to their sales turnover, in the event of this amount being higher than the compounded tax fixed as above. Newly opened branches will be considered as a separate business place for compounding and such branches will not be allowed to

compound unless it has continuous business for an year. There will not be any compounded tax liability for branches which does not engage in sales or purchase. Provisions would be made in the Act to grant proportionate reduction in the compounded tax payable, for branches which were closed during the previous year. It will be clarified that the slabs for determining compounded tax will be based on the total turnover. Further, it would be clarified that the various compounded tax rates linked to their turnover, will be applicable only to the taxable turnover under the VAT Act. The tax collectable from consumers by these dealers will be limited according to their compounded rates. These provisions will be effective retrospectively from 01-04-2013 and permission to opt under this scheme will be granted accordingly. Revenue loss of ₹ 25 crores is expected due to this measure. As recommended by the Subject Committee, the feasibility of implementing an online invoice system for gold dealers who are not under compounding scheme and those having a prescribed turnover, will be studied and decision taken.

356. In the last year's Budget, to raise funds for providing financial assistance for the marriage of girls from poor families, a 'Mangalya Nidhi Cess' was imposed upon marriages and connected functions held in Kalyanamandapams and Three Star Hotels. Certain grievances were raised on this matter. One grievance is that, Cess could be imposed for one or more functions of the same marriage. It is also noticed that the stipulation that, marriages conducted in halls having 500 seats including dining hall will be liable for Mangalya Nidhi Cess, has created difficulties for people who conduct marriages in a low

scale. To redress these grievances appropriate amendments will be made in the Act.

357. The implementation of Direct Benefit Transfer with respect to LPG has caused the consumers to bear the burden of VAT on the subsidy amount also. Appropriate amendment in the Act will be made to exempt this VAT on the subsidy amount with retrospective effect from 1<sup>st</sup> January, 2014, so as to grant relief to the consumers. As a result of this step, the sale value of a cylinder will come down by ₹ 41.32 and the consumers will be benefited. Through this step, the Government is foregoing a tax revenue of ₹ 287 crores.
358. Coastal transport is a cheap mode of transport of goods and is beneficial to Kerala since it have many ports. This has to be encouraged. The fuel used in these vessels is furnace oil which is taxable at 14.5%. It is proposed to reduced tax rate to 5% subject to certain conditions. It is expected that on account of this measure of reduction in rate of tax, more such vessels are expected to touch Kochi for filling of fuel.
359. Last year charitable hospitals were granted exemption on the medicines purchased from compounded dealers, laboratory store items and consumables. For availing this exemption from 01-04-2005 onwards, they had to take registration before 30-06-2013. But, many charitable hospitals has not availed this facility. To resolve the issue, the following stipulations will be made in the Act.

- The registration and return liabilities of the charitable hospitals will be dispensed with on the basis of a certificate issued by the Commissioner of Commercial Taxes based on certain conditions. The certificate will be issued based on the orders of tax exemption under the Income Tax Act. One of the important conditions would be that they will have to purchase medicines from compounded dealers and the purchase of consumables and laboratory store items shall be from other registered dealers. Rules will be prescribed for this purpose. Violation of conditions will attract initiation of statutory proceedings against defaulters.
  - For the period upto 31-03-2013, the exemption would be made operative based only on the certificate issued by the Commissioner considering the orders of income tax exemption, without advertng to any conditions.
  - A fee of ₹ 10,000/- will be levied on such certificate.
360. With regard to other hospitals, based on the condition that they purchase medicines, other consumables and laboratory store items on MRP, and if they opt so, they will be absolved from tax liability. Further, in cases where the tax liability has been assessed, if they pay full tax amount before 31-03-2014, penalty and interest will be waived.
361. To alleviate the uncertainties relating to tax prevailing in the ayurveda sector, the tax rate of ayurvedic cosmetics manufactured

and sold under Drug License will be reduced from 12.5% to 4% for the period from 13-11-2009 to 31-03-2012. It will be stipulated that in the case of dealers who had collected tax at higher rates, it should be remitted to Government and tax remitted to Government at higher rates will not be refunded.

362. Considering the long pending demand of the local branded entrepreneurs in the bakery sector, the tax rate of various types of cakes, halwa, mixture, laddu and jelabi will be unified at 5% without branded - unbranded classification.
363. Kochi Metro is considered as a prestigious infrastructure project in Kerala. In line with the concession granted to similar metro project by other States, the works contract tax on this project will be exempted, subject to conditions prescribed. The tax forgone in this measure is expected at ₹ 250/- crorese.
364. Tourism sector is considered as an important industry of the State. As a token of support and encouragement the luxury tax on hotels will be reduced to 5% for the off season months of June, July and August. To strengthen the efforts of the tourism department for making Kerala a destination for National and International Level Seminars and Conventions, the luxury tax rate of auditoriums and convention centers having rent above ₹ 20,000/- will be reduced from 20% to 10%. This concessional rate will be applicable only to the Seminars and Conventions approved by the tourism department.

365. The KGST Amnesty Scheme announced last year had ended on 31-12-2013. Since it is a scheme to clear the pre-vat arrears and considering the request from various quarters, the scheme will be extended upto 31<sup>st</sup> March, 2014.
366. Special Amnesty scheme was available to State PSUs earlier in 2008 to settle pre-VAT arrears. Some of the PSUs cannot avail the concession during that time. They have sought the re-introduction of the earlier amnesty scheme. Considering the same, the amnesty scheme prevailed in 2008 for State PSUs will be reintroduced on the same terms and the last date for filing option will be 31<sup>st</sup> July 2014 and the full payment has to be made on or before 31-12-2014.
367. The Government intends to introduce an Amnesty Scheme to Agricultural Income Tax also. This amnesty scheme will be applicable to the demands upto 31-03-2005. The last date for filing option under this scheme will be July 31<sup>st</sup>, 2014 and the last date for making payment of arrears will be December 31<sup>st</sup>, 2014. The conditions of this amnesty scheme would be those, which had prevailed in 2008.
368. Rice sold by Food Corporation of India to authorized wholesale ration dealers were taxable for the period from 01-04-2005 to 31-03-2013. But the price under the rationing schemes were fixed excluding the VAT element. This has resulted in unintended tax liability to the wholesale ration dealers as FCI has collected tax from dealers. To facilitate the FCI to reimburse the tax element to authorized ration wholesale dealers, the tax on rice sold by FCI to authorized wholesale

ration dealers will be exempted from tax for the period from 01-04-2005 to 31-03-2013. The revenue impact of this decision is ₹ 45 crores.

369. In continuation of the policy of encouraging environmental friendly products, paper cups will be exempted from tax.
370. To promote rice production and to support rice based small and medium industrial units, rice and rice products were exempted from tax in the last year's Budget. Bran oil, being a rice based product, will be exempted from tax.
371. In order to give relief to the common man, rice was exempted from tax. Tax rate of pulses and cereal flours were brought down from 5% to 1%. In continuation to this policy, maida and wheat powder will be exempted from tax. The tax rate of urid dhal powder will be reduced to 1%. The revenue loss will be ₹ 25 crores.
372. To encourage coconut based industries, soaps exclusively manufactured from coconut oil will be exempted from tax.
373. It was clarified in the last Budget that the tax rate of soya chunks, an edible product manufactured out of soya bean deoiled cakes, will be 5%. Considering the fact that, the dealers had not collected tax at 12.5% for previous years, the rate of 4% will be made applicable to this item upto 31-03-2012 and from 01-04-2012 to 31-03-2013, the applicable rate would be 5%.

374. The present tax rate of 5% on LED lamps will be made applicable to all LED equipments used for lighting purpose.
375. To provide relief to rubber farmers, the tax rate of rubber spray oil which is mainly used by farmers for control of fungus diseases in rubber plantations, will be reduced to 5%.

### **Plugging loopholes for addressing tax evasions**

376. As per the present provisions, sale to or by Military, Naval, Air Force, NCC Canteens, Indian Naval Canteen Service, CSD, Central Police Canteens and its affiliated Kerala Police Canteens, is at half the schedule rates applicable to goods. Unit run canteens purchase goods from Canteen Stores Department or from dealers approved by them. Unit run canteens have to abide by the Unit Run Canteen Manual issued by the Central Government. As per the provisions of the Unit Run Canteen Manual, the unit run canteen cannot purchase goods from any other source other than CSD or from dealers authorized by CSD. Same is also the case with regard to affiliated canteens of Central Police Canteens. It is proposed to make suitable modification in the Act to ensure that the unit run canteen will get tax benefit, only if they purchase goods from CSD or their approved dealers. With regard to Police Canteens also, suitable modifications will be made in the Act, that they will get a concessional rate only if they purchase goods from Central Police Canteen or approved dealers of Central Police Canteen.

377. Provisions will be made in the Kerala Value Added Tax Act, that with regard to purchase of rubber wood and latex made by registered dealers from people without registration, the purchase tax will have to be paid by the dealer, and special rebate will be allowable only in the next month.
378. For registration under the Kerala Paper Lotteries Act, a no objection certificate from the Director of State Lotteries will be made mandatory and suitable modification to that effect will be made in the said Act.
379. It is noticed that a large number of dealers are making default in payment of collected tax deliberately by delaying in filing of returns in time. In order to curtail this practice, a new provision will be incorporated in section 31 of the VAT Act, making it mandatory that non-payment of collected tax would result in payment of interest thereon at the rate of 36% per annum.
380. Winding up of a separate Audit assessment wing in the Commercial Taxes Department during 2010 has adversely affected the audit assessment functions envisaged under the VAT Act. The Accountant General has also pointed out this fact. Though these functions were delegated to Circle officers, it was found to be not effective. Such limitations existed prior to 2010 also.. After 2010, considerable advances were made in electronic tax administration by way of e-Filing of returns, e-Declarations, e-Payments and audited statements, facilitating a centralized and computerized file selection process based on definite criteria and plan the files for audit, an year

in advance. For this, the Audit Assessment Wing will be re-established in the Commercial Taxes Department.

- 381.** Presently for all transactions above ₹ 100/-, a dealer has to issue sale bills. Non-issuance of sale bills is the main cause for tax evasion. There is provision for imposing penalty for non-issuance of sale bills in the Act. It is proposed to make stringent provisions by making it a criminal offence liable for prosecution in a criminal Court of Law punishable with a fine which may extend to ₹ 10,000/- or for imprisonment upto six months. This will be applicable only if the sale value in a single transaction exceeds ₹ 5000/-. The prosecution will be allowed only with the prior sanction of the Deputy Commissioner.
- 382.** Presently for non filing of returns, assessing officer has the discretion to impose a penalty upto ₹ 10,000/-. Suitable provisions will be made to make it mandatory to impose a minimum penalty of ₹ 1,000/-.

### **Simplification of procedures**

- 383.** As per the existing provision, the sale of building materials, industrial inputs and plant and machinery etc. to SEZ is exempted from tax. But lack of clarity exist with regard to work contracts done in SEZ. It will be made clear that the exemption to SEZ will be available to the sub contractor also, if the work is done by them.
- 384.** It will be clarified in the VAT Act that for computing the limit to opt for payment of tax by presumptive dealers, turnover under KGST Act and turnover of medicine on which MRP tax has been paid by them,

will not be considered. This will be given retrospective effect from 01-04-2005.

385. Presumptive tax is a simplified provision made available to small dealers subject to certain conditions. If any of the conditions is violated, they will be assessed for payment of tax as a normal dealer and they have to pay tax accordingly. But while making such assessments, these dealers are finding it difficult for obtaining input tax credit and special rebate. Hence, provisions will be made in the VAT Act to remove the difficulties so as to grant input tax credit and special rebate while assessments are initiated denying their presumptive status.
386. Considering the dearth of appeals, the penalty orders were made appealable before Deputy Commissioner (Appeals) during 2006. Now, the number of appeals have increased considerably. Considering this, the powers of revision against penalty orders will be restored to the District Deputy Commissioners, as existed earlier. The power of remand by the Deputy Commissioners and by Deputy Commissioner (Appeals) will be limited to ex-parte orders only.
387. It will be stipulated that dealers who are not liable to file Form No.13 and 13A, have to file Profit and Loss Account online. This will be a mandatory provision.
388. As per the present provisions, Co-operative Societies are allowed to submit the Audited Statements and Certificates issued by the Registrar of Co-operative Societies in lieu of audited statement of

accounts by Chartered Accountants. In case of Khadi and Village Industries units the audit reports prepared by Kerala Khadi and Village Industries Board will be accepted for the purpose.

389. Awarders have to pay the amount deducted from the contractors before the Fifth day of the succeeding month. This provision is creating difficulties, particularly for Government departments. In the circumstances, the date of payment will be extended to the twentieth day of the succeeding month for Government Departments and institutions.
390. Last year I had implemented a 'One Time Registration Scheme' whereby small dealers were incentivised to take registration, by exempting their past liabilities. The last date for the scheme was 30th Sept. 2013. It is proposed to extend the time limit of this scheme upto 31st August, 2014. One of the feed backs received while implementing the scheme was on the documents needed for the registration purposes. The provisions will be revisited and the procedures simplified.
391. The sale of cardamom and tea is mainly through auction centres. Authorized brokers bid on behalf of the planters and confirm the sale. Though these brokers acts as agents of the planters, they take registration and receives C-forms from outside state for the concessional rate on the interstate sales. It is noticed that, pointing out certain deficiencies in the procedure, certain officers deny the exemption on the turnover on which the brokers had paid tax, thereby

causing further assessment on the planters. Steps would be taken to resolve the issue.

392. The increase in online trade is affecting tax collection of our State. The selling State gets all the tax from the consumer who is situated in Kerala. Presently there are certain limitations to regulate this activity. A committee would be setup to study and report on the various corrective measures to be taken by examining the issue in the light of Sale of Goods Act, Value Added Tax Act and CST Act and relevant Constitutional provisions.
393. The general provision is that, dealers opting to pay compounded tax will have to file their options before 30<sup>th</sup> April. Considering the difficulties faced by Government contractors, the Commissioner will be empowered to condone the delay in filing option, upto the time limit for filing the annual return.
394. As per the CST Act, the assessment provisions of the general sales tax law of a State would be applicable for the CST assessments. But after the introduction of self assessment system in VAT, certain ambiguities exist in this regard. It will be clarified that the time limit for completion of CST assessments would be the same as per the provisions of VAT Act. It will also be stipulated that self assessment shall not be completed under VAT and CST, unless all the statutory forms and statements are filed.
395. The receipts of Kalyanamandapam, Auditoriums and Convention centres etc. excluding food, are liable for luxury tax under the Kerala

Tax on Luxuries Act. It is noticed that luxury tax is being evaded by misclassifying the receipts under various heads like donation, other miscellaneous charges etc. To curtail these practices appropriate amendment would be made in the Act.

396. As per Section 67(1) of the KVAT Act, the case relating to offence detected shall be disposed off within one year from the date of detection unless extension of time is granted by Deputy Commissioner. The Deputy Commissioner can extend the time upto three years. It is a fact that in the era of information technology, many complex investigations will not end within three years. There is also a situation whereby the tax evaders does not co-operate with the investigation. The evaders themselves may pose major hurdles in the processing of files and in the end they will raise the plea of limitation. Hence, in the interest of State, revenue the above provision will be dispensed with.
397. The existing KGST Tribunal benches at Trivandrum, Ernakulam, Kottayam and Calicut will be empowered to hear VAT appeals. For this purpose the powers and the structure of the Tribunal will be suitably modified.

### **E-Governance**

398. The e-governance programme implemented in the department had a significant role in making the tax administration transparent and accurate. But it is noticed that the capacity of the existing server is causing hardship to the officers and the dealers. Hence state-of-the-art

servers with enhanced capacity will be installed shortly in the department.

399. A programme will be implemented in collaboration with Director General of Foreign Trade for online processing of export refunds and online verification of export documents.
400. A separate wing headed by a technical expert will be established in the Commercial Taxes department for enhancing the technical expertise in e-governance. Technical Training will be imparted to the departmental staff . Further a Special Cyber Squad will also be formed.
401. The programme for issue of notices to dealers, assessment orders, demand notices etc. in the Commercial Taxes Department through online facility, will be commissioned shortly.

### **Infrastructure Development**

402. The construction of the building complex at Palakkad will be completed in this year itself.
403. As part of modernization, to replace obsolete vehicles and to provide vehicles for the newly formed Audit Assessment Wing, Economic Intelligence Wing and to strengthen the Intelligence Wing, necessary number of vehicles will be purchased. GPS Systems will be implemented to improve the control and efficiency of the Intelligence Squads.

404. A facilitation centre at Palakkad railway station will be made functional immediately. Steps would be taken to start facilitation centre at the three major airports and at the railway stations at Kozhikode and Thrissur.
405. Consequent to the expansion of infrastructural facilities in Commercial Taxes Department, for the effective and speedy maintenance works of weighbridges at check posts and departmental vehicles, a Mechanical Engineering Division will be formed.

### **Training**

406. The Head Office of the national level, Gulati Institute of Finance and Taxation will be inaugurated at Sreekariyam in Thiruvananthapuram, in the month of February, 2014. Training will be imparted to the officials of the Commercial Taxes Department under the aegis and co-operation of this institute.

### **Kerala State Financial Enterprises**

407. In the sector of Chitty business, KSFE is on the path of growth. All KSFE branches have been computerized. From next year onwards, Chitty auction will be conducted through online facility.

## Conclusion

408. Sir, Comprehensive development and welfare of the people of the State is the main mission of the Government. I conclude with the gratitude that projects and programmes for the development of the State could be formulated in the past two budgets for fulfilling this aim.
409. The general economic slow down prevailing in the country has reduced the total consumption in the State which resulted in decline in growth of the state's revenue. But more stress has to be given for development expenditure. In the budget for 2014-15 an increased allocation by ₹ 7010 crore has been made for development expenditure compared to that for the current year. In this situation wiping off the revenue deficit as stipulated in the Kerala Fiscal Responsibility Act has become a difficult target to achieve. Realising this, I present the budget anticipating a revenue deficit of 1.53 % and fiscal deficit of 3.10% of GSDP for 2014-15.
410. Now, let me present the abstract of the Revised Estimate for 2013-14 and the Budget Estimates for 2014-15.

### Revised Estimates for 2013-14 (₹ in crore)

Revenue Receipts	54966.85
Revenue Expenditure	61175.20
Grants for creation of capital assets	4318.60

Revenue Deficit	(-) 6208.35
Actual Revenue Deficit	(-) 1889.75
Capital expenditure	5877.59
Loans & Advances (Net)	(-) 1054.42
Public debt (Net)	11844.38
Public account (Net)	864.36
Overall Surplus/Deficit	(-) 431.62
Opening balance at the beginning of the year	86.15
Closing balance at the end of the year	(-) 345.47

**Budget Estimates for 2014-15 (₹ in crore)**

Revenue Receipts	64842.35
Revenue Expenditure	71974.04
Grants for creation of capital assets	5078.68
Revenue Deficit	(-) 7131.69
Actual Revenue Deficit	(-) 2053.01

Capital expenditure	6611.35
Loans & Advances (Net)	(-) 655.43
Public debt (Net)	13721.86
Public account (Net)	821.16
Overall Surplus	144.55
Carry over Surplus/Defitict	(-) 345.47
Closing Balance	(-) 200.92
Additional expenditure announced	1398.80
Concessions announced	125.55
Additional Resource Mobilisation	1556.35
Cumulative Deficit at the end of the year	(-) 168.92

411. Vidhurar says in the Mahabharatha:—

*"Chakshusha manasa vacha*

*Karmana cha chathurvidham*

*Prasadayathi yo lokam*

*tham loko anupraseedhathi"*

412. "Those who make others happy with their frame of mind, speech and actions are in turn rewarded with happiness".
413. The eyes, heart, words and deeds of the U.D.F are always with the people and for the people. This was the aspect which I projected in my previous three budgets. For the same reason the people are happy and so also the U.D.F. We are bound to go ahead on the same track.

**'JAI HIND'**



**BUDGET  
SPEECH**  
2014-15