

Hon'ble Speaker,

1. Now I take up Part II General which includes sectors other than those directly related to agriculture and taxation proposals for 2012-13.

A New Dimension to Administration

2. Development is the 'Mantra' of our Government. As soon as I assumed office on 4th August 2011 as the Chief Minister I pledged to consolidate the achievements made so far and to give a new dimension to administration and provide more impetus to development.

3. The benefits of government schemes should reach the beneficiaries in time. The benefits should reach the farthest person in the society. In addition to stepping up the pace of development it also has to be all inclusive. Our aim is to achieve development centric and transparent administration with no scope for red-tapism. In order to achieve this objective a new approach to administration is necessary. Therefore the Karnataka Guarantee of Services to Citizens Act has been brought into force. With this the citizens would get better services and facilities. Henceforth no government servant would adopt dilatory tactics with the people while rendering the services. It is mandatory to provide the services within the stipulated time. I would provide further details in the coming paragraphs.

4. Change is a continuous process. Change is inevitable for progress and reforms. Therefore attempts have been made to give a new dimension to the administrative machinery to adopt a new path.

ಹೊಸ ಹಾದಿಯನು ಹಿಡಿದು ನಡೆಯಣ್ಣು, ಮುಂದೆ !

ಹೊಸ ಜೀವ, ಹೊಸ ಭಾವ, ಹೊಸ ವೇಗದಿಂದೆ.

ಜಗಕೊಂದು ಯುಗಕೊಂದು ಹೊಸ ಹೆಸರು ಬೇಕು ;

ನಗಗೊಂದು, ಬಗಗೊಂದು, ಹೊಸ ಕುಸುರು ಬೇಕು ;

ಹೊಸತನವೆ ಜೀವನದ ಪ್ರಗತಿಯ ರಹಸ್ಯ ;

ಹೊಸತನವೆ ಮನುಜತೆಯ ಮೈಲಿಯ ಲಾಸ್ಯ !

5. As stated by the famous poet Sri Gopalkrishna Adiga in the poem, our government is making efforts to give a fresh approach and renewed pace in all fields, including administration and development.

6. Our main priority is to provide an equitable and non discriminatory administration. The government is making sincere efforts for welfare of all citizens treating them as one transcending regional feelings.

Macro Economic Situation

7. The overall macro economic situation during 2011-12 has been full of uncertainties and challenges. The optimism regarding strong growth in the national economy at the time of presentation of Budget 2011-12 did not materialize. At that stage global recovery was anticipated and the Indian economy was expected to return to the earlier growth trajectory. Industrial sector was regaining its momentum. Other than inflation, there was not much cause for concern.

8. However, the economic events have unfolded quite differently towards lower growth in the country. The national economy is expected to grow at 7 per cent only, much lower than the potential of 8 to 8.5 per cent. While some easing of the monetary policy may be expected during the year, it will take some time before the investment climate picks up again.

9. The revival of market facing investments will require strong and coordinated policy responses at national level. The State Government had expected strong policy initiatives from the Government of India to take the economy back to its high potential growth level. I find that the Union Budget has little to offer to spur investments.

10. For government facing investments at the state level, the State Government within its limited resources through this Budget will attempt to place emphasis on infrastructure investments.

State's Economy

11. 2011-12 has been a difficult year for the State's economy also. In addition to high inflation, tight monetary policy, contraction in fixed capital formation as proportion of GDP, and sharp economic slowdown witnessed at the national level, Karnataka's economy had to weather drought in large parts and ban on mining.

12. As a result of the extensive drought, agriculture sector is estimated to contract by 2.9 per cent during 2011-12 as compared to very strong growth of 13.3 per cent in the previous year. The growth in mining sector

is also expected to be low at 1.6 per cent. The services sector, a strong aspect of Bangalore's economy, has done very well with growth of 10.6 per cent. Despite the drought and the mining ban, the state's economy is expected to grow by overall 6.4 per cent during 2011-12 in real terms.

13. Gross State Domestic Product at current prices is expected to grow at 14.9% and reach Rs. 4,65,551 crore in 2011-12. The growth rates of agriculture, industry and services in nominal terms are expected to be 9.1 per cent, 11.5 per cent and 18.5 per cent respectively. In real terms, these are likely to be minus 2.9 per cent, 3.6 per cent and 10.6 per cent with overall growth of 6.4 per cent.

14. The continuing economic slowdown may have adverse implications for the state's own revenues during the year, if the investment climate does not become positive again in near future.

Guarantee of Services

15. Karnataka Guarantee of Services to Citizens Act, 2011 approved by this august House in the previous session reflects our strong commitment to ensure efficiency, transparency, timeliness and accountability in provision of basic services to the citizens. The current scope covers 151 services across 11 departments. The implementation has been launched on a pilot basis in 4 talukas, one per revenue division along with an office of BBMP. Commercial Tax Department has taken the initiative to implement it across the State from the beginning itself. So far about 87000 service requests

have been received of which about 80 per cent have already been delivered much before the stipulated time. The implementation across the entire State and in all 11 departments will be rolled out from April 2nd 2012, ushering in a new culture of good governance.

Plan Performance during 2011-12

16. The State Plan size for 2011-12 was set at Rs. 38070 crore. During the course of the year, there were demands for additional resources in some sectors, while some others have potential savings due to slow implementation. This august House had approved additional plan funding of Rs. 4944 crore in first two Supplementary Estimates. The Government will be seeking approval for the third and final installment of the Supplementary Estimates involving plan funding of Rs. 2327 crore. These additional requirements have been met from additional resources mobilized during the year through better tax efforts and through savings under certain schemes.

17. The plan expenditure from the State Budget up to February 2012 has been 20 per cent higher than the expenditure in the same period during 2010-11. Overall, the Government expects to achieve the State Plan target fully, which will be 22 per cent higher than the achievement of Rs.31154 crore during 2010-11.

12th Five Year Plan

18. The 12th Five Year Plan commencing from April 2012 is expected to define the overall contours of Karnataka's development agenda during the

next 5 years. It will have to factor in the broad national agreement on objectives and challenges for 'faster, more inclusive and environmentally sustainable growth'. Detailed papers for key sectors are being prepared by the State Planning Board through sixteen Working Groups with experts drawn from both within and outside the government to provide inputs for the 12th Plan.

19. The investment focus during the 11th Plan was on five sectors namely Irrigation, Transport, Energy, Urban Development and Education accounting for 59 per cent of the total State Plan outlay. The priorities for the 12th Plan will be finalized after considering recommendations of the Working Groups and consultations with the stakeholders.

20. As compared to the approved outlay of Rs. 101664 crore for the 11th Plan ending in March 2012, the likely achievement of Rs. 114152 crore is estimated to be 112 percent, in spite of the adverse impact of the economic slowdown during 2008-09 and 2009-10. With this achievement, Karnataka continues to maintain one of the higher per capita plan expenditure.

21. For the 12th Plan beginning from 2012-13, the estimated resources are Rs.195816 Crore at 2011-12 prices. As compared to the achievement of the 11th Plan, the outlay for the 12th Five Year Plan is expected to be 33 per cent higher at 2006-07 prices.

Focus of Budget 12-13

22. What are my priorities and how do I propose to achieve these?

23. It is only through growth that we can achieve increase in per capita income.

24. The national picture as it emerged in the union budget is not encouraging. The growth rate of 6.9% during 2011-12 would go up to only 7.6% during 2012-13 as against potential of 8.5%. I have already outlined my priorities and strategy about Agriculture and allied activities.

25. Despite the global and national challenges, I propose through this budget to not only achieve good growth but inclusive growth. We will achieve this through various interventions. These will cover strengthening areas of human capital through investments in education, health, drinking water supply and social welfare. We will also strengthen physical capital through infrastructure investments in the areas of energy, roads, ports, housing, skill development, business and industrial development. At the same time, we will ensure social protection of weaker sections and their inclusion in the overall growth process. Our governance mechanisms need to be strengthened for being citizen friendly, quick, and accountable. These will be done through capacity building for government staff and use of information technology.

26. The government budgetary outlay is not adequate for the gigantic tasks at hand. We also need to leverage private capital in the form of PPP. We have made some progress in this form of investment. Karnataka has a large reach of commercial banks and branches. We would like to utilise the commercial banking channel

by constant review and monitoring of the banking sector through the State Level Bankers Committee (SLBC) forum. At the same time cheaper credit through multilateral financial agencies as in the past will also be tapped.

Budget Size and State Plan 12-13

27. I am happy to announce that this budget facilitates a total expenditure of Rs. 102742 crore on various development activities and regulatory functions of the Government, which is an increase of 20.42 per cent over the budget of Rs.85319 crore in 2011-12. This is the first time the budget size has exceeded Rs. 1 lakh crore. The Government is committed to ensure that this large outlay is well utilized for overall development of the State and its people.

28. Major sector-wise allocations are shown at Annexure-1.

29. The State Plan outlay for 2012-13 has been kept at Rs.42030 crore. This will be 10.4 per cent larger than the outlay for the current financial year.

Energy

30. Ensuring adequate supply of electricity at affordable prices is a major challenge facing the State Government for facilitating overall economic development. Electricity consumption has been increasing very significantly in recent years putting pressure on the gap between demand and supply of electricity.

31. Peak demand during this year has already reached 8506 MW as compared to the highest peak demand of 7815 MW last year. Similarly highest consumption recorded this year in a day is 181 MU as compared to 172 MU last year.

32. The electricity utilities have placed orders for purchase of 780 MW of round the clock power and 300 MW of peak power to meet the increase in demand. In addition, the State Government has directed all the generators within the State to provide power to the state grid, facilitating availability of another 400 MW. Advance action has been taken to procure power for 2012-13 by placing orders for purchase of 1280 MW till 15th June 2013.

33. During the past four years the government has provided equity support of Rs. 3500 crore to the electricity utilities for augmenting generation, transmission and distribution capacities. This support is in contrast to nil equity support during the previous 13 years. The lack of support from the government in those years contributed significantly to widening of the gap between demand and supply of electricity.

34. In spite of our best efforts in establishing new generation capacity, the major constraints faced by State Government are in getting the required coal linkages and environmental clearances for our plants from the Central Government. The matter has been taken up time and again with the Central Government but nothing much has been received except advice to wait.

35. Additional generation capacity 500 MW second unit of BTPS and 600 MW second unit of UPCL is expected to be added during 2012-13. The implementation of 3rd unit of 500 MW at Bellary, 2 units of 800 MW each at Yeramarus, and 1 unit of 800 MW at Edlapur are underway. Works for 1500 MW Chattisgarh Thermal Power Plant, 700 MW Gas Plant at Bidadi, both being set up by KPC, and for 4000 MW Thermal Plant by NTPC are expected to commence during 2012-13.

36. Niranthara Jyothi Project with a total outlay of Rs.2182 crore for providing 24 hour power supply to rural households is expected to be completed during 2012-13. During 2012-13, establishment of 83 new sub-stations along with associated transmission lines and augmenting capacity of 117 existing sub-stations at a total outlay of Rs.610 crore have been envisaged.

37. During 2012-13, electric supply to new 5000 drinking water supply installations and 50,000 irrigation pumpsets has been planned.

38. The Government has released Rs.100 crore for augmenting infrastructure requirement for regularization of irrigation pump sets. A similar support will be provided to ESCOMS during 2012-13.

39. Good progress has been achieved in promoting renewable energy with addition of 441 MW in 2011-12 itself. A Green Energy Fund will be set up by levying surcharge of 5 paise per unit on industrial and commercial consumers. The surcharge will be complemented by support of Rs.25 crore from the State

Budget during 2012-13. The resources available in the Fund will be utilized to encourage rooftop grid connected solar projects.

40. For demand side management, energy conservation building code has been formulated, which will be made mandatory in a gradual manner across different types of buildings. The pilot project at Doddaballapura Taluk for replacement of existing pumpsets by energy efficient star rated pump sets has given encouraging results, reporting energy savings of about 25 per cent. This pilot will be expanded over a wider implementation area.

41. Total outlay of Rs. 10289 crore for the energy sector during 2012-13 is envisaged in the Budget.

Roads

42. Total outlay of Rs.4380 crore, the highest so far in any year, has been provided for improvements, renewal and maintenance of state highways, major district roads and rural and city roads during 2012-13. This outlay will be complemented by private investments through Public Private Partnerships. The outlay for maintenance has been increased significantly to Rs.1215 crore with an increase of 32 per cent.

43. The Government has formulated State Highway Development Programme (SHDP) involving strengthening of 4132 km and renewal of 3122 km road length. The total outlay of SHDP is Rs.2797 crore. The bids for Phase-1 of SHDP with outlay of around Rs.1000 crore covering the roads between district to district and district to taluka headquarters in the same

district will be called within April 2012. A provision of Rs. 500 crore is being made for SHDP in 2012-13.

44. The Government is also giving high priority to improvement and maintenance of major district roads. During 2011-12, 2181 new works with total outlay of Rs.2153 crore have been approved. Never before was such a large volume of works approved in Appendix E. These works will be taken up during 2012-13.

45. The contracts for State Highway Improvement Projects with total length of 885 km with loan assistance from World Bank and Asian Development Bank have been awarded during 2011-12. It is expected that these two projects can be completed over the next 2.5 years. In addition, planning and procurement process for 562 km road improvement through annuity mode of financing is underway.

46. Karnataka Road Development Corporation Limited has taken up improvement of 630 km of road length at an estimated cost of Rs.1816 crore through a mix of annuity, BOT-VGF mode of PPP. In addition, procurement process for maintenance, operation and toll of 1191 km of State Highways is planned to be completed within 2012-13. Projects for bypass roads for Ramanagara and Channapatna towns on PPP basis are being formulated.

47. A package of total Rs. 75 crore will be provided for improvement of roads in Kodagu district out of the allocations made for Public Works and Rural Development and Panchayati Raj departments.

48. Budget of Public Works Department has been restructured by consolidating schemes with smaller outlays into two broad programmes focusing on state highways and major district roads.

Infrastructure

49. Government has accorded a very high priority to facilitate private capital and efficiency in infrastructure sector. An Infrastructure Bill to facilitate more projects on Public Private Partnership basis through transparent and accountable procedures having statutory backing will be brought before the Legislature.

50. A comprehensive Karnataka Strategic Infrastructure Investment Plan with a large bouquet of investment ready infrastructure projects in 12 sectors is being prepared with assistance of competent consultants and transaction advisors. The Government is also proactively building capacity of its officers in economic and social infrastructure sectors to identify, design, develop and monitor the projects through the PPP route.

51. Bangalore International Airport developed on PPP model has undertaken the expansion of Terminal I at a cost of Rs.1,479 crore. The expansion will be completed by December 2012 and the airport will be able to handle 17.5 million passengers per annum as compared to existing capacity of 11 million.

52. Shimoga and Gulbarga airports undertaken on PPP mode will be made operational during this fiscal

year. The expansion of Hubli and Belgaum airports will also be undertaken. The Airport Authority of India is expected to invest Rs.150 crore on Hubli and Belgaum airports.

53. The work of laying natural gas pipeline from Dhabol to Bangalore by Gas Authority of India Ltd (GAIL) is expected to be completed in this fiscal year. A Joint Venture Company with GAIL and Karnataka State Industrial Infrastructure & Development Corporation has been formed to provide clean fuel for power plants, transport vehicles, industries and households in and around Bangalore.

54. Short listing of bidders and preparation of Detailed Project Report for development of a Sea Port at Tadadi on PPP mode at an estimated cost of Rs.3,000 crore with handling capacity of 35 million tons per year in Phase-I has been completed. The project will be taken forward with the help of Central Government.

55. Work on the sea coast management project at Ullal at a cost of Rs. 170 crore funded with loan assistance from Asian Development Bank is expected to commence during 2012-13.

56. Hinterland connectivity is being ensured by taking up Hubli-Ankola Railway Line project further. Indian Institute of Science has prepared Environment Impact Mitigation Report. The Ministry of Environment & Forest and Central Working Committee of Supreme Court of India will be requested to give environmental clearance so that the project can be taken forward. Development of road network to connect Karwar and Tadadi port will also be taken up.

57. The State Government has proposed three new railway projects, namely Gadag-Wadi, Gadag Haveri and Srinivasapura – Madanapalle under cost sharing arrangements with Ministry of Railways. 2,293 acres of land has been handed over to the Railways in a record time of six months for smooth construction of the projects. During 2012-13, the railway lines between Kadur and Chickmagalur, Ramanagara to Mandya rail line doubling, Shravanabelagola to Hirisave and Nelamangala to Soluru are planned to be completed. Rs.445 crore has been earmarked in the state budget for implementation of the projects.

58. Design process for the Convention Center at Devanahalli at an estimated investment of Rs.250 crore is planned to be completed within the next six months. Work on the project under EPC contract is expected to commence within 2012-13.

Urban Development

59. With acceleration of the demographic shift towards urban habitations, orderly and well planned urban development is critical for overall economic development of the state. Total outlay of Rs. 8797 crore has been provided for urban development.

60. Chief Minister's Nagarothana Yojana (CMSMTDP) taken up with an outlay of Rs.1454 crore in all cities and towns has been a remarkable success in this endeavor with a turn-around in the municipal infrastructure conditions. Learnings from this project will be used to further improve the choice of projects and implementation mechanism to make the programme more effective. Phase II of this programme

focusing on large infrastructure projects for water supply and UGD alone with a total outlay of Rs.1591 crore will be launched during 2012-13 and will be completed in 3 years.

61. A project for providing water supply and sanitation in 74 towns not covered so far under any major project will be launched by leveraging their resources to mobilize loans from the institutions and financial markets.

62. Bulk water supply for Mangalore city has been augmented under ADB assisted KUDCEM project. The distribution network continues to be inadequate. The current intermittent water supply system will be converted into 24 x 7 system through PPP mode at total cost of Rs 146 Crore. The work is planned to be commenced within 2012-13.

63. The pilot project of 24 x 7 water supply system in demonstration zones of Hubli-Dharwad, Belgaum and Gulbarga will be expanded to entire area of these 3 cities in PPP mode at total project cost of Rs. 1700 Crore. For this purpose, the proposal has been recommended by the Central Government to the World Bank for loan assistance. Tendering process will start during 2012-13 by floating the pre qualification tender.

64. A master plan to cover all urban areas within the next 5 years for adequate water supply will be prepared. The role of KUWS&DB will be made more focused as a bulk water transmission entity for all urban areas through suitable legal, administrative and financial measures. Role of the urban local bodies in

water distribution will be made clearer in line with the 74th Constitutional Amendment. Necessary steps will be taken to ensure that their technical and managerial capacity is accordingly enhanced.

65. Towards the goal of more transparent and accountable administration, Ward Committee and Area Sabha will be operationalised in all the City Corporations during this year.

66. The state will actively participate in the National Livelihood Mission of the Central Government and also Rajiv Awas Yojana (RAY) to meet the needs of the urban poor. In order to provide an equitable right to livelihood to the Street Vendors, a Bill in line with the National Policy will be introduced in this august House.

67. Assistance will be provided for setting up Auto-Nagara in Mysore through PPP.

68. A grant of Rs 2 crores will be provided to the Hawkers (mobile small traders) Cooperative Society in Mysore city.

69. 13th Finance Commission Performance Grants of Rs. 172 Crore will be provided as incentives to Urban Local Bodies. Suitable guidelines will be formulated to assess the performance in an objective manner.

Development of Bangalore

70. Metro Rail has become a reality in Bangalore with inauguration of 6.5 km Reach-1 from Baiyappanahalli to Mahatma Gandhi Road. Within the next 9 months opening of another 10.4 km is planned. The entire Phase 1 is expected to be completed by

December 2013. An outlay of Rs. 500 crore has been made for the metro project.

71. The State Government has approved the Phase-2 consisting of 4 extension lines and 2 new lines with a total length of 72 km at a total cost of Rs. 26405 crore. The 4 extension lines will give the much needed last mile connectivity to the commuters. The two new lines traversing through some of the densest and traffic congested areas of Bangalore are expected to provide connectivity to the Information Technology industry. The Government of India has been requested to participate and part-finance the Phase-2 as has been done for Phase-1. The work on Phase-2 is planned to commence during 2012-13 for completion by 2017-18.

72. BBMP will take up five important signal free corridor projects with a total length of 51.5 km during the year 2012-13 at an estimated cost of Rs.426 crore to ease traffic congestion. In addition, important roads will be taken up on Tendersure design norms at a total outlay of Rs.200 crore. Construction of 8 parking complexes and solid waste management infrastructure projects both at a cost of Rs.200 crore each are planned to be started during 2012-13. Sixteen methane generation projects by using wet solid waste will be taken up through PPP mode.

73. Total financial support of Rs.1000 crore will be provided to BBMP for financing major selected projects including road, parking and solid waste management infrastructure during 2012-13.

74. Cauvery Water Supply Scheme - Stage IV - Phase II is likely to be completed by September 2012 bringing additional 500 MLD water to the city and thereby giving much needed relief to the outer areas. The implementation of projects for reducing unaccounted water, UGD systems, and treatment plants is planned to be stepped up. Allocation of Rs. 1000 crore for BWSSB has been made.

75. The Government will come out with a policy to facilitate vertical instead of horizontal development in Bangalore.

76. BDA has planned to commence development of Kempegowda Layout, improvement of outer ring road for seamless connectivity and construction of elevated roads. Project preparation and land acquisition for Peripheral Ring Road are also planned to be taken up during 2012-13.

77. The Government is deeply conscious of the need to preserve lakes and water bodies. A budget allocation of Rs. 50 crore to be complemented by an equal amount by BDA and BBMP will be provided during 2012-13 to protect, restore and rejuvenate lakes in Bangalore.

78. An overall outlay of Rs.6895 Crore will be funded for various infrastructure projects and works in Bangalore taken up by various agencies.

Rural Development and Panchayat Raj

79. Total outlay for rural development including grants from Government of India during 2012-13 has been set at Rs.6771 crore.

80. The focus during 2011-12 which is proposed to be continued during 2012-13 has been on ensuring adequate safe drinking water, employment generation and sanitation. During 2011-12, it is expected that completion of water supply schemes in 6321 villages, generation of 447 lakh mandays, total sanitation benefits to 3,69,000 families, and construction of 2981 km of rural roads will be achieved.

81. Additional 1000 villages will be taken up under the fifth phase of Suvarna Gramodaya Yojane in addition to completion of all villages approved up to the fourth phase. An outlay of Rs.400 crore is being provided for this initiative.

82. Development of 20 km road per rural constituency will be completed during 2012-13. Development projects for another 30 km of rural roads per constituency will be launched during 2012-13.

83. Construction of office buildings for 282 Gram Panchayats without their own buildings will be taken up during 2012-13 at a cost of Rs.20 lakh per building by utilizing 3th Finance Commission grants.

84. Untied grants to Grama Panchayats with population of above 8000 will be increased to Rs 10 lakh per year. Untied grants of Rs. 2 crore to each Zilla Panchayat and Rs. 1 Crore to each Taluk Panchayat will be provided.

85. 13th Finance Commission Performance Grants of Rs. 390 crore will be provided as incentives to PRIs. Suitable guidelines will be formulated to assess the performance in an objective manner.

86. An allocation of Rs.10 crore would be provided to monitor on-line progress and implementation of all the development works replicating the pilot project successfully implemented in Raichur district through GIS application.

87. Computer systems and skills at Gram Panchayats will be strengthened by utilizing the 13th Finance Commission grants to enable them for implementation of Karnataka Guarantee of Services to Citizen Act. Over the Counter Services like issue of RTC copies will also be enabled at Grama Panchayat level.

Area Development

88. The Government is committed to seeking special status for Hyderabad Karnataka Region on the lines of Article 371-D of the Constitution. An Outlay of Rs.2680 crore is being provided for Special Development Programme during 2012-13 for development of backward areas in the state. The implementation strategy for this programme will be refined to make the programme more effective. Devadurga Taluk has a very high incidence of malnutrition in children and very poor special indices. Special development package for this taluka will be taken up.

89. Rs.300 crore has been provided for Karnataka Legislators' Local Area Development Scheme. A web-based MIS has been developed for effective monitoring of the scheme.

90. A total outlay of Rs.125 crore is being provided for Hyderabad Karnataka Development Board, Malnad Development Board, Bayaluseeme Development Board and Karavali Development Pradhikara.

Education

91. Within one decade, Karnataka has by and large reached 100% access for primary education moving from a situation of children without schools to schools without children. The coming decade will focus on quality rather than quantitative aspects.

92. Karnataka State Quality Assessment & Accreditation Council will function as independent entity to assess the quality of learning at school education stage. Through State Institute for School Leadership Education Planning and Management (SISLEP) established at Dharwad, it is proposed to provide administrative training and enhance leadership skills of educational functionaries working at school, block and district levels.

93. The Government will be implementing the Right to Education Act from the year 2012-13, and seeks full Co-operation from the privately managed schools.

94. The State Government has decided to meet a longstanding demand of the privately managed schools. Schools and PU colleges started up to 1994-95 and meeting the norms will be provided grant in aid.

95. New text books containing new curriculum and syllabi based on ten core elements specified in NCF-2005 will be introduced for V and VIII standards in the academic year 2012-13. The state will adopt text books prepared by NCERT for the Science combination at Plus 2 stage from 2012-13.

96. Three SSLC toppers from Government high schools in each block will be given computers. Similarly,

the talent of children in the areas of sports and cultural activities will be recognized and awarded.

97. Assistance for Bharat Scouts and Guides is being enhanced to Rs.2 crore.

Higher Education

98. A long term integrated policy on Higher Education is contemplated and to transform the State as Knowledge Capital of India as well as global centre of educational excellence. The policy will be developed with assistance of Karnataka Knowledge Commission and Higher Education Council.

99. In order to improve the administrative and academic quality in higher education, Quality Cells will be established in the Head Office and in all colleges. Capacity Building Cell would be set up to enhance capacity of faculty members towards providing good quality teaching to students.

100. New need based courses and combinations will be started and unnecessary courses and combinations will be removed.

101. Janapada University is being provided an allocation of Rs. 7.5 crore.

102. Jain Vidya Peetha will be established in Mangalore University. Assistance of Rs.1 Crore will be provided for this purpose.

Health

103. Provision of comprehensive preventive, promotive, curative and rehabilitative health care to the people of the State is one of the priority areas of the Government.

104. The implementation of innovative programmes like “Madilu”, “Prasoothi Araiike”, “Thayi Bhagya” has helped in reducing Infant Mortality Rate to 38 per thousand live births and Maternal Mortality Ratio to 178 per one lakh live births. The national averages for these parameters are 47 and 212 respectively.

105. Infant Mortality Rate is a very sensitive indicator which reflects on the socio economic development of people of a particular geographic region. For accurate reporting Rs.500 per case will be provided to ASHA workers.

106. In order to mitigate the problem of iron and iodine deficiency, pregnant women and lactating mothers would be provided with free supply of double fortified salt through the public distribution system. In all the Food and Nutrition Programmes of the State Government like ICDS, Mid-Day meals in the schools, double fortified salt will be used.

107. The incidence of Vector Borne Diseases like Malaria, Dengue, Chickangunya has declined considerably compared to the previous year. No deaths were reported in the State during the calendar year 2011 due to Malaria.

108. The Vajpayee Arogyashree Scheme which is being implemented in 13 districts of Gulbarga and Belgaum revenue divisions has received wide appreciation from the general public. So far treatment at a cost of Rs.102 crore has been provided to beneficiaries. During 2012-13, the scheme will be extended to other two revenue divisions, thus covering the entire state.

109. A Health Information Help Line will be established during 2012-13. Any person who desires to seek medical advice or any health related information can contact the help line through a toll free telephone number.

110. A legislation will be enacted making it mandatory for the MBBS undergraduates and post-graduates to serve one year in rural areas immediately after successful completion of the Course. Only thereafter they will be made eligible for permanent registration with the Karnataka Medical Council.

111. It is proposed to hike penalty rates for MBBS and Post-graduate doctors who avail concessional seats in Government Colleges and Government seats in private colleges but opt not to serve the Government after successful completion of the course as stipulated in the relevant rules.

112. Ayush units in all taluka hospitals will be established in a phased manner. 15 such hospitals would be started during the year 2012-13. One time investment incentive will be provided to the new units set up for production of Ayush medicines.

113. An exclusive policy for promotion of pharmaceutical sector in a holistic way will be formulated.

114. Around 65,000 people living with HIV are availing free ART medical services every month. Many of these people, not being able to bear the travel costs do not avail these facilities, graduating to a critical state of AIDS. The State Government will bear their travel costs.

115. Under NACO's guidance, global agencies had undertaken the 'Link Worker Scheme' in thirteen districts to strengthen care and support system. This programme ends in March, 2012. The State Government will support the programme till NACO takes over in a phased manner

116. The outlay for Health and Family Welfare is being increased to Rs. 3391 crore.

Medical Education

117. The Government has sought approval from the Government of India for increasing intake in government medical colleges. Upgradation of identified state autonomous institutions to national institutes has also been requested. The Government is hopeful of receiving approvals during 2012-13. The state share for upgradation of infrastructure and other costs in these colleges and institutes will be provided.

118. A full fledged unit of Sri Jayadeva Institute of Cardiology will be set up in Mysore. Rs. 5 Crore is being provided to commence the work.

Skill Development and Labour

119. State Government has set a target of providing skill training to 4.5 lakh unemployed youth during 2012-13 to make them productive and employable through Private-Public participative strategy.

120. The high-tech multi-skill development centers being set up at Bangalore and Gulbarga at a cost of Rs. 84 crore with technical support by GIZ-IS, a German Government agency, and part financing from the

Government of India will be made fully operational during 2012-13. Request will be made to the Government of India and GIZ-IS to approve and part finance two more centers for Karnataka at Belgaum and Mangalore.

121. Government Tool Room and Training Centers with annual intake of 1062 trainees play an important role in providing highly skilled manpower for the manufacturing industries in the state. Up-gradation of infrastructure and installation of state of art machinery and equipment in 17 Centers at a cost of over Rs.80 crore will be completed in 2012-13.

122. The pension benefits under the NPS-Lite Swavalamban will be extended to another 32 occupational groups of unorganized workers such as fishermen, beedi workers, sanitary workers, barbers, security guards, street vendors, sericulture workers and others, in addition to the existing 7 categories.

123. Free insurance benefits, covering natural and accidental deaths, permanent disability due to accident and educational scholarships will be provided to 20 lakh unorganized workers under Janashree Bima Yojana in association with LIC. Government will bear each beneficiary's share of Rs.100 towards the premium. To implement the said scheme Rs. 20 crore will be provided.

124. The services under 10 major Labour Legislations enforced by Labour and Factories and Boilers Departments will be made available online to reduce the time, money and efforts of citizen to avail them.

Rs.5 crore is allocated to implement this 'Karmika' computerization project.

125. Total outlay of Rs. 554 crore is being provided for skill development and labour welfare.

Social Welfare

126. Total outlay for Special Component Plan and Tribal Sub-Plan has been increased to Rs.7200 crore. Within this outlay, Pooled Funds placed at the disposal of Social Welfare Department have been increased to Rs.1250 crore.

127. Loans upto Rs.25000 given for agriculture and related activities by Scheduled Caste Development Corporation and Scheduled Tribe Development Corporation upto 2005-06 and remaining outstanding till now will be waived along with interest. For the loans given for non-agricultural purposes upto 2005-06, interest will be waived provided the outstanding principal is paid within one year.

128. Monetary limit for purchase of land for SC and ST beneficiaries will be increased to Rs.5 lakh.

129. Eight Atal Bihari Vajapayee Model Schools, two each in a revenue division, will be started at a cost of Rs. 10 crore per school for education of students belonging to scheduled castes and scheduled tribes.

130. For comprehensive development of Safai Karamcharis a Safai Karamchari Commission will be constituted.

131. An expert group will be formed to give a report within six months for improving performance of various

development corporations under Social Welfare Department and for enhancing effectiveness of Government schemes and programmes for welfare of scheduled castes, scheduled tribes and backward classes.

132. Grants for development of scheduled castes and tribes: A sum of Rs 20 crores will be provided for community welfare and educational infrastructure facilities of the Gurupeethas of Shri Chalvadi, Shri Adijambava, Shri Maharishi Valmiki, Shri Madar Chennaih, Shri Siddarameshwara Swami Bhovi, Shri Keteshwara Medar etc.

Backward Classes Development

133. Total outlay for welfare of backward classes has been increased to Rs.1000 crore for 2012-13 from Rs. 760 crore in 2011-12. This is the first time that such a large allocation is being made for the welfare of backward classes.

134. Rs.95 crore will be provided for Ganga Kalyana Scheme for Backward Classes. Focus will be on electrification of 7290 borewells already drilled.

135. 80 Backward Class Hostels will be completed during the year with an investment of Rs.80 crore.

136. 50 new hostels with strength of 100 each will be started and capacity of existing hostels will be increased for another 5000 students. With this measure, additional facilities for total 10000 students will be created.

137. Provision of construction of Morarji Desai Residential (MDR) Schools already sanctioned for

Backward Classes will be increased to Rs.100 crore to complete 35 ongoing works and to take up 15 new works in respect of the sanctioned MDRs.

138. Four Atal Bihari Vajapayee Model Schools, one each in a revenue division, will be started for education of students belonging to backward classes.

139. Annual scholarships to Backward Classes Pre-Matric Hostels has been enhanced from Rs. 75 to Rs. 250 for 5th to 7th standards and from Rs. 100 to Rs. 500 for 8th to 10th standards. For girl students it has been enhanced from Rs. 100 to Rs. 600. For availing this scholarship the annual family income ceiling has been prescribed at Rs. 44,500.

140. Grants for Backward classes: A grant of Rs 75 crores will be provided for special development and for educational infrastructural facilities of the Backward community Gुरुpeethas of Kammar, Savitha Samaj, Ganiga Samaj, Madivala Samaj (Agasa), Nekar, Kumbar, Badagi, Vishwakarma, Darji, Kuruba, Uppara, Balaji (Kaiwara Shri Tatiah Kshetra), Devanga, Vahnikula, Vemanna (Reddy) Samsthan, Arya Idiga, Raju Kshatriya, Maratha Kshatriya, Togadveera, Padmasali, Gangamatastaru, Kunchitiga, Helava, Yadava (Golla) etc. (For details of grants, please see Annexure-2).

141. Another Rs.50 Crore will be utilized for improving infrastructure in the colonies of nomadic and semi-nomadic tribes.

142. A sum of Rs. 50 crores will be provided for reimbursement of fees of Backward Classes students.

143. A Grant of Rs. 10 crores has been earmarked for Sangolli Rayanna Foundation.

Minorities Welfare

144. Total provision of Rs.235 Crore has been made for welfare activities of Minorities.

145. Rs.50 Crore is being provided specifically for promotion of welfare activities of Christians.

146. For improving infrastructure at pilgrimage places relevant for minorities Rs.5 Crore provision has been made.

147. For Shadi Mahal and Community Halls Rs.15 Crore, for Morarji Desai Residential School buildings Rs.55 Crore, for Skill Development Rs. 10 Crore will be provided.

148. Rs. 10 crore will be provided during 2012-13 for construction of Haz Ghar.

Women and Child Development

149. Gender Budget with a total outlay of Rs. 38845 crore is being presented as a part of the overall budget. This outlay indicates direct and indirect benefits envisaged for development of women during 2012-13.

150. Provision of Rs. 500 crore has been made for implementation of Bhagyalakshmi scheme.

151. Nutrition expenses for children in anganwadi centers are proposed to be increased by 15 per cent from April 2012. In addition, specific administrative efforts will be made to ensure proper and efficient utilization of the outlay of Rs. 795 crore for the nutrition programme.

152. Provisions of Rs.75 crore for construction of 1795 new buildings for existing anganwadi centers and Rs.15 crore for maintenance of centers have been made.

153. I am happy to announce that more than 1 lakh anganwadi workers and helpers have been covered under NPS-Lite scheme providing them the much needed social security cover. The State Government will be providing Rs.16.5 crore during 2012-13 as its co-contribution.

154. A job placement cell for physically challenged persons will be set up.

155. Allocation of Rs.8 crore has been made for providing assistance to NGOs running special schools for physically challenged children.

156. A Grant of Rs. 50 lakhs will be provided to service oriented Sumangli Sewashrama Bangalore which looks after women and orphan care.

157. Allocation for activities of Bala Bhawan is being increased to Rs.5 crore. Out of this allocation, Rs. 3 crore will be provided for district level activities.

158. Allocation of Rs.12.5 crore for promoting activities of Stree Shakti Groups including facility of mobile vans for sale of their products will be provided.

159. A scheme for self employment opportunities for transgender persons will be started.

Social Security Pensions

160. Social Security Pensions for eligible persons in the age group of 65 to 80 years are proposed to be increased to Rs. 500 per month from April 2012 onwards. This increase will benefit almost 30 lakh beneficiaries. Total outlay of Rs. 2310 crore has been made for this purpose.

161. During 2011-12, the long overdue exercise of physical verification of social security pensioners was undertaken. Over 8 lakh cases of duplicate, non-existent and ineligible pensioners have been found and suspended from the disbursement.

Housing

162. Total Outlay of Rs. 1439 crore is being provided for Housing sector.

163. Subsidy under the Housing Scheme in the state will be increased from Rs. 50,000 to Rs 75,000 and the per unit cost for house construction will be enhanced to Rs 1 lakh.

164. The aforesaid facility will be applicable to beneficiaries who commence construction in the year 2012-13.

165. A provision of Rs 75 crores has been made to provide infrastructural facilities in the slum areas in the state in this year.

166. Karnataka Housing Board by implementing the housing projects is providing affordable housing to the low, middle and high income groups in urban areas all over Karnataka. In order to further increase the housing stock and also to explore the possibilities of private investment in Affordable Housing segment, Government propose to make suitable changes in the Joint Venture Policy of KHB so that private investors can be assisted to procure land for building affordable houses in collaboration with Karnataka Housing Board.

167. Government is keen to make Karnataka slum free. In this direction we have also announced

Karnataka Slum Re-Development policy for the State which will enable regularization and redevelopment of slums. KSDB in the year 2011-12 have completed 24562 number of houses under IHSDP and BSUP. Apart from this 17183 houses are under progress which will be completed by December 2012.

168. For the first time the government has provided opportunity for constructing houses by beneficiaries on their own agricultural/cultivable lands who do not have their own house-sites. For this purpose the conversion powers have been given to the Tahsildars.

169. For the low income group, government has distributed 1,500 plots at affordable prices in four places around Bangalore under a new scheme –“Nanna Mane Yojane” (Affordable Housing Scheme). In the current financial year it is proposed to extend this scheme to a few more places.

Industrial Development

170. The Government is committed to make Karnataka the preferred destination for investments in the country. The aim is to double Karnataka’s GSDP and provide employment to additional 10 lakh people. Out of 389 MOUs signed in the Global Investors Meet 2010 with investment commitment of Rs. 3.92 lakh crore, 36 projects have been completed already, and 287 are in various stages of completion.

171. The next Global investors Meet showcasing investment opportunities in sixteen sectors including automobiles, aerospace, infrastructure, power, IT, BT

and Textiles will be held in June 2012. The Government expects to attract investment more than Rs.5 lakh crore. The Karnataka Industrial Facilitation Act (2002) is being amended to focus on faster approvals and easier implementation of projects in the state.

172. In memory of Sir M. Visvesvaraya, an industrial area in Chikballapur District will be developed with an outlay of Rs.10 crore.

173. Eleven sector specific parks in various regions focusing on food, gems and jewellery, auto ancillary, machine tool and pharmaceutical will be set up by KIADB with a total outlay of Rs.70 crore. KIADB to develop a land bank across the state with investment of Rs.2000 crore.

174. The small scale industry sector is vibrant in our state providing employment to over 2.5 million people. The long pending investment incentives of Rs 160 crore for these units will be cleared within a period of 2 years.

175. To promote Khadi and Village Industries and to ensure that about 32000 workers working in these institutions are adequately compensated for their labor, Rs 7 crore will be provided.

176. Government will provide financial assistance of Rs.1 crore to Karnataka Khadi Gramodya Samuktha Sangha in Hubli, which is doing a yeoman service in manufacturing national flag for several years.

Textile

177.Total Provision of Rs. 138 crore is being made for various activities related to weavers.

178. Rs. 60 crore is being provided for the Weavers Package to be implemented by Textile Department. Another Rs.20 crore is being provided for the Weavers Package to be implemented by Karnataka Handloom Development Corporation.

179. For assisting the weavers shifting from handlooms to power looms, a provision of Rs.10 crore is being made. Rs.10 crore is being provided for living cum work sheds.

180. Readymade garment training center will be set up in Kolar under PPP model

181. Outlay for implementing Textile Policy has been set as Rs.40 crore.

182. Another Rs.20 crore will be provided for other welfare activities relating to construction of hostels, community halls, etc for the weavers and their children.

Tourism

183. Karnataka received 8.46 crore in-bound tourists In 2011 with 70% increase in number of inbound international tourists. Tourism infrastructure will be strengthened, for which an outlay of Rs.100 crore has been made besides Rs.50 crore for development of roads relevant for tourism activities. The government will provide land for tourism projects to be developed on public-private partnership basis.

184. Emphasis will be on skill development and capacity building for bridging the huge gap in demand and supply in skilled man power in the hospitality

sector. Two institutes of hotel management would be setup at Bellary and Mangalore. A Food Craft Institute would be setup at Belur. Private and Government educational institutions would be encouraged to offer short-term vocational courses in hospitality/tourism skill development.

185. Karnataka Tourism Trade Act would be enacted to ensure the standardization of services.

186. Karnataka's potential in heritage tourism, religious tourism would be harnessed to attract larger number of both domestic and international tourists to the State. A Coastal Circuit would be developed. Heritage Circuits from Hampi to Bijapur, Jain Circuit from Shravanabelagola to Karkala, a Heritage and Buddhist Circuit in Gulbarga, Bidar and Yadgir districts would be developed. Wellness circuit covering Bangalore and Mysore would also be promoted. A Theme Park would be set up with public-private partnership at Hesaraghatta.

187. A Janapada Loka will be constructed at a cost of Rs 5 crores at Pilikula Nisargadhama in Mangalore.

188. As a part of 150th Birth Anniversary celebrations of Swami Vivekananda, a laser technology based fountain display would be constructed in Mysore on the lines of Lumbini Garden in Hyderabad, at a cost of Rs 7 crores

189. Total outlay of Rs. 247 crore for tourism sector has been provided.

IT, BT and Science & Technology

190. Total Outlay of Rs. 126 crore has been provided for promotion of Information Technology, Bio-Technology and Science and Technology activities.

191. Assistance of Rs.10 crore will be provided for setting up Solar Power Generation and Research Centre at Challikere Campus of Indian Institute of Science. Provision of Rs.5 crore has been made for K-FIST activities.

Forest

192. Total provision of Rs. 180 crore has been proposed for various plantation activities. Target of raising 600 lakh plantation in 70,000 Ha. and raising 175 lakh of seedlings for distribution among farmers and public has been set for 2012-13.

193. Rs. 20 crore is being provided for construction of quarters for frontline staff and another Rs. 20 crore is being provided for repairs and maintenance of existing quarters.

194. Modernisation and Strengthening of the Forest Force: The forests of Karnataka, especially forests of Western Ghats are rich in rare and diversified species of fauna and flora of the world. A grant of Rs 20 crores has been provided for capacity building and efficiency enhancement of forest department officials, for necessary vehicles, for modern fire fighting equipments, for GIS, for training to staff, for forest research and for

computerization (e-governance) in order to strengthen the department.

195. Controlling conflict between wild animals and humans: In the recent days the conflict between the wild elephants, animals and humans has increased. Effective controlling and finding a solution to this conflict has become a challenge to the government. In this direction, to prevent wild elephants entering agricultural lands and human habitations, in places where the problem is acute, it is necessary to construct trenches and solar fences. For this purpose and for other measures a grant of Rs 10 crores will be provided.

196. Rehabilitation of Families in Forest Areas: To protect families located in National Parks, Sanctuaries and other forest areas from wildlife attack, such families need to be relocated voluntarily. For implementing this programme, a grant of Rs 10 crores will be provided from the pooled fund of the Social Welfare Department. In this year it is proposed take up this work in Hassan and Sakleshpur

197. Western Ghat Task Force: Western Ghat Task Force is functioning through the Forest Department in the State. This task force is working in various fields like Forest Bio-Diversity, environment, water conservation, 'devarakadu' and village forest committee. It is striving to protect Western Ghats through the Forest Department and several other organizations. For the year 2012-13, a grant of Rs 4 crore will be provided for the Western Ghats Task Force programmes.

Youth Services

ಹೊಸ ನೆತ್ತರಕ್ಕುಕ್ಕಿ ಆಲಿಹೋಗುವ ಮುನ್ನ,
ಹರೆಯದಿಲಿ ಮಾಂತ್ರಿಕನ ಮಾಟ ಮಸುಳುವ ಮುನ್ನ,
ಉತ್ಸಾಹಸಾಹಸದ ಉತ್ತುಂಗ ವೀಚಿಗಲ
ಈ ಕ್ಷುಬ್ಧನಾಗರವು ಬತ್ತಿ ಹೋಗುವ ಮುನ್ನ
ಕಟ್ಟುವೆವು ನಾವು ಹೊಸ ನಾಡೊಂದನು,
- ರಸದ ಖಡೊಂದನು.

198. These lines of Gopalakrishna Adiga's poem reflect the overflowing enthusiasm and the power of youth. Our Government has pledged to constructively utilize this overflowing enthusiasm and power of youth in building a new society. More importance has been assigned to youth services and sports activities in the current budget.

199. Total outlay for activities related to youth in various sectors is around Rs. 4534 crore. The growth of a State's Economy depends largely on how it approaches its intellectual capital and young human resources. Addressing employability of youth and building on their inherent skills will be vital for growth of Karnataka. To make the youth segment a "demographic dividend" and empowering them systematically, a Youth Policy will be developed. The policy with a cross-sectoral approach will encourage key organizations and departments to work together, to share resources, prevent duplication, increase efficiencies and motivate all relevant sectors to take responsibility for young people. Rs.25 crore will be provided for implementation of Youth Policy.

200. On the occasion of 150th Birth anniversary of Swami Vivekananda, it is proposed to give more emphasis on youth emphasis and involve them for such activities.

Kannada and Culture

201. Our Government considers the protection of Kannada language, culture, art and literature as well as our land and water as our sacred duty. Accordingly the Government is committed to accord special encouragement and financial assistance to the plans of Kannada and Culture Department. In this direction, lines of Pu.Thi.Na.'s poem are the guiding lamp.

202. Kannada Flag hoisting on 1st of November every year, will be made compulsory in all Government offices, schools and colleges.

203. An outlay of Rs.269 crore has been provided for promotion of Kannada and Culture activities.

204. On the occasion of the completion of 100 years of Mysore Palace, to undertake renovation keeping in mind the heritage and uniqueness of the art and architecture of the palace and for up gradation of parks in the place premises as well as better facilities for the tourists, a sum of Rs. 25 crores will be provided.

205. Assistance of Rs. 5 crore will be provided to Kannada Abhivridhi Pradhikara.

206. Assistance of Rs.2 crore will be provided for construction of cultural center and other infrastructure at Jigani by Swami Vivekananda Yoga Anusandhana Samsthana, Bangalore.

207. Financial Support of Rs.1 crore will be given to celebrate Kambala Utsava in coastal area. This activity will be documented as cultural programme.

208. Training programme will be arranged by Shilpa Kala Academy in rural areas for promoting Shilpis to take up temple architecture works in the State. Financial support of Rs.3 crore will be given to the Academy in this behalf.

209. In addition to the already declared 6 heritage areas, 14 new areas will be declared as heritage cities. A grant of Rs. 1 crore will be provided for this.

210. A grant of Rs. 5 crores has been provided to take up development works at the Kuvempu Pratisthana in Kuppali.

211. Rani Abbakka Bhavan will be taken up at a cost of Rs.2 crore at Ullal in Dakshina Kannada District.

212. A grant of Rs. 50 lakhs will be provided to Shri Gopalakrishna Yakshagana Kala Sangha, Kasargod.

Information Department

213. Monthly Honorarium for senior journalists will be increased to Rs.3000. Family Pension will be enhanced to Rs.1000. Government Departments will be prompted to release their advertisements through Information and Publicity Department, so that regional, district level and other small newspapers can also be considered for release of advertisements.

214. Provision of Rs.1 crore is being made to various welfare activities relating to journalists.

215. Special subsidy for children films will be enhanced to Rs. 4 lakhs from the existing Rs. 2 lakhs.

216. A grant of Rs. 50 lakhs will be provided to Ankegowda library in Mandya.

217. A grant of Rs. 1 crore will be provided during 2012-13 for construction of Television Cultural and Sports Club, Bangalore.

Revenue and Muzarai

218. The implementation of path breaking initiative of Urban Property Ownership Records in four cities is likely to be completed during the next 6-9 months with completion of the title enquiry process. This initiative will also be taken up in Bangalore city in 50 wards in first phase during 2012-13.

219. The Bhoomi & Kaveri (Registration system) have now been tightly linked, and have been implemented in most of the taluks now as announced in the Budget Speech 2011-12. This integration, which is unique in the whole of country, would bring orderliness in land transactions.

220. Registration from anywhere has been put in place in Bangalore. It is intended to extend this flexibility in all districts giving citizens the freedom to register from anywhere in the district where land is located. Further reforms in registration process will be brought in during 2012-13 by mandating a uniform index sheet as part of each document to be registered.

221. To speed up the process of mutation in Bhoomi, in line with recommendation of Administrative Reforms

Commission, concept of deemed mutation with adequate safeguards will be implemented. Bhoomi system would automatically approve the mutation under this concept after a fixed period if revenue officials fail to decide the request within the prescribed time limit.

222. Electronic integration and convergence between Bhoomi and Kaveri systems has been almost completed. The next step in Total Land Management will be taken up during 2012-13 by establishing complete electronic integration between Bhoomi, Kaveri & Mojini systems. This would be another first feature in the Land Management Systems in the entire country.

223. Rs. 10 crore is being provided to Karnataka Land Management Corporation to protect Government lands.

224. Many people in the State are residing in houses constructed on Government land. Many of these are poor and belonging to backward classes. In order to give titles to the eligible of these persons, it is proposed to amend section 94-C of the Karnataka Land Revenue Act so as to provide for making fresh applications. While bringing this amendment, some conditions would be imposed and those who already have own house or site would not be granted land afresh, and the need based house site will be regularised for the eligible persons only. Furthermore, restrictions will be imposed for prohibiting from consideration, cases of forest land, lake achkat, waterways, parks, land required for Government use etc.

225. A grant of Rs. 50 lakhs will be provided to Gavi Siddeshwara Math of Koppal city.

226. A grant of Rs. 2 crores will be provided to Kudala Sangam Lingayat Panchamsali Peetha. Grant of Rs.1 crore will be provided to Sri Kadasiddeshwara Sree Matha in Tiptur Taluk.

227. A grant of Rs. 1 crore will be provided to Shri Siddharudha Mission for establishing a training and research centre at Ramohalli near Kengeri in Bangalore.

228. Rs. 10 crore is being provided for maintenance of Choultries outside the state.

229. Rs. 10 crore has been provided for maintenance of Rudrabhoomi.

Home

230. Maintenance of law and order is one of the highest priorities of the Government. The Government has been providing the required support to Police Department for shouldering this responsibility.

231. 10 new police stations including 3 traffic police stations in Bangalore will be started. Rs.20 crore is being provided for traffic police.

232. Rs.50 crore is being provided for augmenting housing for the police personnel in addition to Rs.50 crore for maintenance and repairs of existing houses.

233. Police personnel will be provided an additional set of uniform.

234. Rs.25 crore has been provided for construction of fire force buildings and equipment. 3 new stations will be started during 2012-13.

235. Rs.10 crore has been provided for modernization of prisons.

Judicial Infrastructure

236. The State Government is committed to provide adequate infrastructure and other facilities for the Judicial Administration. Approvals have been given for construction of 43 new court buildings, 193 new residential quarters, 15 houses for higher judiciary and a guest house in Bangalore, all with a total original cost estimates of Rs. 280 crore. During 2011-12, expenditure on judicial infrastructure including diesel generator sets for district and taluka courts is likely to be Rs. 142 crore. For 2012-13, a provision of Rs. 155 crore has been made.

237. Detailed perspective and action plans for Improving Justice Delivery with a total outlay of Rs.269 crore over a five year period to be funded from the 13th Finance Commission Grants have been put into implementation.

Transport

238. To control overloading in goods vehicles, weigh-in motion systems at Kognolli and Humnabad border Check posts will be established.

239. Online collection of vehicle registration data from authorized dealers for rendering speedy services will be introduced.

240. To test the skill of the candidates scientifically and accurately before granting them driving license, automated driving test track at Hassan, Gulbarga and

Bangalore (Electronic city) RTOs jurisdiction will be established.

241. Vehicle Inspection and Certification Centres at Mysore and Dharwad RTOs jurisdiction will be established.

242. For these initiatives, Rs.30 crore is being provided.

243. Midway Plaza facilities will be established at important locations.

244. Rs.30 crore is being provided for setting up truck terminals.

Food and Civil Supplies

245. Special attention has been given to tone up administration of public distribution system including shifting transportation responsibility from contractors to the fair price shop owners. During 2012-13, transportation by the Government agencies themselves will be taken up on a pilot basis.

246. A detailed information technology based exercise taken up by the Government has resulted in cancellation of almost 40 lakh bogus or duplicate ration cards.

Planning

247. Karnataka is among the few states to start the outcome based monitoring through the Result Framework Documents developed by Government of India. A new pilot project is planned with the help of World Bank to build organizational capacity of the

departments for better performance management through effective result measurement and learning from the best practices from other countries to enhance effectiveness of public expenditure.

248. Karnataka Human Development Report and District Human Development Reports for all the districts will be brought out in the next 2 years. These reports will identify and bring forth the district and region specific issues, assess impact of existing development programmes and suggest strategies that need to be adopted for better impact.

249. Comprehensive Integrated Decision Support System will be set up for transparent resource allocation, better decentralized monitoring and improved implementation of all the plan schemes and programmes.

250. Karnataka Evaluation Authority set up during 2011-12 for result oriented and outcome based evaluation will be strengthened to enable evidence-based policy formulation and programme development.

E-Governance

251. Major challenges in implementing beneficiary oriented welfare programmes are in respect of reaching the needy residents who have not been able to access the benefits so far and also to prevent leakages due to multiple benefits to the same individual. For addressing these challenges and improving governance of benefit distribution to the residents of the state, Karnataka Resident Data Hub will be set up in the

next 9 months. This hub will identify each resident in a unique manner and will contain details of the benefits provided to the residents.

252. So far 1.4 crore residents in the entire state have enrolled for the Unique Identification including 95 per cent residents in Tumkur and Mysore districts. The UID enabled delivery of major beneficiary oriented welfare schemes will be launched in these two districts as a pilot, before rolling out in the entire State.

Government Employees

253. As announced in Budget for 2011-12, the Government had constituted Official Pay Committee for considering requests of the Government Employees and pensioners. The Government has been revising pay and pension every 6 to 8 years. The last revision was done in 2006.

254. The Committee has given its report to the Government. I am happy to announce acceptance of the recommendations on pay and allowances of the Official Pay Committee. The same will be given effect from 1.4.2012. In view of the acceptance of the recommendations regarding revision of pay and other allowances, the existing dearness allowances and installment due as on 1st January 2012 will be merged in the basic pay and pension along with 22.5 per cent increase. This increase will be inclusive of the interim relief sanctioned with effect from 1st November 2011. The total additional outgo on account of the pay and pension revision is estimated to be Rs. 4450 crore on a full year basis.

255. In arriving at this decision, the Government has attempted to maintain a balance between financing needs for its statutory responsibilities and development commitments and the need for appropriate salary for the employees who are instrumental for implementing the responsibilities and development programmes.

256. The remuneration for the daily wage employees will be increased by Rs. 1000 per month.

Expenditure Reforms

257. Expenditure Reforms Commission has completed its work and given four reports in all. The Commission while giving its recommendations has covered many areas which cut across departments and are also unique to certain departments. These recommendations also require inter departmental consultations. In some cases, Finance and Planning departments are proposing or have taken actions already. While in other cases, the administrative departments are taking action.

258. These recommendations deal, among other aspects, with planning process, size of schemes, sunset clause for schemes, shifting plan priorities, bringing inclusion, increasing capital investment, ex-ante appraisal of projects and schemes, adopting project management approach, independent evaluation of schemes, and study of impact of subsidy and regional imbalance.

259. For most of these recommendations, Government proposes to complete the consultation process and arrive at appropriate decisions within a period of 6 months.

Fiscal Policy Institute

260. Capacity building of Government officials and helping them to improve the service delivery systems is critical to efficiently manage the challenges of economic development and dynamic fiscal environment. Towards this end, Fiscal Policy Institute has been set up with support from Planning Commission. Its full-fledged operations will commence within the next six months at the new campus at Kengeri.

TAX PROPOSALS**Commercial Taxes**

261. The Commercial Taxes Department this year also is likely to exceed the target for revenue collection fixed in the Budget estimate of 2011-12. As against the Budgetary target of Rs 26,700 crores, the Department expects to surpass the target by at least Rs 500 crores. For this, I would like to place on record my thanks to the tax payers of Karnataka. The department has made substantial progress in the field of e-Governance. This has helped in making the tax administration convenient to the tax payers on the one hand and has improved internal efficiency of the department on the other hand. Currently, almost all interactions between the tax payers and the department have been made electronic. The e-Payment system which was started last year has been well received by all and more than 80% of the tax collections are coming through this mode. In the coming year, the department would attempt to achieve 100% of collection of payment through e-mode.

Value Added Tax

262. The trade and industry have made several requests and suggestions seeking tax reliefs and also modifications in law and regulations to make compliance simpler. I have examined them and have tried to accommodate many of their requests and suggestions especially those which affect the common man and the agriculture sector. I have also considered suggestions made to prevent trade diversion and for simplification of procedures.

Reliefs:

263. I propose the following reliefs under Value Added Tax.

- (1) Tax exemption on paddy, rice, wheat, pulses and products of rice and wheat will be continued for one more year from April, 2012.
- (2) Tax on ready to cook chapathi and parota will be reduced from 14 per cent to 5 per cent.
- (3) Tax on un-ginned raw cotton will be reduced from 5 per cent to 2 per cent.
- (4) Tax on dry chillies will be reduced from 5 per cent to 2 per cent. Further, Central Sales Tax on inter-State sales will be revised from 1 per cent to 2 per cent.
- (5) Tax on surgical footwear will be reduced from 14 per cent to 5 per cent.
- (6) Braille watches will be exempted from tax.
- (7) Tax on black boards will be reduced from 14 per cent to 5 per cent.

(8) Tax on jewellery and articles of gold and other noble metals, precious and semi-precious stones will be reduced from 2 per cent to 1 per cent.

(9) Tax on works contract of manufacture of readymade garments and embroidery work will be reduced from 14 per cent to 5 per cent.

(10) Tax on furnace oil sold to foreign going vessels will be reduced from 14 per cent to 1 per cent.

(11) Tax on naphtha will be reduced from 14 per cent to 5 per cent.

Additional Resources Mobilisation Measures

Hon'ble Speaker,

264. Instead of increasing the tax rates to raise resources to meet our developmental expenditure, I propose to increase revenue collection by ensuring better tax compliance through a more efficient tax administration. At the same time, I propose to increase and also levy tax on a few commodities whose consumption needs to be curbed in the larger interests of the society as well as to curb tax evasion taking advantage of current tax exemption.

(1) VAT at 5 per cent will be levied on beedies.

(2) VAT on cigarettes and other tobacco products will be increased from 15 per cent to 17 per cent.

(3) VAT at 5 per cent will be levied on plastic woven fabrics.

Central Sales Tax**Rationalisation Measure:**

265. While reducing VAT on dry chillies from 5 per cent to 2 per cent it is proposed to revise the Central Sales Tax on inter-State sales from 1 per cent to 2 per cent.

Sales Tax**Relief:**

266. I propose to reduce the Sales Tax on Diesel by 1.25 per cent point thereby bringing down the tax rate from 18% to 16.75%.

267. I also propose to reduce sales tax on High Flash High Speed Diesel sold to foreign going vessels from 18 per cent to 1 per cent.

Luxury Tax:**Additional Resource Mobilisation Measures:**

268. I propose to levy tax at 10 per cent on luxuries provided in temporary structures operating as marriage halls.

269. I propose to levy tax at 10 per cent on luxuries provided in seminar halls, conventional halls and others.

Agricultural Income Tax:**Relief:**

270. I propose to exempt partnership firms from agricultural income tax.

Betting Tax:

Additional Resource Mobilization Measure

271. I propose to increase the minimum lumpsum tax payable by private bookmakers operating in Bangalore and Mysore as detailed in Annexure - 3(a).

Rationalisation And Simplification Measures:

272. A number of rationalization and simplification measures towards better administration of Commercial Taxes are being taken. The details are in Annexure - 3(b).

Excise

273. I am pleased to announce that the Excise Department would surpass the financial target of Rs. 9,200 crores by over Rs. 300 crores and would reach Rs 9,500 crores during the year 2011-12. It is proposed to reduce the existing KSBCL profit margin to 0.5% and merge the difference with the Additional Excise Duty. Along with the merger, I propose to increase the Additional Excise Duty on IML by 7.5% to 10% on the 17 slabs for the year 2012-13. The 17 slabs of the Declared Price are being restructured with an increase of Rs. 25. The Additional Excise Duty on Beer & Low Alcoholic Beverage will be increased by 7.5%. The details are in Annexure - 3(c). With effective enforcement measures, a volume growth of 7% would be achieved in liquor sales and a revenue target of Rs 10,775 crores is set for the year 2012-2013.

274. Provisions have been made since 2010-11 to sanction Micro Brewery licences in the State. In order

to encourage low alcohol beer manufacturing Micro Breweries, the pre-condition of possessing Bar licence (CL-9) or Club licence (CL-4) or Hotel Licence (CL-7) or Star Hotel licence (CL-6A) for obtaining Micro Brewery licences will be relaxed and licences will be issued for independent Micro Breweries.

275. To meet the demand of farmers cultivating Bangalore blue grapes, provision will be made for selling fortified wine in wine Taverns and Boutiques after reducing the alcohol strength from 24% volume by volume to 16% volume by volume and fixing the fruit wine content to a minimum of 7% volume by volume. It is also proposed to reduce the existing additional excise duty on fruit wine by 50% to promote fruit wine consumption.

Stamps and Registration

276. The revenue realized till the end of February 2012 during the current fiscal is Rs. 4,442/- crores, as compared to Rs.3,366/- crores for the corresponding period during the previous year. The revenue realization is expected to reach Rs. 4,800/- crores during the current year.

277. I propose to reduce the stamp duty from 6 to 5% on conveyance/sale deeds. This will facilitate the registering public and would also trigger development in the construction industry. I propose to reduce Stamp Duty to 1% (subject to a maximum of Rs. 15 lakhs) on the market value of the property in respect of Joint Development Agreement and Power of Attorney thereof. This would also lead to better compliance.

278. I am also proposing certain new levies and rationalization measures. These changes will result in widening the tax base and growth of small business.

1. On documents relating to any Pawn and Pledge it is proposed to reduce stamp duty to 0.1%.
2. On Bonds it is proposed to reduce stamp duty to 0.5%.
3. I propose to levy the stamp duty at 0.1% in respect of agreements relating to advertisement for business development, granting of exclusive rights of telecasting/broadcasting of programs and assignment of Intellectual Property Rights.
4. The stamp duty of Rs. 100/- being levied on Customs bond, is proposed to be extended to Excise bond.
5. It is proposed to include "currencies" under the "Brokers' Note" along with Goods or Commodities.
6. In respect of agreements relating to Works Contract the stamp duty is proposed to be levied at 0.01% subject to a maximum of rupees five lakhs.
7. In respect of partnership deeds, the minimum slab of capital and the stamp duty payable thereon is proposed to be increased.

279. The details of the above proposals are at Annexure - 3(d)

Motor Vehicle Taxes

280. The sale of the Motor Vehicles during the year 2011-12 has increased substantially and accordingly the growth in the collection of tax. I propose to revise the motor vehicle taxes on motor cabs:

- Motor Cabs having seating capacity up to 5+1 are paying Rs. 100/- per seat per quarter and Motor Cabs having seating capacity of 6+1 and floor area not exceeding 6 square metres are paying Rs. 750/- per square metre. This tax is proposed to be revised and now Life time tax will be levied for Motor cabs which costs more than Rs 10 lakhs, at the rate of 15% of the cost of the vehicle {Details are shown at Annexure - 3(e)}

281. With the above revision and better collection efficiency it is proposed to collect Rs.3350/- crores during the year 2012-13.

Medium Term Fiscal Plan

282. Hon'ble Members may recall that Karnataka Fiscal Responsibility Act was amended during March 2011 to incorporate the recommendations of the 13th Finance Commission in respect to fiscal reforms path including specific milestones for Total Liabilities of the State Government and for enhancing transparency in the fiscal management. I am happy to share with the Members that the State Government continues to abide by even the more rigorous fiscal discipline envisaged under the amended Act. The Medium Term Fiscal Plan aligned to the requirements of the amended Act is being placed before the august House along with the Budget.

Revised Estimates 2011-12

283. As per the Revised Estimates, the Total Receipts are Rs. 78440 crore as compared to Rs. 83729 crore estimated in the Budget. The revenue mobilization efforts of the State at Rs.68398 crore have been better than the Budget Estimate of Rs.66313 crore. The larger mobilization has been through efficient and effective measure in collection of Own Tax Revenues at Rs.45775 crore, which is 18.98 per cent more than the actual collection during 2010-11 and almost Rs. 1000 crore more than the Budget Estimates. In view of better than estimated mobilization of Revenue Receipts, the State Government has scaled down the borrowings by Rs. 4124 crores as compared to the Budget Estimates.

284. As per the Revised Estimates, the Total Expenditure is Rs.84334 crore, as compared to the Budget Estimates of Rs.85319 crore.

285. Revenue Surplus is expected to be Rs.3144 crore. Fiscal Deficit at Rs.12673 crore is expected to be 2.92 per cent of GSDP. Total Liabilities at Rs. 99312 crore at the end of 2011-12 are estimated to be 22.9 per cent of GSDP. The Revised Estimates indicate full adherence to the fiscal prudence mandated by the Karnataka Fiscal Responsibility Act.

286. I am happy to announce that the State Government is well positioned to achieve full State plan size of Rs.38070 crore. As compared to the achievement of Rs. 31,154 crore during 2010-11, the achievement during 2011-12 is likely to be around 22% higher.

Budget Estimates 2012-13

Hon'ble Speaker, Sir

287. The Total Receipts are estimated to be Rs. 103369 crore during 2012-13. The Budget Estimates envisage Revenue Receipts of Rs. 81461 crore and Capital Receipts including Borrowings of Rs. 21908 crore. The Total Expenditure is estimated to be Rs. 102742 crore consisting of Revenue Expenditure of Rs. 80530 crore and Capital Expenditure of Rs. 16542 crore and debt repayment of Rs. 5670 crore.

288. Revenue Surplus is estimated to be Rs. 931 crore. Fiscal Deficit is expected to be Rs. 15312 crore, which is 2.94 per cent of GSDP. Total Liabilities at Rs. 114744 crore at the end of 2012-13 are estimated to be 22.03 per cent of GSDP. All these three fiscal parameters are within the mandate of The Karnataka Fiscal Responsibility Act.

Resource Mobilization

289. As a result of the proposed tax reliefs and enhancements, the Government is likely to forego revenues of Rs. 150 crore per year. This loss is expected to be compensated by buoyancy in the economic activities spurred by the tax reliefs. The State's total Own Tax Revenue for 2012-13 is estimated to be Rs.51821 crore, with an increase of 18 per cent over the Budget Estimate for 2011-12.

290. Rs. 3193 crore is expected to be collected from non-tax revenues. The State Government expects to receive Rs. 13094 crore by way of the share in the

Central Tax and another Rs. 13354 crore as grants from GOI.

291. These revenue receipts are estimated to be supplemented by gross borrowings of Rs. 21609 crore, non-debt receipts of Rs. 125 crore and recovery of loans to the extent of Rs. 174 crore.

292. Total Receipts are estimated to be Rs. 103369 crore.

293. Various State Owned boards and corporations and local bodies are expected to mobilize Rs.6740 crore through internal resource generation and borrowings made on the basis of their own financial strength and own revenues.

Legal Amendments

294. The proposed tax measures and reliefs will be made effective from 1st April 2012. The required bills will be tabled before the august House in this session for carrying out amendments in the relevant tax laws for implementing the proposed changes.

Hon'ble Speaker, Sir

295. In order to achieving uniform development in the entire State our Government has taken this bold step with several new schemes. I assure that I will make sincere efforts to reach the goals set for ourselves by bringing improvements in resource mobilisation and through proper utilisation of public funds. In this endeavour I will overcome any obstacle and proceed forward.

296. The philosophy propounded by Basavanna is worth emulating while in public life. Without violating Rajdharma and upholding justice the following lines of his vachanas are inspiring.

“ನ್ಯಾಯನಿಷ್ಠುಲಿ, ದಾಕ್ಷಿಣ್ಯ ಪರ ನಾನಲ್ಲ;
ಲೋಕ ವಿರೋಧಿ, ಶರಣನಾಲಿಗೂ ಅಂಜುವವನಲ್ಲ.”

297. When not compromising on the correct stand there are bound to be several challenges and difficult circumstances. One has to be stoic (sthithprjana) while facing such circumstances. In this background these lines of DVG's poem show the path to reach the goal without getting disheartened.

ಕಳವಳವ ನೀಗಿಬಿಡು, ತಳಮಳ ದೂರವಿಡು,
ಕಳೆ, ತಳ್ಳು ಗಲಭೆ ಗಾಬರಿಯ ಮನದಿಂದ
ಅಲೆದಾಡುತಿರೆ ಬೀಸ ಕಣ್ಣೆ ಗುಲಿ ತಪ್ಪುವುದು
ತಿಳಿತಿಳಿವು ಶಾಂತಿಯಲ - ಮಂಕುತಿಮ್ಮ

298. Now I commend the Budget for consideration of the august House and seek approval for vote on account for the expenditure during the period up to 31st July 2012 as per the Budget Estimates.

Jai Hind

Jai Karnataka