



# BUDGET

## 2018 - 2019

05<sup>th</sup> JULY 2018



Presented by  
**Sri H.D.Kumaraswamy**  
Hon'ble Chief Minister

**Hon'ble Speaker,**

1. I present the Budget for the year 2018-19 before this House.

2. This is the first Budget of our coalition Government. The stand of the coalition Government; its dreams and realities; difficulties and challenges are reflected.

3. Election to the 15<sup>th</sup> Legislative Assembly held on 12<sup>th</sup> May, 2018 has changed the direction of Karnataka. It is the beauty of democracy that two political parties which fought each other before election have formed an alliance after the result forming the Government.

4. In the changing political scenario at the national and state level, coalition Governments are becoming inevitable. In this background, we have accepted the reality and inevitability of a coalition Government in the State. Minimum common programmes have been formulated and will be implemented based on the main points in the manifestoes of both political parties as per the aspirations of the Co-ordination Committee.

5. Comprehensive development of Karnataka will be achieved by following the principles of coalition dharma.

6. When a new Government is formed, people will naturally have a lot of expectations from the Government. We will make honest efforts to fulfil the aspirations of people without disappointing them.

7. A big challenge of fulfilling the promise of farmers' loan waiver is before our coalition Government. Our first priority is to mobilise the necessary resources to fulfil this. We have already started working towards collecting resources. I have started austerity measures from the Chief Minister's Office itself so as to cut down unnecessary expenditure. I am confident that my ministerial colleagues will follow my footsteps.

8. Karnataka is the front runner state in several sectors in the country. Not being satisfied with this, we have to strive to be a frontrunner state in several other sectors also. For comprehensive development of Karnataka, equitable growth and overall progress is required in all sectors. In this direction, we will give further fillip to the growth of agriculture and industrial sectors. Special emphasis will be given to the service sector which has been contributing immensely to the development of the state in recent years.

9. Karnataka State has maintained fiscal discipline for long time. Even in a tough challenging situation of farmers' loan waiver, I promise the honourable House that our coalition Government is committed to fiscal discipline.

10. I am of the belief that any Government should have a motherly heart. Therefore, our desire is to implement all programmes of the coalition Government formulating the same with motherly affection. The main aim of the coalition Government is to continue all pro-people programmes and schemes of the previous Government by giving further impetus.

11. Our desire is to sow new dreams and make them a reality in rural Karnataka. Our wish is to spring new spirit among youth. We also wish to bring relief to

women. Our determination is to bring solace to farmers' life.

ನಿನ್ನದೆ ನೆಲ! ನಿನ್ನದೆ ಹೊಲ!  
 ನಿನ್ನದೆ ಕಾನ್! ನಿನ್ನದೆ ಬಾನ್  
 ನಿನ್ನದೆ ನುಡಿ! ನಿನ್ನದೆ ಗುಡಿ!  
 ನಿನ್ನದೆ ಹೊಳೆ! ನಿನ್ನದೆ ಬೆಳೆ!  
 ನಿನಗಾಗಿಯೇ ನಿನ್ನೊಲವಿಗೆ  
 ಇನ್ ಮೀಸಲ್ ನೀ ಬೆಳೆವ ಬೆಳೆ!

—ಕುವೆಂಪು

The vision of our coalition Government is a reflection of a guiding spirit of the common man enunciated in the above song by Kuvempu. The conduct of the Government will be Karnataka centric.

#### **State's Economy**

12. The Gross State Domestic Product (GSDP) in the year 2017-18 grew at the rate of 8.5 percent as against the rate of 7.5 percent during 2016-17. In this year, agriculture sector is expected to grow by 4.9 percent. The industry is expected to grow at 4.9 percent compared to 3.7 percent last year and service sector is expected to register a growth rate of 10.4 percent as against 8.9 percent last year.

#### **4<sup>th</sup> Finance Commission**

13. State had constituted the 4<sup>th</sup> Finance Commission in 2015. The Commission has submitted its final report after visiting all the districts in the State, collecting and examining the opinion of people's representatives of Panchayat Raj and Urban Local Bodies, officers and common people.

14. The Commission has submitted recommendations for 5 years period from 2018-19 to 2022-23. The 4<sup>th</sup> Finance Commission has mainly made the following recommendations in its report. The share of local bodies is decided based on State's Non Loan Net Own Revenue Receipts out of State's own taxes. Accordingly, the commission has recommended for enhancement of share of local bodies from 42% to 48% of State's own taxes. That means, in the next 5 years, the share of Panchayat Raj and Urban Local Bodies will be 48%. Our Government has decided to implement this recommendation in stages in 5 years from 2018-19 to 2022-23.

#### **State Financial Position**

15. Our Government has attempted to present this Budget within the parameters stipulated in the Karnataka Fiscal Responsibility Act, 2002 and management of finance without resource crunch for the development projects in the State despite the financial burden on account of waiver of farmers' loan and revision of pay of Government employees.

#### **Preview of progress**

- The Government previous to our coalition Government had formulated several pro-people programmes and successfully implemented them. I acknowledge the same. We continue all the programmes announced in the previous Budget presented on 16<sup>th</sup> February, 2018.
- With the objective of making Karnataka a hunger free State, "Anna Bhagya" scheme was implemented by distributing food grains to 3.85 crore people below poverty line free of cost which has eradicated their hunger. It is our pride that

Karnataka is the only state where the scheme was implemented with the aim to make poor people lead their life with dignity without stretching their hands for food. “Kshira Bhagya” scheme implemented with the objective of eradicating mal-nutrition of school children by providing hot milk 5 days a week free of cost has drawn the attention of the nation. This has enhanced the nutrition level among the school children and as a result of this, school children are more actively participating in the curriculum. An amount of Rs.2,067 crore has been spent for Kshira Bhagya scheme in the last 5 years.

- Karnataka has the largest extent of dry land next only to Rajasthan. Keeping this in mind, ‘Krishi Bhagya’ scheme has been formulated for the improvement of dry land farming. 1.9 lakh farm ponds have been constructed to harness water during rainy season and use the same for agriculture. These have improved groundwater level and also kept the surrounding environment greener. Financial assistance of Rs.1,898 crore has been provided to 2 lakh farmers for purchase of pumpsets and construction of polyhouse.
- Emphasis has also been given to horticulture. During the last 5 years, horticulture area in the State increased from 19.22 lakh hectares to 21.36 lakh hectares and as a result, production increased from 162 lakh tons to 191 lakh tons. 90% subsidy has been given to sprinkler irrigation to encourage optimum utilisation of water. Enhanced subsidy is being provided for establishment of horticulture produce processing units and post-harvest management units.

- Karnataka Integrated Public Health Policy, 2017 envisaging health for all is a proud gift to the health sector. Health services in Government hospitals have improved significantly in the last 5 years. Bed capacity has been increased considerably in Government hospitals. An amount of Rs.1,429 crore has been spent for construction of 949 new buildings and for renovation of 306 buildings. 20 new MCH hospitals and 150 primary extension clinics have been established. 2,316 specialist doctors and 2,805 doctors have been appointed. Number of Accredited Social Health Activists (ASHA) increased from 30,000 to 39,000. 171 dialysis units have been established in district and taluka hospitals. CT scan and MRI facilities have been provided in 30 district hospitals.
- 'Arogya Karnataka' scheme has been implemented in order to make available primary, secondary and tertiary treatment to all people of the State. Health for all (Universal Health Coverage) is the main objective of this scheme.
- Achievement of Karnataka in Animal Husbandry sector has drawn the attention of the nation. State's annual milk production has increased by 25%, egg production by 29% and meat production by 26%.
- Karnataka's share of total silk production in the country is 49%. The Government is supporting around 1.3 lakh silk producing families and 7,000 silk yarn reelers who are dependent on Sericulture.
- Karnataka is the second state in the country to have implemented a comprehensive Act for the

development of Scheduled Castes/Scheduled Tribes by providing funds in the Budget, in proportion to their population. During the last 5 years, grant of Rs.88,395 crore has been provided by virtue of this Act.

- Under “Hobligondu Vasathi Shale” scheme, 270 new residential schools have been started for education development of Scheduled Caste and Scheduled Tribe children. 74,000 additional students have been admitted in 200 newly established post-matric hostels.
- For entrepreneurs belonging to Scheduled Castes and Scheduled Tribes, the maximum limit of loan has been raised upto Rs.10 crore and is being disbursed through Karnataka State Finance Corporation. This scheme has been extended to nationalised banks also. As a result, a loan amount of Rs.908 crore and interest subsidy of Rs.121 crore has been disbursed to 1,600 entrepreneurs.
- Under “Mathru Poorna” scheme, pregnant women and lactating mothers have been provided with nutritious hot cooked meal, benefitting 8.31 lakh mothers in the State.
- It is a matter of pride for our State that for the first time in the country, input subsidy of Rs.2,450 crore has been credited directly to the bank accounts of 35 lakh farmers through Aadhar Enabled Payment System (AEPS) using “parihara” software.
- Encouragement is being given for generation of more electricity through renewable energy resources along with conventional source of

energy. For this, a solar energy policy has been formulated and 2,300 mega watt electricity is being generated. Around 600 mega watt electricity is being generated in Pavagada Solar Energy Production Unit which is the biggest in Asia. In the coming days, the production capacity will be increased to 2,000 mega watt.

- Karnataka State is the model to the nation in administrative reforms. With the implementation of KSWAN 2.0 network, 10,000 Government officers have been brought under e-Governance. Efficiency of financial management has increased by achieving transparency through simplified Government remittance system under Khajane-2.
- By agreeing and implementing the recommendations of the 6<sup>th</sup> State Pay Commission, fair pay scales have been provided to Government employees.
- Bengaluru has earned fame as the Start-Up capital of India in respect of Start-Up companies. So far around 150 Start-Ups have received financial assistance from the Government and have grown further.
- Sustainable development of fastest growing urban areas is the biggest challenge today. Programmes have been formulated and implemented on priority for conservation of water sources, extension of green cover, water supply, stormwater drain, transport, housing and other infrastructure.
- The phase-1 of 'Namma Metro' covering 42.3 km has been dedicated to public service and is the best in the country. Lakhs of commuters are free from the problem of vehicular traffic and are

comfortably travelling in 'Namma Metro' which has brought about a revolutionary change in Bengaluru city transport system. Vehicular density in Bengaluru city has reduced on account of metro rail.

- 5,000 sites have been allotted in Nadaprabhu Kempegowda Layout and allotment of remaining 5,000 sites is in progress. Construction of 13,000 housing units has been taken up through 29 projects. 16 projects have been completed and 6,830 flats have been allotted to general public so far, thus realising their dream of owning their own shelter.
- To supply food at affordable prices to poor people living in the urban area, one Indira Canteen was envisaged for each ward and Indira Canteens have been started in 163 wards out of 198 wards in Bengaluru city. Food is provided through mobile canteens in 24 wards due to non availability of suitable place.
- Considering the popularity of Indira Canteens in Bengaluru city, action has been taken to open 247 Indira Canteens in all taluk and district head quarters of the State at an expenditure of Rs.211 crore.
- Due to rapid urbanisation, Bengaluru tanks are polluted. It is our duty to conserve them. For this, Bengaluru Water Supply and Sewerage Board has taken action to establish Waste Water Treatment Plants. With financial assistance from Japan International Co-operation Agency (JICA) under Cauvery Water Supply Scheme Stage-4, Phase-2 and under Amrut Scheme, Waste Water

Treatment Plants of 1,572 MLD capacity are being established.

- Under the Centrally sponsored Amrut Abhiyan, water supply works, underground drainage works, storm water drain works, urban public transport and improvement works have been developed at a cost of Rs.4,952.82 crore in 27 cities of the state.
- Municipal solid waste processing and disposal sites have been developed in 208 urban local bodies (including BBMP) and door-to-door collection of waste has been commenced in 229 urban local bodies of the State. Waste processing facility has been developed in 98 urban local bodies, wherein 3,775 tonnes of waste (including in BBMP areas) per day are being processed.
- With a concern to provide basic facilities to pourakarmikas who maintain cleanliness in cities, action has been taken to construct houses for 3,165 beneficiaries under Pourakarmika Gruha Bhagya Yojane.

### **New schemes for the year 2018-19**

#### **Agriculture**

16. Previous Governments have made a lot of efforts with the intention of making life of farmers better. We will further activate this and make all efforts so as to spring economic vitality in the life of farmers. My earnest feeling is that Government should involve more of farmers' partnership in agriculture sector. In this back ground, I propose to constitute Karnataka State Farmers Advisory Committee. This committee will have two progressive farmers from each district of the State with whom I will discuss once in two months and try to find solutions to the problems of farmers.

17. I visited Israel last year and studied their farm practices myself. I have no doubt that Israel model of irrigation system would protect the crops of farmers and make their life better. I provide Rs.150 crore in the first stage for providing Israel model irrigation facility in 5,000 hectares of dry land each in Kolar, Chitradurga, Koppala and Gadag districts.

18. “Besaya Nee Saya” is a satirical proverb. Farmers have been driven to debts because of increasing price of agriculture inputs, uncertainty of rains and fall in farm produce prices. I have been seriously thinking about how farmers can be saved from this situation. It is my desire that farming should be profitable to farmers and people should get healthy food. It is my belief that Zero Budget Natural Farming being implemented in Andhra Pradesh will be useful to farmers. Under this system, farmers do not use farm implements brought from the market. In the background, of this farming system having become successful, efforts are required to be made to adopt Zero Budget Natural Farming in Agriculture and Horticulture departments of the State. UNEP has come forward to give technical assistance through Sustainable India Finance Facility. I am allocating an amount of Rs.50 crore for this programme.

19. To mitigate the problems of farmers, a high level Agriculture Co-ordination Committee will be constituted under my Chairmanship which comprises agriculture and agriculture related departments ministers. This committee will meet once in three months and evaluate the impact of all programmes implemented in co-ordination with all departments and from sowing seeds to marketing.

20. There are 10 agro-climatic zones which comprise five main types of soil, diverse rain fall distribution and

geographical features. Crop patterns are distinct and there are favourable conditions for farming different food and horticulture crops. Accordingly, farming will be made a profitable enterprise by formulating a suitable crop pattern and maintaining sustainability of farm production and market prices.

21. It is essential to constitute Farmer Producing Organisations to provide suitable marketing system for the farm produces apart from increasing the productivity by organising farmers. Through these Farmer Producing Organisations, farmers' income can be augmented by providing quality implements, farm machinery, establishment of basic infrastructure for post-harvest management and by providing suitable prices for farm produces. A State Farmer Producing Organisation policy will be implemented to strengthen farmers' organisation and capacity building.

22. As per the guidelines of Rashtriya Krishi Vikas Yojana of Central Government, sanction will be accorded for suitable schemes in each district, aimed at increasing productivity of farm produces and introduction of innovative techniques to make value addition by providing supply chain. Under this scheme, special emphasis will be given to provide suitable market for crops such as minor millets, pulses, oil seeds, maize, etc.

23. In recent years, serious problems have cropped up in the farm sector. Even in the irrigated areas of Mandya district, the crop yield has come down. The main reason for this is due to adoption of the same crop pattern. In view of this, farmers will be benefitted only when they give up the practice of growing pulses, cereals, oil seeds, cotton and start growing other crops.

24. Water in Bellandur and Byramangala tanks of Bengaluru is highly polluted and it is a common sight that foam spreads in the surrounding roads. Effluents containing soaps and detergents flowing from the dwellings surrounding the Bellandur tank is said to be the reason for this. Earlier, naturally available soap nut was being used for cleaning. Now, in place of this, powders and detergents which are harmful to environment are used. On the contrary, in the developed countries, environment friendly dish wash soap and washing machine soaps made of soap nuts are in abundant use. Our farmers will be benefitted if this entrepreneurial opportunity is provided to them. Rs.10 crore will be earmarked to formulate a scheme to encourage farmers to grow soap nut.

25. Ground nut and sun flower are important oil seed crops in Karnataka. In this background, as an alternative to major oil producing companies, encouragement will be given to farmers by providing small automated oil mills to produce pure oils at their levels. Rs.5 crore will be provided for marketing of this pure oil through Nandini and e-marketing schemes.

26. It is a common phenomenon that prices of farm produce will crash when there is a bumper crop. To help the farmers, Government has put in place a procurement scheme for purchase of some crops. But, under this scheme, dry chillies, black pepper, cashew, jeera, coriander, methi, etc are not purchased. Dharwad Agriculture University has developed vacuum technology for long term storage of these crops. Rs.3 crore is provided to Dharwad Agriculture University to propagate this technology at farmers' level.

27. Various Start-Ups companies have made new innovations with the assistance of Karnataka

Information Technology Department. For example, by understanding the condition of crops using Drones, understanding the need of water by using sensor in irrigation and cotton plucking, etc. They can be further improved upon and adopted to farm fields. Rs.5 crore is earmarked for this programme.

28. Rs.2 crore is provided for comprehensive development and providing infrastructure facility to Karnataka Antharaganga Micro Irrigation Corporation Limited.

29. Sowing seeds is crucial in any farming. If we sow quality seeds, there will be good crop. For this purpose, we proposed to establish the best seeds quality certifying centre to certify the sowing seeds at the source. It is proposed to provide a grant of Rs.5 crore for Karnataka State Seeds and Organic Certification Institute.

### **Horticulture**

30. It is possible to adopt Israel model of irrigation in the Horticulture sector. In this background, Rs.150 crore is provided for 5,000 hectares each in Karwar, Tumakuru, Yadagiri and Haveri districts.

31. It is proposed to develop markets equipped with all basic infrastructures by APMC or on Public Private Partnership on market fee revenue sharing model in 10 identified places on highways/roads connecting major cities in the State. Opportunity will be provided to the farmers for marketing their produces like minor millets, organic produce, scheduled sale produce (mainly fruits and vegetables).

32. Priority will be given for processing and storage of perishable horticulture crops like tomato and mango.

33. 6 Centres of Excellence have been established in the State on Indo-Israel partnership under National Horticulture Mission. Action will be taken to centralise and develop them.

34. As there has been an acute short fall in rain for the last five years in the state, coconut trees have reached the state of unproductivity due to drying. More than 44 lakh coconut trees have dried and are unproductive. For this reason, to safeguard the interest of coconut growers, a scheme is being formulated. For this purpose, an amount of Rs.190 crore has been provided.

35. Under different schemes of the Department, encouragement will be given to grow alternative crops like mango, cashew, tamarind, sitaphal, nerale in completely dried coconut plantations.

### **Sericulture**

36. For the benefit of silk growers and reelers of Mysuru district, Rs.3 crore will be spent for establishing silk cocoon market in Mysore district to provide marketing facility for silk cocoons produce locally. For this, Rs.1 crore will be provided during 2018-19.

37. Karnataka is a land of silk. Karnataka State Silk Research and Development Institute was established in Talagattapura near Bengaluru in 70s with World Bank assistance. Rs.5 crore will be provided for rejuvenation of this institute to get full benefit of the institute by getting expert report after a thorough study.

38. In addition to traditional production of silk fabric, there is worldwide demand for silk by-products such as nail polish, lipstick and silk colours. Rs.2 crore will be provided to formulate a strategy to exploit this market.

39. Rs.5 crore will be provided for rejuvenation of Karnataka Silk Industries Corporation (K.S.I.C.) unit at Chennapattana.

#### **Animal Husbandry**

40. Three Frozen Semen Distribution centres will be established at divisional level in Dharwad, Kalaburagi and Mysuru at an expenditure of Rs.2.25 crore.

41. On experimental basis, it is proposed to establish Green Fodder Production Units using Hydroponics method, for which Rs.3 crore will be provided.

42. Due to increase collection of milk in Hassan Milk Union and to make processing of milk profitable, a mega dairy of 10 to 15 lakh litres capacity will be established with all basic infrastructure for which a grant of Rs.50 crore will be provided.

#### **Fisheries**

43. It is proposed to take up fish seed stocking through Fishermen Co-operative Societies free of cost in water area of 20,000 hectare at 2,000 fish seeds per hectare. For this, Rs.4 crore will be spent under Inland Fish Farming Incentive scheme for which 4 crore fish seeds will be stocked.

#### **Co-operation**

44. It is proposed to implement a new scheme called 'Kayaka' to enhance skill development and entrepreneurship quality in self help groups to encourage taking up self employment to increase their income. It is proposed to provide loan upto a maximum of Rs.10 lakh under this scheme for self help groups on cluster model or individually. Under Kayaka scheme, zero interest rate for loan upto Rs.5 lakh and 4% interest for loan between Rs.5 lakh to Rs.10 lakh will be fixed.

Initially, Rs.5 crore grant will be provided to 3,000 self help group under this scheme.

45. Street vendors/ small vendors are at the lowest economic strata, who are subjected to exploitation without institutional finance system. Government has responded to the difficulties and micro finance facility to street vendors/small vendors of 5 cities in the State under “Badavara Bandu” mobile service will be commenced.

#### **Skill Development**

46. During 2017-18, Centre for Entrepreneurship Development of Karnataka (CEDOK) in association with U.N.D.P. has implemented Disha scheme to impart training to probable entrepreneurs in 16 districts. 32,000 people have been benefited under this scheme. By extending this scheme to all the districts of Karnataka during 2018-19, benefit of this scheme will be provided to 1 lakh people through a grant of Rs.2 crore.

47. Necessary training and encouragement will be given to the State youth to have employment and livelihood outside the country and to make Karnataka a foreign employment preferred state. For this, Rs.2 crore will be provided for Karnataka International Migrants Centre.

#### **Primary and Secondary Education**

48. A special package of Rs.150 crore will be provided for repairs of Government Primary, High School and Pre-university college buildings.

49. Training centres will be strengthened by providing basic infrastructure facilities to the state training centres of Bharath Scouts and Guides. For this purpose, Rs.5 crore grant will be provided.

50. English medium classes will be commenced along with the existing Kannada medium classes in Government Kannada Primary Schools. With this, more children can be attracted to the Government schools. Initially, it will be experimented in 1000 schools.

51. Biometric instruments will be installed in all 48,000 Government schools in the State to monitor attendance of teachers and children. This scheme will be implemented in the next 3 years. For this purpose, Rs.5 crore will be provided.

52. Anganavadi centres which are presently under Women and Child Welfare Department will be strengthened as 'Balasnehi centres' by shifting them to selected 4,100 Government primary school premises. In a phased manner, LKG/UKG classes will be commenced based on feasibility. With this, rate of admission to Government schools is expected to increase along with improvement in quality of children's learning.

53. Government and aided schools which are located in one kilometer radius and with less admission rate will be merged with the nearest schools. 28,847 Government and aided schools with less admission rate in one kilometer radius have been identified and these schools will be merged with 8,530 nearest schools to give quality education to the children.

### **Higher Education**

54. For the development and repair of infrastructure of Government graduate and post graduate colleges, a grant of Rs.250 crore will be provided as a special package.

55. It is informed by the experts that professional education is not being provided by the universities in

our State and hence it is difficult to directly employ such graduates. In this background, it is proposed to implement a higher education system separate from the traditional education system in the following areas by establishing new universities wherein skill is the foundation.

56. Sports has been included in the curriculum of primary school education. However, thinking that a degree in the higher education of traditional system is superior, most of the students are not coming forward to study sports and body building as one of the subjects. In this background, it is proposed to open a university relating to sports and body building in Tumkuru district. To complement this, a cluster for manufacturing of equipment relating to sports and body building and other goods is also included.

57. Millions of security personnel are working in Government and Private institutions. However, for those appointed in Government and for those who provide services to private institutions, required training is not being imparted. There are various changes in security concepts and cyber crime is important amongst these. In this background, a Homeland Security University will be opened with private participation in Shivamogga district. For this purpose, a grant of Rs.3 crore will be provided.

58. Presently, tourism is not in the form of an organized industry. Further, the required employment has not been provided at the expected level. Tourism implies that there shall be a guide trained in a good manner providing information of tourist places in various languages. There shall be management of

tourist vehicles. There shall be a staff who behave in a courteous manner. There shall be a common sense for running tourist industry profitably. Government may provide basic amenities like road, toilet etc at the tourist place, but, cannot create human resources linking the emotional feelings of the tourist place and tourist. In this background, to promote human resources by providing continuous training, a tourist university is proposed to be commenced with the private partnership at the historical place of Hampi and Rs.3 crore has been provided.

59. Essential training will be provided through Karnataka Examination Authority (KEA) through ICT (Information and Communication Tools) for various competitive examinations including NEET/JEE, higher education and employment to the students of SC, ST and Backward classes studying in pre-university and university.

60. All those who have come forward in life by obtaining a good education are grateful to the teachers and the place of study. However, they forget the relationship of the place of study in their day to day life. We will be putting efforts to utilize these relations to upgrade the schools and colleges. A portal will be opened to all schools and colleges and the requirements of all students, teachers and schools will be detailed therein. If any old student of this school or college is willing to pay any amount, payment remittance gate will be opened. If anyone is willing to help under corporate social responsibilities, to enable such persons a prepared project report will be placed. Rs.3 crore will be provided at initial stage.

**Health and Family Welfare**

61. The scope of the medical help line and Emergency Response Services available at present with No.108 and 104 will be extended. The services will be re-framed to enhance its availability and quality. Mother and child health services and mental health protection services will be integrated in this.

62. A plan for strengthening the system of drug control will be implemented with an expenditure of Rs.40 crore during the next two years. A grant of Rs.10 crore will be earmarked during this year.

63. A grant of Rs.30 crore will be earmarked for transplantation of heart, kidney, liver etc., for poor patients.

64. In Vijayapura district hospital, units providing health services relating to Cardiology and Oncology and trauma units will be established.

**Medical Education**

65. A new medical college will be established at Kanakapura of Ramanagara District.

66. Mandya Medical Sciences Institute Hospital will be upgraded 800 bed hospital. Rs. 30 crores will be earmarked for this.

67. A grant of Rs.12 crore will be provided in the first phase to establish a separate unit at Kidwai Cancer Hospital for treatment of bone marrow transplant.

68. As Ramanagara is developing at a fast pace, a grant of Rs.40 crore will be provided to establish a 300 bed super speciality hospital.

69. New super speciality hospitals will be opened at Belagavi, Kalaburagi and Mysuru cities to provide tertiary health services relating to heart, cancer and other diseases. 450 bed capacity new hospitals will be established in the medical colleges of Gadag, Koppal, Chamarajanagar and Hassan cities. For this, Rs.200 crore has been provided.

### **Tourism**

70. There are ample opportunities in the state to create employment in tourism industry. In this direction, for comprehensive development of tourism we have to give more attention to certain aspects of our tourism system.

- In many tourist places, there are no guides to provide information to the tourists. Tourist guides do not have the expertise in Indian languages other than Kannada to explain details about the places. For foreign tourists, there are no expert guides to explain in their languages.
- In many tourist places, there are no cultural shows in the evening exhibiting our culture.
- There are opportunities in many tourist places of the State to have good quality hotel facilities.

71. In this background, our Government will take steps in this year to impart training under Skill Development Scheme to the young men and women who come forward to work as tourist guides in different languages at Beluru, Hampi and Vijayapura. Rs.60 lakh in the form of share capital will be provided to the

private training institutes who come forward to impart two year diploma training in these three places. Apart from this, I propose to start two year diploma courses relating to tourism and have earmarked Rs.20 crore to help the local Government bodies in the above three tourist places in order to protect the environment and food cleanliness.

72. Rs.3 crore share capital will be provided to the private companies who come forward to open 3 star hotels having 500 room facilities. 30% capital will be provided on Term Sheet basis to the organisations, if they come forward to construct service apartments. Apart from this, 30% capital will be invested in private companies who develop facilities such as amusement park and water sports. For this year, I have earmarked Rs.80 crore for investment in tourism industries. All investments of the Government will be withdrawn after 4 years and will be remitted to the Government again.

73. It is mandatory for investors in these places to obtain approvals under local laws and from all authorities. As Karnataka Government has already appointed KITVEN fund managers for supporting investment, investors can make use of them. It is proposed to give Rs.80 crore to KSTDC to provide hotel facility.

74. It is proposed to construct three Model way-side facilities on the major National Highways during this year to provide facility to the tourist to relax, take rest to have breakfast and meals and to continue the journey.

75. In order to create employment opportunity in the hospitality area in the tourism sector, it is proposed to impart training in skill development, tourist guide training programme and tourist taxi drivers refresher courses.

76. Bhara chukki Falls in Chamarajanagar District and Gagana chukki Falls in Mandya District are attractive tourist places. Thousands of tourists visit these places every day. Therefore, it is proposed to provide leverage with additional facilities to the tourist at Gagana chukki and Bhara chukki areas at a cost of Rs.5 crore.

77. In order to further strengthen tourist activities in Ramanagara District, it is proposed to develop Arts and Crafts Village near Ramanagara and Children World Scheme at Kanva basin with private participation.

#### **Social Welfare**

78. Under the Ganga Kalyana Scheme, irrigation facilities to the eligible SC/ST beneficiaries will be provided in three years and in a phased manner and specified time. The present limit of subsidy will be increased from Rs.2.50 lakh to Rs.3 lakh and Rs.3.5 lakh to Rs.4 lakh.

79. Under the "Social Entrepreneurship Scheme," a financial assistance of a maximum of Rs.10 lakh will be provided to 5000 young SC/ST men and women to commence income accruing activities in city and village areas in collaboration with Government and private branded institutes.

80. Employment based technical training will be provided to 5000 unemployed SC/ST's in various districts in collaboration with important industrial, technical and service sector institutions with an expenditure of Rs.15 crore.

81. Assistance will be provided to SC/ST graduates for training to competitive examinations to the U.P.S.C,

K.P.S.C, Banking etc in collaboration with private training institute in Kalaburagi City coming under Article 371 (J) of the Constitution.

82. A grant of minimum of Rs.1 crore and maximum of Rs.5 crore will be provided to fully develop colony/Thanda wherein large number of SC/ST population is living by forming "Pragathi Colony" Scheme in a phased manner

83. Training will be provided to the talented SC/ST sportsmen to acquire skills in the respective areas of sports in prestigious sports training institutes at a cost of Rs.2 crore.

84. SC/ST Model/New Villages will be constructed in selected districts. Priority will be given to the tribals.

85. Training will be imparted to the Scheduled Tribe youth and unemployed for self employment in taxi, home stay etc in association with departments like tourism, transport, KMF etc.

86. It is proposed to distribute borewell and agricultural equipment to women farmers who have land under the Land Ownership Scheme.

87. Over many decades there are various backward and deprived castes and communities who are deprived of amenities/facilities of various Government schemes. These are economically/socially and educationally sensitively backward communities. Therefore, a grant of Rs.10 crore is earmarked for the development of communities-Shillekyatha, Dombidasa, Gowli, Heluva, Shikaries, Hoovadiga, Kanchugara, Kammara, Darji, Devadiga, Budubudike, Thigala, Badige, Hatgara, Kareokkaliga etc.

88. A total grant of Rs.25 crore will be earmarked to religious Mutts and institutions dedicated to provide dasoha, education, social services and development on secular basis: Shri Bhagirath Peeth, Madhure (Uppar); Srimar Chennaiah Gurupeeth, Chitradurga; Shri Siddarameshwara Bhovi Gurupeeth, Chitradurga; Shri Kaginele Mahasamsathana Kanaka Gurupeetha, Kaginele; Shri Valmiki Gurupeeth, Rajanahalli, Harihara Taluk; Shri Yadava Maha Samsthana Math, Chitradurga; Shri Narayanaguru Mahasamsthan, Nittur, Thirthhalli Taluk; Shri Madivalaguru Pheeth, Chitradurga; Shri Devanga Guru Pheeth, Hampi; Hadapada Appanna Guru Pheeth, Thangadagi, Muddebihal; Shri Kambar Guru Pheeth, Telsang, Athani; Shri Chelavadi Jagadguru Pheeth, Chenanahalli, Sira Taluk; Shri Vijayasangama (SC/ST) Vidya Pheeth, Hosadurga; Shri Shivashakthi Pheeth, Irkal Maski; Hemavema Sadbhodana Pheeth, Erehosalli, Harihara; Karnataka Rajya Kumbara Kshemabhivruddi Sangha, Bengaluru; Gangamathastha/Mogaveera/ Bestha/Koli Samaja Hagu Savitha Samaja, Bengaluru etc.

#### **Food and Civil Supply**

89. The present Annabhagya Scheme is intended to make the State a "Hunger Free State". We propose to make this scheme a more valuable proposition by distributing healthy and nutritious food grains. In this background, under the Annabhagya Scheme, it is proposed to distribute to each beneficiary, 5 kg rice free of cost, ½ kg toordal with subsidized rate and 1 kg palm oil, 1 kg iodine and iron content salt and 1 kg sugar to each BPL card holder.

90. It is proposed to organize food safety month in one month in a year, during which ration cards will be verified; eligible beneficiaries will be provided with ration

cards and ineligible beneficiaries will be deleted. This will be done every year with the assistance of members of the Vigilance committee.

### **Women and Child Welfare**

91. It was announced by me to provide Rs.6,000 allowance per month to pregnant women from BPL families. At present under the 'Mathru Poorna' Scheme of State Government and 'Mathru Vandana' Scheme of Central Government various facilities are available. Along with these facilities, the "Chief Minister's Mathrusree Scheme" has been framed. In this new scheme, Rs.1000 per month is being directly transferred to the Aadhaar linked bank account of pregnant women of BPL families for three months prior to the delivery and three months for the lactating mother. This amount will be increased in the next five years in a phased manner. This scheme is applicable only for the first two children of the mother. An amount of Rs.350 crore is earmarked for this scheme. The scheme will be implemented from 1<sup>st</sup> November 2018.

92. The existing unit expenditure of Rs.35,000 under "Aadhaar" self employment scheme will be increased to Rs.1 lakh and 50% of this amount will be provided by way of bank loan and another 50% will be subsidy.

93. Rs.5 crore grant is earmarked to carry out survey of persons with all 21 types of disabilities under the Rights of Persons with Disabilities Act, 2016.

94. The existing old age home in each district will be extended to all sub divisions of the State.

95. Rs.4 crore grant will be earmarked for waiver of loan advanced and interest accrued thereon from 2014

by the National Handicapped Finance and Development Corporation to the mentally challenged persons.

96. In partnership with Government and private institutions, it is proposed to establish a campus in 20 acres of land for the purpose of treatment and providing care for mentally challenged, autism, cerebral palsy and multiple disability and to provide training to the guardians and professionals, conducting training courses for physiotherapy and rehabilitation and construction of touch sensitivity garden.

97. It is proposed to open a training centre for Special Teachers in Government Deaf Children School, Indiranagar in partnership with Government Special B.Ed. College and Private Institutions.

98. On the lines of the scholarship provided by the Social Welfare Department, a grant of Rs.1 crore will be earmarked for providing scholarship to the persons with disability students of Phd and those studying higher education in foreign prestigious educational institutions.

99. We are committed to provide security to the lives of sex workers based on the major recommendations of the committee constituted to study the conditions of sex workers headed by Dr.Jayamala. For these purposes, programs will be formed under the partnership of various developmental departments relating to housing, skill development, self employment, monthly pension and services, food security, social security and children education programs.

### **Commerce and Industries**

100. To increase the production capacity relating to industry, I propose the following actions.

- China has organized the production of various commodities which are in great demand in the world market in large scale at Gansu and Phoshan. Due to this reason, Chinese made solar power goods, electrical lighting goods, bathroom fittings, electrical goods, electronic toys are available even for the common man. In the past two decades, China has achieved tremendous development in the areas of manufacturing and such Chinese made goods have flooded the Indian market because of which our industries are at the verge of closure. In line with “Produce or Perish” we are now required to increase our production. With this perspective, I am thinking to implement the “Compete with China” scheme. In this scheme, under the leadership of successful entrepreneurs of the State, a Program Mission Unit will be established. In order to compete with Chinese made goods, spare parts will be manufactured at the village level, assembled at taluk level and Malls will be opened to market these goods. For this purpose, Plug & Play industrial sheds will be constructed. To increase human resources as complementary to this scheme, various training programs will be organized. On the basis of resources and professional skill available in each area, some of the examples of programs to be implemented in various districts are as under.
- Kalaburagi district will be developed as Bharath Solar District. The solar panel, inverters, capacitors and luminators for the production of solar power will be produced only in Kalaburagi district.
- The local electrical light industry in India is valued about Rs.46,000 crore. At present LED lights being

imported from China have occupied this market. The manufacturing industry of household LED light will be developed in Chitradurga district as consumers are ready to purchase the same in the local market.

- China made bathroom and floor tiles, sanitary goods are flooding the Indian market. Earlier the market of bathroom fittings was limited to Indian made goods. To compete with Chinese products, it is the ambition of our Government to develop Hassan district as bathroom floor tiles and sanitary goods manufacturing district.
- At present tiny industries are producing country toys. But recently toys operated with battery and electricity have entered the market and ICB, Chip, Micro DC Motor are incorporated in these toys. There is a world market for such toys. In China these mechanized toys are manufactured and supplied to the entire world. In this background, as a challenge to Chinese toys, it is proposed to establish a cluster for manufacture of toys in Koppal district.
- Several companies manufacturing ICB in Mysuru and Bengaluru have come in to existence. There is a huge demand for ICB and IC Chip across the world. 80% of the world ICB and Chips are being imported from Taiwan. Similarly there is plenty of demand for ICB Chips in our country. In this background, it is proposed to establish an ICB manufacturing unit at Mysuru.
- The textile industry is already established in Ballari district of our State. After the expiry of WTO's Multi Fibre Arrangement, many more opportunities

are coming to the State. In this background, emphasis will be given to the textile industry in Ballari district.

- Every year mobile phones valued more than Rs.5 lakh crore are being imported in to India from China. In the new mobile phones various options are being increased. Old mobile phones are being replaced by new mobile phones only within two years. Every old phone will get Rs.4000 if the original components are separated. There is an opportunity to separate component of 3 crore old phones. Using this opportunity an industry of mobile phone components will be established in Chikkaballapur.
- Now sports and fitness goods are the requirement of all states in the country. I propose to establish units to produce these goods in Tumakuru district. I wish to take action to produce goods in different ways required for 23 sports. In this background, in next four years, it is proposed to invest Rs.2000 crore for production of sports and fitness goods in Tumakuru district with an aim to create 1 lakh employment.
- Our country is dependent on agriculture. In the past four decades, new technologies from different countries are coming to our agricultural institutions. However, it will be useful for our farmers if we ourselves manufacture agricultural implements which are suitable for our crops and our agricultural practices. In this background, we have proposed to extensively manufacture agricultural implements required for agriculture and protection of agro products in Bidar district. In the next four years, we are intending to provide

Rs.2000 crore capital to the companies who come forward to manufacture agricultural implements in this district.

- To implement the above scheme expert workers who have been trained for six months to two years are essential. In this background, in the first phase, training schools will be opened in all districts and training will be provided.
- In this year Rs.500 crore will be provided to impart training in the above mentioned seven districts. In the next four years Rs.2000 crore in the form of Equity share capital will be provided to private institutes participating in this industry. Private institutes are required to invest Rs.3000 crore. Thus, there will be Rs.5000 crore investment for each district. By this process a loan of Rs.15,000 crore may be obtained from the banks. By these activities the investment by the Government will be made through a "Fund Manager". By this, employment of one lakh will be generated in each district.
- By this industrial revolution, totally 8 lakh employment will be generated in each district. Rs.14,000 crore investment will be provided by the Government of Karnataka in the coming years.

101. Inspections are being conducted by Labour, Factory, Environment and Tax Enforcement Departments to comply with the provisions under various laws. There is a necessity of reforming the system to make the inspections more effective and facilitate the ease of running the industries especially micro, small and medium industries. In this direction, it is proposed to establish centralized inspection system

in association with industrial institutions. I believe that this will bring in transparency and reform in compliance of laws and trust among the industries.

102. Due to temporary allotment of plots/shed by the KIADB and KSIIDC, an insecure atmosphere get created amongst investors and to those institutions providing financial assistance to such investors. Therefore action will be taken to reform the system by fixing the final rate of final allotment immediately after KIADB and KSIIDC develop the industrial area/colony.

103. It is essential to simplify the transactions with Government for development by attracting industrial investment. Labour department, Factory department, Urban Development, Environment department and other departments relating to the industries will be redesigned so as to provide service within prescribed time.

104. The skilled labourers working in rural coconut fiber industry are getting less wages. Therefore, it is proposed to pay incentive wages of Rs.10,000 per annum to the skilled labourer working in micro and small coconut fiber industry.

105. There are ample opportunities for the manufactured products of coconut fibre as plenty of raw materials are available. To encourage this sector, 10% market development assistance will be provided to the products manufactured by the micro and small industries of coconut fibre.

106. There is a necessity of a stable institutional management system for the management and upgradation of industrial areas and colonies. In this background, already developed industrial areas and colonies will be converted into industrial town areas.

107. The process of purchasing agricultural land for the purpose of establishment of Industries takes a long time. To cut down this time, a notification will be issued identifying 100-200 acres of barren land available in rural areas. By doing this, employment opportunities could be created in rural areas of different places through industrial development.

108. There is a necessity to provide short term training to all quarry contractors or their representatives regarding Mines and Geology Department Act and Rules, Mines Safety Measures, blasting procedures and protection of the environment. In this regard, it is proposed to organize a 'Mining and Mines Safety Procedures Training Course' and issue certificates. This training shall be made compulsory for the quarry contractors, presently in operation and for the contractors obtaining new licenses.

109. There is a necessity to introduce an App providing information about the current quarry contracts and crushers to the general public and works contractors. By doing this, building stones, jelly etc. minor ores of good quality will be made available to the public at wholesale rate.

110. Stock yards will be started to make available good quality sand and jelly at competitive rates for house construction and other works of the public.

111. A new textile policy will be declared to attract capital and creation of employment in the textile and garment sector and to give more stress to the garment sector.

112. New designing technology will be transferred to the weavers by establishing a modern Handloom centre through the National Institute of Design.

113. Presently, a workshop of Karnataka State Road Transport Corporation is functioning in the premises of the Karnataka Implement Manufacturing Company which was established around a century ago in Hassan city. For the revival and modernization of this century old company, Rs.10 crore will be provided.

114. The production and sale of certain types of plastic goods is banned in Karnataka. In this background, to develop packing technology using biodegradable material other than plastic and for training, an Alternative Packing Technology Development Institute is proposed to be established for which Rs.5 crore is provided.

#### **Public Industries**

115. There are some public industries under the Public Industries Department which are in a profitable condition since many years. To share part of profit with the public and to create interest in the public regarding such companies as a part of their future, 3 companies of Government ownership will be added to the list of listed companies in the share market.

#### **Energy**

116. During the year 2018-19, 35 Electrical Sub Centres will be established through Karnataka Electricity Transmission Corporation to enhance the transmission system. 75 Sub Centres will be upgraded.

117. To convert all overhead lines to underground cables in Bengaluru city a detailed project will be prepared and the project will be implemented in stages.

#### **Housing**

118. In the past, to provide housing facility to poor people of Bengaluru city a project called 'Chief Minister's

one lakh houses' was implemented. It is proposed to extend this project to all cities in the coming years.

119. To remove the difficulties in providing houses to the poor in Bengaluru city, our government proposes to build multi floor houses (Ground Floor + 14) in selected places.

120. It is estimated that the population in the slums of the state is more than 40 lakh. It is proposed to develop slum localities in the municipal areas on the model of Private Public Participation by providing them on the basis of Additional Floor Area Ratio instead of Transfer of Developmental Rights. Detailed guidelines in this regard will be brought into effect from 2019-20.

121. During the period of previous government, around 14 lakh houses were built. Our coalition government proposes to continue the Housing Project with more enthusiasm and determines to construct more houses in accordance with the demand.

122. There is 3% reservation for persons with disability in the present Housing Projects. It is proposed to distribute houses, in accordance with the demand, receiving applications online from the disabled beneficiaries.

### **Rural Development and Panchayath Raj**

123. In the rural areas, the State Government has decided to obtain drinking water from rivers or reservoirs and supply after purification through 'Jaladhare' project in a staged manner by an estimated cost of Rs.53,000 crore. Our government has planned to implement this project in five years to permanently solve the problem of drinking water in rural areas of the State. A DPR will be prepared to implement this huge project.

124. Multi village drinking water supply project will be taken-up in Mahadevapura, Chikka Ankanahalli, K. Shetty Halli and 16 other villages at the cost of Rs.24 crore and Gamanahalli and 13 other villages at the cost of Rs.18.90 crore in Srirangapatna Taluk.

### **Water Resources**

125. Presently, the process of obtaining approval of the competent authority for the proposal of pre-feasibility report regarding Mekedhatu is in progress. Action will be taken to speed-up this process and implement that project after obtaining clearance.

126. The Brindavan Garden of Krishnarajasagar Dam had earned national fame during the eighties. It has lost its glamour during the recent years. Our Government proposes to bring back its grandeur by developing Krishnarajasagar on the model of America's Disneyland with Public Private Participation. Global industrialists are eager to invest for this project. Rs.5 crore will be provided to prepare the detailed project report.

127. It is expected that the judgment of the Mahadayi River dispute Tribunal may come in the month of August 2018 and there is confidence that the State will get its share of water. As per the Tribunal judgment, works will be under taken.

128. The rehabilitation and reconstruction work of 3<sup>rd</sup> stage of Upper Krishna Project will be taken up at a fast pace and necessary action shall be taken to store additional water in the Alamatti Reservoir.

129. The government proposes to complete all irrigation projects within the next 5 years.

**Minor Irrigation**

130. To bring water from Hemavathi River for drinking purpose for 160 tanks coming in the area of Dudda and Shanthigrama Hobli of Hassan Taluk, a project will be formulated at a cost of Rs.70 crore.

131. To fill water to Dudda and other tanks from Lokapavani River of Mandya District and to provide drinking water facility to the villagers of Mandya Taluka villages, a project with a grant of Rs.30 crore is proposed to be taken up.

132. It is proposed to take up a project at a cost of Rs.100 crore for irrigation facility from Krishna River to about 10,225 hectares land of Hirekodi, Nagarala, Nez, etc., villages of Chikkodi Taluk of Belagavi District.

**Revenue**

133. Our government is committed to the welfare of senior citizens. It is our intention that poor people in old age should not undergo difficulties. In this direction, the monthly pension under the present Sandhya Suraksha Project to the beneficiaries is proposed to be raised from Rs.600 to Rs.1000 with effect from 1<sup>st</sup> November 2018. By this step, 32.92 lakh old persons who have crossed 65 years will be getting financial benefit. This amount will be raised in stages in the coming 5 years. For this purpose, an additional amount of Rs.660 crore will be provided in the budget of this year.

134. Land Re-Survey work will be taken up in a staged manner in the state. It will be started in 5 districts during this year.

135. To provide basic facilities to the Nadakacheries, at the cost of Rs.10 crore, 50 Nadakacheries will be built by providing Rs.20 lakh each in the first stage.

**Endowment**

136. It is a long time demand of the Brahmin Community to provide assistance for the development of economically backward people in the Brahmin community. Our government proposes to establish 'Karnataka State Brahmin Development Board' for the purpose of development of economically backward people in the Brahmin community and provide Rs.25 crore for this purpose.

**Forest, Environment & Ecology**

137. To control pollution which is increasing day by day in the State, it is proposed to establish 42 Continuous Ambient Air Quality Monitoring Stations at the cost of Rs.96 crore under the District Mineral Fund

138. In the recent years, the ratio of forest is gradually increasing. I have decided to give impetus to development of Social Forestry in the State to provide better environment to the next generation. To grow trees suitable to each area in the Government lands on small hills, Gomalas and areas surrounding tanks, 'Hasiru Karnataka' project will be implemented as a movement. In this, School, College Students and Environmental organizations will participate actively. A tree to each house, a grove to each village, a small forest to each taluk, a forest to each district shall be the motto of 'Hasiru Karnataka'. In this direction, Rs.10 crore will be provided to facilitate the projects to sow seeds with soil balls and plant saplings on a large scale by the government and organizations.

139. It is the general opinion of Forest Experts that in the areas where rainfall is more than 750 millimeters, mere provision of fencing protection without human interference is enough for the development of forest on

its own. In support of this, I am going to provide Rs.40 crore for fencing protection for the development of forest in the government hill areas in the State.

### **Transport**

140. In any city, public transport service plays an important role. Living standards of the people depend upon the availability of easy movement and transport facility. I am intending to establish an Integrated Road Transport Authority under my chairmanship for the comprehensive reform of Bengaluru's transportation service. This authority will formulate a comprehensive working and action plan by co-ordinating with BMRCL, BMTC, BDA, BBMP and other agencies relating to land transport for establishing a hassle-free easy transport system at affordable rates.

141. My Government has decided to strengthen the public transport service to overcome the increasing vehicle congestion problem in Bengaluru. City Public Transport Corporation cannot run just by collecting transportation charges. Therefore, my Government has decided to provide direct subsidy of Rs.100 crore to Bengaluru Metropolitan Transport Corporation.

142. It is proposed to establish 100 charging units at a cost of Rs.4 crore to encourage usage of electric vehicles in order to control increasing air pollution in Bengaluru city.

143. Transport Corporations intend to purchase 4236 new buses for public use. Out of this, with a view to use electric buses under the Karnataka Government Electric Vehicle Policy - 2017, 80 electric buses will be operated through Bengaluru Metropolitan Transport Corporation.

**E-Governance**

144. Public grievances redressal management is the priority of my Government. I intend to create integrated grievances redressal system in Karnataka by unifying all existing sub-systems. This will have increased supervision over the system. Integrated grievance redressal system will make the employees responsible for the grievances. A single system having grievances of all departments is useful to the citizens. This multi-model system will enable the citizens to register their grievances through call centre, mobile applications, web applications and social media.

145. I intend to provide video conference facility upto Grama Panchayat level. This makes citizens to communicate with me without travelling to Bengaluru. Departmental officers can use this facility for review.

146. Family ID will be created to provide different family oriented facilities by extending PDS data bank. This is useful for housing facility, health insurance, student scholarship, programmes of different departments, widow pension etc. This system is useful for the citizens to get benefits of different programmes or subsidies automatically without submission of application.

**Kannada and Culture**

147. Adi Shankaracharya is a towering personality of our religious tradition. In his honour, Shankaracharya Jayanthi will be celebrated all over the state.

**Information and Public Relations**

148. In memory of Dr. Rajkumar, a well-equipped yoga centre will be established in Sri Kanteerava Studio premises.

149. Film industry is growing on a large scale. It will be very useful for the film industry if training is provided in the fields of film production like film making, direction, photography, sound, editing etc. In this background, I propose to provide capital of Rs.30 crore to open a Film University at Ramanagara with private partnership. Besides, I propose to provide Rs.40 crore capital to encourage industries providing services to film industries such as photography, editing, sound recording institutes, animation studios, computer graphic studios in Ramanagara film city. In addition, I provide Rs.20 crore for housing and creation of other essential infrastructure for the artists and technicians coming from other countries for film production.

**Information Technology, Bio-technology, Science and Technology**

150. In memory of famous educationalist and supporter of science Padmabhushan Dr. H. Narasimhaiah, it is proposed to establish an International Science Centre at his birth place Hosur of Gowribidanur taluk in Chikkaballapur district. This centre will be developed as a nodal institution to promote children to have limitless knowledge through self-research. The primary aim of this centre is to see children having all round scientific vision and use science as an important part of their life. It is proposed to manage this centre through private partnership and interested private institutions will be invited for partnership.

**Public Works**

151. As Hassan city is growing rapidly, a ring road will be constructed around Hassan city for smooth transport at a cost of Rs.30 crore.

**Urban Development****Bruhath Bengaluru Mahanagara Palike**

152. Today's Bengaluru city has made its name globally in information technology, telecom and e-commerce technology, bio-technology etc. It is also India's fifth largest city. In spite of so many achievements, Bengaluru transport system has not grown on par with its development. In this background it is proposed to construct six interconnected elevated corridors in next four years at a cost of Rs.15,825 crore under hybrid annuity to provide good transport communication in Bengaluru. This is a good contribution to the Bengaluru's transportation system as this scheme is formulated keeping in view the elevated corridor and Bengaluru Metro scheme. This scheme will be taken up through hybrid annuity through KRDCL. For this programme, Rs.1000 crore is earmarked for the current year.

**Bengaluru Metro Rail Corporation**

153. The study of new schemes of 2018-19 budget under stage 3 of 'Namma Metro' Rail scheme of Bengaluru namely, 42.75 KM from JP Nagar to KR Puram, 12.5 KM from Tollgate to Kadabagere, 3.07 KM from Gottigere to Basavapura, 18.95 KM from RK Hegdenagar to Aerospace park, 10.6 KM from Kogilu cross to Rajanukunte and 6.67 KM from Ibbalur to Karmalram, totaling to 95 KM length routes is being undertaken.

**Bengaluru Development Authority**

154. Rs.50 crore has been provided to all round rejuvenation of Bellandur lake and action will be taken to provide water of Bellandur lake in coming days for agricultural activities of Bengaluru rural areas through drip irrigation in partnership with Antharaganga Micro Irrigation Corporation Limited.

155. In Nadaprabhu Kempegowda Layout, 5000 sites have been distributed and further distribution of 5000 sites is under progress. 2157 sites have been distributed to the land owners and 3000 sites will be distributed in second stage.

156. Government is intending to construct a peripheral ring road (PRR) in the outskirts of Bengaluru. The estimated cost to construct the 65 KM long peripheral ring road, including land acquisition, will be Rs.11,950 crore. Government has approved to take up this work through a Special Purpose Vehicle (SPV) and presently the SPV is in operation. The process of revenue resource mobilization for this PRR is in progress and work will be taken up.

**Municipal Administration**

157. In order to overcome difficulties to the commuters and vehicular congestion caused due to increased vehicular traffic density in city area, it is proposed to establish multi-level vehicle parking facility in 5 Municipal Corporations in the first stage under Public Private Partnership.

158. In order to provide better services to the citizens, it is proposed to take up GIS based mapping of all properties coming under urban local bodies by using satellite image.

159. In the first stage, it is proposed to take up mapping of water supply and sewerage network coming under 10 city municipal corporations of the state.

160. Rs.36 crore has been provided for the development of roads, bridge construction, boat riding, fountain construction, children park, children's train etc around the park of Channapatna lake in Hassan city.

161. Mandya, the sugarcane city on the Bengaluru-Mysuru Highway, is a rapidly growing district centre. A special package of Rs.50 crore will be provided for the all round development of Mandya city.

162. Plastic waste is the most horrible public health disaster of the world. The Central Government has implemented the Plastic Waste Management Rules in 2016. As per these rules, local bodies can levy a fee on all products which use plastic for packing. Our Government is issuing direction to the local bodies in Karnataka State to levy plastic waste management fee at 3% on MRP basis on sale of goods packed with plastic within their local area. Fee collected in this way will be used for reprocessing of plastic for conservation of environment.

#### **Bengaluru Water Supply and Sewerage Board**

163. Lot of chemicals are being found in sewage water of Bengaluru city. When such sewage water enters the river, it is also polluting the river water. To prevent this, a Chemical Effluent Treatment Plants are being established in different parts of city. As a part of this activity, Rs.10 crore will be provided to construct a chemical waste treatment unit in Peenya Industrial Zone.

**Karnataka Water Supply and Sewerage Board**

164. In order to permanently eradicate the drinking water problem of historical Mysuru city and 92 villages in between, it is proposed to take up a scheme to provide additional 300 MLD water from Cauvery river near Hale Undavadi to the city, at a cost of Rs.50 crore.

**Law**

165. It is essential to introduce judicial tradition of the state of Karnataka to the common people. In this direction, it is proposed to set up a museum with judicial records, agreements between Mysuru and British Empire and other valuable records and pictures to introduce the same to the common people for which a grant of Rs.1 crore has been provided.

166. Bengaluru Bar Council is providing good judicial service by organizing various meaningful programmes relating to judicial activities. To encourage their activities, financial aid of Rs.5 crore will be provided.

**Finance**

167. I had resolved to waive all types of crop loans of farmers taken for agricultural activities within 24 hours of formation of a full-fledged government of our party. However, even though the people of the State have not blessed a single party government, I have been provided with a good opportunity to form a coalition government and to work as the Chief Minister of that coalition. In this background, I had discussions with government officials, nationalized banks, officers of the co-operative sector and the farmers with regard to the crop loans of the farmers. As a result of this discussion, I have decided to waive all defaulted crop loans of the farmers

made upto 31-12-2017 in the first stage. Apart from this, to help the farmers who repaid the loan within time, as an encouragement to the non-defaulting farmers, I have decided to credit the repaid loan amount or Rs.25,000 whichever is less to each of the farmer's account.

168. Complete examination of the farmer's crop loan waiving subject also revealed instances of loans exceeding 40 lakhs of large landholding farmers. In this background, as per the opinion of the farming community that it is not right to waive higher value crop loan, I have decided to limit the loan amount to Rs. 2 lakhs. Due to this crop loan waiver scheme, farmers will get the benefit of Rs.34,000 crore. The families of Government officials and officials of the co-operative sector, farmers who have paid income tax for the past 3 years and other ineligible farm loan recipients will be outside the purview of this loan waiver scheme.

169. To facilitate the farmers to avail new loans, action will be taken by the Government to issue clearance certificate by waiving the arrears from the defaulting account. For this purpose, Rs.6500 crore is earmarked in 2018-19 budget. Apart from this, the previous Government has waived loan of Rs.8,165 crore made by farmers in co-operative banks and out of this, Rs.4,165 crore had been released during the previous year. Allocation has also been given to pay the remaining Rs.4,000 crore in this budget.

**TAX PROPOSALS****COMMERCIAL TAXES****GOODS AND SERVICES TAX**

170. A state-of-the-art automated GST Help Desk has been established in the Office of the Commissioner of Commercial Taxes and similar help desks will be established in all divisions. The need for capacity building programmes for our officers is the need of the hour to equip them in overcoming challenges in implementation of GST. Government will draw appropriate training programmes for our officers in other countries having GST implementation experience.

**VALUE ADDED TAX****Rationalization and Administrative measures:**

171. I propose a Karasamadhana Scheme to waive 100% of penalty and interest on payment of full tax on or before 30th October, 2018 to reduce the arrears under the provisions of the Central Sales Tax Act, 1956 relating to the assessments / re-assessments completed on or before 30<sup>th</sup> June, 2018 to enable the Trade and Industry to clear their central sales tax liabilities.

172. I propose to enhance the period prescribed for disposal of appeal by the Karnataka Appellate Tribunal from the existing 365 days to 3 years from the date of stay order.

**SALES TAX****Additional Resource Mobilization Measure:**

173. Keeping in view the need to augment resources for the welfare needs of the State, I propose to increase the rate of tax on petrol from the present 30 % to 32% and diesel from 19% to 21%. By this measure there will

be a modest increase in price of petrol by Rs.1.14 per litre and that of diesel by Rs.1.12 per litre. Even then, petrol and diesel prices will be lower in Karnataka when compared to the neighbouring states.

### **EXCISE**

174. A revenue target of Rs.18,750 crore was fixed for the Excise department for the year 2018-19. At the end of June-2018, Rs.4,674 crore has been collected.

175. I propose to increase the existing rates of Additional Excise Duty on IML by 4 percent on all 18 slabs as per Annexure-1.

176. With this and with effective enforcement and regulatory measures, the department would be achieving the revised target of Rs.19,750 crore for the financial year 2018-19.

### **TRANSPORT**

177. For the year 2018-19 a target of Rs.6656/- Cr. is fixed from Motor Vehicle Taxes and we hope to achieve this target.

178. In Motor Vehicles taxes an increase of 50% is proposed for private service vehicles based on Sq. Meter of floor area. Existing rates of Rs. 1100/-, Rs.1200/-, Rs.1300/- and Rs.1500/- will be increased to Rs.1650/-, Rs.1800/-, Rs.1950/- and Rs. 2250/- respectively. (Annexure-2)

### **ENERGY**

179. The taxation on consumption of electricity is proposed to be increased from existing 6% to 9%. The rate of taxation on consumption of captive energy is proposed to be increased from 10 paise per unit to 20 paise per unit.

**Budget Estimates 2018-19****Hon'ble Speaker Sir,**

180. The total receipts are estimated to Rs. 2,13,734 crore during 2018-19. The budget estimates envisage Revenue Receipts of Rs.1,66,396 crore and Capital Receipts of Rs. 47,338 crore including borrowings of Rs. 47,134 crore. The Total Expenditure is estimated to be Rs. 2,18,488 crore consisting of Revenue Expenditure of Rs. 1,66,290 crore, Capital Expenditure of Rs. 41,063 crore and debt repayment of Rs. 11,136 crore.

181. Revenue Surplus is estimated to Rs. 106 crore. Fiscal Deficit is expected to be Rs. 40,753 crore which is 2.89% of GSDP. Total liabilities at Rs. 2,92,220 crore at the end of 2018-19 are estimated to be 20.75% of GSDP. This is within the limit of 25% for 2018-19 mandated in Karnataka Fiscal Responsibility Act.

182. Therefore, all the three fiscal parameters are within the mandate of the Karnataka Fiscal Responsibility Act and this reflects fiscal prudence of the State.

**Resource Mobilization**

183. The States Own Tax Revenue for 2018-19 including GST compensation is estimated to be Rs. 1,06,621 crore which is an increase of 16.25% over the Revised Estimate of 2017-18.

184. Rs. 8,181 crore is expected to be collected from Non-Tax Revenues. The State Government expects to receive Rs. 36,215 crore by way of the share in Central Taxes in the Budget 2018-19 and another Rs. 15,379 crore as grants from Government of India. These revenue receipts are estimated to be supplemented by gross borrowings of Rs. 47,134 crore, non-debt capital receipts

of Rs. 75 crore and recovery of loans to the extent of Rs. 129 crore.

185. Various State owned Boards and Corporations and Local bodies are expected to mobilize Rs. 16,760 crore through internal resource generation and borrowings made on the basis of their own financial strength and own revenues.

**Hon'ble Speaker Sir,**

186. This budget reflects our priorities. It expresses our aspirations. In this regard, I seek co-operation of all the Hon'ble Members of this August House for its implementation.

187. Now, I commend the budget for consideration of the August House and seek approval for the expenditure upto 31<sup>st</sup> March 2019 as per budget estimates.

**Jai Hind**

**Jai Karnataka**

## BUDGET AT A GLANCE

*(Rs in Crore)*

Item	Budget	Revised	Budget
	Estimates	Estimates	Estimates
	2017-18	2017-18	2018-19
<i>Opening Balance</i>	-176.04	100.06	-151.30
<b>A. REVENUE ACCOUNT</b>			
<b>I. Receipts</b>			
State Taxes *	89956.56	91717.58	106620.80
Share of Central Taxes	31908.05	31751.99	36215.28
Grants from Central #	16082.31	15735.62	15378.64
Government			
Non-Tax Revenue	6944.62	6827.71	8180.94
<b>TOTAL-A.I</b>	<b>144891.54</b>	<b>146032.90</b>	<b>166395.66</b>
<b>II. Expenditure</b>			
Social Services	55887.39	57908.64	70226.24
Economic Services	43681.14	44577.16	44151.81
General Services	37999.10	36031.59	45744.34
Grants-in-aid and Contributions	7187.37	7131.67	6167.21
<b>TOTAL-A.II</b>	<b>144755.00</b>	<b>145649.06</b>	<b>166289.60</b>
Revenue Account Surplus/Deficit	<b>136.54</b>	<b>383.84</b>	<b>106.06</b>

(\*) includes GST compensation of Rs. 6130 crores in RE 2017-18 and Rs.10800 crores in BE 2018-19 due to the State

(#) excludes GST compensation

*(Rs in Crore)*

Item	Budget	Revised	Budget
	Estimates	Estimates	Estimates
	2017-18	2017-18	2018-19
<b>B. CAPITAL ACCOUNT</b>			
<b>I. Receipts</b>			
Loans from Central Government	1670.74	1670.74	2203.43
Open Market Loans	34716.51	34171.51	43731.00
Loans from NSSF, NCDC and RIDF	705.00	1250.00	1200.00
Misc Capital Receipts	75.00	75.00	75.00
Recoveries of Loans and Advances	60.20	62.54	129.10
Public Account	513869.86	516676.03	514992.86
<b>TOTAL-B.I</b>	<b>551097.31</b>	<b>553905.82</b>	<b>562331.39</b>
<b>II. Disbursements</b>			
Capital Outlay	32033.04	31230.66	35245.92
Repayment of Central Government Loans	1083.22	1083.22	1394.43
Repayment of Market Loans	4750.17	4750.17	7417.17
Repayment of Loans to LIC, GIC, NSSF, NCDC and RIDF	2342.26	2342.26	2324.24
Disbursements of Loans and Advances	1597.40	4623.77	5816.76
Public Account	509623.76	510510.94	510666.68
<b>TOTAL-B.II</b>	<b>551429.85</b>	<b>554541.02</b>	<b>562865.20</b>
<i>Closing Balance</i>	<i>-372.04</i>	<i>-151.30</i>	<i>-579.05</i>

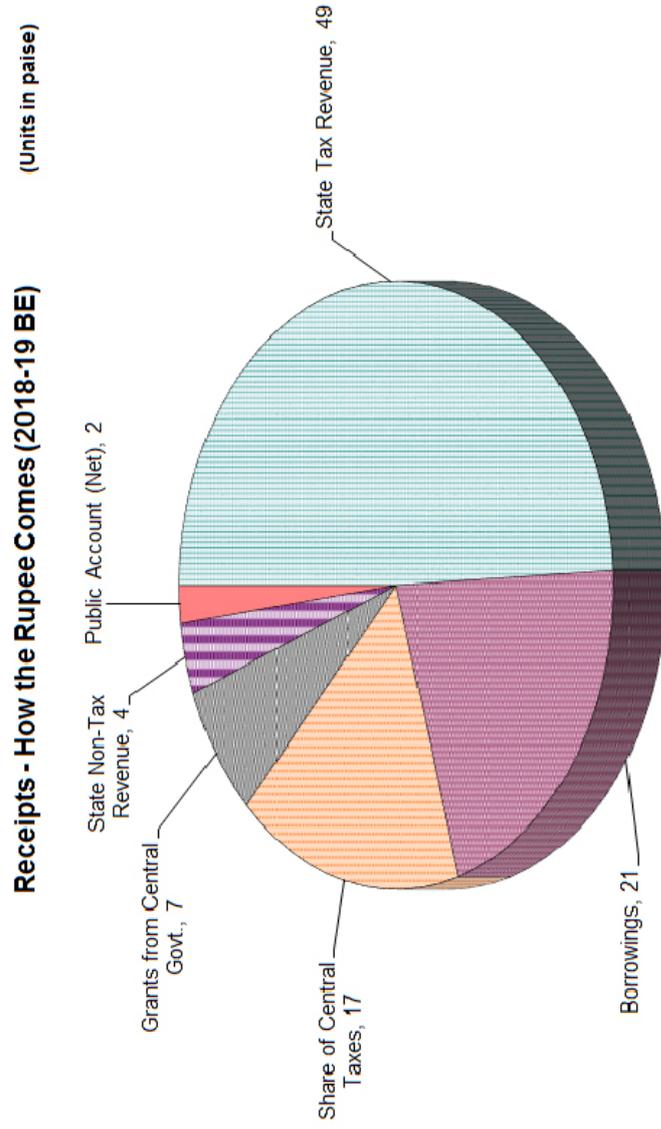
**ANNEXURE - 1**  
**(PARA 175)**  
**EXISTING AND PROPOSED ADDITIONAL EXCISE**  
**DUTY (AED) RATES ON IML.**

<b>Sl. No.</b>	<b>Declared Price (per Carton Box)</b>	<b>Existing AED (per B.L.)</b>	<b>Proposed AED (per B.L.)</b>
1	0 - 449	138	144
2	450 - 499	189	197
3	500 - 549	249	259
4	550 - 599	321	334
5	600 - 699	417	434
6	700 - 799	510	530
7	800 - 899	543	565
8	900 - 999	586	609
9	1000 - 1099	613	638
10	1100 - 1199	688	716
11	1200 - 1299	801	833
12	1300 - 1399	932	969
13	1400 - 1799	1008	1048
14	1800 - 2199	1125	1170
15	2200 - 4924	1285	1336
16	4925 - 7650	1501	1561
17	7651 - 15000	2160	2246
18	15001 and above	3240	3370

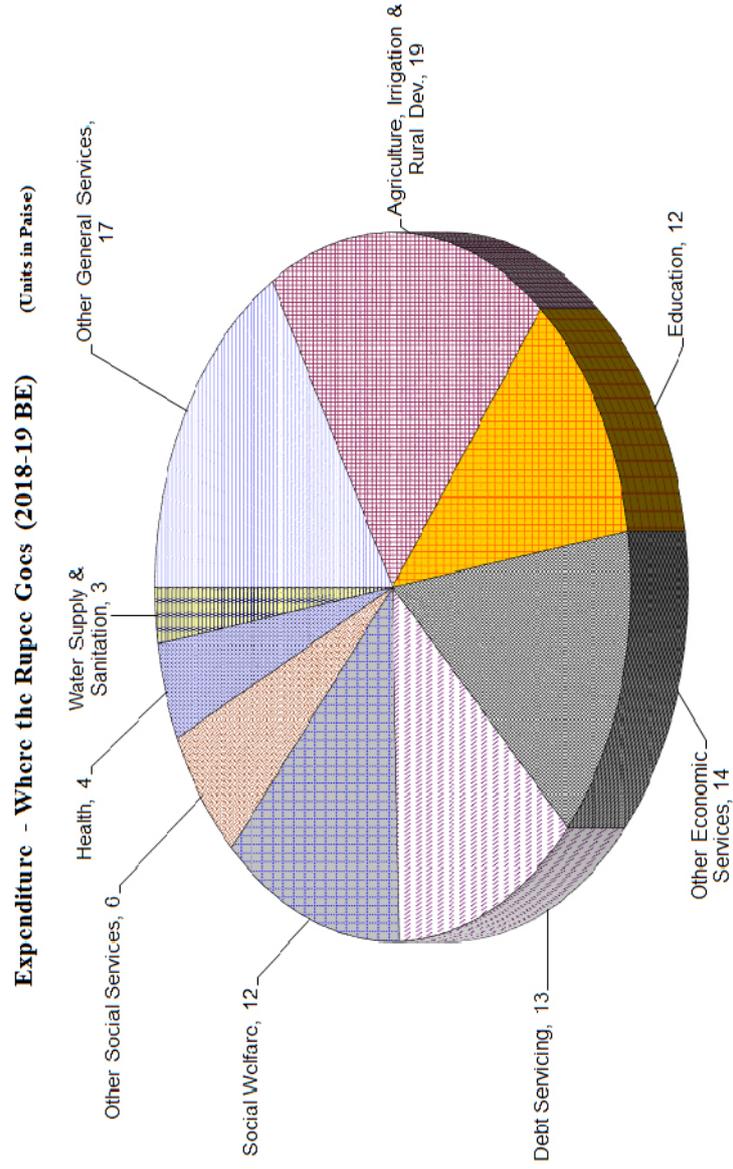
**ANNEXURE-2****(PARA-178)**

SCHEDULE  
PART-A  
[See Section 3(1)]

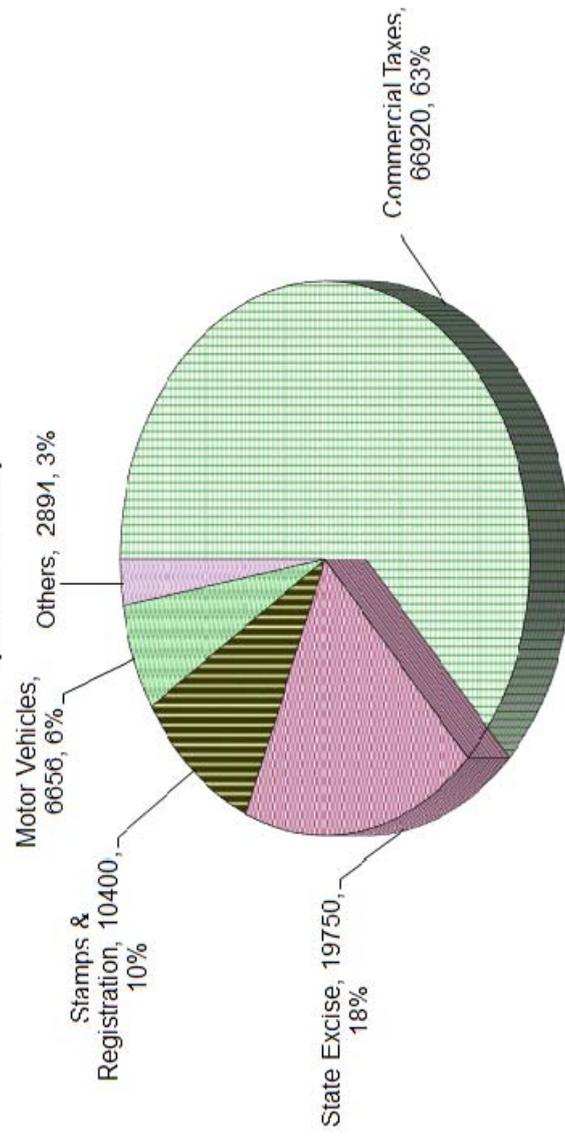
<b>Item No.</b>	<b>Class of Vehicle</b>	<b>Quarterly tax for vehicles fitted with pneumatic tyres.</b>
8(A)	Omni Buses and Private Service Vehicles held under lease agreement with industrial undertakings or companies for the purpose of providing transport conveyance to their employees from residence to factories/companies <i>vice versa</i> and such industrial undertakings or companies being holder of permit of such vehicles.	
	a) Having floor area exceeding 5 sq. mtrs., but not exceeding 6 sq. mtrs., for every sq. metre	1650
	b) Having floor area exceeding 6 sq. mtrs., but not exceeding 9 sq. mtrs., for every sq. metre	1800
	c) Having floor area exceeding 9 sq. mtrs., but not exceeding 12 sq. mtrs., for every sq. metre	1950
	d) Having floor area exceeding 12 sq. mtrs., for every sq. metre	2250



(\* Includes GST Compensation)

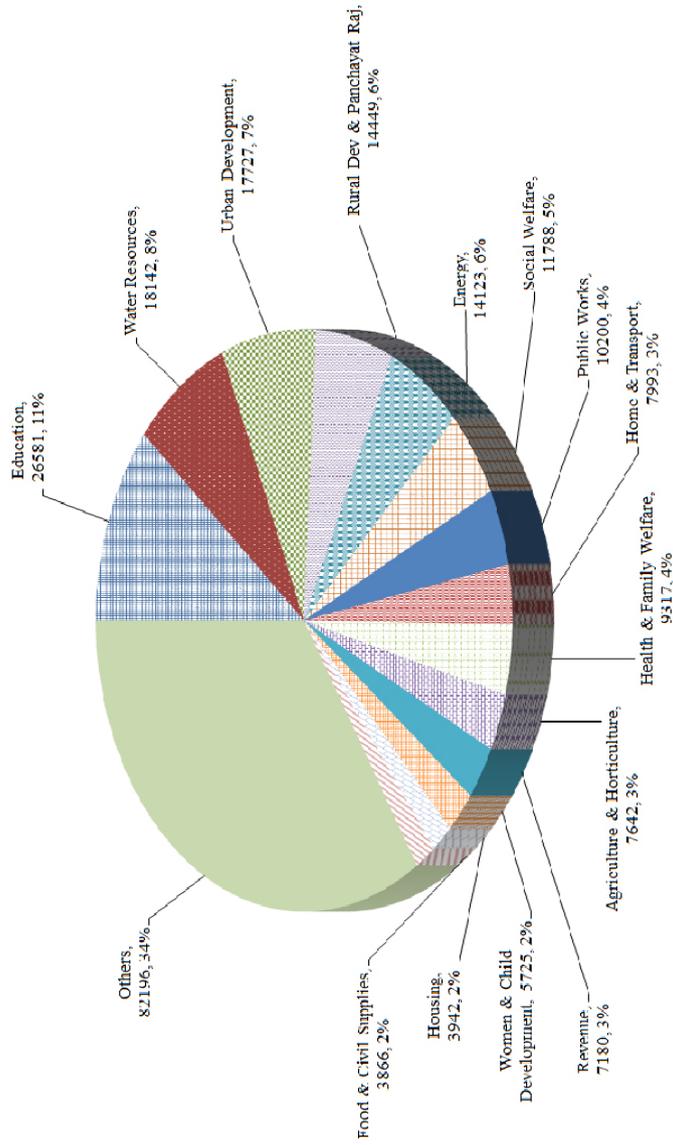


**Break-up of State's Own Tax 2018-19 BE  
(Rs.in Crore)**



(\* Includes GST Compensation)

**Gross Allocation(Total Demand+IEBR) 2018-19 (Rs.in Crore),(% to Gross Allocation)**





**Contents**

Hon'ble Speaker	1
State's Economy	3
4 <sup>th</sup> Finance Commission	3
State Financial Position	4
Preview of progress	4
Agriculture	10
Horticulture	14
Sericulture	15
Animal Husbandry	16
Fisheries	16
Co-operation	16
Skill Development	17
Primary and Secondary Education	17
Higher Education	18
Health and Family Welfare	21
Medical Education	21
Tourism	22
Social Welfare	24
Food and Civil Supply	26
Women and Child Welfare	27
Commerce and Industries	28

Public Industries	35
Energy	35
Housing	35
Rural Development and Panchayath Raj	36
Water Resources	37
Minor Irrigation	38
Revenue	38
Endowment	39
Forest, Environment & Ecology	39
Transport	40
E-Governance	41
Kannada and Culture	41
Information and Public Relations	42
Information Technology, Bio-Technology, Science and Technology	42
Public Works	43
Urban Development	43
Bruhath Bengaluru Mahanagara Palike	43
Bengaluru Metro Rail Corporation	43
Bengaluru Development Authority	44
Municipal Administration	44
Bengaluru Water Supply and Sewerage Board	45
Karnataka Water Supply and Sewerage Board	46

BUDGET 2018-19	63
Law	46
Finance	46
Tax Proposals	48
Budget Estimates 2018-19	50
Resource Mobilization	50
Hon' ble Speaker Sir,	51