

Budget Statement for 2019-2020

The revised estimates for 2018-2019 and budget estimates for 2019-2020 is being presented in the background of last couple of year's disturbances, political developments, major economic disturbances due to devastating floods of 2014, demonetisation and introduction of GST. As a result, trade and business and other economic activities have not fully recovered and picked up as expected. After the fall of Elected Government in June, 2018, the State has been under the Governor's Rule. This phase has been a period of relative calm and developmental activities have substantially picked up.

2. The underlying theme for the revised estimates 2018-19 and budget estimates 2019-2020 is based on two key principles underscored by the Hon'ble Governor:-

- (a) Mission delivering development.
- (b) Mission good governance.

3. Building upon twin mantra underlined by the Hon'ble Governor, the proposed budget has three underlying themes-

- (a) Building infrastructure
- (b) Building institutions
- (c) Building systems

Panchayati Raj and Urban Local Bodies

4. The biggest development during last six months of Governor's Rule has been holding of Panchayat and Municipal elections. It is a matter of satisfaction that these elections have been conducted successfully without any violence. Further, the Panchayati Raj Act and the Municipal Act have been amended to empower these Local Bodies in a real sense.

5. All Panchayats and Municipal Bodies for the first time are likely to receive considerable funds. It is expected that every Panchayat will get an amount ranging from Rs.20.00 lakh to Rs.1.00 crore approximately depending upon its area and population. Further, funds under ICDS, Mid day meal scheme, IWMP etc. will also flow through Panchayats. In the revised estimates 2018-2019, a sum of Rs.1151.00 crores has been kept for devolving upon the Panchayats and Rs.464.00 crores for Urban Local Bodies. In the budget estimates for 2019-2020, a sum of Rs.1422.00 crores is proposed for the Panchayati Raj Institutions and Rs.566.00 crores for Urban Local Bodies. If we add these sums, Rs.2573.00 crores is expected to flow to Panchayati Raj Institutions and Rs.1030.00 crores to Urban Local Bodies in a short timeframe of 15 months. Needless to say, this will transform the developmental activities at the ground level and common masses will be able to take decisions regarding their developmental requirements at their doorsteps.

6. While a large sum of amounts will be spent by these institutions, it is all the more important that account keeping is taken care of in a proper way. Accordingly, it is planned to create 2000 posts of Accounts Assistants for Panchayati Raj Institutions to help them in managing the expenditure and account keeping.

7. MGNREGA has been an important rural development programme. However, it has a strict 60:40 ratio for wage component and capital component. In order to meet this ratio, many a times quality of infrastructure created through this programme is not up to standards. Therefore, it is proposed to supplement the MGNREGA fund by way of up to 10% supplement from the State Exchequer to ensure quality of assets created. Necessary budgetary provisions have been made in this regard. Further, greater convergence will be ensured

to utilise the wage component of MGNREGA to the construction activities carried by various line departments.

8. Rural Development Department also undertakes various activities of urgent public needs. It is proposed to double the amount available under this head for the next year.

9. Rural Development Department has done excellent work for solid waste management in the rural areas. To supplement the effort made by the Department, an additional Rs.7.00 crore State's share will be provided to make a visible impact on the ground. Similarly, Rs.1.00 crore additional amount will be provided to construct quality pathways in the remote hilly villages. An additional Rs.1.28 crore have also been provided to the Rural Development Department for completion/ construction of play fields in two backward districts of Poonch and Reasi.

Agriculture, Animal/Sheep Husbandry, Horticulture sectors

10. The primary sector of Agriculture, Horticulture, Animal/Sheep Husbandry is still a dominant economic segment in the State. Keeping the same in view, the allocation to Agriculture sector is proposed to be enhanced by Rs.20.00 crores to be used for Revolving fund for Basmati Rice, improvement of Chinore Seed Farm, procurement of Dual Maize Thrashers, purchase of vegetable seeds, Mushroom cultivation, Paddy thrasher, Critical repairs of Irrigation channels, Vermi composite facilities, Bore well lift irrigation facilities, Cold storage etc.

11. To ensure the availability of feed as per requirement an additional amount of Rs.4.00 crore is proposed for Animal/Sheep Husbandry Department. Also for shifting of the Animal/Sheep Husbandry farm to Chatta from Jammu, an additional amount of Rs.1.00 crore has been provided.

12. Horticulture plays a critical role in the economy of the State. Accordingly, it is proposed to meet 50% subsidy for all new CA stores which will be established in the next financial year. Similarly, 50% subsidy will be made available for refrigerated vans for transportation of perishable vegetables/fruits.

13. There is also need to promote urban horticulture by way of planting 2-5 trees in the residential premises of households having some open land available. To promote urban horticulture, a sum of Rs.2.00 crore is being provided.

14. The activities of Floriculture Department has remained confined to maintenance of parks and gardens, while little attention has been paid to promoting cultivation of flowers by private entrepreneurs on commercial lines. The biggest obstacle is cost of reaching Metropolitan markets in the shortest possible time which is possible only through air lifting of flowers. Accordingly, a provision of Rs.9.18 crores is made to meet the freight subsidy, refrigerated vans etc. to promote flower cultivation in the private sector. The Floriculture Department will work out a scheme in this regard.

Education

15. Less than 25% of pass outs from Schools enter the Colleges in the State. To impart higher education to a larger number of students, the SAC has given approval to 40 new Degree Colleges to be opened in the State. Further, the Degree Colleges already established do not have required infrastructure and manpower. Accordingly, Rs.50.00 crores in the balance period of the current financial year and Rs.200.00 crores in the next financial year is proposed to be spent on infrastructure augmentation in the Degree Colleges. Required manpower with more emphasis on teaching faculty will also be provided.

16. It is a matter of great concern that more than 8 lakh children in the primary and middle schools are without bench and desk and study sitting on the ground. It is proposed to provide Rs.100.00 crores in BE 2019-2020 to address this issue.

17. Hundreds of schools are still without electricity and regular water supply. It is proposed that all such schools in the financial year 2019-2020 should have regular water and electricity supply. To achieve this, a sum of Rs.45.00 crores will be provided.

18. In the Information Technology era, adequate digital content in imparting education has acquired lot of significance. In order to reactivate EDU SAT and additional smart class rooms, Rs.5.5 crore will be provided.

Health

19. All under construction buildings of Medical Colleges, District/ Sub-district hospitals, PHCs etc. are proposed to be completed during the year 2019-2020 for which a sum of Rs. 350.00 crores is proposed to be spent.

20. The two problems which the health sector is faced with is requirement of manpower and non availability of machinery and equipment. Rs.100.00 crores is proposed to be provided for onetime augmentation of the equipments in the hospitals across the State.

21. Required posts have been created for new five Medical Colleges and newly sanctioned districts/sub-districts hospitals and PHCs. Selection of 1000 new Doctors have been completed in a record time of 45 days.

22. The State has been sanctioned two AIIMS at Vijaypur, Samba and Awantipora, Pulwama. To meet the obligation of the State for acquisition of land/structure, Rs.87.09 crore is proposed to be provided. Similarly, Rs.5.00 crore as State's share for establishment of

five new medical colleges is being provided. In addition, the following requirements is also proposed to be met in the proposed budget:

- * Rs.1.00 crore for construction of Red Cross House at Srinagar.
- * Rs.3.18 crore to complete various works of Health and Medical Education Department in the Doda district as per directions of the Hon'ble Governor.
- * Rs.32.00 crores additional State share for 5 new Medical Colleges.
- * Rs.1.50 crore for purchase of 5 critical care ambulances for hilly districts.
- * Establishment of Cath Lab at the estimated cost of Rs.8.00 crore at SMHS Srinagar.
- * Rs.8.00 crore for establishment/procurement of MRI at SKIMS Medical College (JVC Bemina).
- * Rs.1.00 crore for establishment of Drug-de-addiction centre at SKIMS Medical College (JVC Bemina).
- * Sonam Narbo Hospital, Leh will be upgraded to the 300 bedded Hospital for which a provision of Rs.3.00 crore has been made.

23. Propagation of generic drugs is urgently required for making available medicines at cheaper rates to the common masses. Accordingly, the required funding will be provided for having more Jan Aushadhi centres in the State.

24. J&K is the leading State in implementation of recently launched National Programme for Health Insurance for poor.

Necessary manpower as well as the required State share has been provided for in the budget.

Sports

25. Sports infrastructure has remained a neglected area in the State hampering the holistic development of its youth. In order to complete all ongoing works of stadiums, play fields including game specific infrastructure, a sum of Rs.350.00 crores is proposed to be spent during 2019-2020.

26. This would include establishment of 5 synthetic football turf, 5 synthetic astro turf for hockey, 90 basketball courts, 80 volleyball courts, 102 badminton court, 50 handball synthetic courts, 500 Table Tennis courts, 4 synthetic maintenance machines, 7 lawn tennis courts, 40 cricket net/wicket, 24 bowling machines, 22 cricket pitch roller, 1 shooting range, 6 swimming pools, 8 roller skating rink, 2 climbing walls, 2 cycling track, 6 synthetic athletic track, 2 archery field and 1 synthetic rugby playfield. All this will certainly make a massive improvement of sports infrastructure available in the State.

Career Counselling

27. In absence of textbooks and other study materials to clear competitive examinations, the students from J&K in adequate numbers do not qualify for All India Service examinations, banking examinations and other national level competitive examinations. It is proposed to provide textbooks of all subjects and other required study material to clear competitive examinations including IAS/KAS and Banking examinations. A sum of Rs.3.50 crore in the financial year 2019-2020 at Rs.50 lakh each for the purpose is provided. These books/study material will be provided either in the District Libraries or the counselling centres operated by the Employment Department. In the first phase districts of Pulwama, Baramulla, Kupwara, Kathua, Poonch, Doda and Leh will be taken up.

28. It is also proposed to invite reputed career counsellors to visit our Higher Secondary Schools and College to make the students aware of opportunities available to them across various fields. A sum of Rs.2.00 crore is being provided for this purpose.

Land Records

29. Computerisation/digitization of land records is of paramount importance. While the pace has gathered momentum, the required additional assistance of Rs.5.00 crore is being provided for its early completion in the entire State.

30. Revenue Department machinery at the grass root level comprising of Tehsildars and Sub-divisional Magistrates are without vehicles and office. 50 new vehicles will be provided for Tehsildars/SDMs having no vehicles to ensure their mobility not only for their departmental work but also in view of the fact that they perform magisterial duties during frequent law and order problems. Revenue Department is also in the process of levying service fees for various activities like land acquisition, issuance of certificates of various kinds etc. which would go to "Revenue Infrastructure Fund" to take care of various emerging infrastructure needs of the Department.

Anti Corruption Bureau (ACB)

31. The State Government has recently set up ACB to tackle the menace of corruption. Accordingly, a sum of Rs.4.00 crore will be provided for construction of its headquarter at Srinagar.

Culture

32. Nomination preparation process has started for "World Heritage Licensing by UNECSO of Mughal Gardens". To support the process, a sum of Rs.50 lakhs will be provided.

33. In order to have a dedicated art gallery at Srinagar as well as Jammu, an initial provision of Rs.1.00 crore is being made. Planatorium

at Jammu near Kala Kendra would be taken up for construction. A provision of Rs.1.00 crore is being made.

34. Mobile library for far off and remote villages would serve the deprived population well. Accordingly, 4 such units will be established in the year 2019-2020, for which a sum of Rs.1.00 crore will be provided. A Heritage Society is proposed to be created to address issues related to the religious institutions. An initial token amount of Rs.1.00 crore is provided for the purpose.

35. An emerging need for exposition, preservation and promotion of state's art and culture is to have Art and Culture Centres at the districts and places of prominence representing unique heritage of local arts and crafts – early and cotemporary. These centres would focus on art, music, theatre, film, design, eco concerns, flora & fauna, resource points for talent hunt and skill development, cultural and education events etc. The Centres would include cafes, craft shops, commercial, mini art galleries, book shops, art library etc.

36. In next Financial Year 2019-20, to begin with eight such Centres would be setup at the districts of Leh, Kargil, Bandipora, Shopian, Budgam, Kathua, Kishtwar and Udhampur to work under a centrally based Society with required infrastructure. A token provision of Rs. 25.00 crore is being made during the Financial Year 2019-20 towards matching share. Human resources, requisite equipment and infrastructure will be covered under the scheme to be launched by the department of Culture.

Tourism

37. Under the PMDP, tourism sector has got a major boost by way of assured funding of Rs.2000.00 crores for tourism infrastructure building. In addition, Rs.130.00 crores will be provided for augmentation of the staff of Tourism Department for the year 2019-

2020 which would also include creation of PMU or a dedicated cell for effective promotional campaign throughout the Country and World against the notion that entire J&K remains disturbed at all times. The idea is to promote that even in Kashmir tourist destinations remain undisturbed during protests and tourist destinations in other regions of Jammu and Ladakh remains completely undisturbed.

Government Employees

38. J&K was the first State to have implemented the 7th pay Commission recommendations for its employees. Not only that arrears is also being paid to the employees in the current year itself. This has caused an estimated additional burden on the State Exchequer to the tune of Rs.9000.00 crores.

39. Long pending issue of stagnation of KAS and KPS Officers have been addressed. Similarly, induction from various feeding services to the KAS particularly in the case of Secretariat Non-gazetted service has also been addressed. Approximately, 27000 posts have been created to regularise the teachers recruited through Rehbar-e-Taleem (ReT) and Sarwa Shiksha Abhiyan (SSA). This measure alone will cost the State exchequer an additional burden of Rs.1000.00 crores.

40. The employees will certainly recognise that for the first time their salaries, GPF and other benefits are being paid to them in time despite meagre resources available with the State of its own. It is expected that the employees will continue to work hard with zeal and passion to implement the Government policies and programmes by way of delivering the services to the public in a time bound manner and with a great sense of professionalism and integrity.

Infrastructure

Power

41. Availability of quality and un-interrupted power is critical for economic development of the State. While there is a substantial amount available through PMDP for generation, major transmission and distribution network, there are gaps to be met to achieve the objectives of availability of un-interrupted power supply. Therefore, to meet the gap by way of construction of transmission/ distribution lines, construction of receiving stations etc. a sum of Rs.300.00 crores will be provided over and above the normal outlay. This will ensure complete transformation of power network by the end of financial year 2019-20.

42. Power Development Department is working at financial restructuring of the JKSPDC. Once approved by the SAC, this Company will become debt free with larger equity base and a host of projects in the pipeline. The Government intends to put in place professional Board of Directors and sound professional team of management in place to achieve the objectives of JKSPDC turning into a bigger company than even J&K Bank. Towards this, the Government is committed to convert its grants and loans into the equity base of JKSPDC.

43. J&K has achieved the distinction of reaching every households by way of providing power through various sources. It is equally important that the consumers pay for the power it consumes. Non collection of power tariff is the biggest drain on State exchequer. While provisions for power purchase has been enhanced to Rs.5261.00 crores in R.E 2018-19 against the original budgetary provision of Rs.4700.00 crores, the provision of Rs.5000.00 crores has been kept in Budget Estimates 2019-2020. In addition, the Government is hopeful to receive the concurrence of Union Finance Ministry to grant

permission for raising Rs.3500.00 crores state bonds to address the past power purchase liability.

44. In order to check pilferage of power as well as to ensure that all consumers pays for the power it consumes, PDD is in the process of procuring and installing prepaid smart meters in all the households/ business establishments etc. Necessary funds have been made available in this regard.

45. To brighten the evenings and improve the night life, Rs.10.00 crore will be provided to install minimum of 100 high mask lights in the cities of Srinagar and Jammu.

Solar Power

46. In order to promote Solar Power, a sum of Rs.10.00 crore has been provided in the Revised Estimates 2018-19. Further, an amount of Rs.45.00 crore will be provided for promotion of solar power including solar heaters in the year 2019-20.

PHE/ Irrigation & Flood Control

47. Providing safe drinking water supply to people is the most basic expectation of the masses from the Government. A large number of drinking water supply projects have either not been completed or malfunctioning due to various reasons. A sum of Rs. 1500.00 crores is proposed to be provided to augment the drinking water supply across the State in the proposed budget.

48. The city of Jammu is rapidly expanding and faces massive water supply problem during summer months. A mega project to provide drinking water supply from Chenab river is expected to be funded by ADB shortly for which required commitment from the State budget will be met.

49. The Government of India has recently approved a project on Ujj river for irrigation/ drinking water supply and another long pending irrigation project of Shahpur Kandi. These two projects will transform the entire kandi belt of Kathua and Samba districts. Necessary State share towards these projects is being provided in the proposed budget.

50. In order to boost irrigation facilities across the state, a sum of Rs.150.00 crores is proposed to be spent during 2019-20.

51. It is important to have dredgers available for continuous dredging of flood channels, river beds and water bodies. Accordingly, Rs.12.00 crore is provided for purchase of two dredgers for Irrigation & Flood Control Department, Kashmir.

Roads and Buildings

52. Macadamisation of roads immediately provides a visible impact on the ground as quality road is the basic requirement for economic activities. Till now Rs.100.00 crores is provided in the budget for macadamisation of roads each year. It is proposed to enhance this to Rs. 400.00 crores in the year 2019-20. Roads and Buildings department will make all efforts to use new technologies to the extent possible.

53. A large number of roads including those funded by PMGSY, NABARD etc. are incomplete for want of resources available for land acquisition. Till now, Rs.30.00 crore each year is provided in the budget for land acquisition for roads. It is proposed to enhance this to Rs.100.00 crores in the year 2019-20.

54. The cities of Srinagar and Jammu have a large number of bridges and flyovers. If beautification of all these projects and flyovers are carried out, the same would in itself become a tourist attraction. Rs.20.00 crore is proposed for beautification of brigdges and flyovers in the cities of Srinagar and Jammu during the year 2019-20.

55. Finally, in order to complete pending works of roads, bridges etc. languishing for many years, an additional sum of Rs. 1000.00 crores will be spent during the year 2019-20.

Transport

56. Due to frequent disturbances, the transport in private sector have suffered a lot and there is a need to support the private sector for providing quality busses for transportation in the state. It is proposed to subsidise 500 new large busses in the private sector. Accordingly, Rs.25.00 crore has been provided in the budget. Transport Department in consultation with Finance Department will work out the modalities/guidelines in this regard.

57. Urban transportation particularly in the cities of Srinagar and Jammu cities comprise mainly of matadors. The bus service in these two capital cities is completely absent causing increased traffic volume on the roads. In order to provide for low floor busses in these two cities, an initial sum of Rs.25.00 crore is provided in the budget. A decision would be taken regarding this new service to be run by SRTC or Smart City Corporation or altogether to a new company.

58. There is a need to have a revival plan for SRTC by way of augmentation of its fleet. In the Revised Estimates for the current year Rs.10.00 crore is proposed to be provided for purchase of 45-50 new busses to be deployed largely in hilly districts of the State. It is further proposed to provide Rs.25.00 crore for purchase of new busses by SRTC in 2019-20 for plying on long routes. An additional Rs.2.00 crore each will be provided for purchase of busses for the districts of Leh and Kargil and Rs. 1.00 crore for Gurez which remain landlocked for half of the year.

Information Technology

59. Robust IT infrastructure has now become the basic need to monitor effectively the developmental works. In order to avoid transportation of large number of computers and other electronic equipments with each darbar move, Rs.15.00 crores have been provided for purchase of hardware and software for the Civil Secretariat, Jammu. Henceforth, the computer infrastructure for Jammu will remain stationed at Jammu and the same will be left at Srinagar while moving to Jammu. An additional sum of Rs.5.00 crores will be provided for digitization of office records of Civil Secretariat and Rs.3.00 crore will be provided for installing robust LAN Network.

Housing and Urban Development

60. The State till date did not have a single planned township except few colonies of Jammu and Srinagar. The cities of Jammu and Srinagar have been expanding in a haphazard manner. In order to have planned expansion of the twin capital cities, Metropolitan Authorities will be created for which an initial provision of Rs.100.00 crores has been made. This will be supplemented by funding available under Smart Cities and institutional borrowing.

61. Drainage, sewerage and construction of STPs have been the neglected areas in our developmental narrative. It is a matter of great concern that world famous tourist resorts of Gulmarg, Sonamarag, Patnitop etc. do not have STPs and therefore discharge into various water bodies. The city of Jammu has only one partially functional STP while Srinagar requires more STPs to tackle the problems of large amount of sewerage going into Dal lake causing perennial problems. Further, proper drainage and sewerage in other towns of the State is also required. It is proposed to have an allocation of Rs.500.00 crores towards construction of drainage and sewerage, STPs and solid waste

disposal plants across the State in the balance part of the current year and during next financial year.

62. Long pending river front development in Jammu city needs to be completed. Similarly Vikram Chowk could easily be connected with Gujjar Nagar bridge along the river Tawi. Accordingly, an initial sum of Rs.10.00 crore is being provided.

Industries and Commerce

63. The pending issues of amnesty on interest and penalty of past power dues of industries has been resolved.

64. While in the past budget, the issue of fiscal support to the industries was the primary focus, there is need to look at the infrastructure bottlenecks and address the same to facilitate industrialisation in the State. Most of the industrial estates are old with dilapidated infrastructure. Further, upcoming industrial estates have also not been provided the required infrastructure.

65. Under "Ease of doing Business", the State of Jammu and Kashmir has moved its position from 31st to 22nd and is expected to further move to around 15th position among all States. In order to support this process, various e-governance projects need to be funded.

66. Accordingly, a sum of Rs.400.00 crores is proposed to be spent on augmentation of infrastructure including waste disposal in all existing and upcoming industrial estates and also to support the process of improving "Ease of doing Business".

Social Welfare

67. The State Government has recently approved granting old age pension to 40000 new pensioners and budgetary allocation has been provided for the same. Further, Rs.4.00 crore is proposed for improvement of Bal Ashrams, home for mentally ill persons and old

aged persons. All existing scheme of Social Welfare Department for deprived sections of the society has been fully funded.

Youth exchange

68. It is extremely important that youth of our State visits different parts of the Country in order to see social and economic developments in other parts of the Country, exchange views with their counterparts which will broaden their outlook. Youth Services Department proposes to take 2500 boys and girls of the State to other parts of the Country on winter study tour. For the first time, on such a large scale, young boys and girls of the State will be visiting other parts of the Country. An initial provision of Rs.5.00 crore has been provided in the budget and should there be more requirements, it will be met.

Ladakh Affairs

69. The twin districts of Ladakh and Kargil has only six months working period so far as construction activities are concerned. Further, inadequate funding of the projects has resulted in a large number of languishing projects in the two districts. Accordingly, all such languishing projects has been taken up for funding by the State sector and are expected to be completed at the cost of more than Rs.300.00 crores.

District Development Commissioners

70. The institutions of District Development Commissioners is proposed to be strengthened by way of providing un-tied grants to supplement the smaller needs of development across various sectors. Rs.1.00 crore each has been provided to all District Development Commissioners for the purpose and similar amount will be provided in the next financial year as well. The two aspirational districts of Baramulla and Kupwara has been provided Rs.1.00 crore each over and above this un-tied grant.

Conclusion

71. For the first time the budget has been prepared by a single agency i.e. Finance Department. As a result a complete holistic view of both revenue and capital expenditure requirements being carried out by each Department has been assessed. The proposed budget fully meets the State share requirement of all centrally sponsored schemes, PMDP as well as projects of significance. Only a limited number of initiatives have been listed in this note and needless to say that all existing developmental programs in various sectors have been fully funded.

72. The critical issue is “capacity to spend” by various line agencies. It is proposed to support the line agencies by way of providing consultants, DPR preparation cells, Project Implementation agencies, IT consultants etc. All such requirements will be met on merits of the proposal by the line departments.