

Speech of Thiru O. Panneerselvam, Hon'ble Deputy Chief Minister, Government of Tamil Nadu, presenting the Budget for the year 2020-2021 to the Legislative Assembly on 14th February, 2020.

Hon'ble Speaker Sir,

“வாரி பெருக்கி வளம்படுத்து உற்றவை
ஆராய்வான் செய்க வினை”

(குறள் 512)

'Who increases the revenues, promotes the prosperity of the land, removes all the impediments to progress, let him be entrusted with the execution of the work.'

(Kural 512)

The late Hon'ble Chief Minister Puratchi Thalaivi Amma was an exemplar of the immortal words of Sage Thiruvalluvar, as she greatly increased the financial resources available, allocated resources to all sectors, developed the State, crushed impediments, brushed aside hindrances, and functioned with the sole objective of ensuring the welfare of the people and thereby placing Tamil Nadu on the growth path to become the numero uno State in India. **Puratchi Thalaivi Amma** lived by the motto

'I am by the people and for the people' and as her life's mission, served the people of the State tirelessly, day and night and secured a place forever in the hearts of the people of Tamil Nadu. This Government led very capably by the **Hon'ble Chief Minister Thiru Edappadi K. Palaniswami**, rests on the edifice of the hard work and the sacrifices of Puratchi Thalaivi Amma.

2) Having showered affection on the poor, protected the vulnerable, empowered women and toiled every single day only for the welfare of Tamil people, Puratchi Thalaivi Amma finds a permanent place in the hearts and minds of the people of the State. Amma continues to live amongst us in spirit and I salute her and with her blessings and guidance, I rise to present before this august House the Budget for the financial year 2020-2021.

3) This Government is doing its utmost to realize the aspiration of the Puratchi Thalaivi Amma to make **Tamil Nadu the numero uno State in India**. We will continue to follow the vision of the late Chief Minister and carry forward her motto '**Peace, Progress and Prosperity**', so that the people of the State reap in full the benefits of good governance.

4) When the late Chief Minister Puratchi Thalaivi J Jayalalithaa left us more than three years ago we felt orphaned. However, as a true mother, Puratchi Thalaivi Amma had guided us on the path of service to the people. Amma strengthened in each one of us the resolve and determination to persevere in our mission and developed in each one of us the capacity to serve the people of the State. Initially, many doubted the durability of the Government. But this Government protected by the legacy and blessings of Puratchi Thalaivi Amma and led by the very capable Hon'ble Chief Minister has proved all its critics and nay sayers completely wrong. Not only have we survived for three years, but **we have gone from strength to strength. We have performed in a manner that has won us accolades from not only from across India but even overseas.**

5) **We have won awards from the Government of India for good governance in 2019 and from the India Today media group as the Best Performing State in the country for two years in a row.** We have made Tamil Nadu a haven of peace and tranquillity. We have offered policy stability, predictability and coherence. This is a Government which is accessible and responsive to genuine representations, suggestions and grievances. **We hear the voice of the people and resolve their issues.** We have reached out to the poorest and the most vulnerable. We are open to high

quality advice from experts and scholars and we have acted on good advice. **We have implemented schemes and programmes with zeal, dedication and diligence.** We are the most preferred development partner for many multilateral financial institutions and the preferred destination for investors to make their investments. We have ensured that Tamil Nadu is a State where people can live in peace and realise their dreams and aspirations and call upon the responsive Government to deliver what they need.

6) This Government will ensure that Law and Order continues to be well maintained in the State and the people of the State continue to feel a sense of security and well being. More and more investment and greater economic activity in all sectors will generate more jobs and incomes for the people. The Government will proactively step in to protect and provide for the poor, the vulnerable and the downtrodden. **This Budget contains a number of welfare programs aimed to realize the vision of the late Chief Minister Puratchi Thalaivi J Jayalalithaa that everyone should possess everything and attain a state of complete absence of deprivation.**

7) Global and national level economic headwinds are faced by Tamil Nadu as well, at this time. At the All India level, the growth estimates for 2019-20 have been

revised downwards and projected at 5 per cent in constant price terms. But Tamil Nadu has withstood these fierce headwinds. Due to the diversified nature of the economy of the State, the sustained policy initiatives of the State Government, but above all by the dint of hard work and effort by the industrious and productive people of the State, **Tamil Nadu's economy grew at 8.17 per cent in 2018-19. In 2019-20, growth is projected to be 7.27 per cent**, which is significantly higher than the projected all India growth rate of 5 per cent. We expect an even stronger growth performance in 2020-21.

8) The Fifteenth Finance Commission (15th FC) has presented its report for the year 2020-21 which has been placed before the Parliament on February 1, 2020 along with an Action Taken Memorandum (ATM). The final report of the Commission for the 5 years from 2021-22 to 2025-26 is to be presented later this year. The Commission has recommended that the overall vertical devolution of taxes from the Centre to the States be reduced from 42 per cent to 41 per cent, which has only a marginal impact as Jammu and Kashmir has now become two Union Territories and will not share in the pool. The **inter-se horizontal share of Tamil Nadu has increased marginally from 4.023 per cent, to 4.189 per cent** which is a welcome reversal in the trend of Tamil Nadu's share consistently going down in

the last few Finance Commissions' reports. But, it still does not make up for the injustices heaped on Tamil Nadu in the past, especially by the 14th Finance Commission. The State will again strongly pitch before the 15th Finance Commission that a performing State like Tamil Nadu gets adequately rewarded and incentivized through a progressive formula and mechanism for sharing of resources.

9) The 15th Finance Commission has accepted Tamil Nadu's assessment that the State will have a post devolution revenue deficit and **recommended a revenue deficit grant of Rs.4,025 crore for Tamil Nadu**. This is finally a recognition of the committed welfare oriented expenditure of the State which fulfils the people's legitimate aspirations. However, while in the Action Taken Memorandum, the Central Government has indicated that the recommendations of the 15th Finance Commission on post devolution revenue deficit grants is accepted, as against the total grant of Rs.74,340 crore recommended by the Commission, the Union Budget includes a provision of only Rs.30,000 crore. This Government will take up the issue of adequate budgetary provision with the Central Government and ensure that the State receives its entire recommended grant in 2020-21.

10) In the Union Budget 2020-21, the Hon'ble Union Finance Minister has indicated that hereafter transfers to the GST Compensation Fund would be limited only to collection by way of GST Compensation Cess. The GST (Compensation to States) Act, 2017 was enacted to provide compensation to States for loss of revenue on account of implementation of GST based on the constitutional obligation of the Government of India to compensate the States for a period of 5 years in the Constitution (101st Amendment) Act, 2016. Our late Chief Minister Puratchi Thalaivi J Jayalithaa had made it clear that Tamil Nadu would support GST, only if there was an iron-clad guarantee of compensation enshrined in the Constitution itself. It is the obligation of the Government of India to find resources to pay the compensation, and there should be no effort to limit the compensation payable to the States. The Hon'ble Chief Minister has already raised this issue with the Hon'ble Prime Minister in October, 2019. I urge the Government of India to discuss the matter in the GST Council to arrive at an appropriate solution.

Tamil Development

11) This Government is committed to celebrate and spread awareness about the glory of Tamil Language and culture. To this end, the **Government has supported efforts to establish Tamil teaching at**

well known universities in India and abroad, including Harvard University, Houston University, Banaras Hindu University and Guwahati University.

In 2019, the Government has assisted the 10th International Tamil Research Conference at Chicago, the 4th European Tamil Research Conference held at Paris and the Tamil Internet Conference held at Anna University. A Research Chair in the name of the renowned Tamil scholar Robert Caldwell with a grant of Rs.1 crore will be established in Tamil University to conduct research in the area of comparative study of grammar (Oppilakkanam). **A sum of Rs.74.08 crore has been allocated in the Budget Estimates 2020-21 for the Tamil Development Department.**

12) The findings of the archaeological excavations at Keeladi have generated immense interest amongst the public about the antiquity of Tamil civilization. **The Hon'ble Chief Minister has sanctioned an amount of Rs.12.21 crore for the establishment of a world class new site museum at Keeladi.** The Department of Archaeology has secured approval of the Archaeological Survey of India for archaeological explorations in four more clusters which will reveal more about ancient Tamil civilization. The Budget Estimates for 2020-21 includes a provision of Rs.31.93 crore for the Department of Archaeology.

Sustainable Development Goals

13) The Sustainable Development Goals 2030, adopted by the Union Nations and in turn by the Government of India and the Government of Tamil Nadu with 17 goals and 169 specific targets, with 19 targets to be achieved by 2020, 2 by 2025, and the rest by 2030, provide a frame work for achieving all round development in the State. This Government is committed to achieving the Sustainable Development Goals (SDG). Action Plans to achieve the targets set for 2020 have already been devised and rolled out. All departments are orienting the programmes and schemes they currently implement and wherever necessary specific programmes will be designed and launched to ensure the achievement of SDGs by 2030. Tamil Nadu stands 3rd in the SDG India Index, 2019 brought out by the NITI Aayog for the year 2019. I had launched an online monitoring system for SDGs on 7th November, 2019, for accurate and timely reporting of the achievements of the State. With these efforts, we are confident that Tamil Nadu's ranking will improve further.

Governance

14) This Government, following in the foot-steps of the Late Chief Minister Puratchi Thalaivi J Jayalalithaa has been strongly focused on improving the quality of

governance and effectiveness of service delivery. The efforts of this Government have been recognized with **Tamil Nadu securing the first rank amongst 18 biggest States in the composite ranking in the Good Governance Index released by Government of India on December 25, 2019**. Tamil Nadu was also adjudged the 'Overall Best Performing State' for the second consecutive year in the 'State of the States' survey carried out by India Today in November 2019.

15) Ours is a Government that delivers on its promises. From 2011-12 till 2019-20 a total of 715 announcements were made in the Budget Speeches. Of these announcements, 537 have been fully implemented, while for 161 announcements, orders have been issued and are at an advanced stage of implementation. Action is being taken on the remaining 17 cases.

16) Based on the announcement made by the late Chief Minister Puratchi Thalaivi J Jayalalithaa in this august House on 8th August, 2014, a Memorandum of Understanding (MoU) was entered into between the Government of Tamil Nadu and Abdul Latif Jameel Poverty Action Lab (J-PAL), South Asia to institutionalize an evidence-informed based approach to policy making and to maximize the impact of anti-poverty programmes. I was present at the signing of the MoU on

19th November, 2014 along with Prof. Esther Duflo who is a founder Director of J-PAL. It is a matter of pride that the Nobel prize in Economics for 2019 has been awarded to Prof. Esther Duflo and her husband Prof. Abhijit Banerjee, co-founder and Director of J-PAL, and the Government of Tamil Nadu is very happy to be associated with J-PAL. This mutually beneficial institutional partnership has been described by J-PAL as their most comprehensive engagement and a unique model worthy of emulation elsewhere in the world. So far, J-PAL has taken up 15 studies in nine departments, of which ten studies have been completed. The association with J-PAL will be continued and more studies taken up to enhance the quality of policy making.

Revenue Administration

17) **To take Government closer to the people, an unprecedented number of 5 new districts were formed during 2019.** Since 2011, 16 new Revenue Sub Divisions and 92 new Taluks have also been formed. To enable the new districts to function effectively, 835 new posts have been created at a recurring cost of Rs.59.73 crore. **The process of identifying land for construction of Master Plan Complexes has commenced and these complexes would be constructed at a total cost of Rs.550 crore.**

18) The Hon'ble Chief Minister had announced the sanction of Social Security Pension to an additional five lakh new beneficiaries in November 2019 taking the total sanctioned strength of pensioners to 34.47 lakh. So far, 1.73 lakh new cases have been approved for sanction of pensions. **The total allocation for Social Security Pension in the Budget Estimates 2020-21 is Rs.4,315.21 crore.**

19) The Government have introduced an online patta transfer mechanism to ensure that people are able to obtain updated land related documents without delay. However, in cases involving sub-division, a backlog of cases has built up due to the huge volume of survey work involved. Hence, the Government have approved the creation of a pool of Licensed Surveyors. The first batch of Surveyors is already being trained. In addition, Village Administrative Officers will be retrained and empowered to take up certain survey related tasks to enable speedy disposal of patta transfer cases.

20) From 1st April, 2011 till 31st October, 2019, a total number of 24,10,107 free house site pattas have been issued to the houseless poor in the State. **The Government has revamped the special scheme for regularisation of residential encroachments on poramboke lands in August 2019.** Under this scheme, residential encroachments in unobjectionable poramboke

lands will be regularized and house site pattas will be granted. Eligible persons from out of those residing on objectionable poramboke lands will be granted alternate sites on Government land or on private land purchased for the purpose. **Such eligible persons will also be provided a free house under the housing schemes implemented by the Rural Development Department in rural areas and the Tamil Nadu Slum Clearance Board in urban areas. So far, out of the 1,28,463 unobjectionable residential encroachments, house site pattas have been issued to 35,470 persons. The remaining cases will be completed by 31st August, 2020.**

21) Based on my announcement in the Budget last year, **the Government has drawn up detailed guidelines for the Puratchi Thalaivi Amma Comprehensive Accident cum Life Insurance Scheme to be implemented in association with the Life Insurance Corporation (LIC) of India covering all Below Poverty Line (BPL) families.** The compensation to the family for the loss of a bread winner will be substantially enhanced to Rs.2 lakh in cases of natural death and Rs.4 lakh in cases of accidental death, with a payment of upto Rs.2 lakh for permanent disability caused by accidents. This scheme will be launched shortly. **In the Budget for 2020-21, a provision of Rs.250 crore has been made for the**

scheme. The on going Accident Relief Scheme will be continued to cover those beneficiaries who are not eligible under the New Insurance Scheme. The Uzhavar Padhukappu Thittam will also continue to be implemented with a provision of Rs.200.82 crore in the Budget Estimates 2020-21.

Disaster Management

22) **This financial year, so far, the State has fortunately escaped from any major disaster.** The Government has utilized this period of lull to effectively prepare against future disasters. 4,399 vulnerable areas have been identified and interdepartmental zonal teams have been formed for immediate response. Chennai Coastal Flood Warning System (C-FLOWS) has been developed for multi-hazard early warning in the Greater Chennai Corporation areas in association with the National Centre for Coastal Research. **The Government of Tamil Nadu have proposed the Comprehensive Flood Mitigation Project for Greater Chennai to the World Bank and Asian Infrastructure Investment Bank at a total cost of Rs.3,000 crore** as a follow on project to the Coastal Disaster Risk Reduction Project, which will be coming to a successful completion. In the Budget Estimates for 2020-21 a sum of Rs.1,360.11 crore is provided for Disaster Management.

23) The 15th Finance Commission has recommended a substantial enhancement of the National and **State Disaster Response and Management Funds. Although the fund size for Tamil Nadu has been stepped up by almost 65 per cent from Rs.825 crore to Rs.1,360 crore, this increase is much less than the average recommended for the 18 major States** and is not in keeping with the actual expenditure incurred by the State in the past. The Commission did not accept our demand that the contribution of States should be reduced to 10 per cent from the 25 per cent. **A grant of Rs.100 crore has been recommended by the Commission for Chennai city to manage the risk of urban floods.**

Law and Order

24) Effective maintenance of law and order is the key to rapid economic growth and social well-being. Hence, this Government ensures that the State police force is provided with adequate manpower, equipment and infrastructure to effectively discharge its functions. **The vacancies in the Police Department have been considerably brought down and currently the working strength of the police force is 1.13 lakh.** During the year 2019-20, a total of 10,242 police personnel have been recruited through the Tamil Nadu Uniformed Services Recruitment Board. In 2020-21,

a further 10,276 uniformed services personnel will be recruited.

25) The Crime and Criminal Tracking Network Systems (CCTNS) has been successfully implemented and now the system will be further upgraded and made more citizen-friendly at a cost of Rs.54.84 crore. The Cyber Crime Wing is being strengthened at a cost of Rs.28.97 crore, to protect innocent persons from cyber crime and to enhance cyber safety. **A total amount of Rs.8,876.57 crore has been allocated for the Police Department including Rs.431 crore for construction of buildings** and Rs.100 crore for modernization of the police force.

Fire and Rescue Services

26) Recognising the need and importance for rapid response to fire and other disasters, the Government has opened new fire and rescue stations wherever required, bringing the total number of fire and rescue stations in the State to 346. In 2019-20, 16 new fire and rescue stations at a cost of Rs.18.22 crore have been sanctioned. Modern fire fighting and rescue equipment including a 104 metre sky lift to fight fire and rescue persons in high rise buildings has been sanctioned at a cost of Rs.13.67 crore. **The Government will send proposals to access the earmarked allocation of**

Rs.1,000 crore recommended by the 15th Finance Commission in the National Disaster Response and Mitigation Fund for expanding and modernizing fire services. In the Budget Estimates 2020-21, Rs.405.68 crore has been allocated for Fire and Rescue Services Department.

Prisons

27) Prisons in Tamil Nadu have been recognized as humane and reformatory in their approach. As a reformatory initiative, **the share of the prisoners from the wages earned in prison industries will be increased from 30 per cent to 50 per cent by reducing the deduction for their upkeep from 50 per cent to 30 per cent.** In a unique initiative, five petrol outlets have been set up in the outer premises of prisons at Puzhal, Vellore, Coimbatore, Palayamkottai and at the Borstal School at Pudukottai. Six more outlets will be set up in 2020-21. A sum of Rs.392.74 crore has been allocated for the Prison Department in the Budget Estimates 2020-21.

Road Safety

28) One of the targets under the Sustainable Development Goals to be achieved by 2020 is halving the number of fatalities and injuries in road accidents. Tamil Nadu has received an award from the Government

of India for best performance in road safety in 2018. The number of fatalities has declined by 38.87 per cent in 2019 compared to 2016. The Tamil Nadu Accident and Emergency Care Initiative (TAEI) is being implemented since June 2017. After the **implementation of TAEI at Rajiv Gandhi Government General Hospital, Chennai, death due to trauma has come down from 8.3 per cent to 2.7 per cent. At present, 80 strategically located Government Medical Institutions have been designated as TAEI centres.** In order to further improve Tamil Nadu's performance in road safety and to reduce avoidable loss of life, injury and damage to property, **the Government will launch the Tamil Nadu Road Safety Mission, to co-ordinate the efforts of different departments and agencies to achieve the goal of 'Road accident-free Tamil Nadu'.** Awareness programmes, driver education, law enforcement, engineering solutions to reduce accidents and efforts to save lives post accidents will be taken up in a co-ordinated manner. Funds and schemes from different departments including Highways, Municipal Administration, Rural Development, Police, Transport and Health will be converged with the **revamped Tamil Nadu Road Safety Fund and the total annual allocation for road safety stepped up to Rs.500 crore.** A separate **dedicated Road Safety wing will be created in the Highways Department**

to ensure that road safety elements are incorporated within the design of roads. **Road safety cells will be created in Chennai, Madurai and Coimbatore Corporations.**

Administration of Justice

29) This Government accords the highest priority to the effective Administration of Justice. In the period from 2011 to 2019, **the Government has constituted 494 new courts including special courts. 16 special courts to try cases under the Protection of Children from Sexual Offences Act, 2012 (POCSO) have been established.** A total sum of **Rs.1,317.04 crore has been sanctioned towards the construction of court buildings and other infrastructure facilities** including accommodation for judges. In the **Budget Estimate 2020-21 a total amount of Rs.1,403.17 crore has been provided for Administration of Justice.** This includes a sum of Rs.112.92 crore provided for the construction of new buildings.

Infrastructure

30) The late Chief Minister Puratchi Thalaivi J Jayalithaa had launched the Tamil Nadu Vision 2023 document. The Vision Document has provided Tamil Nadu with a ready pipeline of projects out of which the Government of Tamil Nadu could promptly indicate to

the Government of India, the projects that could be included in the recently announced National Infrastructure Pipeline (NIP). **Totally 179 projects at a total cost of Rs.8.58 lakh crore relating to Tamil Nadu have been included in the NIP.** We expect that the Government of India would support us for the completion of the identified projects.

31) The Tamil Nadu Infrastructure Development Board has sanctioned Rs.278.11 crore from the Project Preparation Fund so far for preparation of Detailed Project Reports. This has enabled the State to speedily pose projects to various multilateral and domestic financial institutions and to the Government of India for financing. The enhanced state of readiness of Tamil Nadu to implement large infrastructure projects has been appreciated by financing agencies. Rs.50 crore has been provided for the Project Preparation Fund in the Budget Estimates 2020-21.

32) We are also in a position to leverage investments from private financial institutions in infrastructure in Tamil Nadu. The Tamil Nadu Infrastructure Fund Management Corporation Limited is managing the Tamil Nadu Infrastructure Fund, the Tamil Nadu Shelter Fund - Tier-II and the Tamil Nadu Biotechnology Venture Capital Fund. TNIFMC has had break throughs in raising funds from investors including

pension funds and sovereign funds in the Middle East, Japan and Europe. 8 major projects are ready for investment. During 2020-21, TNIFMC plans to deploy Rs.2,000 crore.

Agriculture

33) Agriculture continues to be the primary source of livelihood for 50 per cent of the population that lives in rural areas in Tamil Nadu. The key to ending deprivation and enhancing the quality of life for the rural population lies in adopting a farmer-centered approach. Investment in the Agriculture sector is also vital to preserving food security. **The Hon'ble Chief Minister's recent momentous announcement to declare the Cauvery Delta Region as a Protected Special Agricultural Zone demonstrates this Government's commitment to develop agriculture.**

34) The System of Rice Intensification (SRI) which combines judicious use of water will be expanded to 27.18 lakh acres in 2020-21. Direct sowing of paddy will be expanded to 11.1 lakh acre in the districts of Nagapattinam, Tiruvarur, Ramanathapuram and Sivagangai. High yielding varieties of paddy, millets, pulses, oilseeds and cotton will be promoted in association with the Tamil Nadu Agricultural University.

35) To sustain sugar cane production, new varieties will be promoted along with Sustainable Sugarcane Initiative techniques at a cost of Rs.12 crore in 2020-21 in 74,132 acre. **A special additional assistance of Rs.68.35 crore was sanctioned in 2019-20 to enable sugarcane farmers to adopt micro irrigation. This scheme will be continued in 2020-21 with an additional subsidy of Rs.75 crore.** Transitional Production Incentive for sugarcane growers to cover the difference between the earlier State Advised Price and the Fair and Remunerative Price announced by the Government of India will be continued for the crushing season 2019-20 as well. A sum of Rs.165 crore is provided in the Budget Estimate 2020-21 for this purpose. **The Government will also pay a transport subsidy of upto Rs.100 per MT for the crushing season 2019-20 at a cost of Rs.110 crore.** These measures will help the revival of the sugar sector in Tamil Nadu.

36) The very successful Integrated Farming System has now been extended to 28 districts and will be implemented during 2020-21 with an outlay of Rs.50 crore. The initiative of Collective Farming by federating small and marginal farmers into Farmers' Interest Groups and **Farmer Producer Groups benefitted 6 lakh farmers till last year. 75 Farmer Producer Organisations (FPOs) have already been**

formed and 45 FPOs are currently under formation.

The Government has released the 'Policy for Promotion of Farmer Producer Organisations' as was announced in the Budget speech of 2019-20. The scheme will be implemented in 2020-21 with a budget allocation of Rs.100.56 crore.

37) Under the Mission on Sustainable Dry Land Agriculture, 25 lakh acres of dry lands were covered from 2016-17 to 2019-20. **This scheme will be relaunched as the 'Tamil Nadu Mission for Sustainable Dry Land Development' on a cluster based approach to cover 10,000 clusters of 250 acre each, in a period of three years.** During 2020-21, 7.5 lakh acre in 3,000 clusters will be covered with an outlay of Rs.180 crore.

38) Global warming has caused more frequent outbreaks of pest attacks. In 2019-20, the incidence of Fall Armyworm pest was effectively controlled in Tamil Nadu with the special efforts taken by the Government at a cost of Rs.47.66 crore. A special programme with an outlay of Rs.5 crore for Research and Development on a permanent solution for the Fall Armyworm and Rs.20 crore for pest management will be undertaken in 2020-21. In the current rabi season, gall midge and brown plant hopper pest incidences in paddy and rugose spiralling whitefly incidence in coconut

have been detected and continuous action is being taken to control the spread of the attacks and to compensate the farmers, wherever required.

39) Farmers have been requesting the strengthening of the extension activities of the Agriculture Department, particularly in the Delta districts. **The Government will launch the 'Uzhavar-Aluvalar Thodarbu Thittam' to ensure closer interface of department officials with farmers** with technical advice on farming operations, through people deployment of available staff. In addition to in-person field level interaction, information and communication technology will also be leveraged.

40) Tamil Nadu has been extremely successful in implementing the **Pradhan Mantri Fasal Bima Yojana (PMFBY), and a sum of Rs.7,618 crore has been sanctioned for 36.44 lakh farmers in the State,** so far as compensation claims under the scheme. **PMFBY will continue to be implemented in Tamil Nadu during 2020-21 with an enhanced allocation of Rs.724.14 crore as State Government's share of the premium.**

41) **Tamil Nadu is the leading State in the implementation of Micro Irrigation in the past two years.** The total area covered under micro irrigation in

Tamil Nadu was 3.51 lakh acre in 2018-19 with an expenditure of Rs.700.69 crore and in 2019-20, 5.63 lakh acre are being covered, with an outlay of Rs.1,370.24 crore. **I am happy to announce that in 2020-21, 7.41 lakh acre will be covered under micro irrigation with an enhanced outlay of Rs.1,844.97 crore.**

42) Encouraging remunerative horticulture crops is an effective way of boosting farmers' income while catering to changing nutritional requirements. The Government will establish special centres for cashew in Cuddalore, onion in Perambalur, moringa in Theni, turmeric in Erode, acid lime in Tenkasi and chillies in Thoothukudi at a total outlay of Rs.18 crore. During 2020-21, 325 MT of vegetable seeds will be distributed to farmers to expand the area under horticulture crops.

43) Farm mechanization is a thrust area for the Government to mitigate labour shortage and eliminate drudgery in farming operations. At present, 1,665 Block Level Custom Hiring Centres, 997 Village Level Custom Hiring Centres and 15 Sugarcane Custom Hiring Centres are functioning in the State. During 2020-21, besides distribution of machinery to individual farmers, 100 Block Level and 250 Village Level Custom Hiring Centres will be established with a total outlay of Rs.200 crore.

44) Under the Pradhan Mantri Kisan Urja Suraksha evam Utthan Mahabhiyan (PM-KUSUM) scheme 17,500 stand-alone solar pumps of upto 10 HP capacity have been sanctioned for Tamil Nadu by the Ministry of New and Renewable Energy (MNRE), Government of India. The stand-alone solar pumps will be installed by the Agricultural Engineering Department with 70 per cent subsidy giving priority to those farmers who are in the waiting list for an agricultural power connection. The total cost of the scheme is Rs.472.85 crore and a provision of Rs.208.74 crore towards the Government of Tamil Nadu's share of the subsidy is made in the Budget Estimates 2020-21.

45) **The Government has approved the establishment of a Mega Food Park in an area of 53.36 acres at Gangaikondan, Tirunelveli district at a cost of Rs.77.94 crore. 8 more Agro Processing Clusters at a cost of Rs.218 crore are proposed to be established in Theni, Dindigul, Krishnagiri, Tiruvannamalai, Salem, Cuddalore, Villupuram and Madurai districts during 2020-21** under the Pradhan Mantri Kisan SAMPADA Yojana (PMKSY). It is proposed to establish Food Parks in Dharmapuri, Ariyalur, Perambalur, Karur, Nagapattinam, Ramanathapuram and Tenkasi districts at a cost of Rs.70 crore. Integrated Farmers Market Complexes will be established in

5 locations in Tiruvannamalai, Dharmapuri, Madurai, Trichy and Tirunelveli districts on a pilot basis at a total cost of Rs.50 crore with funding from the NABARD – Agriculture Marketing Infrastructure Fund. These complexes will serve as common platforms including input shops, service centres and sales outlets, and will benefit both farmers and consumers.

46) The total allocation for the Agriculture department is Rs.11,894.48 crore in the Budget Estimates 2020-21.

Co-operation

47) Tamil Nadu's rural economy is effectively supported by the net work of co-operative institutions. In 2019-20, as against the target of Rs.10,000 crore for crop loans, so far Rs.7,595.59 crore has been disbursed to 10.6 lakh farmers. Co-operatives have been intervening as intermediaries to sell fruits, vegetables and other farm produce in urban markets to ensure that farmers receive remunerative prices and consumers are able to buy at affordable prices. **During 2020-21 a total crop loan of Rs.11,000 crore will be disbursed by the co-operative institutions.** A provision of Rs.200 crore has been made in the Budget to provide full interest waiver for prompt repayment of loans.

Public Distribution System

48) Tamil Nadu is successfully implementing the Universal Public Distribution System in compliance with the National Food Security Act, 2013. The fully computerized Public Distribution System is being further upgraded at a cost of Rs.38.51 crore. **Family card holders with a smart ration card will soon be enabled to draw their entitlements of commodities from any fair price shop in the State.** So far, 585 fair price shops across the State have been upgraded as Amma Mini Co-operative Super Markets and more than 300 products are being sold at a discount of 5 per cent for the benefit of the common people. Under the Special Public Distribution System, the supply of tur dal and edible oil at subsidized rates is being continued in the financial year 2020-21 as well. Pongal Gift hampers including Rs.1,000 per family has been distributed in January 2020 at a total cost of Rs.2,363.13 crore. **In the Budget Estimates for 2020-21, a total amount of Rs.6,500 crore has been provided for food subsidy and Rs.400 crore as subsidy for Co-operatives implementing the Public Distribution System.**

Animal Husbandry & Dairying

49) In a significant structural shift, **in 2016-17 the livestock sector surpassed the share of the**

agriculture sector in the Gross State Value Added at constant prices and has maintained the position in 2017-18 and 2018-19.

In 2018-19 the livestock sector accounted for 5.83 per cent of the State Gross Value Added and the fisheries sector for a further 0.47 per cent. This reflects the success of the flagship initiatives launched by late Chief Minister Puratchi Thalaivi J Jayalalithaa for the free distribution of milch animals, goat, sheep and poultry units and the fodder development programme. This also demonstrates that growing incomes are causing changes in food preferences to protein rich foods like milk, milk products, eggs and meat.

50) Efforts of this Government have been to strengthen animal husbandry and veterinary infrastructure. Since 2011-12, 1,060 sub-centres have been upgraded as veterinary dispensaries, 20 new veterinary dispensaries have been opened, 10 veterinary dispensaries have been upgraded as veterinary hospitals, 6 clinician centres and 2 veterinary hospitals upgraded as veterinary polyclinics and 400 new sub-centres have been established. Veterinary services will be provided at the door steps of farmers through an outreach programme utilising mobile veterinary units and Amma Ambulance Services. Since 2011-12, 2,037 new veterinary institution buildings have been constructed at

a total cost of Rs.614.57 crore and 1,460 buildings have been renovated at a cost of Rs.87.20 crore.

51) **To further strengthen the veterinary sector, the Hon'ble Chief Minister has recently laid the foundation stone for the establishment of the Advanced Institute for Integrated Research on Livestock and Animal Sciences at Thalaivasal in Salem District.** There would be a special emphasis in the Institute on conserving native breeds of cattle. The Institute and other attendant facilities in the **Livestock Park will be created at a total cost of Rs.1,020 crore with funds drawn from various Government of India and State Governments programmes and assistance from NABARD. A provision of Rs.199.52 crore has been made in Budget Estimates 2020-21 for this purpose.**

52) In the Dairy Development Sector, in order to increase milk procurement, various works costing Rs.917.73 crore have been taken up since 2011-12. As a result, AAVIN is now able to handle an increased average milk procurement of 33.96 lakh litres per day in 2019-20 as against 20.67 lakh litres in 2010-11. To strengthen the network of AAVIN, 6 more milk unions have been formed, which has benefitted both farmers and consumers. We are expecting approval from Government

of India, for 4 projects costing Rs.304 crore under the Dairy Infrastructure Development Fund of NABARD.

Fisheries

53) This Government has made unprecedented investments in the fisheries sector to upgrade fishing infrastructure and to support the welfare of fishermen. In the **Budget Estimates for 2020-21, a sum of Rs.298.12 crore has been provided for the fishing ban period relief assistance, special allowance and the savings cum relief scheme for marine fisher folk.** The Indian Space Research Organisation (ISRO) has developed transponders as a means of communication and to track deep sea fishermen. 507 transponders have already been fitted on mechanized fishing boats in Tamil Nadu. Now **transponders will be fitted on 4,997 more mechanized fishing boats at a cost of Rs.18 crore.** A special scheme for diversification of 2,000 trawlers from the Palk Bay area at a cost of Rs.1,600 crore is currently under implementation. In the first phase, 500 deep sea tuna long liners cum gillnetter boats are under construction.

54) Fishing harbours will be constructed at Azhagankuppam in Villupuram District and **Alamparaikuppam in Chengalpattu district at a**

cost of Rs.235 crore, and at Arcottuthurai in Nagapattinam district at a cost of Rs.150 crore. Groynes and shore protection at a cost of Rs.30 crore in Thoothukudi district will be constructed this year.

55) The Budget Estimates for 2020-21 provide Rs.1,229.85 crore for the Fisheries sector.

Water Resources

56) Recognizing the critical importance of conservation of surface water for a water scarce State like Tamil Nadu, **the Hon'ble Chief Minister launched the Tamil Nadu Water Resources Conservation and Augmentation Mission as a people's movement.** The Mission aims at rain water harvesting, conservation of water bodies, recharge of ground water, improved efficiency in water usage for agriculture, recycling used water and the eco-restoration of water ways, water bodies and wet lands.

57) The major people led initiative under the Mission is the hugely popular **Kudimaramath programme under which so far 4,865 works have been sanctioned for the Public Works Department at an estimated cost of Rs.930.25 crore, out of which 4,059 works have been completed** and the balance will be completed shortly. In the Revised Estimates 2019-20, a sum of Rs.510.52 crore has been

provided for rehabilitating irrigation tanks. **During 2020-21, 1,364 irrigation works by the Public Works Department at an estimated cost of Rs.500 crore will be taken up.** Rs.300 crore is provided in the Budget Estimates 2020-21 for the Kudimaramath Scheme. 5,000 Panchayat Union minor irrigation tanks and 25,000 ponds and ooranies in Village panchayats are being rejuvenated. For these works, the Government provided a special allocation of Rs.500 crore in 2019-20 and converged Rs.750 crore under MGNREGS. So far, out of 30,000 works, 21,444 works have been completed. **In 2020-21, rural and urban local bodies will take up deepening and improvement of the remaining ponds and ooranies in villages and rehabilitation of water bodies including temple tanks in towns and cities, by dovetailing scheme funds.** This will increase ground water recharge and reduce the number of over-exploited and dark blocks in the State.

58) In 2019-20, 281 works at a total cost of Rs.60.95 crore were sanctioned for desilting of canals in the Cauvery Delta. Due to the effective implementation of this work, irrigation water reached the tail end areas of the Cauvery delta without any hindrance. **In the Budget Estimates for 2020-21, a sum of Rs.67.25 crore is provided for taking up the 392 desilting works in the Cauvery delta which will be completed before**

the next monsoon season. As part of the programme of Extension, Renovation and Modernisation of Irrigation Infrastructure in the Cauvery Basin, works on the **Grand Anicut Canal system are to be taken up at an estimated cost of Rs.2,298 crore with assistance from the Asian Infrastructure Investment Bank (AIIB).** In the Budget for 2020-21, Rs.300 crore is provided for this project. The implementation of the **Climate Change Adaptation Programme in the Cauvery delta at a cost of Rs.1,560 crore with loan assistance from Asian Development Bank (ADB) is progressing in full swing.** A provision of Rs.105.20 crore has been made in the Budget Estimates 2020-21 for this project. Phase-II of the project at a cost of Rs.1,995 crore to cover the balance area in the Vennar sub-basin is currently being appraised by the Asian Development Bank.

59) The Government has accorded sanction for the **Kattalai High Level Canal at an estimated cost of Rs.335.50 crore, Noyyal Sub-Basin at an estimated cost of Rs.230 crore and Rajavaikkal system at an estimated cost of Rs.184 crore.** The Government has also sanctioned the **Sarabanga lift irrigation project to divert flood surplus water from the Mettur Dam to dry tanks in Salem district at an estimated cost of Rs.565 crore. A sum of Rs.350 crore has been provided in the Budget**

Estimates 2020-21 for the implementation of these schemes. A barrage across the Kollidam river between Adhanur and Kumaramangalam villages at a cost of Rs.463.25 crore and a new regulator down stream of Mukkombu in Trichy district at a cost of Rs.387.60 crore are under construction.

60) The Preliminary Project Report for the Nadanthai Vaazhi Cauvery scheme at an estimated cost of Rs.11,250 crore has been submitted to the Government of India, Ministry of Water Resources for in-principle approval. The task of preparing the Detailed Project Report has been undertaken and a provision of Rs.15 crore has been made in the Budget 2020-21 for the purpose.

61) The Dam Rehabilitation and Improvement Project Phase-I is under implementation with a revised project cost of Rs.803.49 crore to cover 89 dams and catchment area treatment work in two basins. Works are nearing completion and the project has been extended upto June 2020. **Under DRIP Phase-II, 37 dams will be covered at a total project cost of Rs.610.26 crore. A provision of Rs.220.12 crore has been made in the Budget Estimates 2020-21 for the two Phases of DRIP. The Tamil Nadu Irrigated Agriculture Modernisation Project is being implemented at a cost of**

Rs.2,962 crore. Rehabilitation of 1,325 tanks, 107 anicuts and construction of 45 artificial recharge wells in 18 sub-basins and rehabilitation of 57 flood affected tanks and 2 main irrigation channels at a total cost of Rs.787.19 crore have been taken up in Phase-I and will be completed by July 2020. **In Phase-II, rehabilitation of 906 tanks and 183 anicuts and construction of 37 artificial recharge wells in 16 sub-basins at a cost of Rs.649.55 crore are to be taken up during 2020-21. A provision of Rs.583.40 crore has been made for TNIAMP in the Budget Estimates 2020-21.**

62) **The Government has obtained the environmental clearance for the Athikadavu-Avinashi irrigation scheme. A sum of Rs.500 crore is provided in the Budget Estimates 2020-21 for this project.** The Cauvery Gundar Link project at an estimated cost of Rs.7,677 crore has already been announced by the Hon'ble Chief Minister. In the first phase, **the link canal from Cauvery to South Vellar River is to be taken up. A sum of Rs.700 crore has been provided IN the Budget for 2020-21 to carry out land acquisition and preliminary works for the project.**

63) From 2014-15 to 2019-20, **307 works to create new tanks, construction of new anicuts and**

new supply channels under the Rural Infrastructure Development Fund of NABARD at an estimated cost of Rs.2,241.19 crore have been taken up for implementation, out of which 261 works have been completed and the balance are in progress. **In the Budget Estimates 2020-21 a sum of Rs.655.38 crore has been provided for the implementation of works taken up with NABARD assistance.** The allocation in **Budget Estimates for 2020-21 for irrigation has been substantially stepped up to Rs.6,991.89 crore.**

Environment and Forests

64) Preservation of forests and conservation of wild life is the foremost duty of the Government. As per the India's State of Forests Report, 2019, **the forest cover in Tamil Nadu has increased by 83.02 sq. km** compared to the State of Forests Report, 2017. The State Government's efforts in protecting tigers and managing their habitat in the Western and Eastern Ghats has enabled the **tiger population to increase from 229 in 2014 to 264 in 2018.**

65) **The Phase-II of the Tamil Nadu Bio Diversity Conservation and Greening Project will be launched during 2020-21 with a total outlay of Rs.920.56 crore. A comprehensive scheme for**

restoration of degraded forests with community participation will be posed to NABARD assistance at a total cost of Rs.2,029.13 crore. The State Action Plan on Climate Change 2.0 has been prepared covering seven sectors including sustainable agriculture, water resources, coastal area management, forest and bio-diversity, sustainable habitat, energy efficiency, renewable energy and solar mission and knowledge management. This Action Plan will form the basis for obtaining finance from different sources to implement the climate change adaptation and mitigation agenda in Tamil Nadu.

66) The work on eco restoration of the Cooum river is nearing completion and of the Adyar river is in progress. **In the next stage, the Government will take up the eco restoration of the Buckingham Canal and its drains and all the drains of the Cooum and Adyar at a total cost of Rs.5,439.76 crore.** In the first phase the Government has already sanctioned an amount of Rs.1,001 crore for sewage mitigation schemes. The over all outlay includes a sum of Rs.3,339.90 crore for construction of dwelling units by the Tamil Nadu Slum Clearance Board. The remaining funds are to be incurred on channel improvements, solid waste removal and urban water front development. **The eco-restoration of Chitlappakkam Lake in Chengalpattu district will be carried out at a cost of**

Rs.25 crore through the Public Works Department.

Eco-restoration work of Odathurai Eri in Erode will also be taken at a cost of Rs.3.2 crore.

67) The late Chief Minister Puratchi Thalaivi J Jayalalithaa laid the foundation stone for the Advanced Institute for the Wildlife Conservation and the Institute was inaugurated by the Hon'ble Chief Minister. The Government will sanction a grant of Rs.2.5 crore to the Institute including a recurring grant of Rs.1.35 crore.

Devolution of Funds to Local Bodies

68) During the year 2019-20, a provision of Rs.4,558.16 crore was made for urban local bodies and Rs.5,654.25 crore for rural local bodies under the State Finance Commission devolution. **In the Budget Estimates 2020-21, a sum of Rs.5,306.95 crore is provided as devolution to urban local bodies and Rs.6,754.30 crore for rural local bodies.**

69) **Tamil Nadu is yet to receive arrears of Rs.4,345.57 crore due as basic grants to local bodies for 2019-20 and Rs.2,029.22 crore due as performance grant from 2017-18, based on the recommendations of the 14th Finance Commission.** The State Government has repeatedly urged the Government of India to release the arrears at the earliest. With the tremendous follow up of the State

Government, the basic grants due for the year 2018-19 have been obtained.

70) Local body grants have not been significantly increased by the 15th Finance Commission. **Tamil Nadu has been allocated Rs.3,607 crore for rural local bodies and Rs.1,737 crore for urban local bodies, totaling Rs.5,344 crore for 2020-21**, against the aggregate of Rs.5,178.52 crore recommended by the 14th Finance Commission. The grants recommended for urban local bodies in Tamil Nadu have been reduced by 31 per cent in 2020-21 compared to 2019-20, because of the faulty methodology adopted by the Fifteenth Finance Commission. We will urge the Fifteenth Finance Commission to correct this anomaly in their final report.

71) Within the grants for Urban Local Bodies, a separate allocation has been recommended for 50 "million-plus urban agglomerations" and in Tamil Nadu, a **total grant of Rs.556 crore is allocated to Chennai, Coimbatore, Madurai and Tiruchy**. The 15th Finance Commission has recommended grants to all the three tiers of rural local bodies, unlike the 14th Finance Commission which recommended grants only to village panchayats. The proportion of untied grants has been reduced and we will urge the Government of India to workout transparent modalities for timely release of grants to the States.

72) **In both urban and rural habitations, there are some very essential but small works which need to be taken up, to fulfill the requirements for basic infrastructure. Hence, in 2020-21, the Government will launch a one-time special scheme for taking up essential basic infrastructure works with a total allocation of Rs.500 crore.** These works will be taken up and completed expeditiously under the direct oversight of a State High Level Committee.

Rural Development

73) Creation of sustainable livelihood opportunities and provision of basic infrastructure and services in rural areas are the main objectives of the rural development programmes implemented by this Government. **The presence of newly elected rural local body functionaries is a good opportunity to focus on the effective delivery of basic services to rural habitations. Accordingly, the Government will launch a new five year 'Chief Minister's Rural Self Sufficiency Development Programme'** (முதலமைச்சரின் கிராம தன்னிறைவு வளர்ச்சி திட்டம்), **which will focus on achieving self-sufficiency in provision of water supply, sanitation, healthcare, education, food security, provision of access roads, burial grounds, street lights, housing, economic livelihood, and**

environment protection at the habitation level, by the convergence of ongoing programmes. The achievement of Sustainable Development Goals will be localized through integration with Village Panchayat Development Plans. The newly elected representatives, local officials and community organizers will be trained including in the Participatory Tracking (P-Tracking) approach to optimize utilization of scheme funds towards self-sufficiency. Gap filling funds would be provided on a challenge-cum-incentive mechanism. The Rural Development & Panchayat Raj and the Planning & Development Departments will work out the modalities for the implementation of the scheme. **In the Budget Estimates 2020-21, a sum of Rs.100 crore is allocated towards the gap filling challenge fund.**

74) Under the Indira Awaas Yojana, 4,41,637 houses have been constructed at a total cost of Rs.4,875.73 crore from the year 2011-12 to 2015-16. Under the Pradhan Mantri Awaas Yojana (Gramin), 5,27,552 houses have been taken up at a total cost of Rs.8,968.39 crore. Under the Chief Minister's Green House Scheme, from the year 2011-12, 3,80,000 houses have been taken up at the total cost of Rs.7,620 crore. **From the year 2020-21 onwards, the Pradhan Mantri Awaas Yojana (Gramin) and the Chief Minister's Green House Scheme will be implemented in conjunction with the special**

scheme for regularization of encroachments in unobjectionable porambokes, so that eligible persons who are granted pattas, are financed for the construction of their own house. In the year 2020-21, 2 lakh houses under Pradhan Mantri Awaas Yojana (Gramin) and 20,000 houses under Chief Minister's Green House Scheme will be taken up for construction, including 8,803 houses for tribal families to ensure 100 per cent coverage. The amount of Rs.30,000 per house intended for installation of a solar panel under the Chief Minister's Green House Scheme will be merged with the construction cost of the house and the overall cost of construction per house will now be Rs.2.1 lakh. In the Budget Estimates 2020-21, a sum of Rs.3,099.07 crore has been provided for the Pradhan Mantri Awaas Yojana (Gramin) and Rs.500 crore has been provided for Chief Minister's Green House Scheme.

75) Tamil Nadu continues to be a leading State in the implementation of the Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGS). **Tamil Nadu bagged 8 National Awards for the implementation of MGNREGA during 2018-19.** During 2019-20, so far 20.74 crore person days of employment has been generated at a total wage cost of Rs.3,678.06 crore. In the Budget for 2020-21,

Rs.375 crore is provided towards the State's share of MGNREGS.

76) **The Tamil Nadu Rural Road Improvement Scheme** to upgrade and maintain Panchayat Union and Village Panchayat roads is being implemented at a cost of Rs.1,200 crore during 2019-20. In 2020-21 this scheme **will be implemented at a cost of Rs.1,400 crore**. Under the Pradhan Mantri Gram Sadak Yojana Phase III, Tamil Nadu has been allocated an over all target of 7,375 km of roads, which will connect rural agricultural markets, high schools and higher secondary schools and hospitals.

77) In the Budget Estimates 2020-21, a total amount of Rs.23,161.54 crore has been provided for the Rural Development sector.

Livelihood Missions

78) Tamil Nadu is currently implementing livelihood missions in both rural and urban areas. The Tamil Nadu State Rural Livelihood Mission is being implemented in all 388 blocks in the State. **So far, 83,257 Self Help Groups have been formed under the TNSRLM in the State and a provision of Rs.450.65 crore has been made in the Budget for the Mission.** Under the Deen Dayal Upadhaya Grameen Kaushalya Yojana (DDUGKY) a total of 1,08,416 youths

have been trained in the period since 2014-15. 28,063 persons will be trained in 2020-21 and the Budget Estimates for 2020-21 include a provision of Rs.299.60 crore for this scheme. **The World Bank assisted Tamil Nadu Rural Transformation Project is being implemented in 120 blocks in 26 districts at a total cost of Rs.918.20 crore**, focusing on promoting entrepreneurship in rural areas especially amongst women, Scheduled Tribes, Scheduled Castes and differently abled persons. A sum of Rs.163.35 crore has been provided in the Budget Estimates for 2020-21 for implementation of the project.

79) The National Urban Livelihood Mission is being implemented in all urban areas of Tamil Nadu with components including social mobilization and institutional development, employment through skill training and placement, self-employment, shelter for the urban homeless and support to urban street vendors. The resources of the NULM are being supplemented with an additional allocation under the Tamil Nadu State Urban Livelihood Mission. **In the Budget Estimates for 2020-21, a sum of Rs.200 crore has been provided for the National Urban Livelihood Mission and Rs.8 crore for the Tamil Nadu State Urban Livelihood Mission.**

Municipal Administration

80) Cities are the engines of growth. Hence, strengthening urban infrastructure and provision of basic services in urban areas is critical to make cities more livable. To meet the large requirement of funds for the provision of water supply, sewage, storm water drains, roads and other infrastructure in Corporations and Municipalities, the Government accesses funds from multiple sources. **The opportunity to leverage the steady sources of revenue for urban local bodies including Finance Commission devolution and grants will be utilized to raise municipal bonds for financing infrastructure development.**

81) Under the Smart Cities Mission, 413 projects in 11 Corporations at a cost of about Rs.11,000 crore have been taken up so far. Under the Atal Mission for Rejuvenation and Urban Transformation (AMRUT), 445 projects in 28 urban local bodies at a cost of Rs.11,441.32 crore have been taken up. **A sum of Rs.1,650 crore has been provided in the Budget Estimates for the Smart Cities Mission and Rs.1,450 crore for AMRUT.**

82) Under the **World Bank assisted Tamil Nadu Sustainable Urban Development Programme implemented at a cost of Rs.3,831 crore, Erode,**

Vellore and Hosur have been selected as model cities to demonstrate effective models of urban management. In the Budget Estimates for 2020-21, a sum of Rs.532.54 crore has been provided for this project. **The Tamil Nadu Urban Flagship Investment Programme at a total cost of Rs.8,155.81 crore with assistance from the Asian Development Bank** will support the State in developing urban and environmental infrastructure in strategic industrial corridors. **Underground sewerage and water supply schemes in Madurai, Coimbatore, Vellore, Tiruchirapalli, Tirunelveli, Tiruppur, Ambur and Rajapalayam are funded under the project** and the total provision in the Budget Estimates 2020-21 is Rs.406 crore.

83) The Greater Chennai Corporation has prepared a project for providing **Integrated Storm Water Drain Network of 765 km in the extended areas in the Kosasthalaiyar river basin at a total cost of Rs.2,518 crore, and posed it to the Asian Development Bank** for assistance. In anticipation of early approval, a provision of Rs.350 crore has been made in the Budget Estimates for 2020-21.

84) An Integrated Urban Development Project for providing urban services and street improvements has been prepared and posed to the Asian Infrastructure

Investment Bank for a loan assistance of USD 500 million. This project will provide sustainable transport infrastructure in the 10 Corporations other than Chennai selected under the Smart Cities Mission to enhance road safety and improve mobility including through non motorized transport.

85) In the Budget Estimates, Rs.750 crore has been provided for the Integrated Urban Development Mission (IUDM) and Rs.500 crore for Chennai Mega City Development Mission (CMCDM) and Rs.18,540.12 crore has been allocated for the Municipal Administration and Water Supply sector.

Amma Unavagam

86) The late Chief Minister Puratchi Thalaivi J Jayalalithaa inaugurated Amma Unavagams on 19th February, 2013 to provide healthy and hygienic food to the weaker sections of society at affordable cost. This path breaking initiative won international accolades and is replicated by a number of other States in India. To ensure that this flagship programme reaches out to those who need it the most and is funded on a sustainable basis with a reduced financial burden on urban local bodies, **the Government has decided to form a 'not-for-profit' Special Purpose Vehicle (SPV) to finance and manage the Amma Unavagam**

programme. The focus on construction workers who are the largest clientele of Amma Unavagams, will be sharpened by establishing mobile units to transport food to work sites. The SPV will raise Corporate Social Responsibility (CSR) contributions from companies and other donations. The Government will continue to provide subsidized food grains. The Government will also provide grants to the SPV to cover the shortfall between the expenditure incurred and the revenue, contributions and donations received. **In the Budget Estimates 2020-21, a provision of Rs.100 crore has been made for this purpose.**

Drinking Water Supply

87) The Hon'ble Prime Minister announced the launch of the Jal Jeevan Mission to provide adequate quantity and quality of water supply to all rural houses through house hold tap connections by the end of 2024. **The Government of Tamil Nadu will formulate an action plan for all rural habitations under the Jal Jeevan Mission.** Tamil Nadu Water Supply and Drainage (TWAD) Board is maintaining 556 Combined Water Supply Schemes. **Through a series of measures to improve capacity utilization, TWAD board pumped a record 2,000 million litres of water per day in December 2019, for the first time in its history.** 8 new Combined Water Supply Schemes will be taken up

at a total cost of Rs.616.68 crore with NABARD-RIDF assistance. During 2019-20, 10 water supply schemes covering 195 rural habitations in Salem, Theni, Dindigul, Erode, Villupuram and Tirupathur Districts benefitting a total population of 3.11 lakh have been completed at an estimated cost of Rs.137.03 crore. 56 water supply schemes covering 8 Corporations and 22 Municipalities, 41 Town Panchayats and 5,504 Rural habitations in 19 districts are at various stages of implementation at a total estimated cost of Rs.7,134.03 crore and will be completed early.

88) The Government has approved the construction of two 60 MLD desalination plants in Ramanathapuram and Villupuram Districts at a total cost of Rs.3,041 crore and the project has been posed to AIIB for financing and we expect to secure early approval. Chennai Metropolitan Water Supply Sewerage Board (CMWSSB) has taken up the construction of a 150 MLD sea water Reverse Osmosis (SWRO) Desalination Plant at Nemmeli with KfW assistance at a cost of Rs.1,259.38 crore. In the Budget for 2020-21, Rs.500 crore has been provided for this project. Government has accorded administrative sanction for the implementation of 400 MLD SWRO plant at Perur near Chennai at a total project cost of Rs.6,078.40 crore with funding assistance of Rs.4,267.70 crore from Japan International

Co-operation Agency (JICA). The consultant for detailed design has been appointed and works on the project will commence shortly. In the Budget Estimates for 2020-21, Rs.156.15 crore has been provided for this purpose.

89) One of the objectives of the Tamil Nadu Water Resources Conservation and Augmentation Mission is to promote recycling of water. **The Hon'ble Chief Minister released the 'Treated Waste Water Reuse Policy'** for Tamil Nadu on November, 2019 with the aim of reducing dependence on fresh water and to prevent pollution of water bodies. The Hon'ble Chief Minister inaugurated two 45 MLD capacity Tertiary Treatment Reverse Osmosis (TTRO) plants – one at Koyambedu at a cost of Rs.486.21 crore and one more at Kodungaiyur at a cost of Rs.348 crore. In addition, 2 Tertiary Treatment Ultra Filtration (TTUF) projects at Perungudi and Nesapakkam of 10 MLD each are currently under implementation.

90) There is an urgent necessity to improve the existing water supply system within the city of Chennai to minimize water losses. The underground sewerage system needs to be extended to 14 more added areas of Chennai City. Tertiary treatment capacity is to be established to treat 260 MLD of secondary treated sewage. To fulfill these requirements, CMWSSB has prepared the Climate Resilient Urban Water Supply and

Sanitation Project at a total cost of Rs.4,500 crore and posed it to the Asian Infrastructure Investment Bank for financing.

Housing and Urban Development

91) The Government is committed to achieve the late Chief Minister Puratchi Thalaivi J Jayalalithaa's vision of slum free cities in Tamil Nadu. **Since 2014-15, the approval of Government of India has been obtained to construct 5,53,244 houses at a total cost of Rs.16,774.77 crore under the Beneficiary Led Construction component** of the Pradhan Mantri Awas Yojana-Urban (PMAY-U). In addition, sanction has been obtained to **construct 1,32,900 multi-storey tenements at a total cost of Rs.13,677.02 crore under the Affordable Housing in Partnership component. During 2020-21, construction of 1,12,876 houses and 65,290 tenements will be taken up.** A sum of Rs.3,700 crore has been provided in the Budget Estimates 2020-21, for the PMAY Urban programme.

92) I am very happy to inform this august House that **following my meetings with senior officials in the World Bank Headquarters, Washington DC in November, 2019, World Bank financing for the Housing sector has reached an advanced stage of**

approval. The project is to be implemented under two separate financing instruments. **The Tamil Nadu Housing Sector Strengthening Programme will support policy reforms to develop efficient and inclusive housing markets and to increase the supply of affordable housing with a total Development Policy Financing loan of 450 million US dollars.** In the first tranche 200 million US dollars as financial support will be provided. Under Investment Project Financing, **the Tamil Nadu Housing and Habitat Development Project with an outlay of Rs.504 crore and World Bank financing of US Dollars 50 Million will be taken up.** A sum of Rs.169.20 crore has been provided in the Budget Estimates for 2020-21 for this project.

93) **The Inclusive Resilient and Sustainable Housing for the Urban Poor Project at a total cost of Rs.5,000 crore (USD 715 million) with an Asian Development Bank loan of USD 500 million, will be implemented from 2020-21** with components for affordable housing for vulnerable communities living along waterways and water bodies and for the urban poor and migrant workers and regional planning. **The first phase of the project for USD 215 million is expected to be approved shortly. The first six sub projects in Tirunelveli, Karaikudi, Thanjavur, Pallipalayam, Dindigul and Theni at a cost of**

Rs.431 crore will be taken up immediately. A sum of Rs.171 crore has been provided for this project in the Budget Estimates 2020-21.

94) **The two tier Tamil Nadu Shelter Fund is India's first impact investment fund for funding urban affordable housing projects.** This fund is now fully operational with the notification of the Tamil Nadu Shelter Fund Rules, 2020 which enables shelter charges levied on construction projects to be credited to the Fund. Tier II of the Shelter Fund is a Category I Social Alternative Investment Fund registered with the Securities and Exchange Board of India. **The World Bank and the Asian Development Bank have committed Rs.245 crore (USD 35 million) and Rs.700 crore (USD 100 million) respectively to support investment in affordable housing which will be routed through the Fund.** In the Budget Estimates for 2020-21 Rs.205.20 crore is provided for this purpose.

95) Land is required for many public and infrastructure projects. Often, the land owners fail to realize the benefits of appreciation of land value after infrastructure is developed at the location. **The Government through suitable amendments to the Tamil Nadu Town and Country Planning Act, 1971, have initiated two schemes – the Transfer of**

Development Rights (TDR) Scheme and Land Pooling Area Development Scheme, which envisage a fair exchange mechanism so that land owners are able to retain certain rights and thereby benefit from the enhancement in land value due to the new infrastructure being created. These initiatives will enable speedier assembly of land for infrastructure projects, while making land owners true partners in development.

Chennai City Partnership

96) **The Government will launch the 'Chennai City Partnership', as a unique model of development co-operation with the World Bank to ensure the continued sustainable growth of metropolitan Chennai.** This project comprises **three major pillars - urban mobility, water resilience and urban governance and finance.** The urban mobility pillar focuses on providing integrated mobility solutions by better synchronizing the investments and strategies of various urban transport agencies in the city including Chennai Metro Rail, Southern Railway, Metropolitan Transport Corporation, Greater Chennai Corporation, and the State Highways Department. The **Chennai Unified Metropolitan Transport Authority (CUMTA) will be revamped and empowered as an institutional mechanism for inter agency co-ordination and**

resource allocation. In the water resilience pillar, an integrated water management programme to tackle recurrent floods and water scarcity and to enhance the city's resilience would be taken up. Providing 24x7 pressurized drinking water in a phased manner, expanding the collection, treatment and reuse of waste water, making **Chennai Metro Water Supply and Sewerage Board a world class utility and making** high priority investments to mitigate floods will be the main components. The urban governance and finance pillar will have Greater Chennai Corporation and Chennai Metropolitan Development Authority as the major stake-holder agencies. **The World Bank assistance indicated for the Chennai City Partnership is USD One Billion.** Approvals will be obtained for the specific programmes and projects during the year 2020-21.

Highways

97) **The Comprehensive Road Infrastructure Development Programme (CRIDP) is a flagship scheme to upgrade road infrastructure in the State.** In 2019-20, the Government has sanctioned schemes worth Rs.4,521.48 crore for widening, strengthening and upgrading 3,256 km, improving the riding quality on 3,597 km and construction of 56 bridges and 1,718 other works. **The budget provision for CRIDP is being**

substantially enhanced to Rs.5,500 crore in 2020-21.

98) So far, Performance Based Maintenance Contracts have been taken up in Pollachi, Krishnagiri, Ramanathapuram, Tiruvallur, Virudhunagar and Palani Highways Divisions. Thanjavur division is also being taken up under PBMC this year. **The Government now proposes to take up Gobichettipalayam division under the PBMC model in 2020-21.**

99) The fourth phase of upgrading Panchayat and Panchayat Union roads to standards of Other District Roads (ODR) will be taken up during 2020-21. So far, a total length of 4,861.70 km of road at a cost of Rs.2,772.48 crore has been completed. **In 2020-21, 1,500 km at a cost of Rs.1,050 crore will be taken up and a sum of Rs.1,050 crore is allocated in the Budget Estimates for this purpose.**

100) **Tamil Nadu Road Sector Project Phase-II with assistance from the World Bank is under implementation and a sum of Rs.615.54 crore has been allocated in the Budget Estimates 2020-21 for the project.** Under the **Chennai Kanyakumari Industrial Corridor project, loan assistance of the Asian Development Bank is being obtained to strengthen 655 km of Road at a total cost of**

Rs.6,448 crore. Land acquisition is in progress for the widening of roads and for bypasses. **A sum of Rs.1,000 crore has been provided in the Budget Estimates for 2020-21 for this project.**

101) For the **Chennai Peripheral Ring Road project to be executed at a total cost of Rs.12,301 crore,** land acquisition at a cost of Rs.951 crore for **Section I from Ennore port to Thatchur is in progress and the loan agreement has been signed with Japan International Cooperation Agency (JICA) for a loan of Rs.2,673 crore.** Government has approved the acquisition of land for three more sections of the Chennai Peripheral Ring Road at a cost of Rs.2,603.32 crore. **Assistance of Rs.3,346.49 crore from the Asian Infrastructure Investment Bank and OPEC Fund for International Development (OFID) is being tied up for the execution of sections II and III of the project from Thatchur to Sriperumbudur. In the Budget for 2020-21, Rs.1,000 crore has been provided for the Chennai Peripheral Ring Road project.**

102) To improve traffic flow to save time and vehicle operating costs while ensuring pedestrian safety, the Chennai City Traffic Decongestion Project has been prepared at a cost of Rs.4,257 crore and posed to the New Development Bank for assistance. The Government

has accorded administrative sanction for the land acquisition for the project at a cost of Rs.1,122 crore. **The Government has accorded sanction for a 10.1 km elevated road from Coimbatore Airport to Upplipalayam along Avinashi Road in Coimbatore at a cost of Rs.1,620 crore. A provision of Rs.200 crore has been made in the Budget Estimates for 2020-21 for implementation of this project.**

103) **In the Budget Estimates for 2020-21, the allocation for Highways Department has been substantially stepped up to Rs.15,850.54 crore.**

Transport

104) The bus public transport system of Tamil Nadu has played a vital role in the socio economic development of the State. The State Transport Corporations operate 19,496 buses every day with an average age of the fleet of 6.58 years. The physical performance parameters of the STUs have been consistently improving and fuel efficiency has increased to 5.34 km per litre. The accident rate has also come down to 0.12 accident per 1 lakh km operated.

105) This Government is committed to increase ridership in the public transport system through upgrading the physical and financial performance of the

State Transport Corporations while maintaining the affordable fare structure. **The project agreement for the first tranche of assistance from KfW was signed on 26th September, 2019 which will finance the purchase of 2,213 new BS VI compliant buses at a cost of Rs.1,580 crore. A provision of Rs.960 crore is made in the Budget Estimates 2020-21 for the implementation of this project.** Tenders for the purchase of 525 electric buses under FAME India II project will also be finalized shortly.

106) This Government recognizes that high quality public transportation is a public good and requires Government support to be viable. **In 2020-21, a sum of Rs.298 crore has been provided in the Budget to compensate Transport Corporations for the hike in diesel prices.** In the Revised Estimates for 2019-20, a total sum of Rs.1,050 crore has been provided as reimbursement for issue of bus passes to the students to cover the period upto January 2020. Short term loan of Rs.1,093 crore has been provided in 2019-20 to settle retirement dues for employees who have retired upto 31st March, 2019.

107) **To enhance the safety of women in buses, CCTV cameras are to be fitted in all buses at an estimated cost of Rs.75.02 crore allotted under the Nirbhaya Fund.** Action will be taken to introduce

electronic ticketing in all transport buses to enable cashless transactions. In the **Budget Estimates for 2020-21, Rs.2,716.26 crore has been allotted for Transport Department.**

Chennai Metro Rail

108) Chennai now has a fully functional metro rail system, but to derive the benefits of a modern mass transit system, it is essential that the reach of the network is further extended. Hence, the Government accords high priority to the speedy implementation of the three metro rail corridors of a total length of 118.90 km, identified in Phase-II of the Chennai Metro Rail Project. **Funding from Japan International Co-operation Agency (JICA) has been obtained for a stretch of 52.01 km from Madhavaram to Sholinganallur and from Madhavaram to Chennai Mofussil Bus Terminus (CMBT). Detailed designs are ready and the construction work on the project will commence shortly.** Financing from multilateral agencies including the Asian Development Bank (ADB), Asian Infrastructure Investment Bank (AIIB) and New Development Bank is being firmed up for the remaining stretches of Phase-II from CMBT to Sholinganallur, Sholinganallur to SIPCOT, Siruseri and from Light House to Poonamallee bypass. Government of India has also been requested to accord early approval to provide

50 per cent equity share capital as was done for Phase-I of the project. **In the Budget Estimates for 2020-21, a sum of Rs.3,100 crore has been allocated for the Chennai Metro Rail Project as share capital assistance, subordinate debt and pass through loan assistance.**

Energy

109) The per capita energy consumption in Tamil Nadu is 1,467 units in 2018-19 and amongst the highest in the country. **Since 2011, 15,296 MW of generating capacity has been added through State and Central sector projects and power purchases to give TANGEDCO an aggregate installed capacity of 31,780 MW including 13,343 MW of renewable energy capacity.**

110) An important component of electricity infrastructure is the transmission grid. **To evacuate electricity from the new generation capacity created in the Southern districts, and to strengthen the transmission connectivity along the proposed Chennai Kanyakumari Industrial Corridor, the 765 KV and 400 KV net works will be upgraded, by establishing a 400 KV sub-station at Ottapidaram and a 765 KV sub-station at Virudhunagar along with associated transmission lines. This project is**

being implemented at a total cost of Rs.4,650 crore with an Asian Development Bank loan of 451 Million USD. A provision of Rs.450 crore has been made for the implementation of this project in the Budget Estimates 2020-21.

111) Distribution infrastructure is also being continuously upgraded in both rural and urban areas to provide uninterrupted and reliable power supply. **5,692 existing distribution transformers in Chennai and its suburbs are being replaced by 11 KV Ring Main Units at a cost of about Rs.785 crore. TANGEDCO has successfully implemented for the first time in India, automatic meter reading on a large scale, for open access billing to enable real time monitoring of wind and solar energy generators and HT consumers.** This will result in significant operational and financial benefits. To have effective energy accounting and audit, 100 per cent metering of all distribution transformers will be implemented. 1.41 lakh consumers under Chennai Smart City's Area Based Development (ABD) project in Thiyagaraya Nagar area are being provided smart meters and such meters will be provided in the rest of Chennai in a phased manner.

112) The Government continues to support TANGEDCO to tide over its difficult financial situation.

Under the UDAY scheme Rs.22,815 crore of TANGEDCO's debt was taken over by the State Government, to be converted to grants over a 5 year period. The fourth instalment of grant of Rs.4,563 crore is provided in the Budget Estimates 2020-21. **The Government of Tamil Nadu is also committed to funding 50 per cent of the losses incurred by TANGEDCO in the previous year and in the Budget Estimates 2020-21, Rs.4,265.56 crore has been provided for this purpose. To improve the overall financial and physical performance of TANGEDCO and TANTRANSCO, a detailed strategic management study funded by the Government would be undertaken during 2020-21. In the Budget Estimates for 2020-21, a total amount of Rs.20,115.58 crore has been provided for the Energy sector.**

School Education

113) **This Government accords the highest priority to providing quality education to every child and hence the highest budgetary allocation of Rs.34,181.73 crore has been made for the School Education Department.** Tamil Nadu stands first in terms of providing access to school as per the Performance Grading Index published by the Ministry of Human Resource Development, Government of India.

The net enrolment ratio at the primary education level has reached 99.88 per cent and the drop out rate has been reduced to 0.8 per cent at the primary level. The number of out of school children has fallen to 30,104 in 2019-20, out of which 29,740 children have now been enrolled in schools.

114) The Government is also ensuring the retention of children in schools through the **provision of school supplies including school bags, school uniforms, footwear, note books, text books, geometry boxes and colour pencils. A sum of Rs.1,018.39 crore has been allocated in the Budget Estimates 2020-21 for this purpose.** Students in Class XI in Government and Government aided schools will be provided a **laptop by the Government and a sum of Rs.966.46 crore has been allocated in the Budget Estimates for 2020-21 for this purpose.**

115) The quality of school infrastructure is upgraded through the construction of additional class rooms, laboratories, toilets and other facilities. **NABARD has recently sanctioned infrastructure upgradation in 158 Government High and Higher Secondary Schools at a cost of Rs.277.88 crore under RIDF.** To implement NABARD funded projects, a sum of Rs.258.82 crore has been provided in the Budget Estimates for 2020-21. Tamil Nadu has been rated as the

best performing State for functional drinking water facility in schools by the Ministry of Human Resource Development, Government of India.

116) Learning outcomes improve only with the availability of teachers, their involvement and the enhanced quality of teaching. **I am happy to inform members that the pupil-teacher ratio in Tamil Nadu is much better than the norms prescribed under the Right of Children to Free and Compulsory Education Act, 2009.** In order to ensure the attendance of teachers, Aadhaar enabled bio-metric attendance system has been made operational in all Government and Government Aided High and Higher Secondary schools. **To improve the quality of teaching, high technology laboratories are being established in all Government High and Higher Secondary Schools at a cost of Rs.520.13 crore.** Teachers have been trained to use ICT solutions to teach their students in a more creative and effective manner. 120 model schools have been established as demonstration schools for other schools in the neighbourhood.

117) For the Centrally Sponsored Samagra Shiksha Abhiyan, a provision of Rs.3,202.49 crore has been made in the Budget Estimates 2020-21. The Government continues to urge the Government of India to release the long pending arrears of

Rs.3,201.30 crore under the Sarva Shiksha Abiyan and the Rashtriya Madhyamik Shiksha Abhiyan (RMSA).

118) This Government continues to implement Section 12(1)(c) of the Right of Children to Free and Compulsory Education Act, 2009 very effectively and **76,927 students have been admitted to private schools under this provision during the current academic year. So far Rs.644.69 crore has been reimbursed as school fee.** A sum of Rs.304.14 crore has been provided in the Budget Estimates for the implementation of the scheme during 2020-21.

Higher Education

119) Tamil Nadu is a leading State in ensuring access to Higher Education. From the year 2011-12 to 2019-20, 30 new Government Arts & Science Colleges and 27 University Constituent Colleges have been opened. 14 University Constituent Colleges have been converted into Government Colleges in 2019-20. In addition, 21 Government Polytechnic Colleges have been opened since 2013-14 and 4 new Government Engineering Colleges have been opened since 2012-13. 1,577 new courses have been started in Government Arts and Science Colleges since 2011-12. **To enable poor students to enroll in higher education, tuition fee concessions to first graduate students will continue**

to be provided. In the Budget Estimates for 2020-21, a sum of Rs.506.04 crore has been provided for this programme.

120) **The Government College of Engineering, Coimbatore is completing 75 years this year. To commemorate this occasion, the Government will sanction a special grant of Rs.10 crore for upgradation of infrastructure and facilities at the Government College of Engineering, Coimbatore. In addition, the college has number of illustrious alumni, who would be willing to contribute to the further development of the institution. The Government will match the contribution made by the alumni during the 75th anniversary year for the development of the College.**

121) A total sum of Rs.91.50 crore is provided towards block grant for universities in the State. A sum of Rs.225.78 crore is provided specifically for Annamalai University to enable them to overcome the financial crisis. A special grant of Rs.11.72 crore will be made to University of Madras towards the pension fund as they carry a larger pension burden as the first University in the State. **A total sum of Rs.5,052.84 crore has been provided in the Budget Estimates 2020-21 for Higher Education.**

122) **Madras School of Economics (MSE) was set up in Chennai in 1993 with the support of the late Chief Minister Puratchi Thalaivi J Jayalithaa and land was provided in Kotturpuram.** MSE has grown in stature and is one of the most prestigious institutes for advanced study in economics, environment and management in India. **The Government will bring in legislation to recognize Madras School of Economics as an Institute of Special Importance and enable MSE to award its own degrees and diplomas.**

Health and Family Welfare

123) Tamil Nadu is one of the best performing States in the health sector in India. The concerted efforts of this Government have resulted in a significant reduction in the Infant Mortality Rate to 16 in 2017 from 24 in 2010. The Maternal Mortality Rate (MMR) has reduced from 90 per one lakh live births in 2010-2012 to 63 in 2015-2017 and further to 57 in 2019 as per the data maintained by the State Government. **With this, Tamil Nadu has achieved the Sustainable Development Goal for 2030 of reducing MMR to 70 per one lakh live births, well ahead of the due date.**

124) **Due to the effective implementation of the Dr.Muthulakshmi Reddy Maternity Benefit Scheme, under which financial assistance of Rs.18,000 is paid to the eligible women for upto two pregnancies, Tamil Nadu is the only State in India with 99.9 per cent institutional deliveries,** of which 65 per cent are deliveries in Government institutions. So far, 60.64 lakh poor pregnant women have received an amount of Rs.6,033.81 crore under the scheme. The Government of India's Pradhan Mantri Matru Vandana Yojana has been dovetailed with the State scheme. An amount of Rs.23.10 crore has been received from the Government of India during 2019-20. **A sum of Rs.959.21 crore has been provided in the Budget Estimates 2020-21 for the implementation of Dr. Muthulakshmi Reddy Maternity Benefit Scheme.**

125) **Tamil Nadu has the proud record of delivering quality health care at the primary and secondary levels through the public health care system. This Government will continue to strengthen the primary and secondary health care facilities available in the State. The Tamil Nadu Health Systems Reforms Programme supported by the World Bank at a cost of Rs.2,857 crore is intended to further strengthen the quality of care in government hospitals,** particularly the management of non-communicable diseases and to reduce the

inequities in reproductive and child health services.
The Budget Estimates 2020-21 include a provision of Rs.260.14 crore for the programme.

126) The World Health Organisation (WHO) has declared the Novel Corona Virus epidemic affecting 25 countries as a Public Health Emergency of International concern. The Government of Tamil Nadu, in line with the national guidelines, has strengthened the surveillance and control measures against the disease. The Government has procured and stocked adequate quantity of Personal Protective Equipment kits, masks and triple layer masks as a preparedness measure. Requisite funds will be provided for preparedness and preventive measures.

127) In order to provide the people of the State equitable access to high quality tertiary medical care, this Government launched the Chief Minister's Comprehensive Health Insurance Scheme (CMCHIS). **A total number of 1.59 crore families are covered under this program and since its inception in January 2012, 41.12 lakh persons have availed medical facilities worth Rs.6,601.59 crore.** Government hospitals received an insurance amount of Rs.2,453.22 crore which has been utilized for upgradation of facilities in the hospitals. With the integration of the CMCHIS with the Pradhan Mantri Jan Arogya Yojana, the total insurance coverage

has been enhanced to Rs.5 lakh per annum. **A total amount of Rs.1,033.29 crore has been provided in the Budget Estimates 2020-21 for the CMCHIS.**

128) One of the main reasons for Tamil Nadu's leading position in health care is the availability of quality human resources. **The vision of late Chief Minister Puratchi Thalaivi J Jayalithaa was to establish Government Medical Colleges in all districts of the State. The untiring efforts of the Hon'ble Chief Minister has resulted in the State Government obtaining approval of the Government of India for establishing an unprecedented 11 medical colleges in one year, at Ramanathapuram, Virudhunagar, the Nilgiris, Dindigul, Namakkal, Tiruppur, Thiruvallur, Krishnagiri, Nagapattinam, Ariyalur and Kallakurichi districts at a total cost of Rs.3,575 crore. Rs. 1,200 crore has been provided in the Budget Estimates 2020-21 for establishing the 11 new Medical Colleges. The Government will take over the medical college attached to Annamalai University and this would be the Government Medical College in Cuddalore district.**

129) The Tamil Nadu Urban Health Care Project at a total cost of Rs.1,634 crore is being implemented with support from the Japan International Co-operation Agency (JICA), under which buildings and equipment are

to be provided for 11 medical college hospitals and 10 district and sub-district hospitals located in urban areas. Rs.510.15 crore is provided in the Budget for 2020-21 for this project.

130) In the Budget Estimates 2020-21, a sum of Rs.15,863.37 crore is provided for the Health & Family Welfare Department.

Labour Welfare

131) Tamil Nadu has a record of maintaining peaceful industrial relations and the Labour Department ensures that any labour related issue is promptly resolved. The 17 unorganised workers welfare boards continue to perform effectively and in the calendar year 2019, 2,63,189 workers have been registered and a sum of Rs.241.94 crore has been disbursed to 4.32 lakh beneficiaries as welfare assistance. **An allocation of Rs.149.82 crore has been made in the Budget Estimates 2020-21 for grants to unorganized workers welfare boards.** This year the Government has provided safety kits including safety shoes, safety helmets, reflective jackets, hand gloves and safety goggles to 25,000 construction workers at a cost of Rs.5.44 crore. **The Government will provide safety kits to all active construction workers and in**

2020-21 safety kits will be provided to one lakh construction workers at a cost of Rs.20 crore.

Employment and Skill Training

132) In order to fully reap Tamil Nadu's demographic dividend, this Government has made Skill Development one of its top most priorities. The State Career Guidance Centre at Guindy, Chennai and the Virtual Learning System Portal to facilitate e-learning, e-content and e-books have started functioning and have already benefitted 2.15 lakh candidates.

133) During 2019-20, 2 new Government ITIs have been established at Sembodai, Nagapattinam District and at Perumbakkam, Chengelpet District in partnership with M/s Bharat Petroleum Corporation and M/s Power Grid Corporation Limited. One new ITI will be established in SIPCOT Industrial Park in Oragadam at a cost of Rs.15 crore in partnership with SIPCOT and other industries. **A comprehensive trade rationalization scheme at a total cost of Rs.17.80 crore will be taken up in Government ITIs in which obsolete courses will be replaced with in demand courses to cater to industry needs. Tamil Nadu is the first State to launch a special programme to train eligible candidates in e-vehicle techniques in ITIs at a cost of Rs.4.77 crore. A State Skill Training**

Institute for imparting refresher and in-service training to ITI faculty will be established in Chennai at a cost of Rs.1.60 crore to address the pressing need for faculty upgradation.

134) Based on a skill gap analysis, Tamil Nadu Skill Development Corporation (TNSDC) is imparting training in key sectors including auto mobile, health care, textiles, IT-ITES, agriculture, leather, beauty & wellness, logistics, gems & jewellery and tourism & hospitality. TNSDC has launched an interactive portal to enable candidates to carry out assessments. During 2019-20, 69,736 candidates under the PMKVY (2.0) and 25,000 youth under the Amma Skill Training and Employment Scheme are being trained. Short term skill training is provided to 20,000 youths in urban areas. Recognition of Prior Learning is a successful programme and skill certification for 58,776 persons has been done so far.

135) Five Apex Skill Development Centres (ASDCs) on PPP basis are being established in Tamil Nadu and MoUs have been signed with 3 identified partners in Logistics, Automobile and Health Care sectors. Two more ASDCs will be established in the Construction and Banking, Financial Services and Insurance sectors. TNSDC will also implement the Skills Acquisition and Knowledge Awareness for Livelihood Promotion (SANKALP) project to build a pool of quality trainers and

assessors at a cost of Rs.20.32 crore. **A provision of Rs.200 crore has been made for TNSDC in the Budget Estimates 2020-21.**

Industries

136) Tamil Nadu continues to be one of the most attractive investment destinations in India. This Government has focused on ensuring that the committed investments during the Global Investors Meet are actually implemented. After the GIM, this Government, with the direct involvement of the Hon'ble Chief Minister and his successful tour to United Kingdom, United States and Dubai, has ensured that many more new investments are attracted to the State. **In January 2020, investments worth Rs.52,075 crore generating employment for 32,405 persons have been approved. The largest single investment till date in Tamil Nadu of Rs.49,000 crore will be made by the Al Qebala Al Watya Group of Kuwait in a petroleum refinery and petro-chemical complex near Thoothukudi.** This investment is expected to generate sizeable downstream benefits including large employment in the southern districts of Tamil Nadu.

137) The Government of Tamil Nadu will shortly launch a New Industrial Policy which will provide GST regime compatible incentives. The Government unveiled

a very progressive Tamil Nadu Electric Vehicle Policy in 2019, with the dual objective of making electric vehicles (EVs) the preferred mode of mobility and positioning the State as a manufacturing hub for EVs, components and charging infrastructure. To optimize the utilization of land available for industrial use and reduce diversion of cultivable land, the Floor Space Index (FSI) for industries has been increased from 1 to 1.5 and the plot coverage has been increased from 50 per cent to 75 per cent.

138) **The Ponneri Industrial Node of the Chennai-Bengaluru Industrial Corridor (CBIC) will be developed on an area of 21,966 acres in Thiruvallur district.** The State Support Agreement and Shareholders' Agreement for this project have been approved. The Chennai Kanyakumari Industrial Corridor (CKIC) will be implemented in partnership with the Asian Development Bank as a second phase of the East Coast Economic Corridor. Preparatory work for setting up a Fintech city on 300 acres near Kattupakkam on GST road has commenced. The pre-feasibility study on alternative sites for setting up a greenfield airport in Chennai has also been completed and preparatory work has commenced.

139) SIPCOT has developed 23 Industrial Complexes including 7 Special Economic Zones (SEZs) spread over 33,775 acres. Land has been allotted to

2,631 industrial units with a total investment of Rs.1.14 lakh crore and employment of 6.48 lakh persons. 4,457 acres of land is available for immediate allotment. SIPCOT has substantially reduced the charges for sublease and for change in management, to optimise utilization of built up space in its industrial estates. 13 more industrial parks are being established over an extent of 16,725 acres including in six southern districts of Ramanathapuram, Madurai, Theni, Virudhunagar, Thoothukudi and Tirunelveli. The land acquisition for the industrial park in Ramanathapuram has been completed. **To promote innovation at the grass root level SIPCOT will establish Industrial Innovation Centres at Sriperumbudur and Hosur, with support under the Tamil Nadu Innovation Initiatives, at a total cost of Rs.53.44 crore. A Trade Facilitation Centre at an estimated cost of Rs.34.81 crore is being established at Siruseri. SIPCOT will also establish a 60 MLD Desalination Plant to meet the water requirement of industries in and around Thoothukudi industrial park at an estimated cost of Rs.634 crore.** TIDCO and HLL Life Care Limited propose to establish a Medi Park near Chenglpattu at a project cost of Rs.205 crore. TANCEM has commissioned the new cement plant at Ariyalur with a total capacity of 10 lakh MT which more than doubles the existing capacity.

140) In the Budget Estimates for 2020-21, a sum of Rs.2,500 crore has been provided for payment of industrial incentives.

Micro, Small and Medium Enterprises

141) Tamil Nadu maintains its leading position in the Micro, Small and Medium Enterprises (MSME) sector. There are currently 22.21 lakh registered units in the State with a total investment of Rs.2.51 lakh crore, providing employment to 1.42 crore persons. So far during 2019-20, 2.07 lakh entrepreneurs have filed Udyog Aadhaar Memorandum (UAM) with an intent of investment of Rs.27,764 crore and to provide employment to 13.38 lakh persons.

142) Tamil Nadu is effectively implementing the Prime Minister's Employment Generation Programme (PMEGP) and the Unemployed Youth Employment Generation Programme (UYEGP). **To expand the benefits available under UYEGP, the existing project size limit of Rs.10 lakh will be enhanced to Rs.15 lakh and the eligible subsidy under the scheme will be enhanced from Rs.1.25 lakh to Rs.2.5 lakh.** This will encourage thousands of budding entrepreneurs. The provision for this scheme has been enhanced to Rs.33 crore in the Budget Estimates 2020-21.

143) The flagship entrepreneurship initiative of Tamil Nadu is the New Entrepreneur cum Enterprise Development Scheme (NEEDS). The maximum project cost was increased from Rs.100 lakh to Rs.500 lakh in April 2018. However, the maximum cap on the capital subsidy was increased only from Rs.25 lakh to Rs.30 lakh in 2018. **The Government will enhance the maximum capital subsidy under the NEEDS scheme from Rs.30 lakh to Rs.50 lakh. A sum of Rs.100 crore has been allocated for this scheme in the Budget Estimates 2020-21.**

144) The Hon'ble Chief Minister has announced the enhancement of interest subvention for loans availed by MSMEs from Tamil Nadu Industrial Investment Corporation from 3 per cent to 6 per cent in July 2019. The interest subvention available under the **Technology Upgradation Scheme and the Credit Guarantee Fund Trust scheme still continues at 3 per cent. I am happy to announce the enhancement of the interest subvention from 3 per cent to 5 per cent under these two schemes as well.**

145) SIDCO is utilizing various components of the Micro and Small Enterprises – Cluster Development Programme (MSE – CDP) of the Government of India to upgrade existing SIDCO estates, provide infrastructure in new estates and develop common facility centres (CFCs)

in clusters. Four more new industrial estates at Pidaneri, Periyanesalur, Uthangarai and Marikundu are under implementation at a total cost of Rs.33.70 crore. **2 new industrial estates are being taken up at Kurukkalpatti and Perundurai. A new Industrial Estate at a total cost of Rs.4.50 crore will be established in Umayalpuram and Puthirakoundanpalayam villages in Pethanaickanpalayam Taluk of Salem District.** During 2019-20, final approval for 6 CFC projects at a cost of Rs.95.48 crore and in principle approval for 4 new CFCs at a cost of Rs.47.65 crore have been obtained from the Government of India and will be implemented.

146) The Entrepreneurship Development and Innovation Institute (EDII-TN) has trained 13,626 entrepreneurs so far. The EDII is implementing the Tamil Nadu Startup and Innovation Mission (TANSIM). **TANSIM will create and nurture at least 500 startups in 2020-21. An allocation of Rs.75 crore has been made in the Budget Estimates for 2020-21 for activities under TANSIM.**

147) A total allocation of Rs.607.62 crore has been made for the MSME department in the Budget Estimates for 2020-21.

Handloom, Handicraft, Textiles and Khadi

148) The textile sector in Tamil Nadu provides the largest employment after agriculture. The scheme of providing rebate to promote the sale of handloom cloth will be continued with a budget allocation of Rs.150 crore in 2020-21. The handloom support scheme launched in 2018-19 will be continued in 2020-21 with a budgetary allocation of Rs.40 crore. The scheme for supply of free electricity to handloom and power loom industry will also be continued and a budgetary allocation of Rs.360.33 crore has been provided towards subsidy payable to TANGEDCO.

149) **The Hon'ble Chief Minister launched the Tamil Nadu New Integrated Textile Policy, 2019 on 6th March, 2019. The policy focuses on attracting new investments, encouraging technology upgradation, bridging the skill gap, creation of infrastructure, provision of better amenities for textile workers and encouraging compliance with environmental standards. A sum of Rs.48.02 crore has been provided for the additional incentives as per the new policy, in the Budget Estimates for 2020-21. Over all, Rs.1,224.25 crore has been provided in Budget Estimates 2020-21 for the Handlooms and Textiles sector.**

Information Technology

150) The Government will ensure that Tamil Nadu remains in the forefront of cutting edge innovation areas like Artificial Intelligence, Internet of Things (IOT), Blockchain and Data Analytics. With the aim of making Tamil Nadu a leading financial technology centre, the **Government has established a Centre of Excellence for Fin Tech at Software Technology Parks of India, Chennai at a total cost of Rs.23 crore with a grant of Rs.5.75 crore from the State Government.** To accommodate the increasing demand for establishing new IT based units, **ELCOT will construct 2.5 lakh sq. ft. of additional space at Coimbatore at a cost of Rs.100 crore and 1 lakh sq. ft. of space at Tiruchirapalli at a cost of Rs.40 crore.**

151) Harnessing the potential of information and communication technology for more effective governance, is a key objective of the Government. Government has established the Open Government Data (OGD portal) to share Government data, to enable members of the public to come up with solutions and applications relevant for improved service delivery. The Chief Minister's Dashboard project is being implemented at a cost of Rs.5.02 crore to enable the Hon'ble Chief Minister and Hon'ble Ministers to make data driven decisions and effectively monitor the activities of

Government departments. A sum of Rs.6 crore has been sanctioned for the Phase I of the Predictive Governance project to identify and deliver public services to citizens even without their actually having to apply for such services.

152) **The Hon'ble Chief Minister has announced the establishment of the State Family Database for Tamil Nadu, for cross department data harmonization and synchronization, streamlining Government service delivery, and data driven decision making. A provision of Rs.47.50 crore is made in the Budget Estimates for 2020-21 to implement this ambitious project.** An important dimension of digitalization and online collection of data is data privacy and security. **The Government of Tamil Nadu has approved the implementation of the Cyber Security Architecture of Tamil Nadu at an estimated cost of Rs.21.39 crore to ensure data security.**

153) The total allocation for Information Technology Department in the Budget Estimates for 2020-21 is Rs.153.97 crore.

Tourism

154) Tourism plays a vital role in stimulating the local economy. **Tamil Nadu has received the highest**

number of foreign and domestic tourists each year since 2014. The Asian Development Bank assisted Tourism Development Project is currently under implementation and a sum of Rs.90.85 crore has been provided in the Budget Estimates 2020-21 for the project.

155) **Under the Tamil Nadu Tourism Promotion Project, 295 destinations have been identified, grouped into 6 circuits.** A Master Plan will be prepared adopting a comprehensive area development approach to provide the facilities required by tourists at each destination. The rich culture and heritage of Tamil Nadu will be leveraged highlighting new narratives to engage the tourists. **The over all cost of the project including upgradation of basic infrastructure and provision of commercial hospitality and logistics infrastructure is expected to be Rs.2,000 crore.** Funding will be on a PPP basis with support from the Tamil Nadu Infrastructure Fund and private investors.

156) **Following up on the recent visit of the Hon'ble Prime Minister of India and the President of the Peoples' Republic of China to Mamallapuram, a special tourism promotion package has been prepared at a total cost of Rs.563.50 crore and submitted to the Government of India for approval. Similarly, a special package at a cost of**

Rs.9.80 crore is being prepared for upgrading facilities at Rameswaram. Government of India assistance will be availed under the programme for assistance to State tourism projects announced in the Union Budget 2020-21.

Hindu Religious and Charitable Endowments

157) Since 2011, renovation work of 11,365 temples has been completed at a cost of Rs.542.73 crore and the Kumbabishekams have been performed. 12,745 temples are benefitting under the Oru Kala Pooja scheme. Since 2011, 6,741 temples situated in Adi-Dravidar habitations have been taken up for renovation at a total cost of Rs.49.21 crore. In addition, renovation work of 5,847 village temples at a cost of Rs.42.11 crore has been taken up. **858 temple tanks have been desilted at a cost of Rs.4.69 crore. From May, 2011, 7,233.76 acres of lands of 1,125 temples has been retrieved and pattas have been transferred in the names of the temples.** In the Budget Estimates for 2020-21, a sum of Rs.281.17 crore has been provided for the HR & CE Department.

Public Works Department Buildings

158) Buildings Wing of the Public Works Department maintains thousands of Government buildings spread all over the State. For the construction

of buildings, in the Budget for 2020-21 Rs.1,453.91 crore has been provided. There are a large number of heritage buildings which house Government offices. **I am happy to inform the House that the Government will make a special annual allocation for the restoration and conservation of heritage Government buildings and accordingly, a provision of Rs.50 crore has been made in the Budget Estimates for 2020-21.**

159) Todhunter Nagar in Saidapet is spread over 74 acres and has rental accommodation for Government servants constructed and maintained by both Public Works Department and Tamil Nadu Housing Board. A master plan will be prepared to improve the layout of the residential complex and to provide better amenities. **To cater to the growing demands for rental housing from Government servants, one more residential tower will be constructed in Todhunter Nagar at Saidapet by the Public Works Department at a total cost of Rs.76 crore.** Attendant facilities would be developed at a cost of Rs.24 crore. A provision of Rs.40 crore has been made in the Budget Estimates 2020-21 for this purpose.

Social Welfare

160) True to the legacy of the late Chief Minister Puratchi Thalaivi J Jayalalithaa, this Government is

committed to securing gender parity and justice. To this end, the Government is implementing a number of schemes targeted at empowering women and ensuring the welfare of children, especially girl children. Sex ratio at birth which was 918 in 2014-15 has increased to 936 in 2019, as a result of the schemes for the protection of girl children - the Chief Minister's Cradle Baby Scheme and the Girl Child Protection Scheme. In the Budget Estimates for 2020-21 a sum of Rs.140.97 crore has been allocated for these schemes. **Under the various marriage assistance schemes, 1,04,795 persons have benefitted in 2019-20. In the Budget Estimates for 2020-21, an allocation of Rs.726.32 crore has been provided towards the marriage assistance schemes. So far, 1.88 lakh two wheelers have been distributed to working women under the Amma Two Wheeler Scheme. The scheme will continue to be implemented during 2020-21 with a provision of Rs.253.14 crore. The Government has formed the Tamil Nadu Working Women's Hostel Corporation Limited as a Special Purpose Vehicle to establish and manage working women hostels. 13 locations have been identified with eight in Chennai and one each at Krishnagiri, Tiruchy, Hosur, Kancheepuram and Namakkal for such hostels. A Gender Budget statement showing an outlay of Rs.78,796.12 crore in 2020-21 towards**

women in the Budget has been prepared and is presented as part of the Budget documents.

161) **The Puratchi Thalaivar Dr. MGR Noon Meal Programme is being implemented in 43,243 noon meal centres with 48.57 lakh students being fed every day. A provision of Rs.1,863.32 crore has been provided in the Budget Estimates 2020-21 for the noon meal programme.** The Integrated Child Development Services (ICDS) scheme continues to be implemented in Tamil Nadu to improve the nutritional status of preschool children and to ensure a malnutrition free Tamil Nadu. Early childhood education is also receiving greater emphasis under ICDS. **A provision of Rs.2,535.54 crore has been provided in the Budget Estimates for 2020-21 for ICDS.**

162) Protecting the rights of children in difficult situations is a fundamental duty of the Government. **The Government will devise effective ways of ensuring that children in orphanages are given the best possible start in life. A new Tamil Nadu State Child Policy is under formulation and will be launched shortly.** A total amount of Rs.175.35 crore is provided in the Budget Estimates for 2020-21 for the Directorate of Social Defence.

163) Care for the elderly is part of our society's culture. With the increasing adoption of the nuclear family norm and the need to migrate for education and work, a large number of elderly only households are found in the State. The Government of Tamil Nadu in association with J-PAL launched a Longitudinal Panel Survey on issues relating to the elderly by a research team led by Nobel Laureate Dr. Esther Duflo. Based on the findings of the study, the Government will to launch a number of initiatives for the elderly. **As a pilot project, the Government will launch Elderly Resource Centres in two blocks in all 37 districts with a total outlay of Rs.37 lakh.** A total allocation of Rs.5,935.13 crore has been made for the Social Welfare and Noon-Meal Programme in the Budget Estimates for 2020-21.

Adi Dravidar and Tribal Welfare

164) The prime objective of this Government is to secure social justice and ensure the sustained socio-economic development of Scheduled Caste and Scheduled Tribe communities. Education provides the best opportunity for upward mobility. Hence, **Rs.2,018.24 crore out of the total allocation of Rs.4,109.53 crore intended for Adi-Dravidar development in the Budget for 2020-21 is earmarked for education related schemes.**

The Special Incentive scheme for girls students continues to be implemented at a cost of Rs.49.60 crore. **Under the post matric scholarship, the State Government's committed annual liability has been increased steeply to Rs.1,526.46 crore** and the flow of funds from the Government of India for this scheme has come down considerably. **We have urged the Government of India to adopt the 60:40 sharing pattern for the post matric scholarship scheme on par with other Centrally Sponsored schemes. Through the strenuous efforts of the State Government, the Government of India have modified the restrictions imposed on claiming of fees against the management quota seats and many more students would now be eligible for the post matric scholarship. A sum of Rs.1,949.58 crore has been allocated for Budget Estimates 2020-21 for the scheme.**

165) There is a growing demand for college hostels amongst Adi-Dravidar students. Accordingly, the Government will upgrade 15 hostels into college hostels at a cost of Rs.16.30 crore during 2020-21. The allocation for maintenance of Adi-Dravidar hostels will be stepped up from Rs.6.89 crore to Rs.15 crore to ensure that the hostel buildings are well maintained. **Infrastructure facilities in 223 Adi Dravidar Welfare**

Schools will be upgraded at a total cost of Rs.106.29 crore with NABARD assistance.

166) **The special scheme for improving basic amenities in Adi Dravidar habitations launched in 2018-19, will be continued during 2020-21 with an allocation of Rs.100 crore.** In addition, funds from schemes implemented by the Rural Development department will also be dovetailed. TAHDCO has taken up an action plan to extend financial assistance to 23,425 beneficiaries under the economic development programme. During 2020-21, a sum of Rs.135 crore will be provided to TAHDCO for implementation of this programme.

167) **I am very happy to announce that this Government will launch a special project to ensure that all basic infrastructure facilities including all-weather houses, link roads, street lights, solar lights and drinking water facilities are provided in all the tribal habitations in the State.** A detailed survey has been undertaken and **a comprehensive plan at a cost of Rs.660 crore has been prepared which includes a component of Rs.265 crore for housing.** Under the Chief Minister's Green House Scheme, houses will be constructed for all the 8,803 tribal families in need of a house at a cost of Rs.3 lakh per house in 2020-21. The differential cost of

Rs.90,000 per house will be provided as a special allocation from the Tribal Welfare budget. For taking up the provision of link roads, street lights, solar lights and drinking water supply, **Rs.395 crore will be provided over a period of three years. In the Budget Estimates for 2020-21, a sum of Rs.210 crore has been provided for this scheme,** in addition to the Rs.40 crore provided for the completion of spill over works sanctioned during 2019-20.

Welfare of Backward Classes, Most Backward Classes and Denotified Communities

168) The Government recognizes that ensuring access to education is the most critical input to ensure the advancement of persons belonging to BC, MBC and Denotified communities. **A sum of Rs.302.98 crore has been provided towards scholarship to students from these communities.** 3.63 lakh bicycles at a cost of Rs.142.84 crore are being provided to Class XI and ITI students. Currently 1,348 hostels are functioning, housing 85,314 students. In 2020-21, 7 school hostels will be upgraded as college hostels. In 2019-20, Rs.8.48 crore was allocated for construction of new buildings for hostels. Biometric attendance systems are being installed in all the hostels to monitor student attendance. **A total sum of Rs.1,034.02 crore has been provided in the Budget Estimates**

2020-21 for the Welfare of Backward Classes, Most Backward Classes and Denotified Communities.

Minorities Welfare

169) **During 2019-20, a total amount of Rs.98.66 crore will be disbursed as scholarships to about 3.64 lakh students belonging to Minority Communities.** Poor destitute Muslim and Christian women are aided through the Muslim and Christian Women Aid Societies. **The Government will enhance allocation for repair and renovation of churches from Rs.1 crore to Rs.5 crore. The annual allocation for maintenance of mosques will be enhanced from Rs.60 lakh to Rs.5 crore.** The annual administrative grant for the Wakf Board has also been enhanced to Rs.2.50 crore.

Welfare of Differently Abled

170) Tamil Nadu is in the forefront of implementing the Rights of Persons with Disabilities Act, 2016. **A special drive will be launched to clear backlog vacancies and ensure that the differently abled are given 4 per cent reservation in employment in Government Departments and PSUs.** At present, a maintenance grant of Rs.1,500 per month is being provided to persons with intellectual disability, severely affected persons, leprosy affected persons and

persons with muscular dystrophy, and about 1.75 lakh persons are receiving the grant at a total cost of Rs.313.26 crore. **I am happy to inform the House that maintenance grants will now be paid to persons with debilitating spinal cord injuries and chronic neurological conditions, namely Parkinson's disease and Multiple Sclerosis. To clear pending applications and to cover the new categories, the budgetary allocation will be enhanced to Rs.375 crore in 2020-21 to cover about 2.1 lakh eligible persons.** In order to enable the hearing and visually impaired persons to communicate better, the Government will provide smart phones with appropriate applications, to 10,000 hearing and visually impaired persons at a total cost of Rs.10 crore. In the Budget Estimates for 2020-21, a sum of Rs.667.08 crore has been allocated for the Welfare of the Differently Abled Persons.

Youth Welfare and Development of Sports

171) **Amma Youth Sports Scheme at a cost of Rs.76.23 crore** has been launched by the Hon'ble Chief Minister on 13th January 2020. Under the scheme, playfield facilities are being established, and sports equipment is being supplied to Village and Town Panchayats. The scheme has proved to be immensely

popular and greatly enthused the rural youth. **Hence, a further sum of Rs.45 crore is provided in the Budget for 2020-21 to supply additional sports equipment and conduct competitions.**

172) The Government has provided funds to develop world class sports infrastructure at the Tamil Nadu Physical Education and Sports University including Centres of Excellence for Table Tennis, Badminton and sports bio mechanics. In addition, a Centre of Excellence for Canoeing and Kayaking is being established. These facilities will be utilized to create a **High Performance Sports Centre to be used by athletes with national and international potential.**

173) A sum of Rs. 218.66 crore has been allocated in the Budget Estimates for 2020-21 for Youth Welfare and Sports Development Department.

Integrated Financial and Human Resources Management System (IFHRMS)

174) One of the largest e-governance projects which benefits every department, every employee, every pensioner and every recipient of a payment from Government is the Integrated Financial and Human Resources Management System (IFHRMS). This project covers all the 295 Pay and Accounts Offices, District Treasuries and Sub-Treasuries of the State and is

accessed by the 19,000 Drawing & Disbursing Officers and contains all the information regarding all payments by Government and as pay, allowances and service records of all Government employees. Implementation of such a complex information and communication technology project involves considerable change management. The Government has ensured that the IFHRMS is rolled out all over the State only after validating all the data entered and consulting all relevant stakeholders and providing training to the employees. After a series of parallel runs with existing systems, **the complete switch over to IFHRMS has commenced with Karur District in January 2020 and will be extended to the whole State by May 2020.** This project will not only ensure accurate and speedy financial and human resources transactions, but will also considerably reduce the repetitive work load in all departments and in the Treasuries. This will greatly enhance the productivity of Government departments and reduce grievances relating to delays in payments.

175) Once the budget management system under the IFHRMS is fully implemented, there will be a real opportunity to modernize budgetary and fiscal management in the State to enhance financial control and efficiency. The Government requested a team from the International Monetary Fund (IMF) to review and advice on Tamil Nadu's public finance management

systems especially relating to budget formulation and fiscal risk management. An IMF Technical team visited Tamil Nadu in December 2019 and submitted its report on modernizing budget formulation and managing fiscal risks. The Government will study this report and implement its recommendations, by availing technical assistance from the IMF.

Centre for Public Finance

176) State Governments now account for a larger share in over all public expenditure in India, and hence public finance issues need to be studied in detail from the perspective of the States, and specifically Tamil Nadu. With the growing complexity of the economic environment, to sustain public finances **it is essential to obtain high quality policy advice from a dedicated institution. Hence, this Government will support the Madras School of Economics to establish a Centre for Public Finance, on the land adjacent to MSE's present campus.** The Centre will conduct research in public finance, provide policy advice to Government, and also run academic courses. **The Government will provide the land and a corpus grant of Rs.5 crore for establishing the Centre.**

Government Servants and Pensioners

177) In the Budget Estimates for the year 2020-21, **Rs.342 crore has been provided towards premium for health insurance for Government employees and Rs.306.65 crore for pensioners. The Government issued detailed guidelines to simplify the procedure for reimbursement of claims under the medical insurance scheme. A sum of Rs.173.95 crore has been provided for loans to Government employees under House Building Advance.** An amount of Rs.64,208.55 crore has been provided towards payment of salaries and allowances to Government employees and Rs.32,009.35 crore for payment of pension to retired Government servants. The Government has consistently paid Dearness Allowance instalments without delay, despite the heavy and recurring fiscal burden.

PART-B**Resources for Financing the Budget**

Hon'ble Speaker Sir,

178) I have so far highlighted the major schemes, programmes and initiatives of the Government. I shall now turn to the aggregate fiscal position. **The total expenditure on the revenue account in**

the Budget Estimates 2019-20 was fixed at Rs.2,12,035.93 crore. Two supplementary estimates were presented before this House seeking additional revenue expenditure of Rs.2,282.43 crore and Rs.3,952.48 crore. The Government has managed to contain the level of expenditure and effect certain savings. **Hence, the aggregate level of revenue expenditure in the Revised Estimates 2019-20 has been contained to Rs.2,16,932.51 crore.**

179) On the revenue receipts side, due to the slow down of growth in certain sectors of the economy, tax receipts of the State Government, particularly of Goods & Services Tax, Value Added Tax on non-GST goods and Motor Vehicle taxes are expected to fall short of the budget targets. State Excise and Stamp Duty and Registration Fees are expected be at the budgeted levels. We are hopeful that the outstanding issues relating to the settlement of Rs.4,073 crore due to Tamil Nadu as IGST from the year 2017-2018 will be settled before the end of the current fiscal year. **In the aggregate, State Own Tax Revenue is expected to be Rs.1,20,809.63 crore in the Revised Estimates 2019-20 against the Rs.1,24,813.06 crore in the Budget Estimates 2019-20.**

180) **There is a large and unprecedented reduction in Tamil Nadu's share of Central taxes**

received as devolution in the Revised Estimates 2019-20. As against the Rs.30,638.77 crore received as share of Central taxes 2018-19, the Union Budget presented on 1st February, 2019 had indicated that Rs.33,978.47 crore would be transferred in the Budget Estimates for 2019-20. In the Revised Estimates for 2019-20 presented recently, Tamil Nadu's share of Central Taxes has been reduced to Rs.26,392.40 crore. A drop of Rs.7,586.07 crore is due to the lower collections expected in 2019-20 and the Rs.2,368 crore deducted on account of the excess releases made in the 2018-19 as the actual collection of Central Taxes fell below the Revised Estimates for 2018-19. This sharp decline is unprecedented and has placed the State finances in a difficult situation in 2019-20. The State Governments has had to find alternatives to sustain the level of essential expenditure.

181) To some extent, the State Government has made up the shortfall in the two major items of Revenue by ensuring higher collection of non tax revenue and by obtaining grants in aid from Government of India for various schemes and projects, over and above what was budgeted for in 2019-2020. This has been enabled by sustained follow up by the Hon'ble Chief Minister, Hon'ble Ministers and officials with the Government of India. Non-Tax revenues in Revised Estimates 2019-20 are projected to be Rs.14,195.28 crore, which is higher than

the Budget Estimates 2019-20 of Rs.13,326.91 crore. Grants-in-aid from the Central Government are projected to reach Rs.30,463.57 crore in the Revised Estimates 2019-20 as against Rs.25,602.74 crore in the Budget Estimates 2019-20.

182) As a result, the overall shortfall has been moderated and the **total revenue receipts in Revised Estimates 2019-2020 are estimated to be Rs.1,91,860.88 crore, which is a reduction of Rs.5,860.29 crore compared to Budget Estimates 2019-2020.** On account of the increased expenditure and reduced revenue receipts, the **overall revenue deficit for the year 2019-2020 has increased to Rs.25,071.63 crore in the Revised Estimates 2019-20 as against the budgeted amount of Rs.14,314.76 crore.**

183) In order to ensure that growth creating expenditure does not suffer, **this Government has been very conscious not to reduce the overall capital outlay during 2019-2020. Accordingly the capital outlay in the Revised Estimates is expected to be Rs.31,220.89 crore** which is about at the same level as in the Budget Estimates 2019-20 at Rs.31,251.21 crore.

184) The Government is also very conscious to ensure that the fiscal deficit stays within the targets prescribed in the Tamil Nadu Fiscal Responsibilities Act, and in the Revised Estimates 2019-20, **fiscal deficit has been contained to Rs.55,058.39 crore which is within 3 per cent of the State GSDP** as per the latest Advance Estimates (Provisional).

185) Coming to the Budget Estimates for 2020-2021, revenue growth has been pegged at a conservative level. Commercial Taxes continue to be the largest contributor to the State Own Tax Revenue. The introduction of GST has already constrained the taxation capacity of the State. Persistent teething problems in the GST Network and compliance issues in other States, added to the overall slowing of economic growth, have meant that revenue growth has been below expectation. The overall collection of Commercial Taxes has been estimated at Rs.1,02,236.59 crore in the Budget Estimates for 2020-2021. In the Budget Estimates 2020-2021, the receipts from Excise Duty has been estimated at Rs.8,133.81 crore. In the Budget Estimates 2020-2021, recovery in Motor Vehicle Tax collection is expected and Rs.6,897.73 crore has been estimated as revenue.

186) We expect that the revenue from Stamp Duty and Registration Fees will recover in Budget Estimates

2020-21 based on the new initiatives taken by the Government in the simplification of the Common Development and Building Rules. The Tamil Nadu Regularization of Rights of Landlords and Tenants Act, 2017 has come into force and all existing tenancies need to be registered under the Act before the extended date of 19th September, 2020. Stamp duty is payable on all rental agreements including those which are of less than one year. **To promote voluntary compliance and to enable both the landlords and tenants to realize the full benefits of registration under the new Tenancy Act, the Government have decided to reduce the Stamp Duty currently applicable for rental agreements for residential property for a period upto five years, from the current 1 per cent to 0.25 per cent. The Registration Charges on such agreements will also be reduced from 1 per cent to 0.25 per cent subject to a maximum of Rs.5,000/-.** The overall collection of Stamp Duty and Registration fees in the Budget Estimates 2020-2021 is projected to be Rs.14,435.09 crore.

187) **The total receipts on account of State's Own Tax Revenue in the Budget Estimates 2020-2021 are estimated at Rs.1,33,530.30 crore.** The receipts under the non tax revenue are expected to be Rs.15,898.81 in the Budget Estimates 2020-2021.

188) The modest increase in Tami Nadu's share of devolution based on the recommendations of the 15th Finance Commission has meant that in the Budget Estimates 2020-21, the share of Tamil Nadu in Central taxes is estimated at Rs.32,849.34 crore. **The Grants in Aid have been projected as Rs.37,096.69 crore including a sum of Rs.4,025 crore recommended for Tamil Nadu as the post devolution revenue deficit grant. The total revenue receipts in Budget Estimates 2020-21 are estimated at Rs.2,19,375.14 crore.**

189) **Revenue expenditure has been projected on a realistic basis for the year 2020-2021 at an aggregate level of Rs.2,40,992.78 crore.** All salary, pension, interest payments and scheme related expenditure have been fully budgeted for. The Revenue Deficit for 2020-21 is estimated to come down to Rs.21,617.64 crore.

190) In order to enhance growth, **the over all capital outlay including net loans and advances has been increased to Rs.37,728.65 crore which represents a substantial 25.8 per cent increase over the provisions in 2019-20. Many projects have already been accorded approval and adequate provisions have been made in the Budget to ensure that works commence early in the year the**

implementation does not suffer for want of fund flow.

191) Despite the many fiscal constraints, Tamil Nadu remains steadfast in adhering to fiscal discipline and has maintained key fiscal ratios including the fiscal deficit and the Debt to GSDP ratio within the prescribed norms. **During 2020-21 even as capital outlays have been enhanced to the growth enhancing levels, the over all fiscal deficit has been contained at Rs.59,346.29 crore which is 2.84 per cent of GSDP and within the statutory limit.**

192) In order to finance the fiscal deficit during 2020-2021, it is estimated that **Rs.59,209.30 crore will be raised as net debt against the overall permissible borrowing limit of Rs.62,757.80 crore.** Therefore, **the net outstanding debt as at the end of 31.3.2021 is expected at Rs.4,56,660.99 crore and debt to GSDP ratio will be 21.83 per cent which is well within the norm of 25 per cent.**

193) The medium term fiscal plan has been annexed to this Budget speech and I request that it may be taken as having been read as part of the speech.

194) Tamil Nadu continues to see sustained increase of its revenue deficit. The burden imposed on the State finances by the take over of debt and losses of

TANGEDCO under the UDAY scheme, the lag effect of the implementation of the 7th Central Pay Commission, the slower growth in tax revenue both at the Centre and the State, have all caused the increased revenue deficit. Salary and pension related expenditure shows a consistent increase. The Government is committed to find ways to contain the overall level of non-development expenditure and find additional resources to finance growth oriented expenditure.

195) **I expect that the implementation of the recommendations of the Expenditure Rationalisation Committee chaired by Thiru S. Audiseshiah IAS (Retd.) which has submitted its report to the Hon'ble Chief Minister yesterday, will enable the Government to substantially enhance productivity of Government departments** and thereby free up more resources for development programmes. Through the implementation of the IFHRMS, by modernizing budget formulation and fiscal risk management, securing expert advice and consistent efforts within Government, I am confident the finances of the State will be even better managed in 2020-21.

196) High growth in itself will enhance the welfare of the people of the State. Growth will also provide more resources to the State Government to implement more welfare schemes for the poor, the down trodden and the

vulnerable, who always remain the focus of our attention. We have confidence that the policies and programmes of this Government including the thrust on bringing in new investments will induce the virtuous cycle of rapid economic growth, more jobs, rising incomes and in turn more revenues for the Government to implement more welfare programmes.

Hon'ble Speaker Sir,

“பொருள்கருவி காலம் வினையிடனொடு ஐந்தும்

இருள்தீர எண்ணிச் செயல்”

(குறள் 675)

'In the matter of executing a task, the necessary finance, the required instrument, the appropriate time, the nature of the task and the place of action, all these five must be carefully thought out leaving no doubt about the matter and then only you must act'

(Kural 675)

197) The late Hon'ble Chief Minister Puratchi Thalaivi Amma effectively adopted the five strategies propounded by Sage Thiruvalluvar to gain success upon success and further guided us, that in order to succeed we should add a sixth strategy of being firm in our resolve to focus only on the welfare of the people and ignore all impediments placed in our path, boldly tackle all attacks on us, and brush aside deliberate, biased and unnecessary criticism, allegations and accusations.

198) I am grateful to late Hon'ble Chief Minister Puratchi Thalaivi Amma, whose far sighted vision, sagacity and wisdom remains the foundation on which the success of this Government is based. Amma's spirit continues to guide me and this Government in all our efforts and endeavours.

199) I thank the Hon'ble Chief Minister Thiru Edappadi K Palaniswami for his unstinted support and able guidance which has enabled me to prepare this Budget.

200) I convey my gratitude to Thiru S.Krishnan, I.A.S, Additional Chief Secretary, Finance Department who assisted me tirelessly and all the other officials of the department who have toiled hard on the preparation of the Budget.

201) Hon'ble Speaker Sir, I commend the Budget Estimates for the year 2020-2021 for the approval of this august House.

Nanri

Vanakkam.

O. PANNEERSELVAM

Deputy Chief Minister

Chennai,
14th February 2020,
Vikari, Maasi-2,
Thiruvalluvar Aandu 2051

APPENDIX**MEDIUM TERM FISCAL PLAN**

The State Government is required to lay a Medium Term Fiscal Plan (MTFP) before the Legislative Assembly along with the Budget in accordance with section 3(1) of the Tamil Nadu Fiscal Responsibility Act, 2003 (TNFRA). As per Section 3(2) of the said Act, the MTFP shall also set forth a multi-year rolling target for the prescribed fiscal indicators like Revenue Deficit, Fiscal Deficit and Debt to GSDP ratio, specifying the underlying assumptions made to arrive at those projections. Complying with the said provisions under the Tamil Nadu Fiscal Responsibility Act, 2003, a Medium Term Fiscal Plan for the period from 2020-2021 to 2022-2023 is hereby placed before the Legislative Assembly.

Objectives

This MTFP outlines the fiscal road map, aiming at progressive fiscal consolidation and

debt sustainability which will be achieved by adherence to the following fiscal norms:

- Fiscal Deficit to Gross State Domestic Product (GSDP) within 3 per cent

- Outstanding Debt to GSDP within 25 per cent as prescribed by Tamil Nadu Fiscal Responsibility Act (TNFRA), 2003. A fiscal path is also being laid to reduce the Revenue deficit in a phased manner and thereby enhance the allocation for creation of productive assets.

This objective is intended to be achieved by:

- Prioritizing focus on resource availability, including exploring resource augmentation measures.

- Improving efficiency in expenditure and accounting for probable fiscal contingencies without compromising on growth creating expenditure and at the same time meeting committed expenditure needs.

■ Maintaining the balance between receipts and expenditure within the overall framework of debt sustainability.

Economic scenario

The Indian economy is presently facing a slowdown with the growth estimates projected at 5 per cent in 2019-20 in constant price terms. This slowdown is however expected to make way for good growth in the coming years. Tamil Nadu's GSDP has been projected at 7.27 per cent for 2019-20 at constant prices, which shows the resilience of the State economy to shocks. This resilience has been enabled by the diversification of the economy and sustainable policy initiatives of the Government. We expect better growth in the ensuing years compared to the current year projections. The nominal GSDP growth of Tamil Nadu is estimated to be 12.0 per cent in 2021-22 and 2022-23.

I. Revenue Receipts

The Total Revenue Receipts of the State Government, including the Central Transfers, are estimated to be Rs.2,19,375.14 crore in 2020-21 as against the Revised Estimates of Rs.1,91,860.88 crore in 2019-20. The estimates for 2021-22 is estimated to be Rs.2,51,056.23 crore and Rs.2,86,084.97 crore in 2022-23 which indicates a growth of 14.44 per cent and 13.95 per cent respectively. The important components are discussed below:

1. State's Own Tax Revenue

The State's Own Tax Revenue (SOTR) is estimated to be Rs.1,20,809.63 crore in the Revised Estimates 2019-20. There is a decrease of Rs.4,003.43 crore compared to Budget Estimates 2019-20. SOTR is estimated to increase to Rs.1,33,530.30 crore in the Budget Estimates for 2020-21. The SOTR is estimated to be Rs.1,52,270.66 crore in 2021-22 and Rs.1,73,664.49 crore in 2022-23.

Salient features of the major components of the State's Own Tax Revenue and related assumptions are discussed below:-

■ In the case of receipts related to Goods and Services Tax, an assured growth of 14 per cent relative to 2015-16 is expected till 2021-22. However, there are pending arrears to be given by Government of India to Tamil Nadu on account of GST, namely Rs.4,073 crore of IGST pertaining to 2017-18. Considering the fact that Tamil Nadu is performing relatively well in terms of GST collection and we expect the Government of India will settle the arrears pertaining to GST in time, the Budget Estimates 2020-21 is estimated at Rs.46,195.55 crore. The receipt from Sales tax especially from petroleum products is expected to witness a significant growth in the next two years while the Sales Tax from liquor is expected to grow steadily.

■ The growth rates for Commercial tax is estimated to be 14.5 per cent in 2021-22 and in

2022-23 based on the present trends of tax collection.

- The State Excise Duty collection is expected to grow at a rate of 12 per cent in 2020-21 over Revised Estimates 2019-20 and is estimated to witness a similar growth rate for the subsequent two years, based on present trends.

- The collection from Stamp Duty and Registration fees in Revised Estimates 2019-20 is expected to be of the same level of Budget Estimates 2019-20. The Estimates for Budget Estimates 2020-21 is Rs.14,435.09 crore and the growth is expected to be about 14.0 per cent in the coming years driven by general economic growth expectations and improvement in tax collection efficiency.

- The collections from the Taxes on Motor Vehicles has dipped to Rs.6,018.63 crore in Revised Estimates 2019-20 compared to Budget Estimates 2019-20 due to general economic slowdown. Since motor vehicles tax is primarily levied on registration of vehicles, the

tax collections in the coming years is expected to be in accordance with improved economic growth prospects, complemented by resource augmentation measures. The impact of the exemption for Electric Vehicles, more of which are expected to be registered, has also been factored in.

2. Non-Tax Revenue

The State's Own Non-Tax Revenue has been estimated at Rs.15,898.81 crore in the Budget Estimates for 2020-21. This is a growth of 12 per cent over Revised Estimates 2019-20. Based on the various resource augmentation measures and improvements in non-tax collection being undertaken by the Government, the Non-tax revenue is estimated to be Rs.17,806.78 crore in 2021-22 and Rs.19,943.59 crore in 2022-23.

3. Share in Central Taxes

Tamil Nadu has faced a serious setback in the Revised Estimates 2019-20 due to the unprecedented reduction in the Share in Central

Taxes which stands at Rs.26,392.40 crore as against Rs.33,978.47 crore in the Budget Estimates 2019-20, based on the estimates in the Union Budget 2020-21. The huge drop is due to lower tax collections in Corporate tax and adjustment of the excess release made in 2018-19. It has further burdened Tamil Nadu which is already severely affected by the devolution criteria adopted by the 14th Finance Commission. The 15th Finance Commission has come up with its recommendations for 2020-21 in which it has reduced the vertical devolution to States from 42 per cent to 41 perent but has marginally increased the horizontal inter-se share of Tamil Nadu from 4.023 per cent to 4.189 per cent. Tamil Nadu is hopeful that the upcoming report of the Commission for the period from 2021-22 to 2025-26 will reward fiscally disciplined States like Tamil Nadu and consider Tamil Nadu's request to revisit the methodology for devolution of funds to local bodies since there has been significant reduction the allocation for urban Local Bodies. Considering

that the Indian economy will also see a positive reversal in terms of real growth in the coming years, the Share in Central Taxes collection of Tamil Nadu is estimated to be Rs.36,462.77 crore in 2021-22 and Rs.40,838.30 crore in 2022-23.

4. Grants-in- Aid from the Union Government

For the year 2020-21, the Grants-in-Aid from the Government of India have been estimated at Rs.37,096.69 crore based on the existing trends and provisions in the Union Budget 2020-21. The State is also hopeful of Government of India releasing the arrears due to Tamil Nadu in a time bound manner in 2020-21. For the financial years of 2021-2022 and 2022-2023, the estimated receipts in the form of Grants-in-aid is Rs.44,516.03 crore and Rs.51,638.59 crore respectively. These estimates are based on the commitments towards on-going Centrally sponsored schemes as well as other

transfers to States such as local body grants recommended by the Union Finance Commission.

II. Revenue Expenditure

■ Revenue expenditure is estimated to be Rs.2,16,932.51 crore in Revised Estimates 2019-20 as against Rs.2,12,035.93 crore in the Budget Estimates 2019-20. The increase is mainly due to higher than expected increase in the Dearness allowance and sanction of expenditures during the course of the year. In 2020-21, the Budget Estimates is Rs.2,40,992.78 crore. In the year 2021-22, the Revenue expenditure is estimated to be Rs.2,67,949.42 crore and Rs.2,97,055.44 crore in 2022-23.

The important components are discussed below:

■ The expenditure on account of Salaries is a committed expenditure and has been estimated to be Rs.64,208.55 crore in the Budget Estimates 2020-21. It is expected to be Rs.72,369.60 crore in 2021-22 and

Rs.81,415.80 crore in 2022-23. The estimates for 2021-22 and 2022-23 are based on trends as well as probable hike in components like Dearness allowance in the coming years which in turn depends on the current trends as well as general economic conditions.

■ The Non-wage Operations and Maintenance is estimated to be Rs.13,531.27 crore in the Budget Estimates 2020-21. The forecast is Rs.15,425.65 crore in 2021-22 and Rs.17,585.24 crore 2022-23 based on trends and probable economic conditions in the coming years.

■ The expenditure outlay on account of the committed expenditure of Pensions and Retirement benefits is estimated to be Rs.32,009.35 crore in 2020-21 and is expected to grow at 12.0 per cent in 2021-22 and 12.0 per cent in 2022-23 based on trends as well as the nature of pension obligations of the State.

■ The expenditure on account of Subsidies and Grants is estimated to be Rs.87,487.48 crore

in the Revised Estimates 2019-20 which is higher than Rs.4,020.68 crore in the Budget Estimates 2019-20 due to sanctions during the course of the year namely Pongal gift, additional commitments towards Students Bus pass concession and Power subsidy. The estimate for Subsidies and Grants is fixed at Rs.94,099.94 crore in Budget Estimates 2020-21. The expenditure is estimated to increase to Rs.1,01,627.93 crore in 2021-22 based on the commitment towards on-going schemes as well as for new schemes to be implemented. The ongoing commitments also include those related to State Public Undertakings, mainly the Power and Transport sectors. Some of these commitments impose heavy financial burden on the Government such as commitments under UDAY scheme in the form of grants amounting to Rs.4,563 crore to TANGEDCO, debt servicing of Rs.1,779 crore for interest payments per year and loss take over of TANGEDCO for 5 years till 2021-22 which involves additional revenue expenditure of Rs.4,265.56 crore in 2021 alone.

These fiscal contingencies have also been assessed and incorporated in the preparation and forecast of estimates in MTFP. Based on the above, the estimate on account of Subsidies and Grants is estimated to be Rs.1,08,741.89 crore in 2022-23.

III. Capital Account

Recognising the need to create capital infrastructure for furthering economic development, Rs.36,367.78 crore has been provided in the Budget Estimates for 2020-21 as against Rs.31,220.89 crore in the Revised Estimates 2019-20 towards Capital expenditure. The capital expenditure is expected to grow further at 15.0 per cent in 2021-2022 and 2022-2023. The Capital account outlay including Capital expenditure and Loans and Advances (Net) is expected to be Rs.43,587.34 crore in 2021-22 and Rs.55,109.96 crore in 2022-23. This shows the commitment of the State to constantly improve the allocation for growth

oriented expenditure while maintaining fiscal discipline.

IV Revenue Deficit and Fiscal Deficit

The Revenue Deficit in Revised Estimates 2019-20 is estimated to rise to Rs.25,071.63 crore compared to Rs.14,314.76 crore in Budget Estimates 2019-20. This is mainly on account of shortfall in Total Revenue receipts of Rs.5,860.29 crore and Rs.4,896.58 crore increase in revenue expenditure. Towards reducing Revenue Deficit systematically and eventually achieving NIL revenue deficit, this Medium Term Fiscal Plan has been devised within an overall framework of adherence to TNFRA norms to ensure fiscal consolidation and debt sustainability. This is intended to be achieved by striking a balance between revenues and expenditure. Towards this, priority will be for revenue resources and exploring possible measures to improve it. Secondly, improving the expenditure profile by enhanced allocation to growth-oriented expenditure and rationalise revenue expenditure

through measures like formation of Staff Rationalisation Committee to assess the quality of revenue expenditure. The Revenue Deficit is expected to reduce to Rs.16,893.19 crore in 2021-22 compared to Rs.21,617.64 crore in Budget Estimates 2020-21 and subsequently reduce to Rs.10,970.47 crore in 2022-23. This creates additional space for capital spending.

■ The State has maintained the Fiscal deficit within 3 per cent of GSDP despite various financial constraints over years. The good growth prospects in the coming years complemented by multipronged approach to ensure sustainable fiscal consolidation will help the State in maintaining Fiscal deficit below the prescribed norms of 3 per cent of GSDP*. The Fiscal Deficit to GSDP ratio is estimated at 2.84 per cent as per the Budget Estimates 2020-21, which is well below the 3 per cent fiscal norm. In the forthcoming years, Fiscal Deficit to GSDP ratio is estimated to be 2.58 per cent in 2021-2022 and 2.52 per cent in 2022-2023.

** For 2019-20 and 2020-21, the latest GSDP Advance Estimates (Provisional) have been used.*

V Borrowings

The estimates for receipt and repayment of borrowings have been finalised on the basis of overall borrowing ceiling fixed by the Government of India. The Government plans to borrow a net amount of Rs.59,209.30 crore against the estimated Net Borrowing Ceiling of Rs.62,757.80 crore in 2020-21. The outstanding debt will be Rs.4,56,660.99 crore constituting 21.83 per cent of GSDP in 2020-21. The Outstanding Debt as a percentage of GSDP is expected to be 21.94 per cent in 2021-22 and 21.98 per cent in 2022-23, which are well within the norms of TNFRA 2003. Thus the State aims to maintain debt sustainability as part of its fiscal consolidation roadmap.

VI Guarantees

The outstanding guarantees for each year have to be restricted at a level of 100 per cent of the Total Revenue Receipts in the preceding year or 10 per cent of the GSDP, whichever is lower. The outstanding guarantees as on 31st March,

2019 was 29.85 per cent of Total Revenue Receipts in the preceding year and 2.62 per cent of GSDP. The outstanding risk weighted guarantees for each year have to be kept at a level of 75 per cent of the Total Revenue Receipts of the preceding year or 7.5 per cent of GSDP whichever is lower. The outstanding risk weighted guarantees as on 31st March, 2019 stood at 5.46 per cent of Total Revenue Receipts of preceding year and 0.47 per cent of GSDP.

Conclusion

Though there is slowdown at present, the Indian economy is expected to gain momentum in the coming years. Despite the current economic downturn, Tamil Nadu's growth is higher than that of national GDP, which is a positive sign. This growth is expected to further strengthen in the coming years.

Various steps like resource augmentation measures and improvement of resource collection efficiency is bound to help maintain a healthy growth in Revenue Receipts of the State.

With the fiscal consolidation as the fundamental principle ensured through debt sustainability and fiscal balance between receipts and expenditure, the State will continue to adhere to TNFRA norms and expects to bring down revenue deficit in the coming years, while continuing to invest in growth-oriented expenditure.
