

**Speech of Thiru O. Panneerselvam, Hon'ble Minister for Finance and Public Works, Government of Tamil Nadu, presenting the Interim Budget for the year 2016-2017 to the Legislative Assembly on 16<sup>th</sup> February, 2016.**

**Hon'ble Speaker Sir,**

முறைசெய்து காப்பாற்றும் மன்னவன் மக்கட்கு  
இறையென்று வைக்கப் படும்

(குறள் 388)

People regard the Ruler as God  
For just rule and guard

The ruler, who administers justice and protects citizens, will be regarded as God. These are the wise words of Thiruvalluvar, the divine poet. True to these words of Saint Thiruvalluvar, the **Hon'ble Chief Minister Puratchi Thalaivi J Jayalalithaa**, who has showered affection on the people of Tamil Nadu and has, in the firm conviction that "**I am because of you and I am for you**", toiled tirelessly to uplift their lives and enhance their prosperity, is adored by the people as their incomparable leader in whom they have reposed their faith, as the saviour of the poor, as the embodiment of people's power who can never be vanquished by her opponents, and as a deity in human form. I am fortunate to have served the State as Finance Minister under her

dynamic leadership and to have presented five successful Budgets in this august House under her visionary guidance. I am ever grateful to her for bestowing upon me such a great honour. With her blessings, I rise to present the Interim Budget Estimates for 2016-2017 before this august House.

2. Hon'ble Speaker Sir, this Government under the able leadership of our Hon'ble Chief Minister will complete its full term of five years by May 2016. The Hon'ble Members are well aware of the grim law and order situation that prevailed when this Government took over the State administration, restoring tranquillity in the State, the Hon'ble Chief Minister has created the most conducive environment for growth and development. The Hon'ble Chief Minister has shown the path ahead through her innovative ideas for welfare schemes and ignited our minds with her grand vision for Tamil Nadu. It was only due to her deft handling of the energy crisis faced by the State in 2011, we are today an energy surplus State and power deficit is a thing of the past. It was her towering leadership and passionate pursuance of people's cause that ensured that the Cauvery Tribunal's Award was Notified in the Central Government Gazette, that the water storage level in Mullai Periyar Dam was raised to 142 feet, that our fishermen were freed time and again from the clutches of the Sri Lankan

Navy and that the cause of the Sri Lankan Tamils found voice at International fora.

3. Led by our Hon'ble Chief Minister, this Government not only fulfilled the electoral promises but went much beyond them and made our State one of the best administered States in the Country. To mention a few such achievements;

- Free rice to all cardholders to ensure food security to all.
- Milch cows, goats / sheep to the poor free of cost.
- Fan, Mixie and Grinder to all rice cardholders free of cost.
- Laptop computers to school and college going students in Government and Government aided institutions.
- Doubling of the social security pension from Rs.500 to Rs.1,000 per month.
- Doubling of the marriage assistance to poor girls besides giving gold for Thali.
- Doubling of the maternity benefit under the Dr. Muthulakshmi Reddy Maternity Benefit Scheme.

- Comprehensive health cover to the common people, Government employees and pensioners through well designed health insurance schemes.
- Substantially increasing the food allowance to hostel students.
- Extending Post-matric scholarship to SC/ST students studying in private colleges.
- Four sets of uniform to school children besides giving them all learning kits including free notebooks, bags, etc.
- Three lakh green houses to the rural poor, 10,000 such houses to weavers and 20,000 green houses to houseless families in Town Panchayats.
- The innovative New Entrepreneurship-cum-Enterprise Development Scheme (NEEDS) for first generation entrepreneurs.
- The State Balanced Growth Fund for bridging the intra-State socio-economic gap.
- The unique and pioneering Tamil Nadu Habitation Improvement (THAI) scheme for providing amenities to village habitations.
- Mega schemes, like the Chennai Mega City Development Mission (CMCDM) and the Integrated Urban Development Mission (IUDM) for urban infrastructure development.

- Transforming Tamil Nadu from a power deficit to power surplus State and
- The successful first ever Global Investors' Meet in Tamil Nadu.

4. Although I can go on listing such schemes, I have to restrain myself for paucity of time. Now, I turn to the detailed presentation of the Interim Budget Estimates 2016-2017. This being an Interim Budget, no new announcement has been included here following the usual convention.

#### **PLANNING AND DEVELOPMENT**

5. The State would achieve a cumulative Plan target of Rs.1,70,888 crores by the end of 2015-2016. The outlay for the Annual Plan 2016-2017 will be finalized after the Legislative Assembly Elections. However, tentative allocation of Rs.60,610 crores is proposed in the Interim Budget Estimates 2016-2017. This will ensure that the State achieves overall Plan expenditure of Rs.2,31,498 crores by the end of this Five Year Plan period, thereby exceeding the overall target of Rs.2.11 lakh crores envisaged under the 12<sup>th</sup> Five Year Plan.

6. The all-encompassing efforts taken by this Government have stabilized the State's economic growth and have ensured that despite dismal economic growth

at global and national levels, the State registered an average annual Gross State Domestic Product (GSDP) growth rate of 8.01 per cent in real terms from 2011-2012 to 2015-2016. This has not only made Tamil Nadu grow at a rate higher than the All India growth rate and of the neighbouring States, but has also placed Tamil Nadu as the second biggest economy in the Country surpassing Uttar Pradesh. The 'Vision 2023' Document was prepared in three stages to guide the State on the path of planned economic growth. In the Interim Budget, Rs.2,000 crores has been allocated for the 'Tamil Nadu Infrastructure Development Fund' and Rs.200 crores has been allocated for the 'Project Preparation Fund'.

7. Several innovative measures have been taken up by this Government to achieve balanced growth in the State. The 'Tamil Nadu Innovative Initiative' (TANII) was launched during 2014-2015 with an annual allocation of Rs.150 crores to make the State an innovation hub. The 'State Balanced Growth Fund' (SBGF), a new initiative to bridge the gap in vital socio-economic indicators within the State was launched during the year 2012-2013 with an annual allocation of Rs.100 crores. After the Government of India discontinued the 'Western Ghats Development Programme' and the 'Hill Area Development Programme' in the Union Budget 2015-2016, a new 'Special Area Development Programme' with an outlay of

Rs.75 crores is being launched with State funds. Allocations for these schemes are provided in the Interim Budget Estimates as these schemes need to be continued in the interest of the State.

### **POVERTY REDUCTION**

8. The World Bank assisted 'Tamil Nadu Pudhu Vazhvu Project' implemented from 2005 in 120 blocks out of 385 blocks in the State, is instrumental in introducing a multi-dimensional approach in dealing with rural poverty. Through its innovative participatory appraisal, 9.8 lakh poor families were identified. A similar approach is adopted in the 'Tamil Nadu State Rural Livelihood Mission' (TNSRLM) newly launched during 2012-2013 dovetailing the 'National Rural Livelihood Mission' (NRLM) and 'National Rural Livelihood Project'. The mission is proposed to be implemented in three phases to cover the remaining 265 blocks, with the first phase covering 60 blocks already. I am glad to inform this House that due to the concerted efforts taken by this Government, the World Bank has agreed to extend Rs.900 crores financial support to the 'Tamil Nadu Rural Transformation Project', as a continuation of the 'Pudhu Vazhvu Project' to cover another 95 blocks.

9. This Government is conscious of the fact that the poor cannot be made to wait for long to cross the poverty line, and therefore has given an intensive thrust

to speedy implementation of these programmes across the State. In the last four years, a saving of Rs.6,356 crores and credit disbursement of Rs.25,785 crores was achieved through 12,524 Panchayat Level Federations (PLFs) and 840 Common Livelihood Groups with Self Help Groups (SHGs) as the basic unit. Skill training has been imparted to 3,04,690 youth of whom 2,61,784 youth have received placement so far. Till date 414 job melas were conducted which facilitated placement of 1,13,881 youth in private companies.

10. The Government of India has limited the implementation of the National Urban Livelihood Mission (NULM) to only 40 Urban Local Bodies, which are either District Headquarters or having more than one lakh population. This Government sanctioned Rs.85.86 crores and Rs.172.45 crores under the NULM for the year 2014-2015 and 2015-2016 respectively. Under this scheme, 39,062 street vendors have been identified for providing financial support. This Government has launched the 'Tamil Nadu Urban Livelihood Mission' (TNULM) to address the issue of urban poverty more comprehensively across the State. This Government is taking action to designate the Tamil Nadu Corporation for Development of Women as the nodal agency for all the poverty reduction programmes to ensure better convergence. In the Interim Budget Estimates,

Rs.250 crores has been provided for NULM and Rs.100 crores for TNULM.

### **SKILL DEVELOPMENT**

11. This Government has undertaken an ambitious programme of training and skilling 20 million persons by 2023, as envisaged in the Tamil Nadu Vision 2023 Document. A State Skill Development Mission has been put in place, besides constituting the Tamil Nadu Skill Development Corporation, to bring all skill building activities under a single umbrella for better convergence. This Corporation has undertaken measures to empanel competent training institutions besides standardizing the course structure and stipends. Since its inception, Rs.146.22 crores has been spent for training 2,89,721 persons. In the last five years, this Government has established 23 new Government Industrial Training Institutes (ITIs) at a cost of Rs.142.40 crores and set up language-cum-soft skills labs in 47 Government ITIs at a cost of Rs.10.16 crores. In the Interim Budget Estimates Rs.150 crores has been provided for Skill Development Mission.

### **PROMOTION OF TAMIL LANGUAGE AND CULTURE**

12. The Hon'ble Chief Minister has always held the cause of promotion of Tamil language dear to her heart. This has been reflected in sanction of numerous schemes

with a substantial allocation of Rs.175 crores in the last five years. A total amount of Rs.90.04 crores has been sanctioned for various initiatives such as new buildings and academic projects at Tamil University, Thanjavur, new administrative block along with an Art Gallery depicting the lifestyle of ancient Tamils in International Institute of Tamil Studies at Chennai, Sangam Art Gallery at Madurai and Tholkappiyar Chair at Tamil University. A master complex for World Tamil Sangam, Madurai, has been constructed at an estimated cost of Rs.37.25 crores reflecting the ancient architecture of the Tamils. The Tamil Virtual Academy has been providing web based resources accessible throughout the globe. In the Interim Budget Estimates, Rs.32.74 crores is allocated for the development of Tamil language.

### **MAHAMAHAM FESTIVAL**

13. The Mahamaham Festival, celebrated once in every 12 years at Kumbakonam, has commenced from 13<sup>th</sup> and will go up to 22<sup>nd</sup> February 2016, in the temple town of Kumbakonam. From various parts of the Country, lakhs of devotees throng the place to take a holy dip. The Government has made elaborate arrangements for the smooth conduct of this festival and an amount of Rs.135.38 crores has been provided for various infrastructure works.

**SRI LANKAN TAMIL ISSUE**

14. The Hon'ble Chief Minister has always championed the cause of justice for Sri Lankan Tamils. It was only due to her persistent efforts that the Government of India has taken steps to make Sri Lankan Government initiate reconciliatory steps such as to investigate and try the war crimes and to return the lands to the affected displaced people. We urge that the Government of India with the help of International Agencies should ensure that the perpetrators of these crimes are brought to justice and the affected Sri Lankan Tamils are resettled at the earliest.

**LAW AND ORDER**

15. The law and order situation in the State has remained peaceful throughout the tenure of this Government due to the resolute leadership provided by the Hon'ble Chief Minister. Firm and effective action by the State Police has kept the anti-social elements, land grabbers, extremist elements at bay. This Government has constituted 39 Anti Land Grabbing Special Cells and land worth Rs.3,642 crores was retrieved so far. Besides augmenting the strength of the Police Force by sanctioning 12,093 additional posts, this Government has suitably equipped the Force with sophisticated equipment, vehicles and adequate infrastructure. In the last five years, 32 new Police Stations, 47 new Traffic

Police Stations and 4 new Police Sub-Divisions have been created. In addition, buildings for 11,496 Police Quarters, 290 Police Stations, 160 other police buildings at a total cost of Rs.1,205.62 crores have been constructed.

16. The Tamil Nadu Special Police Youth Brigade, which is the first of its kind in India, was formed during 2013-2014 and 8,500 such Youth Brigade Personnel have been selected now for the post of Grade-II, Police Constables. During the year 2015, this Government has recruited 1,078 Sub-Inspectors. Since May 2011, the Coastal Security Group has been strengthened by sanctioning 30 new Marine Police Stations. Specialized agencies like Tamil Nadu Commando Force, Women Commando Force, State Disaster Response Force have been formed by this Government. An amount of Rs.6,099.88 crores has been provided to this Department in the Interim Budget Estimates 2016-2017.

### **FIRE AND RESCUE SERVICES**

17. Modernisation of the Fire and Rescue Services has gained prominence under this Government. The induction of sky lifts, new water tenders, foam tenders, quick response vehicles, etc., has improved the efficiency and capability of this Force to handle rescue operations. In the last five years, our brave Personnel rescued 60,204 lives along with properties worth

Rs.1,858.56 crores. The ability of the Fire and Rescue Force to respond swiftly and effectively has been amply proved during the recent devastating floods. In the Interim Budget Estimates, a sum of Rs.227 crores has been provided to this Department.

### **PRISONS**

18. This Government regards Prisons as places for reformation of the prisoners enhancing their economic capability so that they can be well integrated into Society after their release. Accordingly, the prisoners are imparted job-oriented training to channelise their energy towards productive economic activities. Apart from improving the infrastructure, the living conditions have also been enhanced in the Prisons. Since 2011-2012, a sum of Rs.1,026.50 crores was allocated by this Government to the Prison Department and Rs.281.28 crores has been provided in the Interim Budget Estimates.

### **ADMINISTRATION OF JUSTICE**

19. This Government has laid emphasis on strengthening the Judiciary for speedy delivery of justice. In order to reduce the pendency of cases, this Government has constituted 216 new courts including 11 Fast Track Courts, 22 additional Mahila Courts and 18 Family Courts. A sum of Rs.772 crores has been

sanctioned during the last five years for the construction of court buildings and residential quarters, constitution of courts, additional staff and providing other infrastructure facilities. In the Interim Budget Estimates 2016-2017, a sum of Rs.985.51 crores has been allocated for Administration of Justice.

### **GOVERNANCE**

20. Numerous pioneering initiatives have been taken up by this Government to make administration more transparent and responsive. One of the laudable achievements of this Government is the setting up of more than 10,000 e-Sevai Centres throughout the State, both in urban and rural areas, which have ensured easy access to various Government services for the common public. Over 1.5 crore persons have benefited by availing of the services of these Centres so far. Out of these, 269 Centres have been set up in the Taluk Office premises by the hitherto defunct Tamil Nadu Arasu Cable TV Corporation (TACTV), which has since been revived by this Government. TACTV has been providing cheaper and affordable cable TV services and has set up 400 e-Sevai Centres in urban areas including Greater Chennai Corporation area. Through another of its initiatives, the innovative 'AMMA Thittam', 50.50 lakh petitions have been disposed of over three years and has brought the Government to the doorsteps of the people. Taking

a step even further, this Government has launched 'Round the clock AMMA Call Centre' with a toll free number '1100' to ensure prompt response to public grievances. I am confident that this initiative will go a long way in ensuring quick redressal of public grievances.

### **REVENUE ADMINISTRATION**

21. In the last five years, this Government has created nine new Revenue Divisions and 65 new Taluks. Sanction has been accorded for a sum of Rs.410.99 crores towards construction of new buildings for three Collector Offices at Thanjavur, Cuddalore and Tiruppur Districts, four Additional Offices for Collectorates at Coimbatore, Nilgiris, Ramanathapuram and Kanniyakumari Districts, six Sub-Divisional Offices, 64 Taluk Offices and 400 other revenue buildings. Further, 8,000 Village Administrative Offices were also renovated during this period. The 'Chief Minister's Uzhavar Padhukappu Thittam' (CMUPT) has benefited 37.52 lakh beneficiaries with a sum of Rs.3,032 crores in the last five years. A sum of Rs.205.99 crores has been allocated for this scheme. Totally, a sum of Rs.5,974 crores has been allocated to the Revenue Department in the Interim Budget Estimates.

**CALAMITY RELIEF**

22. The unprecedented heavy rainfall during the recent Northeast Monsoon has caused loss of life and extensive damage to property. However, due to effective co-ordination under the able leadership of Hon'ble Chief Minister, the rescue and relief operations were carried out on a war footing and normalcy was restored within a short span of time demonstrating the resilience of the State administration again. This Government has sanctioned Rs.282.91 crores to 5,25,121 affected families whose huts and houses were damaged and Rs.1,276.28 crores to about 25,52,572 affected families whose dwellings were inundated. Further, Rs.451.16 crores was granted to 4,81,975 affected farmers as crop loss compensation covering 3.82 lakh hectares. Further, the State Government has taken up immediate repair of damaged public infrastructure at a cost of Rs.595.82 crores. In total, Rs.3,039.24 crores has been released so far by the State Government for flood relief and restoration. The Government of India has sanctioned Rs.1,773.78 crores from the National Disaster Response Fund (NDRF). In the Interim Budget Estimates 2016-2017, a sum of Rs.713 crores is being provided under SDRF.

**AGRICULTURE**

23. The Hon'ble Chief Minister, with a firm resolve to usher in a Second Green Revolution in Tamil Nadu, initiated multi-pronged strategies emphasizing crop diversification and better post-harvest management. The concerted efforts taken by this Government in this regard in the past five years have resulted in improving crop productivity and in increasing farmers' income. It was only due to these initiatives that the State has secured the first position in productivity of maize, groundnut, oil seeds, second position in sugarcane and third position in rice and sunflower in the Country. Such measures include;

- Farm level interventions with crop specific strategies such as System of Rice Intensification (SRI), Sustainable Sugarcane Initiative (SSI), precision farming, special programme to promote Red Gram Cultivation, Cotton Cultivation Mission, etc.
- Soil Health Cards to farmers to facilitate soil test based fertilizer application.
- Establishment of Tamil Nadu State Seed Development Agency (TANSEDA) with an initial corpus of Rs.25 crores to ensure timely and quality seed supply to farmers.

- Popularise high-end technology through the National Horticulture Mission in 22 Districts and in other Districts under the National Agricultural Development Programme, resulting in increase in the area under horticultural crops.
- To mutually benefit farm producers and consumers, Perimetro Vegetable Cluster Development Programme around 5 Municipal Corporation areas with an allocation of Rs.51 crores and its further extension in other areas.
- Enhancement of subsidy to 100 per cent for small and marginal farmers and 75 per cent to other farmers covering 1,76,390 hectares at an outlay of Rs.986.38 crores in the last five years to take micro irrigation to every farm.
- Intensive promotion of farm mechanization by distributing 62,735 farm machineries including tractors, tillers, crop cutting machineries, etc., at a cost of Rs.201.94 crores in the last five years.
- Hundred integrated agricultural extension centers at block level at a cost of Rs.150 crores.

24. The procurement price for paddy during 2015-2016 has been enhanced to Rs.1,520 per quintal for the fine variety and Rs.1,460 per quintal for the common variety, higher than the Minimum Support Price (MSP) fixed by the Central Government at Rs.1,450 and

Rs.1,410 respectively. This additional commitment is being absorbed by the State as production incentive. Similarly, the State Advised Price (SAP) for sugarcane has been enhanced to Rs.2,850 per tonne, including transportation cost, as against the Fair and Remunerative Price (FRP) of Rs.2,300 per tonne fixed by the Central Government.

25. The allocation for Agriculture has been stepped up from Rs.2,072.43 crores in 2010-2011 to Rs.6,503.40 crores in 2015-2016. In the Interim Budget Estimates, an allocation of Rs.6,938.57 crores has been made for Agriculture, which includes Rs.123 crores under National Horticulture Mission and Rs.100 crores for farm mechanization.

### **CO-OPERATION**

26. Since 2011-2012, Rs.22,486 crores has been disbursed as short term crop loan to farmers by the co-operatives. To pursue the policy of providing interest-free crop loan for prompt repayment, Rs.755.23 crores has been released as interest subvention since 2011-2012. The infrastructure in Agricultural Marketing Societies and Primary Agricultural Co-operative Credit Societies has been substantially improved. Tamil Nadu has witnessed substantial augmentation of scientific storage capacity of co-operatives in rural areas. Since 2011-2012,

this Government has taken up the construction of 3,879 godowns with a capacity of 5,10,600 Metric Tonnes at a total cost of Rs.489.63 crores. This has enhanced the capacity of Primary Agricultural Co-operative Societies to disburse more produce-pledge loans. All Primary Agricultural Co-operative Societies have been computerized and taking a major step forward, Core Banking Solution (CBS) is implemented in Tamil Nadu State Apex Co-operative (TNSC) Bank and in all 23 Central Co-operative Banks (CCBs).

#### **ANIMAL HUSBANDRY**

27. After taking over the reins of administration, the Hon'ble Chief Minister quickly gauged that time has come to give Animal Husbandry primacy equal to farming activity and launched a slew of schemes in this Sector. The highest ever allocations to this Sector have changed the composition of farmers' income substantially and has given them a much more assured source of livelihood. In the past five years, 3,014 broiler farms and 10,195 native chicken farms have been established in 25 Districts at a cost of Rs.97.35 crores. Under the Distribution of Free Milch Cows, Goats / Sheep scheme over 60,000 Milch Cows have been distributed to 60,000 beneficiaries at a total cost of Rs.231.11 crores and 28 lakh goats / sheep have been distributed to 7 lakh women beneficiaries at a total cost of Rs.927.75 crores.

This has further added 70,994 calves and 42.95 lakh lambs to their stock, besides increasing milk production by about 2.6 lakh litres per day. The infrastructure for the Dairy Sector has been strengthened substantially with a total investment of Rs.593.65 crores in the last five years.

28. In order to strengthen and upgrade veterinary infrastructure, this Government has established 200 new Sub-Centres, 20 new Veterinary Dispensaries, besides upgrading 810 Sub-Centres into Veterinary Dispensaries since 2011-2012 at a cost of Rs.422.37 crores. Two new Veterinary College and Research Institutes at Orathanadu and Tirunelveli and College for Poultry Production and Management at Hosur have also been established. In the last five years, an unprecedented allocation of Rs.4,826.67 crores has been made to the Animal Husbandry Sector, which is more than three times the sum of Rs.1,437.25 crores provided during the period from 2006-2007 to 2010-2011. Similarly, to the Dairy Sector, a sum of Rs.643.37 crores has been provided in the last five years. In the Interim Budget Estimates, a sum of Rs.1,188.88 crores has been allocated for the Animal Husbandry and Rs.119.62 crores for Dairy Development.

**FISHERIES**

29. Before proceeding to the Budget Estimates for the Fisheries Sector, I wish to sincerely appreciate the active response of 2,278 skilled fishermen with 691 fishing boats who participated in the rescue operations during the recent floods. The Hon'ble Chief Minister has accorded the highest priority to the safety and security of our fishermen, particularly those pursuing their avocation of fishing in the traditional fishing waters of the Palk Strait. The persistent efforts of the Hon'ble Chief Minister have led to the release of 2,271 Tamil Nadu fishermen and 357 fishing boats from the clutches of the Sri Lankan Navy. This Government once again reiterates its resolve to retrieve Kachatheevu as it is the only permanent solution to this vexatious problem.

30. Development of fishing infrastructural facilities such as harbours, landing centres, processing parks, inland production facilities and marketing facilities have been given top priority by this Government. Since May 2011, this Government has provided more than Rs.1,100 crores for developing such infrastructure. The scheme of promoting deep sea fishing with tuna longliners at an outlay of Rs.51.30 crores has heralded a new beginning in increasing the deep sea fishing capability in the State as well as earning a substantial income by the fisherfolk. Apart from constituting

a separate University for Fisheries, this Government has established a College of Fisheries Engineering at Nagapattinam and Fisheries Research Institute at Ponneri.

31. In the last five years, a sum of Rs.507.57 crores has been disbursed to fishermen families as livelihood support during fishing ban and non-fishing period and a sum of Rs.309.17 crores to them as relief during lean fishing season. In the Interim Budget 2016-2017, Rs.183 crores has been allocated for this purpose. In the last five years, this Government has allocated Rs.2,335.20 crores for the Fisheries Sector as against an allocation of Rs.538.60 crores during 2006-2011. Budgetary allocation has been increased to an all-time high of Rs.742.99 crores in the Interim Budget Estimates 2016-2017 as against the allocation of Rs.146.07 crores during the year 2010-2011.

## **ENVIRONMENT AND FORESTS**

32. Protection of the environment is a constant theme in the vision of the Hon'ble Chief Minister. Reflecting this theme in action, 2.62 crore trees at a cost of Rs.175.89 crores have been planted in the last four years on the occasions of the birthday of the Hon'ble Chief Minister and planting of another 68 lakh saplings at a cost of Rs.61.68 crores is being taken up. Besides, several restoration projects of wetland ecosystems have

been implemented by this Government. The restoration of the Chetpet Lake is a standing example of successful restoration of ecologically damaged water bodies within the Cities. The ecological restoration and conservation of Pallikaranai Marsh Lands and Madhavaram, Ambattur and Korattur lakes are under progress.

33. Tamil Nadu is a pioneer State in protected area management and development of forest resources and conservation of wildlife. The 'Tamil Nadu Bio-diversity Conservation and Greening Project' being implemented with Japan International Co-operation Agency (JICA) assistance at an outlay of Rs.686 crores since 2011-2012 will continue till 2018-2019. So far, Rs.286 crores has been spent under this project. An amount of Rs.100 crores has been allocated for the 'Water Conservation and Canopy Improvement Project' to cover 85,000 hectares with NABARD loan. This Government has also taken sincere efforts to reduce man-animal conflict by creating physical barriers and forming special teams. The compensation for the victims of man-animal conflict has also been enhanced substantially. In the Interim Budget Estimates, a sum of Rs.677.93 crores has been provided to the Environment and Forests Department.

**WATER RESOURCES AND IRRIGATION**

34. The success achieved by our Hon'ble Chief Minister in protecting the genuine rights of Tamil Nadu in the inter-State river water disputes, especially in Cauvery and Mullai Periyar issues will remain unparalleled in the years to come. It is only due to the timely pre-emptive steps taken by the Hon'ble Chief Minister by filing Interlocutory Application in the Supreme Court, that Karnataka has been restrained from the construction of reservoir across the river Cauvery at Mekedatu. The Hon'ble Chief Minister has also steadfastly urged the Government of India to take forward the Inter-State River Linkage Projects to resolve the water deficit in the State. On its part, this Government has gone ahead in implementing Intra-State River Linkage Projects.

35. With the assistance of the World Bank, this Government has started implementing the 'Dam Rehabilitation and Improvement Project' from 2012-2013 at an outlay of Rs.745.49 crores. An amount of Rs.408 crores has been allocated for this purpose in the Interim Budget Estimates. This Government conceptualized the 'Climate Change Adaptation Programme' in Cauvery Delta and successfully secured the assistance of Asian Development Bank (ADB). It is important to note that this is the first of its kind in the

State, where Climate Change mitigation is the main focus. Of the estimated project cost of Rs.1,560 crores, the first phase works will be taken up shortly in the Vennar sub-basin at a cost of Rs.960.66 crores. In the Interim Budget Estimates Rs.398.50 crores is allocated for this project. The first phase of the World Bank assisted Irrigated Modernisation and Water Bodies Restoration and Management (IAMWARM) project has been successfully completed in June 2015 at a cost of Rs.2,674.80 crores in 61 sub-basins. Encouraged by its success, Phase-II of IAMWARM is being taken up with the assistance of the World Bank at an estimated cost of Rs.2,950 crores in the basins not covered in Phase-I.

36. A Detailed Project Report for the Athikadavu - Avinashi Flood Canal Project at a cost of Rs.1,862 crores was prepared in 2011. This project envisages a diversion of flood surplus of 2,000 cusecs from the Bhavani River at Pillur to 31 Water Resources Department Tanks, 40 Panchayat Union Tanks and 538 Ponds in Coimbatore, Tiruppur and Erode Districts. This report was sent to Government of India for assistance. However, the then UPA Government did not approve this project. Hon'ble Chief Minister has ordered to implement the Athikadavu - Avinashi scheme as an irrigation, ground water recharge and drinking water scheme forthwith. Accordingly, a revised proposal will be sent to Government of India

immediately and in the meanwhile preliminary works will commence at once.

37. The Hon'ble Chief Minister has accorded priority to the restoration of traditional water bodies for local needs. The rehabilitation work of the Contour canal in Parambikulam-Aliyar Project (PAP) in Coimbatore and Tiruppur Districts at a cost of Rs.221.15 crores has been completed. Since May 2011, this Government has taken up 206 projects for construction and rehabilitation of tanks, anicuts, supply channels, bridges, check dams, etc., with NABARD loan assistance at a cost of Rs.1,532.87 crores, of which 91 projects worth Rs.577.45 crores have already been completed. The allocation for the Water Resources Department, which has been at Rs.7,113.11 crores during 2006-2011 has been substantially enhanced to Rs.14,408.80 crores during the tenure of this Government and in this Interim Budget Estimates, a sum of Rs.3,673.91 crores has been provided.

#### **PUBLIC DISTRIBUTION SYSTEM**

38. Fulfilling her electoral promise on day one of assuming charge in May 2011, our Hon'ble Chief Minister ordered to provide rice free of cost to all rice cardholders. Under our unique Universal Public Distribution System, there are 2.02 crore family cards in circulation including 1.91 crore rice cards as on date.

Though the Government of India has suddenly withdrawn the levy sugar and limited the Central subsidy, this Government continues to supply over 36,500 Metric Tonnes of sugar per month at a subsidized rate of Rs.13.50 per kilogram. This Government also continues to supply pulses at Rs.30 per kilogram and palm oil at Rs.25 per litre, despite the very high market prices of these commodities. In the last five years, this Government has provided Rs.25,000 crores as food subsidy and Rs.762.93 crores to Co-operatives as administrative subsidy to run the PDS shops. In this Interim Budget, a sum of Rs.5,500 crores has been provided as food subsidy.

39. In order to insulate the poor and middle income families from the rising prices of essential commodities, the Hon'ble Chief Minister has initiated several laudable measures such as-

- Setting up of 71 Farm Fresh Consumer Outlets directly linking the producers and consumers.
- Setting up of a Price Stabilization Fund with Rs.100 crores to procure and sell commodities at cost price.
- 530 Amma Unavagams in Cities and Municipal areas

- 106 Amma Marundhagams to sell medicine at reasonable cost.
- Launching of innovative schemes like Amma drinking water, Amma salt and Amma cement.

The people are assured that our Hon'ble Chief Minister will take every possible step to ensure that they do not suffer the pain of high inflation.

### **HIGHWAYS**

40. Since May 2011, this Government has taken up works for improvement of road infrastructure at a total cost of Rs.14,841 crores under the 'Comprehensive Road Infrastructure Development Programme' (CRIDP). Under this programme, 5,935 km of State Highways (SH), 6,740 km of Major District Roads (MDR) and 11,879 km of Other District Roads (ODR) have been taken up for widening and strengthening. A sum of Rs.2,800 crores has been provided in this Interim Budget for CRIDP.

41. Further, the State has also taken up 1,184.84 km length of roads and 914 bridges at a cost of Rs.2,563.87 crores from 2011-2012 for widening and strengthening of roads and bridges under NABARD-RIDF assistance. Grade separators and high level bridges have been taken up at a total cost of Rs.1,195.35 crores in the Chennai Metropolitan Area, including grade separators at

Thirumangalam and Moolakadai junctions and a high level bridge at Mudichur-Sriperumbudur road. In the Extended Chennai Corporation area widening of roads and construction of footpath-cum-drain works to the extent of Rs.400 crores have been taken up. Under the Railway Works Programme, construction of 52 Railway Over Bridges (ROB) and Railway Under Bridges (RUB) have been completed at a cost of Rs.1,116.94 crores by this Government. As envisaged, the Tamil Nadu Road Sector Project Phase II with World Bank assistance has been taken up at an outlay of Rs.5,171 crores. Under this project, twelve road works at a total outlay of Rs.2,653 crores are under progress. In the Interim Budget, an amount of Rs.1,220.28 crores has been provided for this project.

42. The Government has conceptualized a four lane Outer Ring Road for Madurai at a cost of Rs.213.69 crores, which is in the tender finalization stage. This Government has successfully completed the Chennai Outer Ring Road Phase-I and now the Phase-II is nearing completion. Oragadam Industrial Corridor Project is rapidly progressing at a cost of Rs.961.29 crores. Four laning of East Coast Road at a cost of Rs.314.15 crores is also under progress. The Detailed Project Report for Chennai Peripheral Ring Road project is under finalization and the Government is approaching external lending agencies for its financing. In the Interim Budget

Estimates, Rs.8,486.26 crores has been provided for the Highways Department.

## **ENERGY**

43. When this Government assumed charge in May 2011, it found that power cuts were causing severe hardship to industry as well as the common public. The Hon'ble Chief Minister made it her mission to make Tamil Nadu a power surplus State and I am happy to note that the mission has been accomplished. The total installed capacity of the State as on 31.12.2015 is 26,806.5 MW, out of which 4,455.5 MW has been added to the grid by commissioning new power projects and 3,030 MW through medium and long term Power Purchase Agreements in the last five years. Because of this, an all-time high peak energy consumption of 303.04 Million Units was met on 8.7.2015. The annual per capita consumption of energy has also gone up from 1,040 units in 2010-2011 to 1,228 units in 2014-2015.

44. As enunciated in the Vision 2023 Document, this Government has commenced work on 1 x 660 MW Ennore Expansion Power Project, 2 x 660 MW Ennore SEZ Power Project and 1 x 800 MW NCTPS Stage-III Power Project and initiated action to establish new projects such as 2 x 800 MW Uppur Thermal Power Project and 5 x 800 MW Kadaladi Thermal Power Project in Ramanathapuram District, 2 x 660 MW Udangudi Thermal Power Project in

Tuticorin District, 1 x 660 MW Ennore Replacement Thermal Power Project, 4 x 125 MW Kundah Pumped Storage Hydro Power Project and 4 x 500 MW Sillahalla Hydroelectric Project. I am confident that the vigorous efforts and continuous support of the Hon'ble Chief Minister will ensure that Tamil Nadu remains power surplus in future as well.

45. This Government has given a major thrust to improving transmission infrastructure by adding 252 new sub-stations along with 7,452 circuit kilometers of High Tension lines at a total cost of Rs.4,010 crores. With the loan assistance of KfW, the Green Energy Corridor Project has been taken up at an outlay of Rs.1,593 crores with 40 per cent grant from the Government of India. Further, the works under the JICA assisted 'Tamil Nadu Transmission System Improvement Project' with an outlay of Rs.5,014 crores are progressing well. In the last five years Rs.9,639.36 crores has been spent only for strengthening transmission infrastructure in the State.

46. In order to improve the finances of TANGEDCO, financial restructuring was done by taking over Rs.6,353 crores of its short term liabilities by the Government in 2012-2013. Besides, the Hon'ble Chief Minister has also increased the tariff subsidy compensation substantially to improve the finances of TANGEDCO. The Agricultural subsidy alone has been enhanced from a small sum of

Rs.287.12 crores in 2010-2011 to Rs.3,319.30 crores in 2015-2016. Since May 2011, this Government has also provided Rs.15,111.74 crores as equity share capital assistance and Rs.9,694.26 crores as loan. In the Interim Budget Estimates 2016-2017, Rs.13,819.03 crores has been provided to the Power Sector, including Rs.7,370.33 crores for tariff subsidy, Rs.2,000 crores as share capital assistance and Rs.1,483 crores as loan support.

## **TRANSPORT**

47. The special significance accorded to the timely connectivity and affordable transport facility by this Government has resulted in increasing the scheduled services of the State Transport Undertakings (STUs) to 20,739 in December 2015, with an average of 93.85 lakh kilometers operated per day. To ease bus travel for the common public, the Hon'ble Chief Minister has introduced 1,510 new routes across the State in the past five years including plying of mini buses in the Chennai Metropolitan area.

48. The State Government has liberally supported the STUs with financial assistance in the form of Subsidies, Share Capital Assistance, Loans and Advances, etc. Since May 2011, this Government has provided a total assistance of Rs.6,281 crores which includes Rs.2,276 crores as Student Concession Subsidy,

Rs.1,800 crores as Diesel Subsidy, Rs.1,190 crores as Share Capital Assistance, Rs.1,015 crores as Loans and Advances including short term loans. Further, Rs.110 crores has been provided as grant to Motor Accident Compensation Corpus Fund. For the ensuing year, an amount of Rs.1,590 crores has been provided for the Transport Department.

### **INFORMATION TECHNOLOGY**

49. With the guidance of the Hon'ble Chief Minister, the Tamil Nadu Arasu Cable TV Corporation, which has been at the forefront of establishing the e-Sevai Centres, has become a profit making company for the last three years. It has increased its subscriber base to 70.52 lakh from 4.94 lakh in 2011-2012. The initiatives of this Government in IT Sector have been recognized at National level as well and Tamil Nadu has twice won the Web Ratna Award in the last four years. In the Interim Budget Estimates for 2016-2017, Rs.135.29 crores has been allocated for the Information Technology Department.

### **INDUSTRIAL DEVELOPMENT**

50. Under the visionary leadership of the Hon'ble Chief Minister, this Government has conducted the Global Investors Meet (GIM) 2015 in a grand manner on 9<sup>th</sup> and 10<sup>th</sup> of September 2015. This first ever Global Investors

Meet has enabled the State to showcase its world class infrastructure in the form of Industrial Parks, road connectivity and power supply, industry-friendly investment climate, skilled human resource and well packaged incentives. During the Meet, an investment of Rs.2.42 lakh crores has been attracted with a commitment to generate 4.70 lakh jobs.

51. The TICEL Biotechnology Park-III is being set up at Anna University Campus, Coimbatore, at a cost of Rs.55 crores. Sanction has also been accorded to set up a Heavy Engineering Components Manufacturing Hub in Ponneri Taluk of Thiruvallur District at a cost of Rs.700 crores and a Polymer Industries Park at Voyalur, Ponneri Taluk at a cost of Rs.264 crores. The strenuous efforts taken by this Government have borne fruit in the form of an in-principle approval to establish a National Investment and Manufacturing Zone (NIMZ) in Ramanathapuram District, in addition to the Ponneri Industrial Node as part of the Chennai-Bengaluru Industrial Corridor.

### **MICRO, SMALL AND MEDIUM ENTERPRISES**

52. The new investment in the Micro, Small and Medium Enterprises (MSME) Sector during the tenure of this Government is Rs.91,210 crores compared to Rs.15,906 crores made during the five year period of the previous Government. This Government has disbursed

various incentives like capital subsidy, power tariff subsidy, etc. to an extent of Rs.442.73 crores to 22,169 units during the last five years. During the Global Investors Meet, 10,073 entrepreneurs have signed Memoranda of Understanding to invest Rs.16,532.67 crores in the next two years in the MSME Sector. As on date 1,458 entrepreneurs have commenced production with an investment of Rs.1,529.88 crores.

53. From 2012-2013, this Government has been extending the benefit of three per cent interest subvention on loans taken by Micro, Small and Medium Enterprises. From September 2012, totally, a sum of Rs.1,859 crores loan has been sanctioned by The Tamil Nadu Industrial Investment Corporation Limited (TIIC) and 4,237 units have been benefited by interest subvention. A novel scheme, the New Entrepreneurship-cum-Enterprise Development Scheme (NEEDS) was launched by this Government to benefit first generation entrepreneurs and so far, 1,586 projects have been approved with an investment of Rs.737.45 crores. In this Interim Budget Rs.348.13 crores is provided for the MSME Sector.

**HANDLOOMS, HANDICRAFTS, TEXTILES AND KHADI**

54. Free Dhoti and Saree scheme has ensured continuous employment to handloom weavers engaging them in production activities. Under this scheme, 167.89 lakh sarees and 167.81 lakh dhoties were distributed during Pongal 2016 and a sum of Rs.499.16 crores was provided for this purpose. Though the Government of India is yet to reimburse Rs.85.39 crores of Marketing Incentive under the Comprehensive Handloom Development Scheme, this Government, in the interest of promoting the Handloom Sector, has released Rs.126.25 crores including State share in anticipation of reimbursement. Further, this Government has launched a scheme to construct 10,000 green houses for weavers at an outlay of Rs.260 crores. In the Interim Budget Estimates, Rs.495.16 crores has been allocated for Free Dhoti and Saree scheme and Rs.78.46 crores for rebate subsidy.

55. This Government took action to modernize five Co-operative Spinning Mills at a cost of Rs.147.21 crores and revive Ramanathapuram Co-operative Spinning Mill at a cost of Rs.28.02 crores. The Hon'ble Chief Minister announced an interest free loan of Rs.203.29 crores to make the Common Effluent Treatment Plants (CETPs) using Zero Liquid Discharge (ZLD) technology in Tiruppur viable and so far, Rs.112.18 crores has been disbursed.

The Detailed Project Reports are under preparation to set up similar CETPs with Zero Liquid Discharge (ZLD) in the Districts of Namakkal, Erode, Salem and Karur.

## **RURAL DEVELOPMENT**

56. The Hon'ble Chief Minister has brought in a paradigm shift in rural development by making habitation as the basic unit for providing quality infrastructure. The Tamil Nadu Village Habitation Improvement (THAI) Scheme has been implemented successfully. In the past five years, 2,31,874 works of water supply, street lights, pathway to burial grounds, rural roads and other rural infrastructure have been taken up since May 2011 at a total outlay of Rs.3,680 crores. I am proud to inform the house that by March 2016, all the 79,394 habitations in 12,524 village Panchayats would have been covered under this scheme providing essential basic amenities.

57. The Chief Minister's Solar Powered Green House Scheme (CMSPGHS), first of its kind in the Country, has been designed to construct rural houses with green energy. This Government announced the construction of three lakh such green houses at the rate of 60,000 houses per year. To fulfill this commitment, three lakh green houses have been taken up at a cost of Rs.5,940 crores in the last five years. Further, since 2011-2012, under the Indira Awaas Yojana (IAY), 4,41,637 houses have also been taken up at a financial

outlay of Rs.4,876 crores, out of which Rs.3,010 crores has been provided as the State's share including roofing cost.

58. With an objective of providing basic infrastructure facilities like new buildings, kitchen sheds, water supply, toilets, etc., in the Panchayat Union Primary and Middle Schools, 48,020 works have been taken up with an outlay of Rs.497.31 crores under the Comprehensive School Infrastructure Development Scheme (CSIDS) from 2011-2012. Under the Member of Legislative Assembly Constituency Development Scheme (MLACDS), 77,960 works have been taken up at a cost of Rs.2,180 crores since 2011-2012. A sum of Rs.470 crores has been earmarked for MLACDS for the year 2016-2017 also.

59. The initiatives of the State Government on the sanitation front such as Clean Village Campaign and Integrated Sanitary Complexes for Women have received accolades at National level. The Government has involved the Self Help Groups in all the Village Panchayats to motivate and facilitate toilet construction and monitor usage of toilets. During 2015-2016, an all-time high of 15.23 lakh individual household latrines have been taken up for construction at a total cost of Rs.1,827 crores. It is the vision of our Hon'ble Chief Minister to maintain rural areas in a clean and tidy

condition. Towards this, Solid Waste Management Systems have been established initially in 2,000 Village Panchayats at a cost of Rs.110 crores. This is being extended to another 7,000 Panchayats now. Thooimai Kaavalars have been entrusted with the responsibilities of door to door collection, segregation and proper disposal of waste. Further, 17,638 tricycles have been provided in all the 12,524 Village Panchayats at a cost of Rs.44.10 crores for cleaning the villages.

60. Tamil Nadu retained its first position in 2015-2016 in the implementation of MGNREGS with highest generation of person-days as a whole, generation of person-days by women and employment of households. Since 2011-2012, works worth Rs.20,742 crores have been taken up, which is the highest in the Country. From 2014-2015 onwards, the funds under this scheme are being converged to create assets like farm ponds for integrated fish farming, construction of cattle sheds, goat sheds and poultry sheds and also tree plantation activities. This initiative is well appreciated by the Government of India and Tamil Nadu was given the Special Award for 'Initiatives for Sustainable livelihoods through Convergence' on 02.02.2016. In the Interim Budget Estimates 2016-2017, Rs.18,503.80 crores has been allocated for the Rural Development Department including an amount of Rs.7,155 crores for MGNREGS.

**MUNICIPAL ADMINISTRATION**

61. Recognizing the impact of urbanisation on the State, the Hon'ble Chief Minister launched path-breaking flagship schemes for urban infrastructure development, such as the Chennai Mega City Development Mission (CMCDM) for Greater Chennai and the Integrated Urban Development Mission (IUDM) for all other Corporations, Municipalities and Town Panchayats. In the last five years, 13,688 works worth Rs.6,250 crores have been taken up to improve basic infrastructure like roads, street lights, drinking water, sewerage, storm water drains, solid waste management under these schemes.

62. I am glad to inform this House that the Government of India has selected Chennai and Coimbatore under the Smart Cities Programme for the year 2015-2016. In addition, works worth Rs.3,316.22 crores have also been approved under the 'Atal Mission for Rejuvenation and Urban Transformation' (AMRUT) in Urban Local Bodies. A sum of Rs.400 crores for Smart Cities Programme and Rs.500 crores for AMRUT have been provided in the Interim Budget.

63. Consequent to the successful implementation of the Tamil Nadu Urban Development Programme-III, the Tamil Nadu Sustainable Urban Development Programme (TNSUDP) with an outlay of Rs.3,831 crores has been taken up with World Bank assistance. Under this project,

works relating to 13 projects worth Rs.2,212.89 crores are under progress. This Government has taken an ambitious decision to implement Under Ground Sewerage System (UGSS) in all the Urban Local Bodies in a phased manner. In accordance with it, from 2011-2012, a sum of Rs.3,500.89 crores has been sanctioned for the implementation of Underground Sewerage System in 52 ULBs in the State.

64. Special attention has been given to maintain hygiene and sanitation in all the Urban Local Bodies. Under the specially constituted Solid Waste Management Fund, various projects have been taken up in 5 Municipal Corporations, 67 Municipalities and 291 Town Panchayats for a total amount of Rs.319.24 crores. In order to make Tamil Nadu Open Defecation Free, since 2011-2012, the Government has sanctioned Rs.346.18 crores for the construction and renovation of community toilets. Further, an amount of Rs.185.74 crores under Swachh Bharat Mission (SBM) have been effectively dovetailed with the State schemes to improve sanitation in urban areas. A sum of Rs.12,194.21 crores is provided in the Interim Budget 2016-2017 for the Municipal Administration and Water Supply Department.

### **WATER SUPPLY**

65. This Government has been taking every possible measure to augment the potable drinking water

supply in both urban and rural areas. Since May 2011, this Government has spent Rs.3,780.25 crores to augment drinking water supply in Chennai City and Rs.3,102.60 crores in other urban areas. The Hon'ble Chief Minister ensured that the water supply projects are given top priority for implementation. Under her able guidance, the Hogenakkal Water Supply Scheme funded with the assistance of JICA and the Vellore Combined Water Supply Scheme have been speedily implemented. Since May 2011, 45 Combined Water Supply Schemes and other water supply schemes have been completed at a cost of Rs.8,410.35 crores. In addition, 60 works at a cost of Rs.4,452.40 crores are in progress.

66. This Government has taken a major step towards ensuring safe and clean drinking water, through Reverse Osmosis (RO) Technology, to 30 Town Panchayats and 69 Rural habitations having water scarcity issues. In Chennai, most middle and higher income groups use treated water from purifiers. Similarly, to ensure the poor and economically weaker sections also get access to treated safe drinking water, the Hon'ble Chief Minister has announced an innovative 'Amma Drinking Water' scheme. This scheme will be implemented in the first phase by installing RO plants in 100 identified locations, that are predominantly the areas where poor live, in Greater Chennai Corporation. These RO plants will have an installed capacity of treating

2,000 litres of water an hour, and can be increased further, if needed. Under the scheme, Smart cards will be issued to families to get 20 litres of purified water per day, free of cost, from the automated vending machines.

67. Under the Rural Water Supply (RWS) Schemes, 24,279 habitations have been covered at a cost of Rs.5,911 crores in the last five years and works are under progress for 15,145 habitations at a cost of Rs.3,719 crores. Since May 2011, Rs.1,093 crores have been spent for rural water supply schemes from Minimum Needs Programme (MNP) and Rs.3,768 crores from National Rural Drinking Water Programme (NRDWP) including State share of Rs.1,960 crores. Although the Government of India reduced its allocation to Tamil Nadu under the National Rural Drinking Water Programme (NRDWP) from Rs.536 crores in 2012-2013 to Rs.102.65 crores in 2015-2016, this Government has ensured that the works progress well by providing necessary additional funds. Further, Rs.501.45 crores was also provided from NABARD loan for RWS works since 2011. In the Interim Budget 2016-2017, an amount of Rs.1,802 crores has been set apart for improving drinking water supply.

### **DEVOLUTION TO LOCAL BODIES**

68. Substantial amount of funds are being devolved to Rural and Urban Local Bodies as their share

in the State's tax revenue on the basis of Fourth State Finance Commission (SFC) recommendations. A sum of Rs.20,537.51 crores and Rs.14,697.25 crores have been provided by way of devolution to Rural and Urban Local Bodies respectively in the last five financial years. An amount of Rs.9,467.21 crores is provided in the Interim Budget Estimates 2016-2017 as State's devolution. In addition, under the Fourteenth Central Finance Commission, Local Bodies in the State will receive an amount of Rs.2,406.14 crores as General Basic Grants and Rs.494.99 crores as General Performance Grants.

## **HOUSING**

69. The Hon'ble Chief Minister has given a thrust to fulfilling the housing requirement of the urban poor through Tamil Nadu Housing Board (TNHB) and Tamil Nadu Slum Clearance Board (TNSCB). In the last four years, TNHB has taken up construction of 18,978 housing units at a total cost of Rs.2,707.87 crores and in the current year, construction of another 18,553 affordable housing units at a cost of Rs.1,993.61 crores has also been taken up. Since May 2011, TNSCB has undertaken the construction of 62,609 houses for Economically Weaker Sections under the State and the Central schemes at a total cost of Rs.3,702.26 crores. Under the 'Housing For All' scheme, this Government has taken up

34,013 units for construction, which includes construction of individual houses as well as multi-storied tenements, with a total outlay of Rs.1,411.58 crores. Out of this, the Central Government will provide Rs.510.20 crores and the State will provide Rs.685.86 crores. An amount of Rs.689 crores has been provided for 'Housing for All' scheme in the Interim Budget Estimates 2016-2017.

### **CHENNAI METRO RAIL PROJECT**

70. The Chennai Metro Rail Project is progressing well due to timely assistance and support from the State Government. So far, Rs.3,907.82 crores has been released by the State Government to CMRL as against Rs.2,307.75 crores of Central share. In addition, JICA loan amount of Rs.7,008.41 crores has been released as Pass Through Assistance (PTA). Further, Chennai Metropolitan Development Authority has provided financial support of Rs.389.42 crores to Chennai Metro Rail Limited to integrate various transport modes like Metro, Rail, Bus etc., at Chennai Central Railway Station to make it the hub of an integrated Multi-Modal Transport System. In this Interim Budget, Rs.1,032.55 crores has been provided for Metro Rail project.

### **HEALTH AND FAMILY WELFARE**

71. The Hon'ble Chief Minister has steered the Government to ensure the best public health

infrastructure, high quality manpower in the Health Sector and the most innovative schemes to promote a healthy citizenry. Since May 2011, 14,707 healthcare personnel including 6,090 doctors have been recruited. This Government has substantially increased the allocation to the Health Sector from Rs.4,663.64 crores in 2010-2011 to Rs.8,823.17 crores in 2015-2016. In the last five years, this Government allocated Rs.34,042.90 crores which is 127 per cent higher than the amount of Rs.14,980.74 crores allocated in the five year tenure of the previous Government. In this Interim Budget, Rs.9,350.66 crores is provided for Health Sector.

72. Under the 'Chief Minister's Comprehensive Health Insurance Scheme' being implemented by this Government, so far, 13.74 lakh patients have availed of treatment worth Rs.2,852 crores. As a result of exemplary performance of Government Hospitals, not only an amount of Rs.1,032 crores has been earned, but also these funds have been utilized for the improvement of the facilities in the Government Hospitals. In the Interim Budget 2016-2017, an amount of Rs.928 crores has been provided for this scheme. Under the Dr. Muthulakshmi Reddy Maternity Benefit Scheme, 32.29 lakh pregnant mothers have been benefited since May 2011 at a cost of Rs.3,016 crores. An allocation of Rs.668 crores has been provided for the scheme in 2016-2017. From 2015-2016, these beneficiaries are also

provided with Amma baby care kits. This has gone a long way in reducing the Infant Mortality Rate (IMR) and Maternal Mortality Rate (MMR) in the State.

73. With the aim of strengthening the reproductive and child healthcare services in rural and urban areas, this Government has been implementing the 'National Health Mission'. For 2016-2017, an allocation of Rs.1,368 crores is made for National Health Mission in this Interim Budget. Even though the 'Tamil Nadu Health Systems Project' (TNHSP) has come to a close, the pioneering initiatives like the Non-Communicable Diseases (NCD) prevention and control activities and Health Management Information System are being continued. To further strengthen urban healthcare, this Government has forwarded the 'Tamil Nadu Urban Healthcare Project' proposal at an outlay of Rs.1,634 crores to the Government of India for Japan International Co-operation Agency (JICA) assistance. I am glad to inform this House that the approval will be received shortly and scheme will be implemented from 2016-2017 onwards.

74. The State has made giant strides in Medical Education during the tenure of this Government. Three new Government Medical Colleges at Sivagangai, Thiruvannamalai and Omandurar Government Estate, Chennai have been opened. Two more new Government

Medical Colleges at Pudukkottai and Karur have been approved and action is being taken for establishing these colleges. Totally, 710 MBBS seats and 64 Postgraduate medical seats have been added. I am proud to inform the House that Tamil Nadu today has the highest number of Government Medical Colleges in the Country.

75. This Government has strengthened the secondary and tertiary healthcare services in the Government Hospitals and Medical Colleges hospitals. A super-speciality centre with Trauma Care has been established at a cost of Rs.100 crores in the Mahatma Gandhi Memorial Hospital, Tiruchirappalli. Four Regional Cancer Centres are being established in Madurai, Coimbatore, Thanjavur and Tirunelveli at a total cost of Rs.59 crores. Further, the maternity wing of the Government Medical College Hospitals at Salem, Madurai, Tiruchirappalli and Tirunelveli, and Government Raniyar Maternity Hospital at Pudukkottai are being upgraded as 'Centres of Excellence' at a total cost of Rs.160 crores.

### **SCHOOL EDUCATION**

76. The Hon'ble Chief Minister has laid utmost emphasis on School Education by enhancing the quality of education, augmenting infrastructure of schools, timely recruitment of teachers and implementing various welfare measures. This Government has allocated Rs.86,193 crores in the last five years to School

Education Department. In the Interim Budget Estimates 2016-2017, a total amount of Rs.24,820 crores has been earmarked for this Department.

77. The Hon'ble Chief Minister's cherished vision of imparting quality education to our children has been made possible by this Government by the opening of 221 new Primary Schools and upgrading 112 Primary Schools to Middle Schools, 810 Middle Schools to High Schools and 402 High Schools to Higher Secondary Schools in the past five years. This Government has provided access to 2,31,404 children belonging to disadvantaged groups and weaker sections to private schools under Tamil Nadu Right to Free and Compulsory Education Rules 2011, in three years and sanctioned an amount of Rs.97.05 crores towards reimbursement of tuition fees to the private schools for 2013-2014 and 2014-2015. Various technological interventions for improving the teaching and learning process through audio visual aids have immensely benefited the students. Thus, the pass percentage of students in class X and Class XII has remarkably improved from 85.30% and 85.90% in 2011 to 92.90% and 90.60% in 2015 respectively.

78. This Government accords high priority to the quality of infrastructure in schools. Infrastructure facilities like additional classrooms, science laboratories,

drinking water facilities, compound walls, separate toilets for boys and girls have been provided in schools, at a cost of Rs.4,165.95 crores. A sum of Rs.650.68 crores was utilized from NABARD loan to ensure that all the schools are provided with adequate infrastructure, drinking water and toilet facilities. In the last five years, Rs.6,124 crores under Sarva Shiksha Abhiyan (SSA) and Rs.2,069 crores under Rashtriya Madhyamik Shiksha Abhiyan (RMSA) has been provided. In the Interim Budget 2016-2017 Rs.2,329.15 crores is allocated for SSA and Rs.1,139.52 crores is provided for RMSA.

79. The Hon'ble Chief Minister has introduced the Special Cash Incentive Scheme to reduce dropouts at secondary level and a sum of Rs.1,744.38 crores has been spent for this scheme since May 2011. As a result of introduction of this scheme the secondary pass rate has gone up to 94.57% in the year 2014-2015 from 86.26% in the year 2010-2011. Emphasizing the quality of education, this Government has provided laptop computers, free textbooks, notebooks, educational kits, four sets of uniform, footwear, school bags, bus passes, bicycles, etc. worth Rs.12,475 crores, since 2011. I am confident that the innovative schemes introduced by this Government will make Tamil Nadu a leading State in School Education in the Country.

**HIGHER EDUCATION**

80. This Government has focused on improving the quality and accessibility of Higher Education in the State by opening 39 new Arts and Science Colleges, 4 Government Engineering Colleges and 11 Government Polytechnic Colleges. The Government has also introduced 959 new courses in Government Arts and Science Colleges across the State. Quality education has been ensured by providing infrastructural facilities at a cost of Rs.667.48 crores in the last five years. Under the scheme to reimburse tuition fees to first generation students, 2,84,609 students have benefited with an amount of Rs.2,544 crores in the last five years to pursue graduation without any financial difficulty. For the continuance of this scheme, an amount of Rs.579 crores has been provided in this Interim Budget.

81. Acknowledging the significance of higher education in the socio-economic development of the State, this Government has enhanced the budgetary allocation from Rs.2,044.74 crores in 2010-2011 to Rs.3,477.29 crores in 2015-2016. I am happy to inform this august House that the efforts of this Government have resulted in improving the enrolment of students, particularly girls and Scheduled Castes for higher education. In the Interim Budget Estimates, Rs.3,821 crores has been provided for Higher Education.

**TOURISM**

82. It is a commendable achievement that the State of Tamil Nadu has been ranked first in 2014 both in domestic and foreign tourist arrivals. I am delighted to note that the State has received the National Tourism Award from the Government of India for 2013-2014 under the category of 'Best Civic Management of a Tourist Destination- Tranquebar'. This Government has taken up Eco-tourism development at Mukkombu, Pachamalai, Muthupettai, Nanmangalam and Top Station and has taken steps for establishing Butterfly Parks at Vandalur Zoo and Srirangam at a cost of Rs.18.32 crores. The Asian Development Bank supported 'Infrastructure Development Investment Programme for Tourism' Project taken up with an outlay of Rs.135 crores is under execution. A sum of Rs.84.66 crores has been provided in the Interim Budget Estimates 2016-2017 for the Tourism Sector.

**HINDU RELIGIOUS AND CHARITABLE ENDOWMENTS**

83. Under the 13<sup>th</sup> Finance Commission grant, Rs.90 crores was spent on renovation of 250 ancient temples in the past five years. Under the Annadhanam Scheme envisioned by the Hon'ble Chief Minister, 724 temples across the State are covered at a cost of Rs.10.89 lakh per day. Further, renovation of 143 temple

cars at a cost of Rs.15.91 crores and renovation of 611 temple tanks at a cost of Rs.3.31 crores were also completed. For temples without any resources, the 'Oru kala Pooja' is ensured by depositing one lakh rupees each, benefiting 12,504 temples across the State at a total cost of Rs.125.04 crores. Further, in the last five years, Kumbhabishekam has been performed in 8,620 temples including famous temples like Arulmigu Ramanathaswamy temple at Rameswaram, Arulmigu Ranganathaswamy temple at Sri Rangam and Arulmigu Nachiar Thirukkoil at Srivilliputhur.

#### **SPORTS AND YOUTH WELFARE**

84. The Hon'ble Chief Minister has always given special importance to promoting sports and youth welfare. Numerous initiatives have been taken up to improve infrastructural facilities, motivate sportspersons and to enable the State to achieve excellence at both National and International levels. This is evident from the gold and silver medals bagged by sportspersons from Tamil Nadu in the 20<sup>th</sup> Commonwealth Games and in the 17<sup>th</sup> Asian Games. Since May 2011, Rs.743.50 crores has been allocated for the development of sports and sport related activities in the State. A sum of Rs.142.88 crores has been allocated in the Interim Budget Estimates for the ensuing financial year.

**LABOUR WELFARE**

85. Since May 2011, under the various unorganized workers welfare boards, 14,28,027 workers have been registered and Rs.540.37 crores has been disbursed as welfare assistance to 20,83,198 beneficiaries. Also, 15,653 interstate migrant workers have been registered in the Construction Workers Welfare Board. Dormitories are being constructed at nine places for temporary accommodation for 7,000 construction workers at a cost of Rs.106 crores. This Government has allotted Rs.625.22 crores for the Labour Welfare Department in the last five years. In the Interim Budget, Rs.152.27 crores has been provided for this Department.

**SOCIAL WELFARE**

86. Numerous welfare schemes have been taken up under the compassionate leadership of the Hon'ble Chief Minister for the upliftment of the vulnerable sections of Society such as women, children, transgenders, senior citizens and destitutes. In order to encourage girls to pursue higher studies and prevent early marriages, various marriage assistance schemes are being implemented linking higher education qualification for enhanced financial assistance to girls. Under these schemes, 7,72,643 women have been benefited with an amount of Rs.2,537.74 crores as cash assistance and Rs.786.64 crores worth of gold coins have been

distributed for Thirumangalyam in the last five years. In this Interim Budget, an amount of Rs.703 crores has been provided for continuing this scheme.

87. The Hon'ble Chief Minister has conceptualized many innovative schemes for the well-being of girl children, such as the Girl Child Protection Scheme, Cradle Baby Scheme, etc. The nutritional needs of infants and school-going children have been taken care of through the Puratchi Thalaivar MGR Nutritious Meal Programme and Integrated Child Development Services (ICDS) Scheme. In the Interim Budget Estimates, a sum of Rs.1,645 crores has been provided for the Nutritious Meal Programme.

88. For improving Anganwadi Centres with new infrastructure, construction of 15,313 new Anganwadi Centres at a cost of Rs.601.91 crores, 16,402 Baby Friendly Toilets at a cost of Rs.29.52 crores, electrification of 20,558 Centres at a cost of Rs.12.34 crores, upgradation of 15,399 Centres with major and minor repair works at a cost of Rs.123.93 crores have been carried out by this Government for enhancing the child friendly environment in the Anganwadi Centres. As a special initiative, 45,211 Anganwadi Centres have been provided with gas connection for cooking at a cost of Rs.27.35 crores, thereby ensuring such facility in all Anganwadi Centres.

A sum of Rs.1,696 crores has been provided for ICDS scheme in this Interim Budget.

89. The monthly social security pension for senior citizens and other disadvantaged sections of Society was enhanced to Rs.1,000 by this Government, thereby ensuring an effective social security net. In the last five years, Rs.19,204 crores was allocated for Social Security Pensions and in this Interim Budget, Rs.3,820 crores is provided for this purpose.

#### **SPECIAL PROGRAMME IMPLEMENTATION**

90. Recognizing the need for skilled manpower in future and for realizing the dream of Digital Tamil Nadu, the Hon'ble Chief Minister launched the scheme of distribution of free laptop computers to 12<sup>th</sup> Standard and college students studying in Government and Government aided institutions. With this singular measure, the Hon'ble Chief Minister achieved the dual goal of equipping our students with the latest technological skills and bridging the digital divide. So far, 31.78 lakh laptop computers have been provided to students. An expenditure of Rs.3,231.74 crores has been incurred up to 2014-2015 and a sum of Rs.1,100 crores has been allocated during the current year, thus fulfilling the electoral commitment.

91. In order to relieve our women from domestic drudgery and making them active participants in the economy, this Government has implemented free distribution of electric fans/induction stoves, mixies and grinders to eligible women. Completing the distribution of 1.76 crore sets of electric fans/induction stoves, mixies and grinders before February 2016, at a total cost of Rs.7,755.73 crores, this Government has fulfilled yet another electoral promise.

### **ADI-DRAVIDAR AND TRIBAL WELFARE**

92. This Government has accorded special attention to development of Scheduled Castes and Scheduled Tribes and maintained proportionate plan allocation under Scheduled Castes Sub-Plan (SCSP) and Tribal Sub-Plan (TSP) in the last five years. The extension of the Post-Matric Scholarship scheme to all the Scheduled Caste and Scheduled Tribe students studying in private self-financing colleges has greatly enhanced the number of students pursuing higher education. Even though the Government of India is yet to fully reimburse its committed share of Rs.1,592 crores, this Government has enhanced the allocation in the Revised Estimates 2015-2016. In the past five years, Rs.3,607 crores has been provided for the post-matric scholarship to SC and ST students as against the disbursement of Rs.836 crores from 2006-2007 to 2010-2011. A sum of

Rs.1,430 crores is provided for post-matric scholarship scheme in this Interim Budget. Similarly, under the free cycle scheme launched by the Hon'ble Chief Minister, 8,63,159 cycles have been distributed at a cost of Rs.289 crores in the last five years. A sum of Rs.64.86 crores has been provided for free cycle scheme in the Interim Budget Estimates 2016-2017.

93. Tamil Nadu Adi-Dravidar Housing and Development Corporation (TAHDCO) is implementing economic development programmes, besides conducting skill training for SC/ST youth. In the last five years Rs.436 crores has been spent for economic development and Rs.15 crores for skill training by TAHDCO under various programmes. An amount of Rs.130 crores has been provided for Special Central Assistance (SCA) during 2015-2016 and a similar provision is made for the year 2016-2017.

94. As on date, 1,314 Adi-Dravidar Welfare hostels with 98,039 students and 42 hostels with 2,782 tribal students and 302 Government Tribal Residential (GTR) schools with 30,933 students are functioning. In the last five years, 198 hostels and 55 school buildings have been constructed at a cost of Rs.142 crores. The allocation for feeding charges has also been enhanced substantially. To sustain these efforts, Rs.103.96 crores has been provided in the Interim Budget.

95. The Comprehensive Tribal Development Programme was launched by this Government at an annual allocation of Rs.50 crores from 2011-2012. Under this scheme, funds are provided for both infrastructure facilities and income generating activities. A special allocation of Rs.10 crores has been sanctioned for the repair and renovation of hostel facilities and GTR schools for the year 2015-2016. The Government has also sanctioned five ITIs in the Tribal areas at a cost of Rs.57 crores. In this Interim Budget, Rs.2,702.22 crores for Scheduled Caste welfare and Rs.261.66 crores for Tribal welfare is provided.

#### **WELFARE OF BACKWARD CLASSES, MOST BACKWARD CLASSES AND DENOTIFIED COMMUNITIES**

96. The welfare of the Backward Classes, Most Backward Classes and Denotified Communities has received a major thrust under this Government. Various scholarships are being granted for the educational improvement of these communities. In the last five years, 22.18 lakh cycles have been given free of cost to boys and girls studying in 11th Standard in Government and Government Aided schools at a total cost of Rs.736.81 crores. Further, an amount of Rs.162.83 crores has been allocated in this Interim Budget for free cycle scheme.

97. Since May 2011, 100 new hostels have been sanctioned for the benefit of students of Backward Classes, Most Backward Classes. Presently, 84,314 students are availing of boarding facilities in 1,338 hostels. To improve the quality of food, this Government has enhanced the monthly food charges to Rs.755/- per month for school boarders and to Rs.875/- per month for college boarders. During 2016-2017, a sum of Rs.79.23 crores has been provided for hostel maintenance and food charges.

98. With a strength of 30,538 students, 290 Kallar Reclamation Schools are functioning in Madurai, Theni and Dindigul Districts. The infrastructural facilities in these schools have been improved at a cost of Rs.40.08 crores in the last five years. For the benefit of Kallar Reclamation schools, Rs.108.76 crores is provided in the Interim Budget.

### **MINORITIES WELFARE**

99. Financial assistance is provided to Christians to undertake pilgrimage to Jerusalem. Since May 2011, this Government has taken proactive steps for the welfare of Muslims such as enhancement of the annual administrative grant for Tamil Nadu Wakf Board to one crore rupees and monthly pension of Ulemas to Rs.1000/-. In addition, the administrative grant to

Tamil Nadu State Hajj Committee has been enhanced to Rs.30 lakh with effect from 2013-2014.

### **DIFFERENTLY ABLED**

100. The caring hand of the Hon'ble Chief Minister reaches the differently abled through various schemes;

- The Hon'ble Chief Minister doubled the unemployment allowance for the differently-abled and enhanced the monthly maintenance allowance from Rs.1,000/- to Rs.1,500/-, particularly for the severely orthopaedically affected persons, persons with mental retardation and the Muscular dystrophy affected persons.
- Extended the Chief Ministers Comprehensive Health Insurance Scheme to all families irrespective of income limit, where at least one family member is differently-abled.
- Early Diagnostic Centres have been established in 27 Districts for the hearing impaired and Early Intervention Centres in 9 Districts for the visually impaired.

101. The efforts of the Government have been recognized even at the National level and in the year 2013-2014, Tamil Nadu received the award for 'Best State in promoting Empowerment of Persons with Disabilities'. An amount of Rs.1,490.83 crores has been

allocated for the welfare of the Differently-Abled in the last five years. The annual allocation for the Differently-Abled has been enhanced from Rs.177.69 crores in 2010-2011 to Rs.391.93 crores in the Interim Budget Estimates 2016-2017.

### **WELFARE OF GOVERNMENT EMPLOYEES AND PENSIONERS**

102. The New Health Insurance Scheme is being implemented by this Government to provide healthcare assistance to Government employees. Under this Scheme, 113 treatments and surgical procedures have been covered on cashless basis through 649 networked hospitals. Medical assistance to the extent of Rs.668.52 crores have been availed of so far, by 1,69,622 beneficiaries. An amount of Rs.260.81 crores has been provided for payment of premium in the Interim Budget. Similarly, for the benefit of seven lakh pensioners, a health insurance scheme was also launched by this Government, which has benefited 75,389 persons with a claim of Rs.215.32 crores so far. A sum of Rs.129 crores has been allocated for the payment of premium under this scheme for the year 2016-2017. A sum of Rs.19,841 crores has been provided for pensionary and other retirement benefits in the Interim Budget Estimates 2016-2017.

**RESOURCES FOR FINANCING THE BUDGET**

103. Now, I will turn to the resources side for financing the projected expenditure in the Interim Budget 2016-2017.

104. The slow rate of tax growth witnessed during the previous two years has been continuing in 2015-2016 also, especially in the Commercial Taxes. The drastic fall of international crude oil prices in the last one and half years and consequent reduction in the Sales Tax realization on these petroleum products has reduced the State Tax Revenue by Rs.4,000 crores per annum. As the Hon'ble Members are well aware that the Central Government has increased the Union Excise Duty several times on petrol and diesel thereby augmenting their revenue resources taking advantage of the falling crude oil price. Even though all our neighbouring States have increased the Sales Tax on petrol and diesel to compensate their loss in Sales Tax, this Government has not resorted to such a move.

105. Keeping in view all the prevailing factors for the financial year 2016-2017, Rs.96,531.41 crores has been projected in the Interim Budget as the State's Own Tax Revenue against the Revised Estimates 2015-2016 of Rs.86,537.70 crores. The Commercial Taxes has been expected to grow at rate of 11.69% over Revised Estimates 2015-2016 and reach a level of

Rs.72,326.45 crores in 2016-2017. It is also estimated that the receipts under State Excise Duty is expected to reach Rs.7,101.81 crores in the forthcoming financial year. The collection under Stamp Fees and Registration Charges is also projected at Rs.10,548.25 crores and the Taxes on Motor Vehicles at Rs.4,925.05 crores in the Interim Budget Estimates 2016-2017.

106. In this Interim Budget Estimates, the State's Own Non-Tax Revenue is estimated at Rs.9,288.63 crores and the Share in Central Taxes has been estimated at Rs.23,688.11 crores. With the revised sharing pattern for the Centrally Sponsored Schemes from 2015-2016, the State has to bear an additional burden of about Rs.1,400 crores to Rs.2,000 crores during 2016-2017. Taking into account these modifications, the Grants-in-Aid from the Government of India has been projected at Rs.22,496.08 crores in the Interim Budget 2016-2017.

### **FISCAL INDICATORS**

107. Hon'ble Speaker Sir, the Total Revenue Receipts have been estimated at Rs.1,52,004.23 crores and Total Revenue Expenditure have been estimated at Rs.1,61,159.01 crores in the Interim Budget Estimates for the year 2016-2017. As a result, the Revenue Deficit has been estimated at Rs.9,154.78 crores for the next financial year. It is pertinent to mention here that such

huge Revenue Deficit is unavoidable due to falling State's Own Tax Revenue especially the Sales Tax revenue from petroleum products. Further, when the State is implementing many unique schemes such as the Green House Scheme, free distribution of Fan, Mixie, Grinder and Laptop computers scheme, Special Public Distribution System, Social Security Pension schemes etc., such Revenue Deficit is unavoidable. I have to mention here that even without implementing such schemes, most of the other States are also facing such huge Revenue Deficits. In view of this, the necessary amendments to Tamil Nadu Fiscal Responsibility Act, 2003 will be taken up when the Revised Budget Estimates for 2016-2017 are presented to Legislative Assembly.

108. In the Revised Estimates 2015-2016, the Fiscal Deficit has been estimated to be Rs.32,359.59 crores, which is 2.94 per cent of Gross State Domestic Product (GSDP) and for 2016-2017, it has been projected as Rs.36,740.11 crores. The Fiscal Deficit to GSDP ratio has been contained to 2.92 per cent, which is well below the limit prescribed by the Fourteenth Finance Commission. Even though, the State is entitled for budgetary borrowing of Rs.37,782 crores, it has been restricted to Rs.35,129 crores in the Interim Budget Estimates 2016-2017. This Government has been very prudent in handling resources throughout its tenure and has

adhered to the norms under Fiscal Indicators like Fiscal Deficit, Outstanding loan to GSDP, etc.

109. The Medium Term Fiscal Plan is given as Annexure to the Interim Budget Speech. I request that this may be taken as read as part of the Interim Budget Speech.

110. Hon'ble Speaker Sir,

In democracy, the ultimate power vests only with the people. We all represent the people who elected us to fulfill their aspirations, to work for their wellbeing and to strive for the development of the State. Our Hon'ble Chief Minister, who enjoys overwhelming support of all sections of Society, has striven to fulfill the aspirations of all citizens and has delivered good governance in the last five years, by her exemplary performance. With her astute leadership she has transformed Tamil Nadu into a strong, progressive and prosperous State. Our people, who are well aware of this, will not be swayed by any false propaganda. Like the mythological bird 'Annam' which is capable of separating water from milk, our people can differentiate the good from bad and hence they will deliver the correct judgement at the right time. I am humbled by their overwhelming support for and appreciation of the work of this Government and am confident that they will ensure

that our Hon'ble Chief Minister gets another resounding victory in the forthcoming election and that our journey to take forward the State's development continues.

111. True to the words of Appar Adigal, "My duty is to serve", constantly striving for the wellbeing of the people, designing innumerable welfare schemes and working tirelessly to ensure that they reach the people, the Hon'ble Chief Minister has become the peerless leader of the masses. The Hon'ble Chief Minister, who is guiding Tamil Nadu towards the ultimate goals of peace, prosperity and development, is continuing her efforts unabated to ensure that Tamil Nadu becomes a State where poverty is eradicated, where every hand has work, where everyone gets everything and where dearth and scarcity have ceased to exist. Like the previous five successful Budgets, it is only with her astute leadership and perspicacious guidance that I could successfully present the Interim Budget Estimates before this august House. It is my pride, privilege and honour to get the opportunities to present five such Budgets and for that, I convey my deep gratitude to her.

112. Finally, I convey my thanks to Thiru K. Shanmugam, IAS, Additional Chief Secretary, Finance Department, and all other officials of the Finance Department who have been working tirelessly on the formulation and preparation of this Interim Budget.

113. With this, Hon'ble Speaker Sir, I commend the Interim Budget Estimates for the year 2016-2017 for the approval of this House.

**Nanri**

**Vanakkam**

**O.PANNEERSELVAM**

Minister for Finance & Public Works

Chennai,  
16<sup>th</sup> February 2016,  
Manmatha, Maasi - 4,  
Thiruvalluvar Aandu 2047

**APPENDIX**  
**MEDIUM TERM FISCAL PLAN**

The State Government is required to place before the Legislative Assembly a Medium Term Fiscal Plan (MTFP) along with the Budget as per Section 3(1) of the Tamil Nadu Fiscal Responsibility Act, 2003. As per Section 3(2) of this Act, the MTFP shall set forth a multi-year rolling target for the fiscal indicators like Revenue Deficit, Fiscal Deficit, etc., and the underlying assumptions made to arrive at those projections shall also be clearly indicated. In compliance with this Act, a Medium Term Fiscal Plan for the forthcoming financial year and next two years i.e., from 2017-2018 is hereby placed before the Legislative Assembly.

**Objectives**

The MTFP has been framed with the aim of facilitating higher economic growth which, in turn, will create enough fiscal space to create opportunities for the disadvantaged and the needy to participate in the growth process and thereby fulfilling the objective of inclusive growth with equity. The State has been spending heavily on various welfare schemes, especially social security schemes, scholarships and capital expenditure on roads, irrigation and power projects. In addition, the State has to meet the ever increasing administrative expenditure

mainly due to hike in Dearness Allowance, increments, creation of new posts and filling up of vacancies. At the same time, the Government is committed to achieve fiscal consolidation by complying with the roadmap set forth by the Fourteenth Finance Commission.

The MTFP ensures that the compliance of the goals of fiscal prudence in the period 2016-2019 and thereafter such as containing the Revenue Deficit to the minimum, Fiscal Deficit within three per cent of Gross State Domestic Product (GSDP) except for the year 2017-2018 and Outstanding Debt to GSDP ratio within the norms as prescribed by the Fourteenth Finance Commission.

### **Future Prospects**

The nominal growth of GSDP for the year 2016-2017 is projected as per the formula prescribed by the Fourteenth Finance Commission. Based on the current trend, it is estimated that the growth rate will further improve and inflation is expected to be moderate during the year 2016-2017.

#### **I. Revenue Receipts**

The Total Revenue Receipts of the State Government including the Central Transfers are estimated as Rs.1,52,004.23 crores in 2016-2017. The important components of Revenue Receipts and its growth trends are discussed below.

## **1. State's Own Tax Revenue**

The State economy is showing signs of recovery, which is evident from GSDP growth rate of 7.25% in 2014-2015 as against 3.39% in 2012-2013 at 2004-2005 constant prices. It is estimated at 9.13% in 2015-2016 at 2011-2012 constant prices. It is expected that the economy will further pick up during 2016-2017. Based on this, it is estimated that the State economy would revive and achieve high growth rate in the next year.

The State's Own Tax Revenue is Rs.86,537.70 crores as per Revised Estimates 2015-2016. It is estimated to increase to Rs.96,531.41 crores in 2016-2017. This would mean a growth of 11.55%. State's Own Tax Revenue - GSDP ratio will be 7.66% as per Interim Budget Estimates 2016-2017. A growth rate of 14.65% and 14.66% is assumed for the years 2017-2018 and 2018-2019 respectively. The salient features of the major components of the State's Own Tax Revenue are as below.

- The Revenue Receipts under Commercial Taxes are estimated at Rs.72,326.45 crores in the Interim Budget Estimates 2016-2017, with a growth of 11.69% over the Revised Estimates 2015-2016.

- State Excise Duty collection has been estimated at Rs.7,101.81 crores during 2016-2017. There is an increase of 10.47% over Revised Estimates 2015-2016, assumed on the basis of present trend.
- Receipts from Stamp Duty and Registration Charges are expected to grow at a rate of 11.39% in 2016-2017 and are fixed at Rs.10,548.25 crores as against Rs.9,469.29 crores estimated in Revised Estimates 2015-2016.
- The receipts under Motor Vehicle tax are fixed as Rs.4,925.05 crores in 2016-2017 as against Rs.4,385 crores estimated in Revised Estimates 2015-2016.

## **2. Non-Tax Revenue**

Non-Tax Revenue is estimated at Rs.9,288.63 crores in the Interim Budget Estimates 2016-2017. Since there is very limited mining potential in our State and most of the Government services are delivered free of cost or only at nominal fees, Non-Tax Revenue is estimated marginally higher than the Revised Estimates 2015-2016. A growth rate of 9% is assumed for 2017-2018 and 2018-2019.

### **3. Share in Central Taxes**

From Thirteenth Finance Commission to Fourteenth Finance Commission, the inter-se-share of Tamil Nadu has been reduced from 4.969 % to 4.023 % in the general divisible pool and from 5.047 % to 4.104 % in case of Service Tax pool. Since the Central Government has hiked the excise duty on petroleum products on several times and the service tax to 14.50%, more resources are expected to be devolved to States. The Share in Central Taxes for the State has been estimated at Rs.23,688.11 crores during 2016-2017. A growth rate of 15% is assumed for 2017-2018 and 2018-2019.

### **4. Grants-in- Aid from the Union Government**

The Grants-in-Aid from the Government of India have been estimated at Rs.22,496.08 crores in the Interim Budget Estimates 2016-2017 by taking into account the various Centrally sponsored schemes and grants like contribution to State Disaster Response Fund (SDRF) and Basic and Performance Grants for Local Bodies as recommended by the Fourteenth Finance Commission. From the current financial year onwards, the Government of India has reduced its share for many of the Centrally Sponsored Schemes to 60%. Further, Interim Budget Estimates 2016-2017 has also taken into consideration of the estimated receipts of Central Sales

Tax (CST) compensation from the Government of India. Taking all these into account, a growth rate of 12% and 10% have been assumed for 2017-2018 and 2018-2019 respectively.

## **II. Revenue Expenditure**

The revenue expenditure during 2016-2017 is estimated at Rs.1,61,159.01 crores which shows a growth of 9.05% over Revised Estimates 2015-2016. The main components are explained below:

- The allocation for salaries is Rs.47,261.92 crores and for pensions and other retirement benefits is Rs.19,840.81 crores in the Interim Budget Estimates 2016-2017. This is 41.64% of the Total Revenue Expenditure. Considering the possible expenditure due to hikes in Dearness Allowance, increments and filling up of vacancies, a growth rate of 30% is assumed for 2017-2018 and 10.50% for 2018-2019. The projection is also based on the assumption that the Seventh Pay Commission recommendations will be implemented from 2017-2018 onwards.
- For Subsidies and Grants, the allocation is Rs.62,382.40 crores in the Interim Budget Estimates 2016-2017. The increase takes into account, the commitment for various welfare

schemes such as food subsidy, power subsidy, reimbursement of loss to Fair Price Shops, scholarships, etc. The State's devolution to Local Bodies is based on the assumption of the growth in State's Own Tax Revenue. Similarly, increased subsidy to TANGEDCO has also added to the overall allocation under subsidies. A growth rate of 8% is assumed for 2017-2018 and 2018-2019.

- Expenditure on Non-wage Operations and Maintenance is projected as Rs.10,361.59 crores in Interim Budget Estimates 2016-2017. This is mainly on account of maintenance, administrative expenses, fuel cost, distribution of uniform to school students, etc. A growth rate of 5% is assumed for 2017-2018 and 2018-2019.
- In the Interim Budget Estimates 2016-2017, the Interest Payments have been estimated as Rs.21,304.48 crores, which is 13.22% of the Total Revenue Expenditure. The ratio of Interest Payments to Total Revenue Receipts will be 14.02% in 2016-2017. This is expected to be 14% in 2017-2018 and 2018-2019 also.

### **III. Capital Expenditure**

The State has proposed to give a major thrust to Capital Expenditure in 2016-2017. As a result,

the allocation under Capital Expenditure has been projected to increase from Rs.22,878.45 crores in Revised Estimates 2015-2016 to Rs.27,585.33 crores in Interim Budget Estimates 2016-2017. This is expected to grow further at 10.88% in 2017-2018 and 10.97% in 2018-2019.

#### **IV. Revenue Deficit and Fiscal Deficit**

For 2016-2017, the Revenue Deficit is estimated to be Rs.9,154.78 crores. During 2017-2018, the Revenue Deficit is projected based on the assumption that the Seventh Pay Commission recommendations will be implemented from 2017-2018 onwards. Fiscal Deficit for 2016-2017 is estimated as Rs.36,740.11 crores. This would constitute 2.92% of the GSDP. In the forthcoming years, Fiscal Deficit - Gross State Domestic Product (FD-GSDP) ratio will be 3.30% in 2017-2018 and 2.79% in 2018-2019. The State has to go for additional resource mobilization or resort to control in expenditure in order to limit Fiscal Deficit within 3 per cent norm while managing Seventh Pay Commission payouts during 2017-2018.

#### **V. Debt**

Even though, the borrowing entitlement for the State Government during the year 2016-2017 is Rs.37,782 crores, the Government, as in the past, will strive to restrict the borrowing. The net borrowings

during 2016-2017 is estimated as Rs.35,129 crores. The outstanding debt including provident fund will be Rs.2,47,031 crores as on 31.3.2017. This will constitute only 19.62% of GSDP.

## **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 31.3.2015 was 49.70 per cent of Total Revenue Receipts in the preceding year and 5.70 per cent of GSDP. The outstanding risk weighted guarantees for each year has also to be kept at a level of 75 per cent of the Total Revenue Receipts in the preceding year or 7.5 per cent of GSDP whichever is lower. The outstanding risk weighted guarantees as on 31.3.2015 stood at 9.28 per cent of Total Revenue Receipts in the preceding year and 1.06 per cent of GSDP.

## **Conclusion**

The impact of the global economic slowdown has a severe impact on the State economic growth, which is compounded by the drought in 2012-2013. The GSDP growth rate of the State, which was at 3.39% in 2012-2013 has improved to 7.25% in 2014-2015 in real terms (2004-2005 prices). During the current year, the

GSDP growth rate is estimated at 9.13% at 2011-2012 constant prices .

The significant fall in State's Own Tax Revenue growth rate, particularly in Commercial Taxes is due to reduced Sales Tax realization on petroleum products because of fall in international crude oil prices. Further, the reduced share in Central devolution, delay in reimbursement of Grants-in-Aid from Government of India, in addition to reduced Central share in Centrally Sponsored Schemes have caused strain on the State Finances. However, the expenditure has been kept under control and the trends in expenditure pattern are steady. In spite of constraints on Revenue Receipts, the overall Fiscal Deficit, net borrowings and debt-GSDP ratio will be fully kept within the permissible limits except during 2017-2018 based on the presumption that the Seventh Pay Commission recommendations will be implemented from then onwards. The State Government has been taking all necessary steps to put the economy back on the growth path.

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