

**Speech of Thiru O. Panneerselvam, Hon'ble Deputy Chief Minister, Government of Tamil Nadu, presenting the Budget for the year 2019-2020 to the Legislative Assembly on 8<sup>th</sup> February, 2019.**

**Hon'ble Speaker Sir,**

பெருமை உடையவர் ஆற்றுவார் ஆற்றின்

அருமை உடைய செயல்

(குறள் 975)

**The man endowed with greatness true,**

**Rare deeds in perfect wise will do.**

(Kural 975)

Only great persons endowed with noble qualities can achieve the zenith of perfection in the performance of great deeds. These are the wise words of Thiruvalluvar. An embodiment of this couplet, who lived by her credo of '**I am by the people and I am for the people**', committing herself fully to the welfare of people and development of the State; toiling relentlessly in the pursuit of her altruistic ethic of 'service to humanity is service to God'; living forever in the hearts of the people of Tamil Nadu; a catalyst of our inner consciousness; an inspirational force to realize our

potential; **the late Chief Minister Puratchi Thalaivi J Jayalithaa** continues to be our guiding beacon and a guardian of the good governance regime established by her perseverance. Surmounting all challenges posed by adversaries, the **Hon'ble Chief Minister Thiru Edappadi K. Palaniswami** has been spearheading this Government effectively by following the path laid by our beloved Amma. Revering her visionary and able leadership and seeking her blessings to continue to fulfill her great legacy, I rise to present the Budget Estimates for 2019-2020 before this august House.

2) This Government continues to function by adopting the late Chief Minister J Jayalithaa's visionary tenet of '**Peace, Progress and Prosperity**' as the bedrock of the State's development policy. For a State to develop and progress, the rule of law should reign and peace and tranquility should prevail. By maintaining law and order in the State and ensuring security for its people, this Government continues to promote socio-economic development. Since economic development alone does not guarantee fair and balanced growth of all sections of the society, this Government ensures equitable development for all, by implementing a multitude of development projects and people-oriented social welfare programmes, specially benefiting the poor and the downtrodden. It is only through such welfare

schemes that this Government strives relentlessly to bring to reality, the legendary vision of the late Chief Minister Puratchi Thalaivi that **'everyone should possess everything; and attain a state of complete absence of deprivation'**.

3) The State faces the daunting task of stepping up economic growth to create more jobs and reduce poverty. Accordingly, high priority is being accorded for promotion and strengthening of primary sector and attracting greater investments in manufacturing and service sector. This Government is continuously addressing other challenges in skill building, poverty reduction, urban infrastructure development, strengthening infrastructure like roads, power and irrigation. Upgrading infrastructure in health and education to ensure universal coverage with access to high quality services, continue to be the priority of this Government. This Budget makes an attempt to address these issues effectively to improve the well being of people, without compromising on fiscal prudence and fiscal consolidation.

4) The State economy is predominantly service sector based with 51.86 percent of Gross State Domestic Product (GSDP) contributed by this sector. The State continues to focus on the primary and secondary sectors, including the industrial sector, to ensure balanced growth

and equitable development. The per capita income of the State has grown from Rs.1,03,600 in the year 2011-2012 to Rs.1,42,267 during 2017-2018 in real terms. As per advance estimates, the projected growth rate of GSDP for the year 2017-2018 is 8.09 percent in real terms, as against the all India projected growth rate of 7.20 percent. The GSDP growth in 2018-2019, as per the preliminary estimates, is expected to be 8.16 percent and the State is poised to enter a higher growth trajectory.

5) This Government is implementing the State Balanced Growth Fund Scheme in 100 backward blocks specially addressing issues like poverty, illiteracy, unemployment, health indicators and gender equality to achieve equitable development. A sum of Rs.100 crore has been allocated for the State Balanced Growth Fund (SBGF) in this Budget. Similarly, Rs.75 crore has been allocated in the Budget Estimates 2019-2020 for the Special Area Development Programme. An amount of Rs.100 crore has been provided for the Tamil Nadu Innovation Initiatives Programme.

6) Despite the adverse impact of reduced inter-se share in devolution due to 14<sup>th</sup> Finance Commission recommendations, the State has been able to implement the Ujwal DISCOM Assurance Yojana (UDAY) scheme and pay revision. The growth in State's Own Tax Revenue (SOTR) was 9.07 percent during

2017-2018 and is expected to exceed 14 percent during 2018-2019. **Due to the above positive trends in tax receipts, the revenue deficit for the year 2019-2020 is expected to come down to Rs.14,315 crore as against the projected revenue deficit of Rs.19,319 crore in the Revised Estimates 2018-2019.** With higher SOTR growth, coupled with the phasing out of the impact of UDAY and pay revision, the State expects to bring down the revenue deficit in the coming years. Tamil Nadu has been one of the best performing States in implementing GST and has achieved good growth in GST revenues. However, the State is yet to receive its due share of IGST to the tune of Rs.5,454 crore as well as the assured GST compensation of Rs.455.16 crore for the year 2017-2018. The delay in release of these dues by the Union Government is impinging on the State finances.

7) With the revenue expenditure of the State going up significantly over the years, the available resources are inadequate to meet the growing demand for undertaking capital works and infrastructure projects. Hence, Tamil Nadu Infrastructure Development Board (TNIDB) was formed to fast track infrastructure projects from conceptualization to their implementation with necessary funding support through Tamil Nadu Infrastructure Finance Management Company (TNIFMC). The TNIDB has sanctioned Rs.132.76 crore for preparing

Detailed Project Reports (DPRs) for 3,329 kms of highways and Rs.21.83 crore for the Sillahalla Pumped Storage hydel power project, apart from sanctioning DPRs for projects such as Chennai Metro Rail phase-II and integration of Mass Rapid Transit System with Chennai Metro Rail Limited. TNIDB has developed the Intelligent Transport Systems project for Chennai to be implemented by Chennai Smart City Ltd at a cost of Rs.660 crore and has also secured the funding for the same through Japan International Co-operation Agency (JICA).

8) TNIFMC has so far mobilized Rs.1,925 crore and is funding projects like augmenting the capacity of hydel projects, commerce hub, tourism, roads, modernisation of bus depots, affordable housing, multi level parking infrastructure, etc. TNIFMC has secured commitment for mobilising Rs.2,500 crore in the coming years. **This Government will implement the 'Comprehensive Integrated Parking Management Project' in Chennai city by creating underground parking facilities, multi-level parking facilities and on-lane smart parking under PPP mode to accommodate two lakh four wheelers and two lakh two wheelers at a cost of Rs.2,000 crore. TNIFMC will provide necessary funding support.**

**Disaster Management**

9) The Government promptly alerted and evacuated people during Gaja cyclone and took up effective relief and rehabilitation measures in the aftermath of the cyclone. A sum of Rs.786 crore was provided in the Budget Estimates 2018-2019 for calamity relief under the State Disaster Response Fund (SDRF). The Government of India has sanctioned Rs.900.31 crore from the National Disaster Response Fund (NDRF) for temporary restoration to mitigate the impact of Gaja cyclone. With the above resources and State's own funds, a sum of Rs.2,361.41 crore has been sanctioned for temporary restoration measures, of which, Rs.774.13 crore has been provided for crop damage, Rs.577.46 crore for gratuitous relief, Rs.401.50 crore for huts and house damage and Rs.41.63 crore for compensation to damage fishermen boats. The compensation for hut damage, damage to coconut crop and the Fibre-Reinforced Plastic (FRP) boats was significantly enhanced by the State Government, over and above the SDRF norms. Further, to combat the prevailing drought and to ensure proper supply of drinking water, Rs.157 crore is sanctioned by this Government. A sum of Rs.825 crore has been allocated under SDRF for the year 2019-2020.

10) A separate project office has been created for taking up permanent restoration measures, like construction of concrete houses to replace damaged huts and also for revival of coconut and other plantations to revive the economic livelihood of the affected people. So far, Rs.230.09 crore has been sanctioned for the rejuvenation of coconut and other plantations. **I am glad to inform this august House that, as announced by the Hon'ble Chief Minister, the Government will take up the construction of one lakh concrete houses with a unit cost of Rs.1.70 lakh, to replace damaged huts in districts affected by Gaja cyclone at a total cost of Rs.1,700 crore, of which the Government of India is expected to share Rs.720 crore and the balance Rs.980 crore towards State share will be raised as debt through the Tamil Nadu Rural Housing and Infrastructure Development Corporation.**

11) It is important to take up long term mitigation works in flood prone areas to prevent flood damage in future. **As a special measure, this Government will take up permanent flood mitigation works like formation of reservoir across Orathur tributary of Adayar river with inter-basin transfer canal for water supply augmentation and flood mitigation near Orathur village in Sriperumbudur taluk; regrading of lower Paravanar**



**river and formation of a new flood diversion canal from Aruvalmooku stretch in Kurinjipadi taluk; construction of new flood regulator across Coleroon river near Perampattu in Chidambaram taluk; construction of tail-end regulator across Upanaar river near Pitchavaram village in Chidambaram taluk to arrest sea water intrusion and ten other works at a total cost of Rs.284.70 crore in the coming year.**

#### **Revenue Administration**

12) This Government is committed to providing public services at door steps. Since 2011, 79 new taluks have been created and 10 new sub-divisions have been formed. During 2018-2019 alone, the Government has formed eight taluks. I am glad to mention here that the Hon'ble Chief Minister has announced the formation of a new district by bifurcating the Viluppuram district with headquarters at Kallakurichi. **I am happy to announce in this august House that a new sub-division will be created in 2019-2020 with headquarters at Thirumangalam in Madurai district which will encompass three taluks viz., Thirumangalam, Kallikudi and Thiruparankundram.**

13) This Government provides a monthly pension of Rs.1,000 to all pensioners under the categories of

old age persons, differently abled persons, destitute women, widows, transgenders, etc. As on date, 29.47 lakh beneficiaries are receiving social security pensions. This Government distributed sarees and dhoties on the eve of Deepavali and for Pongal, to eligible social security pensioners free of cost. **In the Budget Estimates 2019-2020, a sum of Rs.3,958 crore has been provided for social security pensions.**

14) During 2018-2019, the Government has issued 1.93 lakh house site pattas so far to eligible poor families. The Government has passed orders to regularize all residential encroachments subsisting for more than five years on unobjectionable poramboke lands and issue house site pattas. This is expected to benefit 1.5 lakh families. The Government will continue its efforts to improve revenue administration through computerization. Online patta transfer scheme is being implemented throughout the State. The e-district scheme, land record modernization and e-adangal will be further strengthened to improve efficiency in public service delivery. With advanced technology, applicants can generate copies of chitta and 'A' register online, anytime, anywhere and their legal validity gets confirmed through digital signature and Quick Response code.

15) The Government provides financial assistance to beneficiaries under 'Uzhavar Padhukappu Thittam' and

a sum of Rs.251.89 crore has been disbursed to 3.14 lakh beneficiaries during 2018-2019. The Accident Relief Scheme (ARS) and the Distress Relief Scheme (DRS) are also being implemented for the poor, but the present level of compensation upon death of bread winner is only Rs.20,000, which needs enhancement. **I am glad to announce that this Government will launch a comprehensive accident cum life insurance scheme, covering all Below Poverty Line (BPL) families, which will substantially increase the compensation to Rs.2 lakh and Rs.4 lakh for natural death and death due to accident respectively and Rs.1 lakh for permanent disability. A sum of Rs.250 crore has been provided for payment of premium under this scheme.** In the Budget Estimates 2019-2020, a sum of Rs.169.81 crore has been provided for Uzhavar Padhukappu Thittam. A sum of Rs.6,106.95 crore has been provided for the Revenue Department.

### **Tamil Development**

16) This Government is committed to the preservation of Tamil literature and Tamil culture. Several schemes like Sorkuvai, Tamil Development Centre are being implemented with a goal of repositioning the Tamil language from its present 14<sup>th</sup> position to 10<sup>th</sup> position amongst the most influential

languages in the world as mapped by UNESCO atlas of languages. During 2018-2019, a sum of Rs.5.97 crore was provided to Tamil University. The Government continues to provide pension to Tamil scholars and translate the works of renowned Tamil scholars. Having successfully established a Tamil chair at Harvard University, this Government is taking action to establish similar Tamil chairs in other international universities. A sum of Rs.54.76 crore has been allocated in the Budget Estimates 2019-2020 for Tamil Development Department.

### **Law and Order**

17) The Government has been providing the State police force with necessary manpower, modern equipment and infrastructure for discharging their duties effectively. A sum of Rs.904.23 crore was sanctioned for buildings, equipment and other infrastructure from 2016-2017. The State has established an Integrated State Control Room as part of the Smart Policing Scheme. Installation of CCTV cameras at vital locations has ensured better crime control and swift tracking of criminals. The Tamil Nadu Uniformed Services Recruitment Board has recruited 6,428 persons during 2018-2019. The Board will recruit another 9,975 persons in 2019-2020 to fill the existing vacancies.

18) There has been steadfast implementation of e-governance initiatives under the 'Modernisation of Police Force' programme. The Crime and Criminal Tracking Network System (CCTNS), being implemented at an outlay of Rs.126.68 crore, combined with enabling of citizen services through Common Service Centres and mobile apps, have improved crime detection capabilities and citizen interaction. In the Budget Estimates 2019-2020, Rs.8,084.80 crore is allocated for the Police Department including Rs.111.57 crore for Modernisation of Police force.

#### **Fire and Rescue Services**

19) The Government has modernized the Fire and Rescue Services Department by regularly inducting modern equipment. In 2018-2019 alone, the Government has sanctioned five fire stations at a cost of Rs.3.73 crore. In the Budget Estimates 2019-2020, Rs.403.76 crore has been allocated for the Fire and Rescue Services Department.

#### **Prisons**

20) The infrastructure facilities in prisons are being continuously upgraded. During 2018-2019, a sum of Rs.40.13 crore was sanctioned for improving the facilities in prisons. In the Budget Estimates 2019-2020,

a sum of Rs.319.92 crore has been allocated for the Prisons Department.

### **Administration of Justice**

21) This Government has constituted 33 new courts in 2018-2019 including a special court in Chennai. A sum of Rs.101.89 crore was sanctioned for the construction of 15 new court buildings in 2018-2019. In the Budget Estimates 2019-2020, Rs.1,265.64 crore has been provided for Administration of Justice.

### **Agriculture**

22) Agriculture is still the mainstay of a large number of families in rural areas. Equitable development is not possible unless we make significant strides in agriculture and allied sectors. The development strategy in farm sector has shifted from increasing crop productivity to increasing farm productivity and farmers income. Agrarian distress is a major concern in India and so also in Tamil Nadu. The remedy lies in implementing long term strategies. There are 79.38 lakh operational holdings in the State, of which 92.51 percent are small and marginal farmers. The farming sector faces a multitude of challenges like fragmented holdings, production risk due to weather aberrations, poor technology infusions, price risk, heavy post-harvest loss, etc. This Government has initiated schemes and

programmes specifically to address each and every one of these issues.

23) Farmers face frequent crop failures due to drought or flood. The crop insurance scheme 'Pradhan Mantri Fasal Bima Yojana' is being implemented since 2016 to mitigate weather risk. In 2018-2019, under this scheme, 21.70 lakh farmers have been enrolled till date, which is the highest in the past three years. **During 2019-2020, this Government will notify more crops and expand the coverage under crop insurance. Further, cloud burst and natural fire will also be included under localized calamities in addition to hail storm, landslide, inundation, etc. An allocation of Rs.621.59 crore has been provided in the Budget Estimates 2019-2020 as State Government share of premium.**

24) Tamil Nadu is a water starved State. Only 58 percent of the net cultivated area is under irrigated agriculture. Therefore, to promote water conservation and increase the productivity of crop per drop of water, micro irrigation scheme is being advocated in an aggressive manner. An all time high coverage of 1.80 lakh hectares was achieved under micro irrigation during 2018-2019. **It is proposed to cover another 2.0 lakh hectares under Micro Irrigation during 2019-2020 with an outlay of Rs.1,361 crore under**

**micro irrigation. This Government is also extending 90 percent assistance to farmers for installation of solar powered pumps. During 2019-2020, it is proposed to provide 2,000 solar powered pumps upto a capacity of 10 HP to farmers with a subsidy assistance of Rs.84.09 crore.**

25) Under the 'Mission on Sustainable Dry land Agriculture (MSDA)' launched during 2016-2017 with an outlay of Rs.802.90 crore, an area of 6.0 lakh hectares has been brought under cluster development so far. This scheme will be continued in 2019-2020 with a financial allocation of Rs.292 crore for covering 400 more clusters. Integrated Farming System (IFS) was launched as a pilot scheme during 2018-2019 in different agro climatic zones. So far, 2,500 IFS units have been assisted. **During 2019-2020, another 5,000 IFS units will be assisted in 25 districts at an outlay of Rs.101.62 crore.**

26) This Government had introduced the innovative programme of 'Collective farming' in the year 2017-2018 to address various issues faced by small and marginal farmers such as economy of scale, adoption of improved technology, etc. This scheme is being implemented through Farmers Interest Groups, which will be subsequently federated into Farmers Producers' Groups and finally as Farmer Producer Companies /



Organisations (FPO). So far, 20,000 Farmer Interest Groups and 4,000 Farmer Producer Groups have been formed in the State. Further, 483 FPOs have been formed so far by the Government and other agencies like NABARD. **During 2019-2020, this Government will form 2,000 Farmers Producers Groups and 100 FPOs, with a financial allocation of Rs.100.42 crore. There is an urgent need to federate FPOs to achieve sustainability. The Government of Tamil Nadu has been taking initiatives to strengthen the FPOs by federating them at State and zonal levels. A Tamil Nadu FPO Policy is also being formulated to promote FPOs.**

27) The volatility in prices of agricultural produce causes disruption in the sustainability of agricultural operations. High production often leads to distress sales. The State Government has been giving special priority to the implementation of Minimum Support Price for important agricultural crops. In the ensuing season, the State will provide Rs.1,800 per quintal and Rs.1,840 per quintal respectively for common and fine variety of paddy towards procurement price, which includes the state incentive of Rs.50 per quintal and Rs.70 per quintal for common and fine variety of paddy respectively. A sum of Rs.180 crore has been provided as an incentive for paddy procurement in the Budget Estimates 2019-2020. Tamil Nadu is the first State

to initiate procurement of black gram under the Price Support Scheme on a large scale. This scheme will be continued during 2019-2020 also. The transitional production incentive introduced in 2018-2019, for sugarcane over and above the Fair and Remunerative Price announced by the Government of India, will be continued during 2019-2020 and allocation of Rs.200 crore has been provided for this purpose.

28) Market Integration plays a major role in enhancing price determination and reducing the price risk for farmers. Amendments have already been made in the existing Tamil Nadu Agricultural Produce Marketing (Regulation) Act, 1987 and Rules 1991 for e-trading, unified single licence and single point levy of market fee for enabling e-NAM. Major upgrading and augmentation of facilities in 23 regulated markets and eight agricultural producers' co-operative marketing societies are in progress at a cost of Rs.159.25 crore with Central Government and NABARD funds. In addition, it is planned to integrate 70 more regulated markets under e-NAM during 2019-2020. The State has augmented the warehousing capacity considerably. Since 2011, an additional capacity of 9.42 lakh metric tonnes has been created under the co-operatives, regulated markets and the Tamil Nadu Warehousing Corporation.

29) Mechanization in agriculture is being encouraged aggressively to achieve efficiencies in labour productivity and input costs. At present 1,965 custom hiring centres are functioning in the State, which were assisted by the Government. Agricultural machinery and other implements are being distributed to individual farmers with a maximum subsidy of 50 percent. **In the coming year, 128 block level agricultural machinery custom hiring centres and 360 village based agricultural machinery custom hiring centres will be established. A sum of Rs.172.06 crore is allocated for farm mechanization during the year 2019-2020.**

30) Horticultural crops like flowers, fruits and vegetables are being promoted extensively as a part of crop diversification to ensure better income for farmers. The scheme of Supply Chain Management for vegetables and fruits in 10 districts of Tamil Nadu is being implemented at a cost of Rs.482.36 crore. This scheme has given a fillip to the post harvest infrastructure in the State by augmenting collection centre facilities, marketing, warehousing, processing and cold storage infrastructure in 62 Primary Processing Centres and in 509 Collection Centres. **A special scheme called Chief Minister's Scheme for Augmentation of Fruits and Vegetables will be implemented from 2019-2020 for which a sum of Rs.50 crore is earmarked.**

**Institutionalized vegetable seed production will be augmented through State owned horticulture farms for facilitating distribution of truthfully labelled vegetable seeds in needy areas. A sum of Rs.100 crore has been provided in the Budget Estimates 2019-2020 for the Mission on Integrated Development of Horticulture.**

31) The Tamil Nadu Food Processing Policy 2018 has been unveiled by the Government recently. This policy envisages encouraging and facilitating the setting up of food processing industries and re-orientes the agri business eco-system with better integration of Farmer Producer Organizations. Works regarding the setting up of 10 Food Processing Parks announced in the last Budget are in progress. I am glad to inform this august House that private investors are also keen to invest in the agro processing sector and a French company has signed a Memorandum of Understanding to invest Rs.2,000 crore to set up an integrated Food Processing Park near Chennai. This Government will continue to promote mega agro processing parks in order to generate more non-farm employment opportunities for people who are living in rural areas. 'Tamil Nadu Farmer Producer Organization Policy', which is proposed to be unveiled shortly, will strengthen the promotion of agro processing industries.

32) As the State is endowed with diverse agro climatic zones, the potential to grow a wide variety of exportable agricultural produce is tremendous. **Realizing the importance of agri exports, this Government will set up a special agro export promotion cell in the Directorate of Agri business and Agri marketing. This centre will co-ordinate all export promotion activities like organic and other quality certification and disbursement of incentives to farmers and exporters. I am glad to inform this august House that Organic Certification Centres will be established in all districts of the State to promote organic farming.**

33) Agricultural Education and Research facilities have to be continuously upgraded to address the changing needs of the farming sector. The State has made major strides in expanding agricultural education and research by starting four new Government colleges and permitting 23 new private colleges since 2011. The infrastructure and research facilities in constituent colleges of Tamil Nadu Agricultural University are being upgraded continuously. **During 2019-2020, a sum of Rs.79.73 crore will be spent for Government agricultural and horticultural colleges for further improving their infrastructure.**

34) **A sum of Rs.10,550.85 crore has been provided in the Budget Estimates 2019-2020 for the agriculture sector, which includes Rs.300 crore under National Agriculture Development Programme and Rs.87.22 crore for National Mission for Sustainable Agriculture.**

### **Co-operation**

35) The State is having a strong network of co-operative institutions to disburse agricultural credit and support marketing of agricultural produce. During 2018-2019, as against the target of Rs.8,000 crore, so far, Rs.6,118 crore has been disbursed as crop loan to 9.37 lakh beneficiaries. Interest on crop loan is being completely waived on prompt repayment. Primary agricultural co-operative societies are also extending produce pledge loan to farmers. **During 2019-2020, it is proposed to disburse crop loan to an extent of Rs.10,000 crore and Rs.200 crore has been provided in the budget for interest waiver on crop loan.**

### **Animal Husbandry & Dairying**

36) Animal Husbandry, being an integral part of agricultural activity, plays a significant role in the rural economy. The scheme for distribution of milch cows free of cost to women beneficiaries launched during

2011-2012, has benefitted 75,448 women so far. This scheme will be continued in the year 2019-2020 with an allocation of Rs.49.83 crore. The scheme for distribution of sheep or goats to the poor families launched during 2011-2012, has benefitted 8.72 lakh poor families till date. During 2019-2020, Rs.198.75 crore has been allocated for continuing this scheme. Similarly, Fodder Development Programme will be continued with an allocation of Rs.25 crore. The special scheme launched during 2018-2019 to promote native chicken 'Aseel' will be continued with an allocation of Rs.50 crore during 2019-2020. The town panchayats will also be covered under this scheme from the coming year.

37) This Government has significantly strengthened the animal husbandry infrastructure. Since 2011-2012, this Government has established 325 new sub-centres, upgraded 1,035 sub-centres as veterinary dispensaries and established 20 new veterinary dispensaries, besides upgrading five veterinary dispensaries as veterinary hospitals and five clinician centres and one veterinary hospital into veterinary poly-clinic. Since 2011-2012, a sum of Rs.557.28 crore has been spent for the construction of buildings for veterinary institutions. These efforts will continue during 2019-2020 and a sum of Rs.60.27 crore is earmarked

for the construction of new buildings for veterinary institutions.

38) Aavin and dairy co-operatives play a significant role in augmenting milk production in the State. A major thrust has been given to improve milk processing and other infrastructure facilities in the dairy co-operatives. During 2018-2019, the project screening committee has cleared three projects worth Rs.237.27 crore under Dairy Infrastructure Development Fund and sanction is awaited from National Dairy Development Board. For 2019-2020, this Government has allocated Rs.200 crore for strengthening the milk processing infrastructure. **I am happy to announce that a new Frozen Semen Station with high pedigree country and cross bred bulls will be established at an estimated cost of Rs.100 crore.** In the Budget Estimates 2019-2020, an amount of Rs.1,252.41 crore has been allocated for Animal Husbandry and Rs.258.45 crore for Dairy Sector.

### **Fisheries**

39) The Government is taking all possible measures for the welfare of fishermen and strengthening of fishing infrastructure for the overall development of the fisheries sector in the State. A sum of Rs.170.13 crore has been allocated in the Budget



Estimates 2019-2020 for providing assistance during lean season and fishing ban period. A scheme for diversification of 2,000 trawlers in Palk-Bay area at a cost of Rs.1,600 crore is under implementation. In the first phase, a sum of Rs.286 crore was sanctioned towards construction of 500 deep sea tuna long liners-cum-gillnetter boats, besides developing infrastructure facilities at Mookaiyur and Kundukal in Ramanathapuram district at a cost of Rs.185 crore and Poompuhar fishing harbour in Nagappatinam district at a cost of Rs.148 crore. The Mookaiyur and Poompuhar harbours are nearing completion and the work at Kundukal is progressing fast. **I am glad to mention here that the fishing harbour projects for Vellapallam, Tharangampadi and Thiruvottriyurkuppam have already been sanctioned by the State Government at an estimated cost of Rs.420 crore, besides sanctioning Rs.116 crore for the construction of groynes at Neerody, Marthandanthurai and Villavilai in Kanyakumari district.**

40) After the Ockhi Cyclone, this Government has made efforts to strengthen the communication between coastal areas and fishing boats engaged in fishing. The seamless communication projects cover the entire coastline of 1,076 km of the State with 18 high raised towers and 18 control rooms with shore equipment and 5 watt wireless sets for traditional fishing boats and

25 watt fixed mount wireless sets for mechanized boats. Further, distress alert transmitters have been provided to 1,600 mechanised fishing boats. Another 500 mechanised fishing boats have been fitted with transponders on a trial basis, which will track fishing vessels at times of distress in deep sea upto 200 nautical miles. **This Government will distribute 240 units of Navic, 160 units of Isat-2 satellite phones and 160 units of Navtex instruments to 80 clusters of deep sea fishing boats.** A sum of Rs.927.85 crore has been provided in the Budget Estimates 2019-2020 for Fisheries Sector.

### **Water Resources and Irrigation**

41) Tamil Nadu being a water deficient State, conservation of surface water and augmenting water storage capacity are the priorities of this Government. The traditional practice of 'Kudimaramath' has been revived by this Government to augment and conserve the existing water sources through public participatory approach. **In the Budget Estimates 2019-2020, Rs.300 crore has been allocated for Kudimaramath scheme to rehabilitate irrigation tanks under the control of Public Works Department. Similar approach will be adopted for rehabilitating minor irrigation tanks of rural local bodies under**

**Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGS).**

42) Following the successful completion of Irrigated Agriculture Modernisation and Water-bodies Restoration and Management (IAMWARM) Project, the Irrigated Agricultural Modernisation Project (IAMP), is under implementation in the remaining 66 sub-basins covering 30 districts with an outlay of Rs.2,962 crore to benefit an extent of 5.43 lakh hectares. Under this project, rehabilitation of 4,778 tanks and 477 anicuts, construction of check dams, artificial recharge wells in water spread area of tanks and improvement of drainage cum irrigation channels in Cauvery Delta and other sub-basins are being undertaken. In the Budget Estimates 2019-2020, Rs.235.02 crore is allocated for IAMP.

43) With a view to mitigating the growing adverse impact of climate change, the State Government is implementing the 'Climate Change Adaptation Programme' in Cauvery Delta, with an outlay of Rs.1,560 crore with loan assistance from Asian Development Bank (ADB). During the first stage of this project, works taken up to the tune of Rs.960.66 crore are under various stages of implementation. An amount of Rs.478.73 crore has been allocated for this project in the year 2019-2020.

44) The 'Dam Rehabilitation and Improvement Project' (DRIP) is under implementation in 89 dams in Tamil Nadu with World Bank assistance, at a cost of Rs.745.49 crore. In the Budget Estimates, Rs.43 crore will be allocated for this project. **The Government of Tamil Nadu has also accorded approval for the DRIP-II project under which it is proposed to rehabilitate and improve 37 dams and associated appurtenances. The project will be taken up at a cost of Rs.610.26 crore which will be completed in a span of five years from 2020-2021.**

45) I am happy to note that this Government will soon commence the implementation of the Athikadavu-Avinashi scheme and Rs.1,000 crore has been provided in Budget Estimates for this purpose. **Further, it is proposed to establish a solar power project as a part of the scheme, at an estimated cost of Rs.132.80 crore with NABARD assistance to provide captive power supply.**

46) Various infrastructure projects for augmenting water resources are being taken up by the Government with loan assistance from NABARD and 380 such schemes have been taken up since 2011-2012 at a cost of Rs.2,712.26 crore. In 2019-2020, Rs.811.60 crore has been included in the Budget for taking up various works under NABARD schemes. In the

Budget Estimates 2019-2020, Rs.5,983.98 crore has been allocated for water resources and irrigation.

### **Environment and Forests**

47) Forests contribute substantially to climate change mitigation and adaptation. As per the India State of Forest Report 2017, forest and tree cover in Tamil Nadu is 23.80 percent of the total geographical area. The JICA assisted Tamil Nadu Bio-diversity Conservation and Greening Project launched in the year 2011-2012 with an outlay of Rs.686 crore is concluding in 2018-2019. **Urbanisation and development have put pressure on reserve forests in and around Chennai with problems like encroachments and dumping of garbage. For 2019-2020, a sum of Rs.25 crore will be provided for concrete and live fencing for the protection of the reserve forests around Chennai city.**

48) Adayar and Coovum river restoration are under progress with an outlay of Rs.555.46 crore and Rs.604.77 crore respectively. The eco-restoration of Paruthipattu lake at a cost of Rs.28.16 crore is also in progress. In anticipation of sanction under the Green Climate Fund, this Government has sanctioned 'Improved resilience of urban eco-system to climate change through restoration of Pallikaranai marshland' at a total cost of

Rs.165.68 crore. During 2018-2019, a sum of Rs.20.30 crore was released. A sum of Rs.300 crore has been allocated in the Budget Estimates for continuing these eco-restoration works.

49) A sum of Rs.445.05 crore and Rs.31.78 crore have been allocated for Forests Department and Environment Department respectively in the Budget Estimates 2019-2020.

### **Public Distribution System**

50) There are 2.01 crore family cards under circulation in the State, of which 18.64 lakh are covered under Antyodaya Anna Yojana (AAY) scheme. The Government is implementing universal Public Distribution System (PDS) incorporating all the features of National Food Security Act 2013. The introduction of end-to-end computerization and distribution of smart cards has significantly improved the efficiency of public distribution system. This Government has supplied 1.56 lakh tonnes of tur dhal and 1.50 lakh tonnes of edible oil upto January 2019 at subsidized rates under the special PDS scheme. Kerosene is also being supplied to card holders at subsidized rate, despite Government of India withdrawing the subsidy. **As announced earlier, this Government has disbursed Rs.1,985.46 crore as pongal gift of Rs.1,000/- per family for celebrating**

**the harvest festival. During 2019-2020, an allocation of Rs.6,000 crore has been provided for food subsidy and Rs.333.81 crore is provided to co-operatives for implementing public distribution system.**

### **Devolution of Funds to Local Bodies**

51) During 2018-2019, the Government devolved Rs.4,637.19 crore to urban local bodies and Rs.5,901.88 crore to rural local bodies under State Finance Commission devolution. A sum of Rs.5,164.98 crore and Rs.6,573.61 crore have been provided in the Budget Estimates 2019-2020 for the urban and rural local bodies respectively. A sum of Rs.560.15 crore remains to be released by the Government of India towards performance grant recommended by the Central Finance Commission for the year 2017-2018. A sum of Rs.3,852.17 crore is also due from the Government of India as basic grant and performance grant to local bodies for the year 2018-2019. Budget provision of Rs.5,178.52 crore has been made for the Central Finance Commission grant to local bodies for the year 2019-2020.

### **Rural Development**

52) Providing adequate basic amenities and infrastructure in all villages is the priority of this

Government. Special focus has been given to provide link roads, water supply, street light and sanitation to all villages by converging various schemes. During the year 2018-2019, funds from various schemes have been dovetailed to an extent of Rs.1,077.46 crore for the development of roads in rural areas. Similar efforts will be taken during 2019-2020 to pool Rs.1,200 crore from various schemes to take up road works in rural areas. Further, 20.05 lakh street lights have been converted into LED lights, which has resulted in annual savings of Rs.74 crore on electricity charges. After the sanitation baseline survey of 2013-2014, a record 48.94 lakh individual household toilets have been constructed in rural areas to ensure universal coverage. A sum of Rs.400 crore has been provided in the Budget Estimates for Swachh Bharat Abhiyan (Gramin).

53) MGNREGS is being implemented with full zeal in the State to create durable assets. The State will continue its efforts to implement the scheme for creating such assets during 2019-2020, for which Rs.250 crore has been provided towards State share of material component.

54) Tamil Nadu is a pioneer in the construction of concrete houses for the rural poor. As announced earlier, repair and reconstruction of 45,594 old and dilapidated houses that were constructed 25 years ago for the



rural poor has been taken up at a cost of Rs.227.97 crore. During 2019-2020, this Government is proposing to construct one lakh houses under the 'Pradhan Mantri Awaz Yojana (PMAY-Gramin)'. Though the unit cost approved by Government of India is Rs.1.20 lakh, which is required to be shared between the Centre and the State in the ratio of 60:40, State Government has been providing an additional amount of Rs.50,000/- per house for RCC roofing cost, thereby taking the unit cost to Rs.1.70 lakh, which makes the State share as Rs.98,000 per house. **An amount of Rs.2,276.14 crore has been provided in the Budget Estimates 2019-2020 for PMAY (Gramin). As in the past, 20,000 houses will be constructed under the Chief Minister's Solar Powered Green Houses Scheme, for which Rs.420 crore has been provided in the Budget Estimates.**

55) **A sum of Rs.18,273.96 crore has been provided in the Budget Estimates 2019-2020 for the Rural Development Department.**

#### **Municipal Administration**

56) Tamil Nadu being the most urbanized State, strengthening of basic infrastructure is critical to improving the quality of life in cities and towns. The thrust of the State is to augment water supply and

create underground sewerage systems, storm water drains and improve roads in corporations and municipalities. High value infrastructure projects such as water supply and underground sewerage systems are being taken up under 'Atal Mission for Rejuvenation and Urban Transformation' (AMRUT) dovetailed with Asian Development Bank (ADB) assistance under the 'Tamil Nadu Urban Flagship Investment Programme' (TNUFIP). Basic infrastructure like roads, storm water drains and street lights are being taken up under the 'Integrated Urban Development Mission' (IUDM) and 'Chennai Mega City Development Mission' (CMCDM) and projects which are aimed at improving urban quality of life are being taken up under Smart Cities Programme.

57) Tamil Nadu has been effectively implementing the Smart Cities and AMRUT programmes. Under the Smart Cities Programme, 326 projects at a cost of Rs.11,776 crore have been sanctioned so far. A sum of Rs.1,650 crore has been provided for Smart Cities programme for the year 2019-2020. Under the AMRUT scheme, so far 445 works amounting to Rs.11,441.32 crore have been taken up. The TNUFIP is being implemented by the State Government with the assistance of ADB at an estimated cost of Rs.8,155.81 crore for supporting urban local bodies to meet their share of financial commitments under the AMRUT scheme. In the Budget Estimates 2019-2020,

Rs.1,450 crore has been allocated for AMRUT scheme and Rs.302 crore is provided for TNUFIP. A sum of Rs.750 crore has been allocated for IUDM and Rs.500 crore has been allocated for CMCDM.

58) The State has been implementing the World Bank assisted 'Tamil Nadu Sustainable Urban Development Programme' (TNSUDP) since 2015 at a project cost of Rs.3,831 crore. Under this scheme, Rs.1,631.44 crore has been spent in 17 urban local bodies so far. In the Budget Estimates 2019-2020, Rs.836.39 crore has been allocated for TNSUDP. The Government will also take up works at an estimated cost of Rs.200 crore in town panchayats with NABARD funding in 2019-2020.

**59) A comprehensive solid waste management project for the Greater Chennai Corporation has been prepared. Administrative sanction has already been accorded for collection and transportation of solid waste in eight zones in two packages for a total cost of Rs.1,546.04 crore. Remediation and reclamation of existing landfills for Kodungaiyur and Perungudi under PPP mode along with the setting up of waste-to-energy plants is under consideration of the Government at a total cost of Rs.5,259.10 crore. The Government will accord sanction for this project shortly.**

**60) In the Budget Estimates 2019-2020, Rs.18,700.64 crore has been allocated for the Municipal Administration and Water supply Department.**

#### **Drinking Water Supply**

61) The State Government is implementing water supply projects in rural areas under the National Rural Drinking Water Programme (NRDWP) and Minimum Needs Programme (MNP). This is being supplemented with loan assistance from NABARD. During 2018-2019, Tamil Nadu Water Supply and Drainage Board (TWAD) has taken up projects to cover 2,310 partially covered habitations and remaining 2,017 partially covered habitations will be covered during 2019-2020. **In the year 2019-2020, works to the tune of Rs.1,558.87 crore will be taken up under these schemes including combined water supply schemes to cover 282 rural habitations in Aravakuruchi and K.Paramathy blocks of Karur district. In the Budget Estimates 2019-2020, Rs.364.76 crore, Rs.286 crore and Rs.600 crore have been allocated for NRDWP, MNP and NABARD funded works respectively.**

62) TWAD Board has completed 12 major projects including water supply and under ground

sewerage projects at a cost of Rs.1,132.56 crore, covering 4 municipalities, 12 town panchayats and 3,500 rural habitations, benefiting a population of 23.55 lakh. In addition to the above, water supply schemes and underground sewerage schemes covering urban local bodies and 4,944 rural habitations at an estimated cost of Rs.7,708.95 crore benefiting a population of nearly 1.55 crore, are in various stages of implementation.

63) This Government, as a policy, promotes recycling of sewage for purposes other than drinking, to preserve fresh water. Setting up a 45 MLD Tertiary Treated Reverse Osmosis Plant in Koyambedu at a cost of Rs.296.50 crore is in progress. In order to reuse treated waste water for industrial purposes and replace the fresh water supplied to industries and power plants in North Chennai, Chennai Metropolitan Water Supply and Sewerage Board (CMWSSB) is establishing a 45 MLD TTRO Plant at Kodungaiyur at a cost of Rs.235 crore. This Government is taking measures to implement similar projects for recycling waste water and to preserve fresh water.

### **Housing and Urban Development**

64) In Tamil Nadu 48.45 percent of population resides in urban areas. As per census 2011 report, 14.63 lakh families are living in slums. **In line with the**

**Sustainable Development Goal (SDG) of ensuring access for all to adequate, safe and affordable housing and basic services and to improve slums by 2030, the Government will soon unveil the State Urban Housing and Habitat Policy. The role of the Government as a provider of housing to poorest and as an enabler of housing markets to ensure access of the poor and middle classes to affordable housing will be strengthened.**

65) Towards this, under the 'Pradhan Mantri Awas Yojana (PMAY- Urban)', construction of 5.85 lakh tenements at a cost of Rs.26,601.02 crore for urban slum families has been sanctioned since 2014-2015. The Government will take up the construction of 1.97 lakh tenements in 2019-2020 under the PMAY (Urban). A sum of Rs.2,662.16 crore has been provided in the Budget Estimates 2019-2020 for this purpose. **I am glad to announce that 'Tamil Nadu Housing and Habitat Development for Urban Poor' programme, with World Bank assistance, will be launched to construct 38,000 tenements at a cost of Rs.4,647.50 crore in Chennai and surrounding areas for poor families living at river margins by adopting best resettlement practices. A project for Inclusive Resilient and Sustainable Housing for the Urban Poor has been posed to the Asian Development Bank at a cost of Rs.5,000 crore for**

**providing housing in areas other than Chennai and to create adequate stock of industrial and rental housing.**

**66) The Tamil Nadu Shelter Fund has been registered with SEBI and has been set up to attract domestic and global investors providing 'Social Impact Investments'. This fund would be deployed to create environment friendly, quality affordable housing for sale to the poor and middle class families. The fund will also be used to set up affordable hostel facilities for working women to address their needs for good quality affordable and safe accommodation and affordable assisted living facilities for senior citizens and the differently abled. The World Bank has evaluated this fund and is likely to provide seed investment. The National Housing Bank is the knowledge partner and has been approached to invest Rs.500 crore in the fund.**

67) The Government has taken up various housing activities through the Tamil Nadu Housing Board (TNHB), of which works are under progress for 20,789 units at an estimated cost of Rs.2,888.20 crore. **A State Land Use Policy is under formulation for promoting more efficient and sustainable use of scarce land resources. In order to bring the entire State under planned**

**development, the Directorate of Town and Country Planning (DTCP) will prepare regional plans by dividing the State into nine regions and will prepare a perspective plan for the entire State within a period of two years. In the first phase, the regional plans for the Coimbatore and Madurai regions will be prepared. This would enable prioritization and implementation of important projects for the State and ensure planned development of the State as a whole.** The Common Development Regulations and Building Regulations brought out by the Government recently will ensure more orderly development, promote ease of doing business and making housing more affordable.

**68) In the Budget Estimates 2019-2020, Rs.6,265.52 crore has been allocated for Housing and Urban Development Department.**

### **Poverty Alleviation**

69) The State Government has made consistent progress in reducing poverty and continues to give high priority for this. Comprehensive strategies comprising of social mobilization, skill training and promotion of micro enterprises through bank credit linkage have been adopted for economic empowerment of the poor. Tamil Nadu Corporation for Development of Women is



the nodal agency for implementing various poverty alleviation programmes in both urban and rural areas. The Tamil Nadu State Rural Livelihood Mission is being implemented in all the 385 blocks of 31 districts. National Rural Livelihood Mission and National Rural Livelihood Project have been integrated with this. A sum of Rs.349.46 crore has been allocated for this Mission during 2019-2020. A sum of Rs.230.89 crore has been provided under Deendayal Upadhyaya Grameen Kaushalya Yojana (DDU-GKY) for placement linked skill training to benefit rural youth for the coming year. Consolidating the gains of Pudhuvazhvu Project, Tamil Nadu Rural Transformation Project has been launched in 2018-2019 with the financial support of the World Bank at an estimated total cost of Rs.918.20 crore. This project covers 3,994 village panchayats in 120 blocks of 26 districts and focuses mainly on the promotion of rural micro-enterprises. A sum of Rs.172 crore has been provided for this project for the year 2019-2020. Urban poverty alleviation is being addressed through Deendayal Antyodaya Yojana-National Urban Livelihood Mission (DAY-NULM). The State is supplementing the resources of this project with Tamil Nadu Urban Livelihood Mission (TNULM). A sum of Rs.150 crore has been provided under the DAY-NULM and Rs.50 crore under TNULM in the Budget Estimates 2019-2020. **Totally, Rs.1,031.53 crore**

**has been allocated for poverty alleviation programmes in this budget.**

### **Highways**

70) Comprehensive Road Infrastructure Development Programme (CRIDP) is a flagship scheme of this Government for undertaking major infrastructure development in the State, including construction of roads, bridges, culverts and other protective and road safety works. In 2018-2019, the allocation under CRIDP was substantially enhanced to Rs.4,165.23 crore and Rs.4,570.43 crore has been allocated for the year 2019-2020.

71) Under the Performance Based Maintenance Contract (PBMC) programme, 1,768 km of roads have been taken up so far at a cost of Rs.3,074.84 crore, which has ensured systematic and high quality maintenance of critical roads. This programme is being extended to the entire State in a phased manner. **During 2019-2020, another 622 km of roads at a cost of Rs.715 crore will be covered in Sivagangai division. Adopting the PBMC model, this Government is drafting a comprehensive project to seek funding from multilateral institutions like Asian Development Bank.**

72) I am happy to note that the unique initiative of this Government to take up 7,964 km of Panchayat and Panchayat Union roads for upgrading to the standard of Other District Roads (ODR) has significantly improved the quality of the rural road network in the State. So far, 2,958 km of roads at a cost of Rs.1,490.62 crore have been taken up. **For continuing this initiative, 1,986 km of roads will be taken up at a cost of Rs.1,142 crore in 2019-2020. A sum of Rs.1,050 crore has been allocated in the Budget Estimates 2019-2020 for this purpose.**

73) The second phase of the Tamil Nadu Road Sector Project (TNRSP) has been taken up with loan assistance from the World Bank at a cost of Rs.5,171 crore and the works are in progress. An amount of Rs.459.74 crore has been allocated for the TNRSP in the Budget Estimates 2019-2020. Under Chennai-Kanyakumari Industrial Corridor (CKIC) project, 654 km of roads at a cost of Rs.6,448.24 crore have already been taken up with the Asian Development Bank's assistance. The Chennai Peripheral Ring Road (CPRR) project is in the final stage of negotiation with JICA and is expected to improve the connectivity and standard of roads around Chennai city significantly.

74) Under the Railway Works Programme (RWP), this Government will take up the construction of

256 railway over bridges at a cost of Rs.726.62 crore in 2019-2020. Under the Rural Infrastructure Development Fund (RIDF) of NABARD, this Government will take up works at a cost of Rs.299.60 crore and works to the tune of Rs.800 crore will be implemented under the Revamped Central Road Fund (RCRF) programme. **In the Budget Estimates 2019-2020, Rs.13,605.19 crore has been allocated to the Highways and Minor Ports Department.**

### **School Education**

75) This Government is fully committed to ensuring quality education to all, especially to the poor. Since 2011, this Government has started 247 new primary schools and upgraded 116 primary schools to middle schools, 1,079 middle schools to high schools and 604 high schools to higher secondary schools, to improve access to school education. The Government has achieved the target of establishing primary and middle schools in the immediate vicinity of almost all habitations throughout the State.

76) Effective implementation of welfare schemes and recent initiatives to improve the quality of education have resulted in improving the learning outcomes and achieving 99.8 percent net enrolment in primary education. The number of out of school children have

fallen drastically from 63,178 children in 2011-2012 to 33,519 children in 2018-2019. I am happy to note that the Annual Status of Education Report (ASER), 2018 has stated that there has been an overall improvement in learning levels in government schools and that the government school students are improving at a faster rate compared to their counterparts in private schools.

77) Welfare schemes such as distribution of school bags, footwear, notebooks, textbooks and geometry boxes, etc., free of cost to students will be continued by this Government. Towards this, Rs.1,656.90 crore has been allocated in the Budget Estimates 2019-2020. The Government will continue to provide special cash incentive of Rs.5,000 per student to all students studying in Government and Government aided schools in 10<sup>th</sup>, 11<sup>th</sup> and 12<sup>th</sup> standards to prevent their dropping out. An amount of Rs.313.58 crore has been allocated in this Budget for this purpose. A sum of Rs.1,362.27 crore has been allocated in this Budget for providing laptops to school students during 2019-2020. In order to provide adequate infrastructure to Government schools, the Government will take up construction of classrooms, labs, toilets and other facilities at a cost of Rs.381.31 crore with NABARD loan assistance.

78) The Government of India is yet to release the long pending arrears to the tune of Rs.2,109.08 crore under Sarva Shiksha Abhiyan (SSA) and Rs.1,092.22 crore under Rashtriya Madhyamik Shiksha Abhiyan (RMSA). However, considering the interests of the school-going students of the State, the State is fully committed to implement these schemes. The Centrally sponsored schemes of SSA and RMSA have been integrated to form the Samagra Shiksha Abhiyan scheme, with effect from 2019-2020, for which Rs.2,791.32 crore has been included in the Budget Estimates 2019-2020.

79) This Government has whole-heartedly implemented the Right of Children to Free and Compulsory Education Act, which provides access to private schools to children belonging to disadvantaged and weaker sections of society. Since inception, this scheme has so far benefited 4.19 lakh children. A sum of Rs.248.76 crore has been allocated for this scheme in the Budget Estimates 2019-2020.

**80) In the Budget Estimates 2019-2020, Rs.28,757.62 crore has been allocated for School Education Department.**

## Higher Education

81) This Government continues to give priority to ensuring access and affordability of higher education to all sections of society. The State has established three new Government polytechnic colleges during the academic year 2018-2019 and granted permission for 29 self-financing arts and science colleges. **I am glad to announce that this Government will establish a new Government arts and science college at Rameswaram during 2019-2020, which will be named after Dr. A.P.J. Abdul Kalam.**

82) Under the first generation graduates scholarship programme, Rs.460.25 crore has been provided in the Budget Estimates 2019-2020. As a measure to upgrade educational institutions to international standards, the Government has enacted legislation for establishing private universities, under which SSN University and SAI University have been accorded permission. The infrastructure in Government colleges is being improved continuously and an amount of Rs.269.36 crore has been spent so far under the Rashtriya Uchchar Shiksha Abhiyan (RUSA 1.0) for upgrading infrastructure in 10 State Universities and 65 Government colleges. Under RUSA 2.0, Rs.382 crore has been sanctioned to fund similar initiatives.

83) The block grants to universities were revised after 20 years. A sum of Rs.538.10 crore has been allocated as block grants to various universities of which Rs.250 crore is allocated to Annamalai University. **With the growing demand for highly talented and skilled manpower at global level, it is necessary to continuously upgrade our facilities in technical colleges to international standards. Anna University being a premier State University, a sum of Rs.100 crore will be sanctioned to upgrade infrastructure, including equipment, to impart teaching at international standards in the university and the engineering colleges under the control of Director of Technical Education.** An amount of Rs.4,584.21 crore has been provided in the Budget Estimates 2019-2020 for Higher Education.

### **Health and Family Welfare**

84) The vision of this Government is to achieve the health standards attained by the developed countries, by 2023. Various interventions introduced in Tamil Nadu during the last eight years have resulted in significant reduction in Maternal Mortality Ratio (MMR), Infant Mortality Rate (IMR) and other vital health indicators. The State has received award from Government of India for reducing MMR well ahead of the target year of 2030 under Sustainable Development Goals (SDG). The State



has the lowest Total Fertility Rate (TFR) of 1.6 in the country.

85) The Government of Tamil Nadu is implementing 'Chief Minister's Comprehensive Health Insurance Scheme' since 2012 as its flagship scheme to ensure universal health coverage and to provide state of the art treatment for serious illnesses in government as well as in private hospitals for the poor. Since its inception in 2011-2012, 28.34 lakh beneficiaries have availed medical treatment valued at Rs.5,527 crore. The Government has recently increased the insurance coverage of Rs.2 lakh per family per annum to Rs.5 lakh with effect from 1<sup>st</sup> December 2018 by dovetailing the Government of India's flagship scheme, 'Pradhan Mantri Jan Arogya Yojana'. A sum of Rs.1,363 crore has been provided in the Budget Estimates 2019-2020 for payment of premium for this scheme.

86) Another pioneering programme of the Government is Dr.Muthulakshmi Reddy Maternity Benefit Scheme, which provides financial assistance of Rs.18,000 to pregnant women. This includes two Amma maternity nutritious kits comprising iron, folic acid and other nutritional supplements for an amount of Rs.4,000 apart from cash assistance of Rs.14,000. The Government of India's 'Pradhan Mantri Matru Vandana Yojana' for all eligible pregnant mothers for first

live birth has been merged with the State Scheme and Rs.111.24 crore has been received from Government of India during 2018-2019. A sum of Rs.959.21 crore has been provided in the Budget Estimates 2019-2020 for this scheme. The laudable initiatives of this Government such as Amma Baby Care Kit, Amma Magapperu Sanjeevi and distribution of sanitary napkins under the Menstrual Hygiene Programme will continue to be implemented.

87) I am glad to inform that the construction of super speciality hospitals with trauma care facility, under the 'Pradhan Mantri Swasthya Suraksha Yojana' at a cost of Rs.150 crore each in Madurai, Thanjavur and Tirunelveli districts has been completed and were inaugurated by Hon'ble Prime Minister recently. We are also thankful to the Hon'ble Prime Minister for laying the foundation stone for the establishment of AIIMS with a 750 bedded hospital, a medical and nursing college in Madurai at a cost of Rs.1,264 crore.

88) The Government of Tamil Nadu is implementing 'Tamil Nadu Urban Health Care Project' at a cost of Rs.1,634 crore in order to strengthen the secondary and tertiary care institutions in the State with funding support from JICA. A sum of Rs.242.92 crore has been provided in the Budget Estimates for this scheme.

89) **The State Government will soon launch the 'Tamil Nadu Health Systems Reforms Programme' with World Bank funding support at a total cost of Rs.2,685.91 crore, to improve the access of the poor and disadvantaged to the Government health facilities.**

90) Tamil Nadu was a pioneer in the country in guaranteeing adequate availability of essential drugs in all hospitals. In similar vein, **this Government will launch an ambitious programme to formulate an essential diagnostics list guaranteeing a set of diagnostic tests at each level of health care. The necessary equipment and consumables will be supplied and protocols will be evolved for this. This scheme will be implemented at a cost of Rs.247 crore over a period of three years.**

91) **In the Budget Estimates 2019-2020, Rs.12,563.83 crore has been allocated to Health and Family Welfare Department.**

### **Transport**

92) An efficient public transport system is vital for providing transportation at an affordable cost to public. As part of the Government's forward looking policy of using cleaner energy sources, the Government of Tamil Nadu signed a 'Clean Bus Declaration' with

C40 Cities Climate Leadership Group, the first State in India to do so. This agreement paves way for promoting pollution free electric buses and buses causing least pollution in the transport system. **This Government will implement a project to procure 12,000 new BS-VI buses and 2,000 new electric buses at an outlay of Rs.5,890 crore with KfW loan assistance. The State Government will introduce 2000 BS-VI buses in the State and 500 electric buses in Chennai, Coimbatore and Madurai during the first phase.**

93) The State Government has always extended a helping hand to the State Transport Corporations during times of crisis. In 2018-2019, the State Government provided financial aid to the tune of Rs.1,698.08 crore, including Rs.376.02 crore as short-term loans and Rs.1,322.06 crore as ways and means advances, mainly to meet their dues such as terminal benefits to retired personnel, pension dues of employees and other commitments. A sum of Rs.333.07 crore was also disbursed as 'Diesel Price compensation' to the State Transport Corporations to absorb the price shocks due to the fluctuating diesel prices during 2018-2019. In the Budget Estimates 2019-2020, a sum of Rs.1,297.83 crore has been allocated for Transport Department including

Rs.766 crore towards free bus pass to students and Rs.250 crore as diesel price compensation.

### **Energy**

94) Since 2011, the capacity of electricity generation has been augmented by 13,619 MW through State and Central sector projects, power purchases and renewable energy culminating in an aggregate capacity of 30,191 MW. Thermal projects to the tune of 13,000 MW are being implemented with State's own funds at an estimated cost of Rs.91,880 crore, to meet the increasing energy demand. Further, hydro-electric projects to the tune of 2,500 MW at a cost of Rs.8,831.29 crore are also in the pipeline.

95) Transmission, an important element in the power delivery value chain, facilitates evacuation of power from generating stations and its delivery to the load centres. Since 2011, this Government has energized 464 new substations and 12,636 circuit kilometres of Extra High Tension (EHT) lines. Concerted efforts are also underway to augment both rural and urban distribution infrastructure through 'Deendayal Upadhyaya Gram Jyoti Yojana (DDUGJY)' and 'Integrated Power Development Scheme (IPDS)'.

96) **TANGEDCO will be establishing floating solar power projects in the districts of Theni, Salem**

**and Erode with a capacity of 250 MW at an estimated cost of Rs.1,125 crore and Kadaladi Ultra Mega Solar Photovoltaic Park Power Project with a capacity of 500 MW at a cost of Rs.2,350 crore. Tamil Nadu Energy Development Agency (TEDA) will establish 'Amma Green Gramam' as sustainable energy villages with mini rural renewable energy parks each with a capacity of 5 MW, by using non-productive community as well as patta lands for renewable energy generation using Green Climatic Fund. The Tamil Nadu Solar Energy Policy 2019 that was recently unveiled by the Hon'ble Chief Minister, will increase the solar power generation capacity of the State to 9,000 MW by 2023.**

97) As part of the State's commitment towards 'Ujwal DISCOM Assurance Yojana (UDAY)' scheme, the State had taken over a debt of Rs.22,815 crore from TANGEDCO. This has increased the interest commitment of Government by Rs.1,779.42 crore annually. This debt has to be converted into Government grants over a period of five years. So far, Rs.9,126 crore of debt taken over by the Government has been converted as grant and Rs.4,563 crore of debt will be converted as grant during 2019-2020. Power subsidy for various categories like agriculture and other consumers will be continued, for which Rs.8,118.25 crore has been allocated. **In the**

**Budget Estimates 2019-2020, Rs.18,560.77 crore has been allocated for energy sector.**

### **Chennai Metro Rail**

98) The Phase-I of Chennai Metro Rail Project covering two corridors stretching 45.01 km will be fully commissioned during February 2019. The Phase-I Extension covering a length of 9 km upto Tiruvottriyur / Wimco Nagar is expected to be commissioned by June 2020. During 2018-2019, an amount of Rs.1,950 crore was allocated for the project. **As announced already, feasibility study is also being taken up for the extension of metro rail line from Meenambakkam Airport to Kilambakkam metro bus terminus.**

99) **Out of the approved 118.90 km of three metro rail corridors, JICA has approved funding of Rs.20,196 crore for implementing the priority stretches totalling 52.01 km from Madhavaram to Sholinganallur and Madhavaram to Chennai Mofussil Bus Terminus (CMBT) and the State Government has also accorded administrative sanction for a total cost of Rs.40,941 crore to commence the work shortly. The funding arrangements for other stretches are also in progress.** By implementing the Phase-II of Chennai Metro Rail Project, the metro rail network in the Chennai

Metropolitan Area would increase to 172.91 km, which would increase its share of public transport considerably.

**In the Budget Estimates 2019-2020, a sum of Rs.2,681 crore has been allocated for the Chennai Metro Rail Project as share capital and debt.**

### **Labour Welfare**

100) There are 17 unorganised workers welfare boards including the Tamil Nadu Construction Workers Welfare Board. So far 72.29 lakh workers have been registered under various unorganised workers welfare boards in the State, including 21,071 migrant workers who are registered with the Construction Workers Welfare Board. The Government has taken up the construction of dormitories for labourers at various places at a cost of Rs.31.66 crore. **This Government will take all efforts to ensure that the members enrolled in unorganised workers welfare boards will get the benefit of pension announced by the Government of India recently.** An allocation of Rs.148.83 crore has been made in this Budget for grants to unorganised workers welfare boards.

### **Employment and Skill Training**

101) With the country at the cusp of demographic transformation and its youth population touching the highest levels ever in the recent decades,



the Government is according the highest priority to skill development of youth to enhance their employability. Employment exchanges have been transformed into career guidance centres and a State level apex body called 'State Career Guidance Centre' is being established in Chennai to conduct free coaching classes for competitive exams with video conference facilities, online self-assessment exams with a platform for job providers and job seekers to select and seek private placements respectively.

102) The Industrial Training Institutes (ITI) are platforms for creating employment-oriented education. To fulfill the infrastructure gap in the Government ITIs for providing training to the trainees, Government has sanctioned procurement of latest machinery and equipment at a cost of Rs.30 crore. **New advanced and high-end trades such as medical electronics, architectural assistant, auto-body repairing and painting, operator advanced machine tools, technician power electronics, fire technology and industrial safety management are being introduced in 20 Government ITIs at a cost of Rs.38 crore.**

103) Tamil Nadu Skill Development Corporation (TNSDC) has been established for the purpose of imparting skill training to the unemployed youth. A sum of Rs.200 crore was provided during 2018-2019

for skill training. By dovetailing centrally sponsored schemes like 'Pradhan Mantri Kaushal Vikas Yojana (PMKVY)', 82,064 persons were enrolled for skill training till date in the year 2018-2019. So far, skill certification under Recognition of Prior Learning (RPL) has been issued to 20,295 persons. **As a new initiative, advanced hi-end skill building centres to impart higher level technical skills to unemployed engineering graduates will be established in the coming year under PPP mode in five selected district headquarters. This will benefit 10,000 unemployed engineering graduates every year to get employed in specialised jobs in emerging areas of technology.**

104) **A sum of Rs.200 crore has been provided in the Budget Estimates 2019-2020 to TNSDC and a sum of Rs.51.64 crore is provided under PMKVY.**

#### **Handloom, Handicraft, Textiles and Khadi**

105) The Government is giving rebate to promote the sale of handloom cloth, which enables Primary Weavers' Co-operative Societies and Co-optex to provide continuous and assured employment to handloom weavers. An amount of Rs.150 crore has been allocated in the Budget Estimates 2019-2020 for such rebate. A sum of Rs.40 crore is allocated under the newly

launched Handloom Support Programme for the year 2019-2020. The scheme of free distribution of sarees and dhoties to poor families will continue and in the Budget Estimates 2019-2020, Rs.490.20 crore has been allocated for this scheme. Tamil Nadu Handicrafts Development Corporation is in the process of establishing a virtual reality showroom, the first of its kind in the country to promote sales. In the Budget Estimates 2019-2020, Rs.1,170.56 crore has been allocated to handloom and textiles sector and Rs.211.11 crore for handicrafts and khadi sector.

### **Information Technology**

106) The total software exports from Tamil Nadu for the year 2017-2018 were Rs.1,11,179 crore. The contribution of Special Economic Zones (SEZs) has been Rs.74,637 crore and that of ELCOT Special Economic Zone (ELCOSEZ) has been Rs.15,957 crore. Out of the total direct employment of 6.39 lakh, the contribution by ELCOSEZ is 76,875. ELCOT has established eight IT and ITES Special Economic Zones at Chennai and in tier-II cities of Coimbatore, Madurai (2 places), Tiruchirappalli, Salem, Tirunelveli and Hosur over an extent of 1,321.61 acres. So far, 71 percent of the total land in the ELCOSEZ has been allotted to IT and ITES industry. The Government will vigorously pursue

the promotion of IT and ITES industries by fully utilizing the remaining available area.

107) Information Communication Technology Policy, 2018 has already been unveiled by Hon'ble Chief Minister and the Electronics Hardware Manufacturing Policy will also be released shortly. These will facilitate making the State the top most manufacturing hub for electronic hardware. The Government has accorded approval to extend TNSWAN Phase-II operations and to integrate the TNSWAN with TAMILNET at a cost of Rs.443.64 crore. A server farm has been created at the Tamil Nadu State Data Centre with necessary infrastructure and testing tools. Cloud Computing has also been enabled in this Data Centre, which is operational now. The Disaster Recovery Centre at Tiruchirappalli has been established at a cost of Rs.59.85 crore. **The Government would harness artificial intelligence, machine learning, block chain, big data, drones and Internet of Things (IoT) to serve the people better. For this, a 'Centre of Excellence for Emerging Technologies' would be set up under TNeGA.** The State Government is in the process of implementing BharatNet through Tamil Nadu Fibrenet Corporation. This will connect all Village Panchayats through Optic Fibre and will be extended to all urban local bodies under TAMILNET.

A sum of Rs.140.62 crore has been provided for Information Technology Department.

### **Industries**

108) Tamil Nadu continues to be a preferred investment destination as is evident from the resounding success of the Global Investors Meet 2019 (GIM 2019). During this two day event, 304 Memoranda of Understanding (MoUs) were signed with investors for investment commitments worth over Rs.3 lakh crore. These projects are expected to generate employment to over 10.45 lakh persons. The investments attracted during GIM 2019 encompass diverse sectors including manufacturing, IT parks, retail park, housing, renewable energy, food processing and education. GIM 2019 attracted Rs.32,206 crore of investment in the MSME Sector. I am also happy to mention that we have been able to promote investments in industrially backward areas like southern districts and Nagapattinam district. We have also been able to garner further investments in the western region of the State, especially in the textiles, garments and engineering sectors. This Government will closely monitor the implementation of the committed projects and will extend necessary facilitation and single window clearance to these projects.

**109) The Defence Industrial Corridor Project, with nodes at Chennai, Hosur, Salem, Coimbatore and Trichy and investments worth Rs.3,123 crore from Ordinance Factory Boards, Defence Public Sector undertakings and private sector units in these nodes, were launched recently by the Hon'ble Union Minister for Defence. This Government has provided further fillip to this project by unveiling the Tamil Nadu Aerospace and Defence Industrial Policy, 2019. Under this policy, attractive incentive packages will be provided to aerospace and defence manufacturers for setting up manufacturing facilities in our State.**

**110) The State Government has sanctioned Rs.2,000 crore as investment related incentives for the year 2018-2019. A sum of Rs.2,500 crore has been provided as incentives for the year 2019-2020 and an amount of Rs.2,747.96 crore has been provided in the Budget Estimates for Industries Department.**

#### **Micro, Small and Medium Enterprises**

111) Tamil Nadu maintains its leadership position in Micro, Small and Medium Enterprises (MSME) sector with more than 19.50 lakh registered units. The total investment in MSMEs is estimated to be about

Rs.2.12 lakh crore, providing employment to more than 1.23 crore persons. During the year 2018-2019, 1.70 lakh entrepreneurs have filed Udyog Aadhaar Memoranda (UAM) envisaging an investment of Rs.18,174 crore providing employment to 9.50 lakh individuals. The New Entrepreneur-cum-Enterprise Development Scheme (NEEDS) has created a favourable environment for budding entrepreneurs to start business enterprises in the State. In the Budget Estimates 2019-2020, a sum of Rs.87.92 crore has been allocated for this scheme.

112) Tamil Nadu Small Industries Development Corporation (SIDCO) has promoted industrial estates to benefit MSMEs. It has identified 4,490.74 acres of land under the Land Bank Scheme in various places. **The industrial estates in Thirumudivakkam and Alathur will be further expanded to meet the growing demand of land for new MSME units. I am glad to announce that the SIDCO industrial estates, which have power supply from agricultural feeder lines, will be provided with separate industrial feeder lines during 2019-2020 to provide quality and uninterrupted power supply to MSME units.**

113) Under the MSE-CDP scheme, which adopts a cluster development approach as a key strategy for enhancing the productivity and competitiveness

by establishing Common Facility Centres (CFCs), 22 projects have been completed at a total project cost Rs.121.27 crore so far. During 2019-2020, 25 projects will be taken up additionally.

**114) In order to promote overseas investment in MSME sector in Tamil Nadu and provide access to international markets for the products and services of the MSMEs, the Government will establish a new autonomous body named MSME Trade and Investment Promotion Bureau.** In the Budget Estimates 2019-2020, Rs.476.26 crore has been allocated to Micro, Small and Medium Enterprises Department.

### **Tourism, Art and Culture**

115) The State is already the leader at the national level in attracting foreign and domestic tourists. Endowed with numerous historically significant places, iconic architecture, heritage temples, sea coast and pristine hill stations, the State has great potential in tourism sector. Tourism has tremendous scope for generating employment opportunities for a large number of persons. Destination based and circuit based tourism is being promoted under Asian Development Bank programme, for which Rs.288 crore has been provided under Tranche IV. The State Government is also



implementing 'Pilgrimage Rejuvenation and Spiritual, Heritage Augmentation Drive (PRASAD)' and 'Swadesh Darshan' schemes apart from State sponsored programmes for the development of tourism infrastructure.

**116) Considering the unexploited potential of tourism in the State, this Government will launch a massive tourism promotion project to further attract domestic and international tourists by identifying specific circuits for western tourists, Asian tourists, domestic tourists and upgrading identified centres in these circuits with quality amenities and infrastructure. The tourism centric infrastructure like logistics, hotels and restaurants, etc., will be upgraded to international standards under PPP mode. This is expected to generate huge employment opportunities. Detailed Project Reports will be prepared using project preparation fund under TNIDB and the programme will be launched during 2019-2020. A sum of Rs.100 crore has been provided as initial investment in the Budget Estimates for this project.**

117) A sum of Rs.186.23 crore has been provided in the Budget Estimates 2019-2020 for tourism sector. A sum of Rs.56.23 crore for the Department of Arts and Culture, Rs.14.65 crore for the Department of Museums

and Rs.10.19 crore for the Department of Archeology have also been provided.

### **Hindu Religious and Charitable Endowments**

118) Annadhanam scheme has been implemented in 754 temples in the State. Since 2011, Kumbabishekams have been performed for 10,961 temples at a cost of Rs.515.05 crore and financial assistance of Rs.43.39 crore has been disbursed to 6,159 temples situated in Adi Dravidar and Tribal habitations. The scheme for giving financial assistance to village temples and the 'Orukala Pooja' scheme will continue. In the Budget Estimates 2019-2020, Rs.281.86 crore has been provided for Hindu Religious and Charitable Endowments Department.

### **Social Welfare**

119) Several schemes are being implemented for the benefit of women and children, especially girl children. The Chief Minister's Girl Child Protection Scheme was launched by the late Chief Minister Puratchi Thalaivi Amma in the year 1992. A sum of Rs.140.11 crore has been allocated under this scheme for the year 2019-2020. Under various marriage assistance schemes, Rs.726.32 crore has been provided in the Budget Estimates 2019-2020. Further, a sum of

Rs.250 crore has been provided to continue the distribution of two wheelers to working women under the 'Amma Two Wheeler Scheme'.

120) Puratchi Thalaivar MGR Nutritious Meal Programme is being implemented through 43,205 noon meal centres, under which 51.96 lakh students are being benefitted. Under the scheme, variety meals and eggs are being provided to children. **Considering the market rates, food charges for vegetables, spices and fuel will be increased. This will result in an additional expenditure of Rs.98 crore per annum.** A sum of Rs.1,772.12 crore has been provided for this scheme in the Budget Estimates 2019-2020.

121) Integrated Child Development Service Scheme is being implemented through 54,439 centres benefiting 24.23 lakh children and also 3.91 lakh adolescent girls. In ten districts, children are being provided two sets of colour uniform. A sum of Rs.2,052.22 crore has been provided in the Budget Estimates 2019-2020 for implementing the ICDS scheme. In the Budget Estimates 2019-2020, Rs.5,305.51 crore has been allocated for the Social Welfare Department.

**Welfare of Backward Classes (BC), Most Backward Classes (MBC) and Denotified Communities**

122) The Government provides pre-matric and post-matric scholarship to students belonging to BC, MBC and Denotified communities to ensure affordable and hassle-free education. A sum of Rs.290.71 crore will be allocated for these ongoing programmes during 2019-2020. Further, the Government is allocating Rs.138.48 crore in the year 2019-2020 for distributing bicycles to the school students and ITI students. A sum of Rs.79.23 crore has been allocated for food charges to the hostel students in the Budget Estimates 2019-2020. A sum of Rs.911.47 crore has been provided for the Department of Backward Classes, Most Backward Classes and Denotified Communities Welfare.

**Minorities Welfare**

123) The Government is committed to promote the welfare of the religious and linguistic minorities in the State. For the benefit of poor students belonging to minority communities, 16 minority hostels are being run by the Government benefiting 1,300 students. It is also providing grants to repairs and renovation of mosques and churches. For the year 2019-2020, Rs.14.99 crore has been allocated to the minorities welfare.

**Adi Dravidar and Tribal Welfare**

124) This Government accords high priority to ensuring social dignity and the sustained development of people belonging to the Scheduled Castes and Scheduled Tribes. The Government is running 1,682 hostels in the State to benefiting 1.29 lakh students. In 2018-2019, buildings were completed for 23 hostels at a cost of Rs.26.63 crore and construction of another 29 new hostel buildings at a cost of Rs.33.83 crore is in progress. In 2019-2020, the Government will construct building for 20 hostels, for which Rs.40 crore has been allocated in the Budget Estimates 2019-2020. For the monthly food charges for students in school and college hostels, Rs.103.55 crore has been allocated in this Budget.

125) The recent change in the guidelines for post-matric scholarships brought about by the Government of India has transferred a huge financial liability from the Centre to States in such a manner that has resulted in the financial commitment of Government of Tamil Nadu increasing from Rs.353.55 crore to Rs.1,526.46 crore per annum. Moreover, Government of India is yet to release arrears to the tune of Rs.985.80 crore, which has been pending for long time, despite repeated requests. Despite all these mounting difficulties, the State Government has allocated

Rs.1,857.13 crore during 2019-2020 for post-matric scholarships.

126) The scheme of providing cash incentives to girl children from class III to VIII for encouraging their school enrolment will be continued this year with a budget allocation of Rs.48.70 crore. A sum of Rs.71.01 crore has been included in the Budget Estimates 2019-2020 for providing bicycles free of cost to the students belonging to the Schedule Castes and Scheduled Tribes studying in Government and Government aided schools. **Continuing the initiatives taken during the current year to improve the basic amenities in scheduled caste habitations through a special programme, a sum of Rs.100 crore has been allocated in the Budget Estimates 2019-2020, for the provision of basic amenities in the scheduled caste habitations.**

127) The Comprehensive Tribal Development Programme (CTDP) with an annual allocation of Rs.50 crore is being implemented for providing basic amenities and for giving assistance to Scheduled Tribes to undertake various income generation activities. For this programme, Rs.50 crore has been allocated in the Budget Estimates 2019-2020. **As announced in the Governor's Address, an amount of Rs.25 crore has been allocated as initial fund to support**

**Non-Government Organizations (NGOs) for starting new schools in interior tribal areas for the benefit of tribal students.**

128) In the Budget Estimates 2019-2020, Rs.3,810.28 crore has been allocated for the Adi Dravidar and Tribal Welfare Department, of which Rs.135 crore is under special central assistance for the economic development of the scheduled castes. A sum of Rs.482.80 crore has been allocated for tribal welfare in the Budget Estimates 2019-2020.

**Welfare of the Differently Abled**

129) Tamil Nadu is one of the pioneering States in implementing the Rights of Persons with Disabilities Act 2016 and a State fund with a corpus of Rs.10 crore has been constituted for the welfare of the differently abled persons. The margin money subsidy was enhanced from Rs.10,000/- to Rs.25,000/- in 2018-2019 to encourage self-employment of differently abled persons. In order to facilitate independent mobility of the differently abled persons, the Government is providing hi-tech assistive devices such as special wheel chairs for persons affected by muscular dystrophy, persons with spinal cord injury and persons with cerebral palsy. Retrofitted scooters are also being provided to persons with locomotive disability.

**Considering the additional requirement, allocation**

**in 2019-2020 will be suitably enhanced to distribute 3,000 special wheel chairs and 3,000 retrofitted scooters.** Further, behind-the-ear hearing aids for the hearing impaired and smart canes to facilitate mobility of the visually impaired are also being distributed. In the Budget Estimates 2019-2020, Rs.572.19 crore has been allocated for the Welfare of differently abled persons.

### **Youth Welfare and Development of Sports**

130) The Government is taking several initiatives for creating quality sports infrastructure of international standard. It is establishing a Centre of Excellence for Canoeing and Kayaking in Kancheepuram district and Centres of Excellence for Badminton and Table Tennis in the Tamil Nadu Physical Education and Sports University. In addition to these, cutting-edge sports facilities like swimming pool complex of international standard at Manonmaniam Sundaranar University and a new sports hostel with all facilities for girls at the Integrated Sports Complex in Chennai are also being constructed.

131) The Government will continue the 'Mission International Medals Scheme' and the initiative of providing high cash incentive for medal winners in Olympics, Common Wealth, South Asian Federation, Asian and National Games. In the Budget Estimates,



Rs.7.48 crore has been allocated for the ongoing cash incentive schemes. The Government has sanctioned a sum of Rs.25.05 crore during 2018-2019 for conducting village games in 12,524 Village Panchayats in the State for encouraging sports among the youth. In the Budget Estimates 2019-2020, Rs.168.27 crore has been allocated for the Youth Welfare and Sports Development Department.

### **Government Servants and Pensioners**

132) This Government has already implemented pay revision despite its financial difficulties and has been promptly sanctioning increases in dearness allowance. The Committee headed by Thiru T.S. Sridhar, IAS (Retired) to examine the feasibility of continuing old pension scheme and the Committee headed by Thiru M.A. Siddique, IAS, to rectify pay anomalies have submitted their reports and these reports are under examination. Allocations of Rs.253 crore and Rs.299.28 crore have been provided towards payment of premium for the health insurance scheme of Government servants and pensioners respectively. Rs.55,399.75 crore and Rs.29,627.11 crore are being provided for salaries and pensions respectively.

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

**Hon'ble Speaker Sir,**

133) I shall now highlight the resources that have been identified to finance the various items of expenditure envisaged in the Budget 2019-2020.

134) The Government recognises the importance of an efficient tax administration to improve resource mobilisation. I am glad to state that Tamil Nadu is undertaking major e-governance initiatives aimed at improving the fiscal management of the State. The Integrated Financial and Human Resources Management System (IFHRMS) ensures digitisation of the treasury system, seamlessly integrating it with human resource and budget management, which is the first of its kind in the country. This has been launched by the Hon'ble Chief Minister on 10<sup>th</sup> January, 2019 and the entire State will fully switch over to IFHRMS by April 2019.

135) The Registration Department has installed a web based process flow software called STAR 2.0, which features uninterrupted online interface with facilities for registration of documents, e-payment, online checking and status update as well as online delivery of QR coded, digitally signed documents. The Commercial Taxes

Department has also implemented the 'Total Solutions Project' which ensures comprehensive computerisation of tax related procedures by creating online interface with tax payers.

136) Commercial Tax is the largest contributor to the State's Own Tax Revenue. The introduction of GST has taken away the already limited taxation powers of the State Governments, thus curtailing the tax mobilization capacity of the States. Further, the consistent downgrading of tax rates, lack of full operability in the filing of tax returns on the GST network and the undue delay in devolving the due share of States in IGST collection as well as the assured GST compensation, are reducing the tax resources of the States, particularly of States like Tamil Nadu, which has been relying largely on the collection of GST. The sales tax collection from petroleum products and liquor also constitutes a substantial share in the commercial tax revenue. Keeping in view these factors, the revenue from commercial taxes has been estimated at Rs.84,365.91 crore in the Revised Estimates 2018-2019 and at Rs.96,177.14 crore in the Budget Estimates 2019-2020.

137) The number of retail IMFL shops run by TASMAL has already reduced from 7,896 to 5,198. Based on the present trend in State Excise Duty collection,

an amount of Rs.6,724.38 crore has been included in the Revised Estimates 2018-2019 and Rs 7,262.33 crore is being included in the Budget Estimates 2019-2020. The revenue collections from stamp duty and registration fees have performed well in 2018-2019 and hence Rs.11,512.10 crore has been fixed in the Revised Estimates 2018-2019. **The stamp duty on property transfer in respect of amalgamation or reconstruction of companies will be fixed at 2 percent of the market value of the immovable property or 0.6 percent of the aggregate of the market value of the shares, whichever is higher. Similarly, the registration fees payable on such transactions will be fixed at a maximum of Rs.30,000. This will clear all the ambiguities related to payment of stamp duty and registration fees on such transactions.** An amount of Rs.13,122.81 crore is projected to be the tax collection from Stamp duty and Registration fees in the Budget Estimates 2019-2020, which is Rs.2,187.14 crore over and above the Budget Estimates 2018-2019. The Revised Estimates for revenue from motor vehicle tax is Rs.5,918.82 crore and is projected to be Rs.6,510.70 crore in the Budget Estimates 2019-2020.

138) The projection for SOTR has been increased to Rs.1,10,178.43 crore in the Revised Estimates 2018-2019 and Rs.1,24,813.06 crore has been projected

as State's Own Tax Revenue in the Budget Estimates 2019-2020. The receipts under the State's Own Non-Tax Revenue are estimated to be Rs.13,326.91 crore in 2019-2020.

139) Tamil Nadu is the only State to witness constant erosion in its inter-se share in the award of every single Finance Commission since the 9<sup>th</sup> Commission, with its share declining from 7.931 percent in the Ninth Finance Commission to 4.023 percent in the Fourteenth Finance Commission. Despite the increase in the vertical devolution to States from 32 percent to 42 percent in the 14<sup>th</sup> Finance Commission, the inter-se-share of Tamil Nadu has witnessed a slide from the Thirteenth Finance Commission to Fourteenth Finance Commission of 4.969 percent to 4.023 percent in the general divisible pool and from 5.047 percent to 4.104 percent in case of Service Tax pool, resulting in Tamil Nadu being the only State to achieve a devolution growth of less than 30 percent in the year of implementation of 14<sup>th</sup> Finance Commission recommendations. The State is hopeful that the Fifteenth Finance Commission will make a fair and impartial recommendation to the Government of India in devolving resources to States and particularly rectifying the past injustice done to Tamil Nadu. Factoring all these into account, Rs.30,638.87 crore has been included as Share in Central Taxes in the Revised Estimates

2018-2019 and Rs.33,978.47 crore in the Budget Estimates 2019-2020.

140) Subsequent to the 14<sup>th</sup> Finance Commission, the Government of India has substantially reduced its share in Centrally Sponsored Schemes. In addition, change in guidelines of schemes have imposed additional financial burden on the State. For the year 2019-2020, the Grants-in-Aid from the Government of India have been estimated at Rs.25,602.74 crore based on the existing trends and provisions in the Union Budget 2019-2020.

### **Fiscal Indicators**

141) The Total Revenue Receipts (TRR) of the State have been estimated at Rs.1,80,618.71 crore in the Revised Estimates 2018-2019 while the revenue expenditure is estimated to be Rs.1,99,937.73 crore, resulting in a revenue deficit of Rs.19,319.02 crore. The Total Revenue Receipts for 2019-2020 are projected to be Rs 1,97,721.17 crore. Commitments for salary revision and UDAY scheme will continue in 2019-2020 also. Apart from these, the Government continues its commitment towards various welfare schemes including the Centrally Sponsored Schemes such as power subsidy, food subsidy, social security pensions, housing, etc. Thus, all put together, an amount of

Rs.2,12,035.93 crore has been estimated as revenue expenditure, resulting in a revenue deficit of Rs.14,314.76 crore in the Budget Estimates 2019-2020.

142) The State has always given utmost importance to capital expenditure, creating core infrastructure such as roads, bridges, irrigation systems, power infrastructure, etc. In the Revised Estimates 2018-2019, Capital expenditure has been estimated as Rs.26,191.98 crore and considering the crucial role of infrastructure development in the sustained economic growth of the State, Rs.31,251.21 crore has been estimated in the Budget Estimates 2019-2020 which is 19.32 percent growth over and above the Revised Estimates 2018-2019.

143) Tamil Nadu has always adhered to fiscal discipline and has maintained its fiscal indicators like fiscal deficit, debt-GSDP ratio within the prescribed norms. In the Revised Estimates 2018-2019, the Fiscal Deficit is estimated to be 2.85 percent of GSDP. Taking into consideration the growth prospects in coming years along with several fiscal management measures being taken by the Government, such as e-governance interventions and expenditure rationalisation measures, the State expects to bring down the Fiscal Deficit to 2.56 percent of GSDP in 2019-2020, which is within the prescribed Fiscal Deficit norm of three percent of GSDP.

144) During 2018-2019, this Government adopted a conservative approach and raised only Rs.44,066.82 crore as net borrowing as against the permitted limit of Rs.47,350 crore, to restrict outstanding debt. It is estimated that Rs.43,000 crore will be raised as net borrowings in 2019-2020 as against the permissible borrowing of Rs.51,800 crore. Therefore, the net outstanding debt at the end of 31<sup>st</sup> March 2020 will be Rs.3,97,495.96 crore and the debt to GSDP ratio will be 23.02 percent, which is well within the debt-GSDP norm of 25 percent.

145) The Medium Term Fiscal Plan has been given as an annexure to this Budget Speech and I request that this may be taken as read as part of this speech.

146) Tamil Nadu is witnessing increased pressure on revenue deficit in the last few years due multiple factors. The debt of TANGEDCO taken over by Government to an extent of Rs.22,815 crore under the UDAY scheme, implementation of 7<sup>th</sup> Pay Commission recommendations, coupled with slow SOTR growth in the past and reduced central devolution have been the major reasons for increasing revenue deficit. The committed expenditure in the form of salaries, pensions and interest payments are increasing steadily while the constraints imposed on the taxation powers vested with the State



have posed further challenges in consolidating State finances. However, in the coming years, the State is expected to be on a high growth path and with better tax realization, it is expected to improve the fiscal consolidation. The implementation of IFHRMS, recently formed Expenditure Rationalisation Committee for expenditure rationalisation, etc., will help the State to narrow down the revenue deficit in future.

147) The State has maintained fiscal deficit within three percent of GSDP despite financial difficulties. The good growth prospects in the coming years will help the State in maintaining fiscal deficit below the prescribed norms of three percent of GSDP, thus maintaining the status of Tamil Nadu as a fiscally disciplined State. The State will adopt a conservative approach in exercising its options by restricting borrowing to its barest minimum and adhere to the norms of keeping debt to GSDP ratio within 25 percent. The State will take all efforts to support the ongoing welfare schemes and development programmes without compromising on fiscal discipline to improve its fiscal consolidation. I am hopeful that the well-thought fiscal consolidation path laid out in this Budget for reducing revenue deficit, will continue in future for sustained economic growth and inclusive development of our State.

**Hon'ble Speaker Sir,**

துன்பம் உறவரினும் செய்க துணிவுஆற்றி  
இன்பம் பயக்கும் வினை

**(குறள் 669)**

**Though toil and trouble face thee, firm resolve hold fast,  
And do the deeds that pleasure yield at last.**

**(Kural 669)**

148) Despite initial hardships, one must do with firmness the deeds that bring delight in the end. These are the humble words of the legendary poet Thiruvalluvar. Irrespective of the obstacles that confront us; attacks which cause us anguish; criticisms that we face, true to the words of Appar '**Let admirers praise; Let critics criticise**'; our duty is to continue our work firmly and steadfastly for the welfare of the people. For the poor to progress in life; for the weaker sections to attain economic empowerment and to lead a decent life; for the youth to get employed; for the State to develop in all sectors and prosper, we will continue to strive hard and implement the development programmes and welfare schemes, in the name of our Puratchi Thalaivi Amma, and create an enabling environment for the overall development of the State.

149) I am grateful to Puratchi Thalaivi Amma, whose unparalleled vision has formed the bedrock for all the exemplary efforts of this Government and has been the guiding force in formulating this Budget. I also take this opportunity to thank the Hon'ble Chief Minister, whose whole-hearted support and able guidance has been the driving force in preparing this Budget.

150) I convey my thanks to Thiru K. Shanmugam, IAS, Additional Chief Secretary, Finance Department and all other officials of the department who have been working with commitment on the formulation and preparation of the Budget Estimates.

151) Hon'ble Speaker Sir, I commend the Budget Estimates for the year 2019-2020 for the approval of the Assembly.

**Nanri**

**Vanakkam**

**O. PANNEERSELVAM**

Deputy Chief Minister

Chennai,  
8<sup>th</sup> February 2019,  
Vilambi, Thai - 25,  
Thiruvalluvar Aandu 2050

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

The State Government shall lay a Medium Term Fiscal Plan (MTFP) before the Legislative Assembly along with the Budget in accordance with section 3(1) of the Tamil Nadu Fiscal Responsibility Act, 2003 (TNFRA). As per Section 3(2) of the said Act, the MTFP shall also set forth a multi-year rolling target for the prescribed fiscal indicators like Revenue Deficit, Fiscal Deficit, etc., specifying the underlying assumptions made to arrive at those projections. Complying with the said provisos under the Tamil Nadu Fiscal Responsibility Act, 2003, a Medium Term Fiscal Plan for the period from 2019-2020 to 2021-2022 is hereby placed before the Legislative Assembly.

**Objectives**

The MTFP has been envisaged with the key objective to strike balance between developmental expenditure and fiscal prudence and to facilitate high economic growth that will create the necessary fiscal space for investments in key sectors. The State Government is implementing large number of welfare schemes across sectors, especially for improving social security, education, health, etc. Simultaneously, the State has to meet the ever increasing committed

expenditure such as administrative expenditure, mainly due to periodic hike in Dearness Allowance, increments, creation of new posts and filling up of vacancies apart from pensions and interest payments. Capital expenditure which involves creation of core infrastructure like roads, bridges, irrigation systems, power infrastructure etc., is given utmost priority, in addition to revenue expenditure. The State Government is committed to achieving fiscal consolidation by complying with the roadmap set forth by the Central Finance Commission.

The MTFP will ensure compliance with the norms for fiscal prudence, such as containing the Revenue Deficit to the minimum, maintaining Fiscal Deficit within three percent of Gross State Domestic Product (GSDP) and limiting the ratio of Outstanding Debt to GSDP within the prescribed limits of the Central Finance Commission during 2019-2021 and thereafter.

### **Future prospects**

The Indian economy is expected to enter a higher growth trajectory in future despite the slow growth in the global economy. The nominal growth of Gross State Domestic Product (GSDP) is projected based on the new 2011-2012 series at constant prices and is adopted in the Budget.

## **I. Revenue Receipts**

The Total Revenue Receipts of the State Government, including the Central Transfers, are estimated to be Rs.1,97,721.17 crore in 2019-2020. Its important components and their growth trends are discussed below:

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

The favourable climate for State's economic growth is expected to enhance the State's own tax revenues. The introduction of the Goods and Services Tax (GST) in July 2017 underwent difficulties during the initial period of implementation but later achieved momentum.

The State's Own Tax Revenue is estimated to be Rs.1,10,178.43 crore in the Revised Estimates 2018-2019. It is estimated to increase to Rs.1,24,813.06 crore in the Budget Estimates for 2019-2020. Growth rates of 13.12% and 13% are assumed for the years 2020-2021 and 2021-2022 respectively.

Salient features of the major components of the State's Own Tax Revenue are discussed below.

- Considering the assured growth in Goods and Services Tax (GST) as well as the growth of non-GST taxes like sales taxes from petroleum products and

sale of liquor, the receipts from the Commercial Taxes are estimated to be Rs.96,177.14 crore in the Budget Estimates 2019-2020.

- The State Excise Duty collection is expected to grow at a rate of 8% in 2019-2020 over Revised Estimates 2018-2019 and is estimated at Rs.7,262.33 crore in 2019-2020.

- Stamp Duty and Registration fees are expected to be Rs.13,122.81 crore during 2019-2020 as against Rs.11,512.10 crore estimated in Revised Estimates 2018-2019, clocking an estimated growth rate of 14%

- The collections under the Taxes on Motor Vehicles are estimated in the Budget Estimates for 2019-2020 at Rs.6,510.70 crore as against Rs.5,918.82 crore estimated in the Revised Estimates 2018-2019.

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

The State's Own Non-Tax Revenue has been estimated at Rs.13,326.91 crore in the Budget Estimates for 2019-2020. Since the Government services are either delivered free of cost or at nominal fees and the mining potential of the State is limited, the Non-Tax Revenue has been estimated to grow at a rate of 5% for 2020-2021 and 2021-2022.

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

Tamil Nadu is the only State to face a constant downturn in its share of central taxes for the past five finance commissions. Though the vertical devolution to States was increased from 32% to 42% in the 14<sup>th</sup> Finance Commission, Tamil Nadu received a net loss in the overall resource transfer from Centre to Tamil Nadu, primarily because of the huge dip in the inter-se share from 4.969% to 4.023% in the 14<sup>th</sup> finance commission period. Tamil Nadu is the only State in the Country to receive a growth of less than 30% in inter-se devolution in the year of implementing 14<sup>th</sup> Finance Commission recommendations and the subsequent reduction of the share of Union Government in the Centrally Sponsored Schemes resulted in an overall loss of resource allocation from the Union Government. The State has highlighted these historical injustices in its recommendations to the recently constituted Fifteenth Finance Commission apart from concerns on certain Terms of References of the Commission. Since the Fifteenth Finance Commission recommendations are yet to come, Rs.33,978.47 crore has been estimated as Share in Central Taxes in the Budget Estimates 2019-2020 and a growth rate of 10% is assumed for the financial years 2020-2021 and 2021-2022.



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

For the year 2019-2020, the Grants-in-Aid from the Government of India have been estimated at Rs.25,602.74 crore based on the existing trends and provisions in the Union Budget 2019-2020. For the financial years of 2020-2021 and 2021-2022, a growth rate of 5% has been assumed.

#### **II. Revenue Expenditure**

The revenue expenditure during 2019-2020 is estimated at Rs.2,12,035.93 crore which shows a growth of 6.1% over Revised Estimates 2018-2019. The main components are as follows:

■ The allocation for salaries is Rs.55,399.74 crore and for pensions and other retirement benefits is Rs.29,627.11 crore in the Budget Estimates for 2019-2020. There has been a substantial increase in salaries and pension components in the Revised Estimates for 2018-2019 and the Budget Estimates for 2019-2020, owing to the implementation of the Seventh Pay Commission recommendations. The two components form 40.10% of the Total Revenue Expenditure in 2019-2020. Considering the additional expenditure due to periodic hikes in Dearness Allowance, increments and filling up of vacancies, growth rates of 9% for salaries and 8% for pensions and other

retirement benefits in 2020-2021 and 2021-2022 are assumed.

■ For Subsidies and Transfers, Rs.82,673.32 crore is allocated in the Budget Estimates 2019-2020. The allocation includes expenditure for various ongoing welfare schemes like food subsidy, power subsidy, scholarships, housing schemes, social security pensions and agricultural loan waiver. Further, the devolution to Local Bodies has been increased and included in the Budget Estimates based on the recommendation of the Fifth State Finance Commission. A growth rate of 5.5% is assumed for Subsidies and Transfers for 2020-2021 and 2021-2022.

■ Expenditure on Non-wage Operations and Maintenance is projected at Rs.11,083.42 crore in the Budget Estimates for 2019-2020. This is mainly on account of maintenance, administrative expenses, fuel cost and distribution of uniform to school students. A growth rate of 5% is assumed for 2020-2021 and 2021-2022.

■ In the Budget Estimates 2019-2020, the Interest Payments have been estimated at Rs.33,226.27 crore, which is 15.67% of the Total Revenue Expenditure. The ratio of Interest Payments to Total Revenue Receipts will be 16.80% in 2019-2020.

This is expected to be 17.41% in 2020-2021 and 18.04% in 2021-2022.

### **III. Capital Expenditure**

Recognising the need to create capital infrastructure for furthering economic development, Rs.31,251.21 crore has been provided in the Budget Estimates for 2019-2020 as against Rs.26,191.98 crore in the Revised Estimates 2018-2019. The capital expenditure is expected to grow further at 18% in 2020-2021 and 2021-2022.

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

■ The debt of TANGEDCO taken over by the Government to the extent of Rs 22,815 crore under the UDAY scheme and the implementation of 7<sup>th</sup> Pay Commission has widened the revenue deficit in recent years. However, in the coming years, the State is forecasted to be on a high growth path. The shocks of pay revision are getting phased out and steps being taken for fiscal consolidation.

■ The State has maintained Fiscal deficit within 3% of GSDP despite various financial difficulties. The good growth prospects in the coming years will help the State in maintaining Fiscal deficit below the prescribed

norms of 3% of GSDP, thus maintaining the status of Tamil Nadu as a fiscally disciplined State.

■ The Revenue Deficit is expected to be Rs.14,314.76 crore and the Fiscal Deficit is estimated to be Rs.44,176.36 crore in the Budget Estimates 2019-2020. The Fiscal Deficit to GSDP ratio is estimated at 2.56% as per the Budget Estimates 2019-2020, which is well below the 3% fiscal norm. In the forthcoming years, Fiscal Deficit to GSDP ratio will be 2.39% in 2020-2021 and 2.25% in 2021-2022.

## **V. Borrowings**

The estimates for receipt and repayment of borrowings have been finalised on the basis of overall borrowing ceiling fixed by the Government of India based on the formula indicated by 14<sup>th</sup> Finance Commission. The Government plans to borrow a net amount of Rs.43,000 crore only against the estimated Net Borrowing Ceiling of Rs.51,800 crore in 2019-2020. The outstanding debt including provident fund will be Rs.3,97,495.96 crore constituting only 23.02% of GSDP in 2019-2020.

## **VI. Guarantees**

The outstanding guarantees for each year have to be restricted at a level of 100 percent of the Total

Revenue Receipts in the preceding year or 10 percent of the GSDP, whichever is lower. The outstanding guarantees as on 31<sup>st</sup> March, 2018 was 25.77% of Total Revenue Receipts and 2.5% of GSDP. The outstanding risk weighted guarantees for each year have to be kept at a level of 75% of the Total Revenue Receipts of the preceding year or 7.5% of GSDP whichever is lower. The outstanding risk weighted guarantees as on 31<sup>st</sup> March, 2018 stood at 4.47% of Total Revenue Receipts and 0.43% of GSDP.

### **Conclusion**

The economy is on an upward growth trajectory which is evident from the increase in GSDP growth rate in real terms, from 5.37% in 2012-2013 to 8.16% in 2018-2019 despite the temporary setbacks in between.

Though Tamil Nadu's tax revenue is estimated to grow, the pending release of State's share of IGST and GST compensation is putting stress on State's finances. Further, the decrease in horizontal share of Central Taxes due to the Fourteenth Finance Commission's recommendations and the increase in States' share of Centrally Sponsored Schemes and untimely release of Union Government's share have further hampered the State's Finances. The trends in expenditure are steady except for the hike in salaries and

pensions due to implementation of Seventh Central Pay Commission recommendations which is expected to phase out gradually. The fiscal indicators of Fiscal Deficit, Net borrowings and outstanding debt-GSDP ratio will be within the permissible limits, despite the various financial stresses. The State Government will continue to take concerted efforts for faster economic growth and at the same time ensure better fiscal consolidation.