

**Hon'ble Speaker Sir,**

**Vanakkam.**

**“ஞாலம் கருதினும் கைகூடும் காலம்  
கருதி இடத்தாற் செயின்”**

**“The pendant world's dominion may be own  
In fitting time and place by action done”.**

Following the precepts of immortal poet Thiruvalluvar, our Hon'ble Chief Minister Kalaignar with his profound knowledge and wisdom makes untiring efforts by choosing apt time and place for effectively discharging the great responsibilities undertaken by him. Since assuming charge in May 2006, this Government is taking major strides with remarkable achievements while completing five years term under the leadership of Hon'ble Chief Minister Kalaignar by formulating and implementing numerous schemes for the socio-economic upliftment of the people and improving the standard of living of the downtrodden by removing disease and hunger.

2. **“தமிழ் உண்டு தமிழ் மக்கள் உண்டு இன்பத்  
தமிழுக்கு நாளும் செய்வோம் நல்ல தொண்டு”**

**“The people of Tamil Nadu and the language Tamil  
Day after day we serve beloved Tamil”.**

Kalaignar, who entered the public life with this maxim in mind, is rendering yeoman service for furthering the cause of Tamil; which is one of the most prominent ancient languages and mother of all Dravidian languages; which had well-defined grammar 3,000 years ago for the ancient literature in prose, poetry and drama and was known for its artistic style and resilience; ultimately recognised as a “classical language” by the Central Government, but such status was not accorded

for a long time, though the prominent scholars felt that it had all the qualities associated with classicism. With his unquenchable zeal for the growth and advancement of Tamil, he convened the First World Classical Tamil Conference in Coimbatore during his 5<sup>th</sup> term as the Chief Minister, much to the delight of the Tamils across the world. Tamils all over the world will surely take immeasurable pride in the fact that the State is under the stewardship of such a learned statesman.

3. I feel greatly honoured to have served as Finance Minister for five years under such a wise and able administrator who has risen to this position on his own merit.

4. The Interim Budget Estimates seeking approval for Vote on Account for the year 2011-2012 are placed before this House in accordance with the democratic tradition. These Interim Budget Estimates do not have any announcements regarding new schemes, but are prepared after taking into account the details of various schemes under implementation. For instance, schemes like waiver of Rs.7,000 crores of co-operative loans due from farmers, increasing the number of eggs under nutritious meal programme and reducing the price of rice distributed under Public Distribution System; schemes like Kalaignar Insurance Scheme for Life Saving Treatments, Kalaignar Veedu Vazhangum Thittam which were not part of election manifesto and sterling announcements made in the Governor's Address, like special tourism project, three new Metro Rail lines, forest biodiversity project, new Horticultural University at Krishnagiri, Mega science city, five new medical colleges and a University for Indian Medicines and Homeopathy at Kanniyakumari were taken into account while preparing these estimates. The full fledged Budget Estimates for the whole year

will be presented after the formation of the new Government subsequent to the forthcoming Assembly elections.

### **ECONOMY OF THE STATE**

5. The State of Tamil Nadu is on a path of steady economic growth due to the implementation of various economic development programmes. During 2006-2007, the growth rates at constant prices in agricultural, industrial and service sector were 12.64 percent, 12.91 percent and 16.33 percent, respectively. The overall growth in Gross State Domestic Product (GSDP) for 2006-2007 was 14.85 percent. During 2007-2008 and 2008-2009, growth was affected by the floods and cyclone in agricultural sector and by global economic stagnation in industrial and service sector. After the economic recovery, GSDP has shown growth of 8.96 percent at constant price in 2009-2010. This is expected to be more than 10 percent in 2010-2011. Because of this, per capita income has increased from Rs.39,692 in 2005-2006 to Rs.69,377 in 2009-2010. The implementation of many social security schemes for the benefit of the poor by this Government ensured that the benefits of growth in economy reached the people in the various strata of the society.

### **FINANCIAL POSITION OF THE STATE**

6. On account of various actions taken by this Government, the state returned to the path of fiscal consolidation and the revenue surplus went up from Rs.1,951 crores in 2005-2006 to Rs.4,545 crores in 2007-2008 despite implementation of several new development and welfare schemes. The global economic slowdown impacted the Indian economy from 2007-2008 and the tax revenue of the State declined. Hence, the revenue surplus came down to Rs.1,452 crores in 2008-2009.

The State had to face revenue deficit in 2009-2010 due to the implementation of recommendations of the Sixth Pay Commission. The fiscal targets fixed for 2010-2011 under Fiscal Responsibility Act, 2003 have been relaxed by the Union Finance Commission as many State Governments were facing severe financial problems due to the implementation of new pay scales against the declining trends in tax revenue. The revenue deficit will be completely wiped out in 2011-2012 in conformity with the norms fixed by Union Finance Commission with a revenue surplus of Rs.439 crores, despite the fact that there will be a revenue deficit of Rs.3,129 crores during the current year.

### **ANNUAL PLAN**

7. The plan outlay fixed for Tamil Nadu during Eleventh Five Year Plan period from 2007-2008 to 2011-2012 is Rs.85,344 crores. Tamil Nadu has achieved plan expenditure of Rs.68,403 crores in four years starting from 2007-2008 to 2010-2011. Though, the Annual Plan for 2011-2012 will be finalised after discussions with Union Planning Commission after the Assembly elections, the tentative total plan outlay by Tamil Nadu during the Eleventh Five Year Plan period will be Rs.90,403 crores if the proposed plan allocation of Rs.22,000 crores included in the Interim Budget Estimates for 2011-2012 is taken into account. Thus, a sum of Rs.5,059 crores has been additionally allocated by this Government for plan schemes over and above the original outlay fixed for the Eleventh Five Year Plan period.

8. Allocation to the capital works is stepped up to an all time high level of Rs.13,575 crores during 2010-2011. The expenditure on capital works from 2001-2002 to 2005-2006 was Rs.15,614 crores only.

I am glad to inform this House that after this Government assumed charge, Rs.44,667 crores have been allocated for capital works from 2006-2007 to 2010-2011.

### **FLOOD RELIEF MEASURES**

9. Tamil Nadu faced severe flood damages during the current year and also during the year 2008-2009. Flood relief works to the tune of Rs.1,091 crores were taken up during 2008-2009. The north-east monsoon caused extensive damage to crops and properties in coastal districts during the current year. This Government allocated Rs.600 crores for immediate flood relief and the relief measures were carried out without any delay. The existing relief amount for loss of lives, crop damages and damages to houses has been increased considerably. For the permanent relief measures, Rs.500 crores had been sanctioned and the works are under progress. On the request of the State Government for sanction of Rs.1,832 crores as additional relief from National Calamity Relief Fund, the Central Review Team visited the state and inspected the flood affected areas immediately. It is expected that Central Government may release the fund soon.

### **LAW AND ORDER**

10. In the past five years, due to the constant vigil maintained, violence based on caste, religion, extremism, terrorism and naxalism, did not raise its head in Tamil Nadu. Chennai Sub-urban Police Commissionerate was established in 2008 with a view to reduce the work load of Chennai City Police and to improve policing. Over the past five years, two new police districts, 76 police stations and 56 traffic police stations were created. Further, 24,415 Grade-II Police Constables and 2,048 Sub-Inspectors were newly appointed. Quick

Reaction Teams have been formed in each district to protect Tamil Nadu against acts of terrorism. The total allocation has been increased from Rs.6,198 crores during the five years commencing from the financial year 2001-2002 to Rs.11,416 cores during the last five years commencing from 2006-2007. In this Interim Budget, Rs.3,239 crores have been allocated.

### **PRISONS**

11. Under the scheme for modernisation of prisons, sub-jails in Nagercoil, Virudhunagar, Ramanathapuram, Nagapattinam, Attur and Gobichettypalayam have been upgraded as district jails. New buildings were constructed for jails in Dindigul, Nagercoil, Virudhunagar and Attur at a cost of Rs.11 crores. A separate sub-jail for women prisoners, with a capacity to house 500 persons, was constructed in Trichy at a cost of Rs.10 crores. In this Interim Budget, Rs.140 crores have been allocated for prisons.

### **FIRE AND RESCUE SERVICES**

12. This Government has spent Rs.522 crores for modernising and improving the technical capability of the fire and rescue services over the past five years. Since 2006-2007, 18 new fire and rescue services stations were established. A suburban division with headquarters at Ambattur has been established during the current year. As a result of sincere efforts taken by Government for this department, from the year 2006-2007 till date, 38,775 lives have been saved, besides preventing properties worth Rs.1,362 crores from damage. In this Interim Budget, Rs.169 crores have been allocated for fire and rescue services.

## **ROAD SAFETY**

13. Tamil Nadu is the first State in India to adopt a Road safety policy. To implement this policy, Government of Tamil Nadu has formed state level and district level road safety committees. During the current financial year, Rs.40 crores have been provided for Road Safety fund. Places prone to frequent accidents are identified for appropriate safety measures to reduce accidents. In this Interim Budget, Rs.40 crores have been allocated for this fund.

## **ADMINISTRATION OF JUSTICE**

14. On the recommendations of the Justice Padmanabhan Committee, pay, pension and other allowances of serving and retired judicial officers of the subordinate courts in the State have been increased. Over the past five years, Rs.302 crores have been provided to improve the infrastructure of Courts. 119 new courts have been established. Accepting the recommendations of the Thirteenth Finance Commission, evening courts and holiday courts have been set up to systematically reduce the pending court cases. As a result of this, Judiciary is functioning efficiently and in close co-ordination with the State administration. In this Interim Budget, Rs.633 crores have been allocated for Administration of Justice.

## **REVENUE ADMINISTRATION**

15. After this Government assumed charge, the procedure for levy of land revenue was simplified by removing theervai jasthi, fasli jasthi, additional water cess and betterment levy and orders were issued for the collection of land revenue only as a token of land ownership. Accordingly land revenue is collected at the rate of Rs.5 per acre for wet

lands and Rs.2 per acre for dry lands. On 17.09.2006, Hon'ble Chief Minister inaugurated the scheme for free distribution of agricultural land to the landless poor at Thiruvallur and so far 2,12,946 acres of land has been assigned to 1,78,976 landless poor. After this Government assumed charge, 8,21,003 house site pattas have been issued under the scheme for issuing free house site pattas.

16. Under the scheme for the distribution of free colour television sets, 1,62,80,000 colour television sets were procured at a cost of Rs.3,716 crores and 1,58,08,285 were distributed. In addition to this, steps have been taken to procure 10 lakhs more colour television sets at an estimated cost of Rs.249 crores.

17. Every year free dhotis and sarees are being distributed to the poor people. During 2010-2011, sarees to 159.04 lakh beneficiaries and dhotis to 158.19 lakh beneficiaries at a cost of Rs.269 crores were distributed.

### **NEW LEGISLATIVE ASSEMBLY COMPLEX**

18. The works for constructing the Assembly complex comprising New Legislative Assembly, Legislative Council and Secretariat are under progress at a cost of Rs.1,092 crores at Omanthurar Government Estate. The Assembly complex has been inaugurated on 13.3.2010 by the Hon'ble Prime Minister of India Dr. Manmohan Singh in the presence of Tmt. Sonia Gandhi at a function presided over by Hon'ble Chief Minister. Assembly is functioning in this new complex since March 2010. The works for constructing Legislative Council, additional buildings for Secretariat and Kalaivanar Arangam are under



progress. A sum of Rs.244 crores has been allocated for these works in this Interim Budget.

### **WELFARE OF SRILANKAN TAMILS**

19. Rs.100 crores have been sanctioned by this government to improve the basic amenities in Refugee camps for Srilankan Tamils in the State, and works to the tune of Rs.30 crores in the first phase are nearing completion. Necessary steps are being taken to commence the work on the second phase. Assistance under the various welfare schemes like Kalaingar Insurance Scheme for life saving treatment, Moovalur Ramamirtham Ammaiyar Marriage Assistance Scheme, distribution of free colour television sets are extended to the Srilankan Tamils living in the camps. This Government provided relief material worth Rs.40 crores to the Tamils who have been affected during the war in Srilanka. The Central Government also provided Rs.500 crores for relief measures. This Government will continue to press for the expeditious rehabilitation measures for Srilankan Tamils and for finding a lasting political settlement.

### **AGRICULTURE**

20. In the year 2010-2011, the total area under cultivation in Tamil Nadu will be 60 lakh hectares. This is 3.44 percent more than the previous year's cultivated area of 58 lakh hectares. Compared to last year, there has been an increase in area under paddy cultivation by 2.5 lakh acres, pulses by 2.5 lakh acres and oilseeds by one lakh acres. It is expected that the food production this year would reach the level of 90 lakh tonnes.

21. Schemes like National Agricultural Development Programme, National Food Security mission, Pulses and Oilseeds Production Programme, etc. are being implemented intensively in Tamil Nadu. Under the National Agricultural Development Programme being implemented since the year 2007-2008, Rs.679 crores have been allocated till now. In the year 2011-2012, Rs.174 crores have been allocated for this programme.

22. Extension of improved technologies, supply of quality seeds, ensuring the availability of inputs like fertilizers to farmers without any shortage, etc., have led to an increase in the productivity of important crops like paddy. In the last five years, drip irrigation has been extended over 59,560 hectares. Rajarajan 1000 method of rice cultivation has been extended in 2010-2011 to 7.1 lakh hectares for increasing the productivity of paddy. Steps are being taken to increase the production of vegetables by adopting new cultivation methods like precision farming, green house cultivation, etc. Because of these, the production of vegetables went up to 87 lakh tonnes in 2009-2010 from 63 lakh tonnes in 2005-2006.

23. The procurement price of paddy, which was Rs.570 per quintal for the common variety and Rs.600 per quintal for the fine variety in 2005-2006, has been gradually increased to Rs.1,050 per quintal for common variety of paddy and Rs.1,100 per quintal for the fine variety paddy this year. In the same manner, the procurement price of sugarcane, which was Rs.1,014 per tonne in 2005-2006, has been increased by this Government to Rs.2,000 per tonne in 2010-11, which is inclusive of transport charges. The procurement price paid at present

for toor dal is Rs.3,000 per quintal, for green gram Rs.3,170 per quintal and for black gram Rs.2,900 per quintal. Due to this, the farmers feel secure in cultivating these crops paving way for increasing the production of these crops.

### **CO-OPERATION**

24. Accepting the recommendations of the Committee headed by Professor Vaidyanathan for reviving cooperative institutions, this Government has taken appropriate steps for its revival. So far, a total amount of Rs.1,311 crores, with Rs.1,080 crores as Central Government share and Rs.231 crores as State Government share, has been disbursed to primary agricultural cooperative societies, enabling them to function effectively. Out of 4,522 primary cooperative societies, only 652 societies were making profit in the year 2005-2006, where as 3,696 societies are making profit in 2009-2010 due to the rehabilitation measures. For the revival of central cooperative banks and state apex cooperative bank, audit work is in progress.

25. Immediately after assuming power, this Government waived the agricultural loans fully and released the committed financial assistance to the cooperative institutions. Crop loans were being disbursed at reduced rate of interest since 2006-2007 in order to reduce the burden of farmers. Since 2009-2010, this Government has been implementing the interest free crop loan scheme for prompt repayment. This Government has extended crop loan to the extent of Rs.9,000 crores from 2006-2007, till date. It has also released Rs.220 crores towards compensation for interest loss to cooperative societies during the same period. In the year 2011-2012, Rs.140 crores have been

allocated towards compensation for the loss on account of interest-free crop loan.

### **IRRIGATION AND FLOOD CONTROL**

26. As 95 percent of the surface water is already exploited, this Government is taking serious steps to propagate the judicious use of ground water and surface water. To improve the ground water potential, this Government is implementing various schemes like construction of small reservoirs, check dams and strengthening of water harvesting structures wherever feasible.

27. The Dam Rehabilitation and Improvement Programme (DRIP) with the World Bank assistance will be implemented in 104 dams over a period of 6 years commencing from 2011-2012 at a cost of Rs.745 crores. In the first year of this programme, work will be taken up in 12 dams under the control of Water Resources Organisation located in 7 districts and 6 dams under the control of Electricity Board in three districts.

28. Consequent to the announcements made in the last year's budget speech, this Government is implementing 7 Special Flood Management Schemes at a cost of Rs.652 crores to prevent flood damages and to utilize the conserved water which drains into the sea as a waste. Under this, works have been taken up at a cost of Rs.376 crores in Coleroon river in Thanjavur, Nagapattinam and Cuddalore Districts. Flood prevention works at a cost of Rs.12 crores at A.N.Kuppam dam and Lakshmipuram dam across Araniyar river in Thiruvallur district have been started. Flood protection works would be taken up shortly at an estimated cost of Rs.164 crores in Vellar river, Manimuktha river,

and at Rs.68 crores in Pennaiyaru, Kedilam, Uppanarau and Paravaiaru in Cuddalore & Villupuram districts. Works at an estimated cost of Rs.15 crores on Kosasthalaiyaru in Thiruvallur district will commence shortly. Besides, several schemes for flood water management in Chennai and its sub-urban areas are implemented under the Jawaharlal Nehru National Urban Renewal Mission (JNNURM) at a cost of Rs.1,448 crores.

29. Government of Tamil Nadu is taking necessary steps to find a lasting solution for the Inter-state River Water disputes like Cauvery, Mullai Periyar and Palar rivers. The Supreme Court has constituted a Committee under the chairmanship of retired Chief Justice of Supreme Court Thiru A.S.Anand to examine the issue in depth and furnish a report on Mullai Periyar. Thiru A.R.Lakshmanan, retired Supreme Court Judge has been nominated as a member of the committee on behalf of Tamil Nadu. This committee inspected the dam during December 2010. Arguments before the Committee will take place in the month of February 2011. Government of Tamil Nadu has filed a case in 2006 in the Supreme Court against the construction of a dam across Palar river by Government of Andhra Pradesh. The Central Water Resources Commission is trying to arrive at an amicable settlement by preparing a study report on the water potential and its present utility in Palar basin and holding discussions with engineers of both the states.

### **ANIMAL HUSBANDRY**

30. Since 2006-2007, the procurement price of milk has been increased gradually from Rs.10.50 per litre to Rs.16.64 for cow milk and from Rs.12.50 per litre to Rs.25.20 for buffalo milk. Under the

Livestock Protection Scheme, 23,683 camps have been held in the last five years in which treatment has been given to 2.90 crore animals. To meet the fodder requirement of increasing number of cattle, 20,540 acres of private land has been brought into fodder cultivation under the IAMWARM Project. A sum of Rs.414 crores has been provided for this department in the Interim Budget.

### **FISHERIES**

31. This Government is implementing many schemes for the welfare of the fishermen. Fishing Harbours at Colachel at a cost of Rs.27 crores and Thengaipattinam at a cost of Rs.40 crores have been sanctioned and works are under progress. Rs.222 crores have been provided for this department for the year 2011-2012.

32. The fishermen of Tamil Nadu, who live under difficult circumstances, have no option but to go to the sea to catch fish in order to meet out their livelihood. Seeing the painful situation in which they are being continuously hunted by Sri Lankan Navy, Tamil Nadu Government has raised the issue before the Central Government many times, both in person and in writing. The Central Government, while sharing our concern, has taken up the matter with the Sri Lankan Government. But, the Sri Lankan Navy continues to indulge in inhuman activities and are not stopping the killing of our fishermen. Since this is not coming to an end, the Tamil Nadu Government urges the Central Government to take a decisive action to settle the problem and to ensure that the Tamil fishermen do not get killed in future

## **FORESTS AND ENVIRONMENT**

33. The Tamil Nadu Forest Department is taking action to implement “Tamil Nadu Bio Diversity Conservation and Greening Project” with the assistance of Japan International Co operation Agency at a cost of Rs.686 crores during the period from 2011-2012 to 2018-2019. For this scheme Rs.38.14 crores has been allocated in the year 2011-2012.

## **PUBLIC DISTRIBUTION SYSTEM**

34. On the day of taking charge on May 13th, 2006, this Government passed an order reducing the selling price of rice distributed under Public Distribution System from Rs.3.50 per kilogram to Rs.2.00 per kilogram with the objective of providing food security to every one. In the year 2008, on Perarignar Anna’s Birth Anniversary, the price of rice distributed under Public Distribution System was further reduced to Rs.one per kilogram. During the year 2010-2011, free packets containing ingredients for Pongal were distributed to all family card holders to celebrate Tamil New Year in a grand manner.

35. Commodities like toor dal, black gram, fortified wheat flour, fortified palm oil, etc, are distributed at subsidised prices from the year 2007. Later this was followed by the distribution of packets containing 10 spices and condiments at subsidized prices. Till date, 3 lakh 32 thousand tonnes of toor dal, 1 lakh 74 thousand tonnes of black gram and 3 lakh 62 thousand kilolitres of palm oil have been sold through fair price shops under this scheme. Because of the effective functioning of the public distribution system, food security is ensured in

this State to all sections of the society. In this Interim Budget Rs.4,000 crores has been allocated for food subsidy.

### **PRICE CONTROL**

36. After globalization, both India and Tamil Nadu are hit by increased inflation due to imbalances in the demand and supply of essential commodities at the global level. The increase in prices in the recent years is due to a number of reasons such as increase in demand of essential commodities in developing countries, especially countries like India with the production not matching the demand, crop loss in India and other producing countries due to climatic changes leading to shortages, absence of integrated marketing infrastructure, and such other factors.

37. During the year 2007-2008, when the crude oil prices went up globally, the prices of cooking oil and food commodities also went up. To protect the poor people from the impact of such increase, the Tamil Nadu Government imported palm oil and sold it at reduced prices under the Public Distribution System. In the year 2009, when there was world-wide increase in prices of pulses, black gram and toor dal were purchased both locally and through imports and sold at reduced prices through Public Distribution System. Simultaneously, steps were taken to increase the production of pulses in the State. As a result of this, the area under pulses cultivation went up by 36 percent in the year 2010-2011.

38. The inflation rate for the month ending December 2010 is 8.7 percent. At present the food inflation is 17.05 percent. The reason for such increase in prices of commodities like onion, vegetables, etc. was due to the un-seasonal rain causing damage to the crops. The



Government intervened by directly purchasing onion from other states and selling them through cooperative institutions in Chennai and other cities. The increase in prices was reviewed under the Chairmanship of Hon'ble Chief Minister on 14.01.2011 and steps are being taken for implementing short-term measures like strengthening farmers' market and selling vegetables through co-operative institutions and long-term schemes like enhancing the production and productivity of agricultural crops. To protect the poor people from the price rise, the price of toor dal and urad dal sold in fair price shops was further reduced from Rs.40 per kg to Rs.30 per kg, and the price of palm oil from Rs.30 per litre to Rs.25 per litre and sold at reduced rates with effect from 1.2.2011.

### **TAMIL DEVELOPMENT**

39. Based on the opinion of Tamil scholars, Thai 1<sup>st</sup> was declared as Tamil New Year Day and celebrated since 2009. First Classical Tamil Conference was held in a grand manner in Coimbatore from 23<sup>rd</sup> to 27<sup>th</sup> June, 2010. Works of 28 Tamil scholars have been nationalised by giving royalty of Rs.194 lakhs in 2010-2011. Financial assistance of Rs.10 lakhs have been extended to the family of Pulavar So.Ko. Somasundaram. Under the project of Classical Tamil Etymological Dictionary, 30 out of 31 volumes have been published so far.

### **HINDU RELIGIOUS AND ENDOWMENTS**

40. From 2006 onwards, this Government has completed temple renovation works worth Rs.523 crores. 4,724 temples have been renovated and consecrated. The work for renovating the ancient temple chariot of Arulmigu Thiagaraja Swami Temple at Thiruvavur is

under progress at a cost of Rs.2.6 crores. A sum of Rs.15 crores has been provided for renovation of 6,000 temples in Adi-Dravidar habitations. Archagars and Poojaris have been provided with 10,000 bi-cycles at a cost of Rs.277 lakhs. In the coming financial year, 1,000 temples will be renovated at a cost of Rs.100 crores and consecration will be performed.

### **ART AND CULTURE**

41. The millennium celebration of Thanjavur Big temple, built by the Chola Emperor Rajarajan, was held in a grand manner from 22<sup>nd</sup> of September to 26<sup>th</sup> of September, 2010. To revive the folk arts and save the folk artist, 'Chennai Sangamam' celebration is being organised since 2007. In this festival, programmes are conducted in various places across Chennai during Pongal festival with folk and dance artistes. Thus, various forms of folk arts are preserved and artists are protected.

### **TOURISM**

42. This Government, which is giving importance to tourism, has taken various steps in the past five years to develop tourist spots. In order to attract foreign tourists the Tamil Nadu Tourism Development Corporation has participated in the tourism fairs held in China, England and Germany. 32 lesser known tourist spots were identified and infrastructure facilities were developed at an expenditure of Rs.94 crores. In order to attract tourists, it is ordered to establish a butterfly park in the Anna Zoological Park at Vandalur at an estimate of Rs.5 crores. Due to the various steps taken by this government, the arrival of tourists to Tamil Nadu has increased from 7.7 percent of total tourists

coming to India in 2005-2006 to 12.5 percent in 2009-2010. In the Interim Budget Rs.61 crores is provided for Tourism Development.

### **SPORTS AND YOUTH WELFARE**

43. In order to encourage sports, those who are participating and winning medals in international sports tournaments are given incentives. An incentive of Rs.6 crores has been given to 439 sports persons in the past five years. This government has sanctioned a sum of Rs.8 crores to construct building for the Tamil Nadu Physical Education and Sports University over an area of 125 acres at Chengalpattu in Kancheepuram. This government, which has a concern for the youth, has developed sports facilities in all villages under Anaithu Grama Anna Marumalarchi Thittam. During the last five years, a sum of Rs.132 crores was spent for this purpose.

### **SCHOOL EDUCATION**

44. The Tamil Nadu Tamil Learning Act, 2006 was enacted to teach Tamil as a subject in all schools, the Tamil Nadu Schools (Regulation of Collection of Fees) Act, 2009 for regulating the collection of fees in schools and the Tamil Nadu Uniform System of School Education Act, 2010 for providing uniform education were enacted by this Government. The uniform education was introduced in standard I and standard VI during 2010-2011. This system will be extended to other classes from the year 2011-2012.

45. In order to achieve the goal for 'education to all', the central government schemes like Sarva Shiksha Abhiyan (SSA) and Rashtriya Madhyamik Shiksha Abhiyan (RMSA) are being implemented well in Tamil Nadu. The works like improvement of infrastructure and

training of teachers etc. are taken up under Sarva Shiksha Abhiyan. Under the Rashtriya Madhyamik Shiksha Abhiyan started in 2009-2010, an allocation of Rs.216 crores has been made and works have been taken up. 18 model schools were started in 18 backward blocks of 13 districts in Tamil Nadu under this scheme.

46. During the last five years, 569 new primary schools were opened, 2,626 elementary schools were upgraded as middle schools, 645 middle schools were upgraded as high schools and 570 high schools were upgraded as higher secondary schools. The construction of 30,068 class rooms under Sarva Shiksha Abhiyan and 16,980 class rooms under NABARD assisted scheme were taken up. In the year 2010-2011 alone infrastructure facilities were created in 259 schools at a cost of Rs.230 crores.

47. Since assuming charge, this government has created 36,979 posts of teachers in School Education department. The services of 51,091 teachers comprising 29,410 teachers in Elementary Education department and 21,681 from School Education department working on contract basis were regularised with time scales of pay. 26,655 teachers were newly appointed. In order to enhance the teaching skill of all teachers in the state and to introduce new courses, the Tamil Nadu Teachers Education University was established in 2008.

48. The budgetary allocation for the School Education department has been increased substantially. In 2005-2006, the allocation for School Education department was Rs.4,110 crores only. The allocation for the last five years was Rs.39,405 crores. In this

Interim Budget, a sum of Rs.12,674 crores is allocated for School Education department.

### **HIGHER EDUCATION**

49. To facilitate all poor students to get higher education without any hindrance, the tuition fee for graduate courses in government and government aided arts and science colleges was abolished from 2007-2008. By this measure, 14,59,990 students were benefited during the last four years. From 2008-2009 the tuition fees in respect of students in government polytechnic colleges was abolished to benefit 63,192 students in the last three years. In continuation of this, the tuition fee of post graduate students in government arts and science colleges was also abolished from 2010-2011. This benefited 12,784 students. This year as a special scheme, Government ordered to waive the tuition fee for the students who are first generation graduate from their families getting admission to government and private professional colleges through single window system. As a result, 78,904 students were benefited. A sum of Rs.277 crores is provided in this Interim Budget under this scheme.

50. In the last five years alone 2,594 lecturer posts were filled up. The facilities like construction of 1,142 classrooms at a cost of Rs.64.58 crores in government arts and science colleges and construction of permanent buildings to various new engineering colleges at an expenditure of Rs.93 crores were taken up in higher education institutions. By these initiatives, the number of students admitted in arts and science colleges, engineering colleges and polytechnic colleges increased from 2,82,802 in 2005-06 to 6,09,421 in 2010-2011. In the last five years, this Government has spent a sum of Rs.6,414 crores for

higher education. In this Interim Budget a sum of Rs.2,135 crores is allocated.

### **LIBRARIES**

51. By implementing a policy of establishing libraries in all villages for promoting the habit of reading books and newspapers, libraries were established in all 12,618 panchayats at an expenditure of Rs.314 crores from 2006-2007 under Anaithu Grama Anna Marumalarchi Thittam. This government has established a world class Anna Centenary Library over an area of 3.75 lakh square feet at an outlay of Rs.179 crores, at Kotturpuram in Chennai. This library is functioning with 12 lakh books, e-books and e-magazines, which are useful to the readers and research scholars. Pavendar Classical Tamil Research Library has been established in the erstwhile Assembly hall at Fort St. George by this Government.

### **HEALTH AND FAMILY WELFARE**

52. This Government is taking special efforts to fill up the posts of Medical Officers and other para-medical posts besides developing the infrastructure facilities in Primary Health Centres and government hospitals for giving better medical services to the public. During the last five years, this Government has appointed 6,978 medical officers, 7,242 nurses, 1,710 village health nurses, 659 pharmacists and 592 lab- technicians.

53. Under “Kalaingar Insurance Scheme” for life saving treatments, 2,70,265 persons have received treatment worth Rs.702 crores. For the students studying in Government and Government aided schools in rural areas, this Government is implementing the Scheme of

“Kalaingar Kannoli Kaappom Thittam”, “Palli Sirar Irudaiya Padukaappu Thittam” and Dental Care Scheme for the benefit of school students studying in classes 3 to 8. This Government is taking action to upgrade the cardiology department functioning in the Institute of Child Health in Chennai as a Centre of Excellence at an estimated cost of Rs.25 crores, which is likely to reduce the infant mortality rate.

54. Tamil Nadu Health System Project is being implemented from 2006 at an estimated cost of Rs.628 crores with the World Bank assistance for the improvement of infrastructure facilities in taluk and district hospitals. This scheme has been further extended upto 2013. The “National Rural Health Mission” is being implemented with the financial assistance from Central Government for developing the health facilities in rural areas. During the last five years, 168 new Primary Health Centres have been opened. 127 Primary Health Centres have been upgraded to 30 bedded centres for round the clock service. Further during 2010-2011, 26 Primary Health Centres have been approved for upgradation. The 108 “Emergency Ambulance Service Scheme” with Central Assistance was launched on 15<sup>th</sup> September 2008 and is being implemented in all 385 panchayat unions. During this year, steps have been taken to purchase 200 additional vehicles. So far, 8,08,907 persons have been benefited under this scheme. 42,232 persons who were in critical condition have been saved.

55. Under the scheme of “Varummun Kaappom” implemented by the Government, 18,742 camps have been conducted benefiting 1,77,05,085 persons. “Nalamana Tamizhagam Thittam” has been launched by this Government on 26.11.2010 for creating awareness on

the health check-up for non-communicable diseases, like heart disease diabetes and cancer. By adding 89 new vehicles at a cost of Rs.8 crores to the existing fleet of vehicles, this Government is launching free Mortuary Van Service Scheme.

56. The financial allocation made by this Government for health and family welfare has increased considerably during the last few years. During 2005-2006, a sum of Rs.1,733 crores was allocated for Health and Family Welfare Schemes. During the last five years, this Government has allocated Rs.15,592 crores. For 2011-2012, Government have allocated a sum of Rs.4,554 crores for this purpose.

## **INDUSTRIES**

57. Within Industrial sector the manufacturing sector has grown at an average rate of 8.4 percent from 2006-2007 to 2009-2010. During 2010-2011, upto the month of August, the growth rate in manufacturing sector is 12 percent. The growth of industries in manufacturing sector, over the past five years in Tamil Nadu is impressive. As a result of progressive industrial policies followed by this Government, ever since it assumed charge, many leading industries have made investments worth Rs.52,195 crores in Tamil Nadu. Over the last five years, this Government has provided Rs.1,377 crores tax concession for the promotion of industries. A sum of Rs.1,525 crores has been provided for this purpose in this Interim Budget.

58. Tamil Nadu Industrial Development Corporation (TIDCO) and State Industries Promotion Corporation of Tamil Nadu (SIPCOT) are establishing industrial parks and special economic zones in various parts of the State to promote the Industrial Development. Industrial



Parks are being established over an extent of 1,034 hectares at Tuticorin, with an extent of 931 hectares at Cheyyar, 720 hectares at Vadakal in Thiruperumbudur, 598 hectares at Thirumangalam in Madurai district and 291 hectares at Tindivanam in Villupuram district. A special scheme is under implementation for strengthening infrastructure at Thiruperumbudur and surrounding areas for the benefit of public. SIPCOT has received the Best Developer Award for Hi-tech SEZ at Thiruperumbudur for the year 2008. Central Government in association with SIPCOT is in the process of establishing the National Automotive Testing and Research and Development Infrastructure Project (NATRIP) at Oragadam near Chennai over an extent of 304 acres.

59. Under the scheme for establishment of Integrated Textile Park, works have commenced for the establishment of hi-tech weaving park at Kumarapalayam, Madurai, Karur, Cuddalore, and Andipatti at an estimated cost of Rs.814.50 crores with the approval of the Central Government. Production had already commenced at Kumarapalayam and Madurai Integrated Textile Parks.

60. The expansion project of Tamil Nadu Newsprint and Papers Limited has been executed at a project cost of Rs.1,000 crores. As a result of this, paper manufacturing capacity will go up from 2.45 lakh tonnes per annum to 4 lakh tonnes per annum.

61. Tamil Nadu is one of the leading producers of sugar in the country. During 2010-2011 the production of sugar would be 15.79 lakh tonnes. Due to the efforts taken by this Government, Maduranthakam Co-operative sugar mill, which was closed for many years, has been revived and is expected to commence its trial crushing operations in March 2011.

## **SMALL INDUSTRIES**

62. A new policy for Micro, Small and Medium enterprises was brought out by this Government in 2008 and over the past two and a half years 1,590 units were provided with capital subsidy, low tension power tariff subsidy and value added tax subsidy amounting to Rs.78 crores. Orders have been issued to include plastic, rubber and food processing to the existing list of industries which are eligible to avail special capital subsidy. Under the 11th five year plan, it is proposed to establish 100 Industrial Estates in Tamil Nadu and 92 Industrial estates have been already established.

## **INFORMATION TECHNOLOGY**

63. As companies such as Dell Computers, Nokia-Siemens, Samsung and Moser Baer have commenced business in Tamil Nadu, it has become the leading state in the production of computers and electronic hardware in the country. Similarly, IT majors have invested heavily in software. Tamil Nadu has 11 percent share of the investment and production in IT sector in India. In order to achieve a 25 percent share by 2013, this government has formulated and is implementing a number of schemes. As a result of this, software exports which was Rs.13,586 crores in the year 2005-2006 has touched Rs.36,766 crores in the year 2009-2010.

64. Rs.338 crores has been allocated for Integrated Information Technology Parks with infrastructure facilities in Chennai at Sholinganallur and Tier-II cities of Coimbatore, Madurai, Tirunelveli, Trichirappalli, Salem and Hosur, for which works are in progress. Coimbatore Tidel Park spread over an extent of 17 lakhs square feet and Trichy Information Technology park spread over an extent of 50,000

square feet have started functioning. Information Technology parks at Madurai and Tirunelveli would commence their operations shortly.

### **EMPLOYMENT**

65. This Government feels that economic development will be accelerated if adequate employment opportunities are created and skills sets required for those jobs are created among the youth. Due to rapid growth of industrial development in Tamil Nadu in the last few years, considerable employment opportunities have been created in the manufacturing and service sectors. This Government is conducting various skill development programmes through different departments to secure employment for the youth. An expenditure of Rs.153 crores has been incurred through various departments like Adi-Dravidar Welfare and Small Industries during the last five years for imparting training for development of skills. A sum of Rs.77 crores has been allocated for this purpose for 2011-2012. This Government announced a training-cum-employment scheme for providing employable skills training to the educated unemployed youth during August 2010 and conducted camps in ten districts in the first phase through which 26,557 youth have been selected for jobs. Similar camps will be conducted in every district to achieve the target fixed for this year. A Skill Development Society has been formed to implement this scheme as a part of State Skill Development Mission.

### **HIGHWAYS AND MINOR PORTS**

66. 61,674 Kms long roads are under the Highways Department. Under the Comprehensive Road Infrastructure Development Programme, 4,945 Kms of single lane roads have been converted as inter-mediate lane and 2,611 Kms of single lane roads have

been converted as two-lane roads, in addition to converting 168 Kms of roads into multi-lane roads since 2006-2007. There are no single lane roads in this State except 32 Kms which cannot be widened. Further 11,219 Kms long roads have been upgraded under this scheme. For the year 2011-2012, Rs.1,450 crores have been allocated for this scheme.

67. The Government have decided to provide 64 bypass roads for important towns, of which 7 bypass roads were already completed and put into use. Works for bypass roads for 19 cities are under progress. From 2006-2007 to 2009-2010, 5,403 Kms of roads at a cost of Rs.574 crores and 392 bridges at a cost of Rs.265 crores were constructed under the NABARD assisted Rural Road Improvement Programme. For the year 2010-2011, works on 280 Kms of roads at a cost of Rs.143.68 crores and 56 bridge works costing Rs.124 crores are under progress.

68. In the coastal areas of Tamil Nadu, there are 22 minor ports including the newly notified Cauvery in Nagapattinam, Parangaipttai in Cuddalore and Udangudi in Thoothukudi districts. Larson & Toubro is developing Kattupalli minor port at an investment of Rs.3,375 crores. As a result of improvements made in minor ports in Tamil Nadu, 11.74 lakh tonnes of cargo was handled during 2009-2010 which is 31 percent more than the 8.98 lakh tonnes handled during the last financial year.

69. During 2005-2006, Highways Department was allocated Rs.2,381 crores. After this Government assumed office, Rs.17,627 crores have been allocated in the last 5 years. Rs.5,143 crores have been provided in this Interim Budget.

## **TRANSPORT**

70. The public transport corporations were operating 16,982 buses in 2005-2006 which has increased to 20,840 at the end of 2010. In the public interest, the transport corporations operate on routes where private operators are reluctant to operate. Thus the operating distance which was 24,071 lakh kilometers in 2005-2006 went upto 31,099 lakh kilometers at the end of March 2010. Even though the price of diesel has been increased several times during the last five years, this government did not increase the tariff in the interest of public.

71. Four zonal offices and 17 Regional Transport Offices have been established during the last 5 years to improve the service level due to the increase in number of vehicles. Permission had been granted for 35,804 new auto rickshaws in Chennai city, of which 16,380 are operated on Liquefied Natural Gas (LNG).

## **CHENNAI METRO RAIL**

72. Out of the total outlay of Rs.14,600 crores, under Chennai Metro Rail Project Rs.1,452 crores have been released so far. Works are progressing at a fast pace. Rs.750 crores have been allocated for this project during 2011-2012.

## **POWER**

73. Considering the rapid increase in demand for electricity in Tamil Nadu, a number of long term projects have been initiated to increase the power generation. Power is being purchased in open markets and is being distributed to manage the present shortage. To ensure that the power shortage does not hit the industrial development, a scheme has been initiated this year to purchase the required additional

power from open market and distribute to industries to avert power cut. Approximately 600 megawatt power is being purchased daily and provided to such industries to maintain continuous power supply.

74. Tamil Nadu Electricity Board has been reorganised from November 2010 into three separate corporations, namely, Tamil Nadu Transmission Corporation Limited, Tamil Nadu Electricity Board Limited and Tamil Nadu Generation and Distribution Corporation Limited. Under the Restructured Accelerated Power Development Programme it has been planned to fulfil the following tasks like establishment of information and data management system, accounting power usage, audit, improving service to consumers along with computerisation and strengthening transmission and distribution infrastructure. The total cost for this scheme is Rs.3,847 crores. It has been planned to reduce the transmission and distribution losses to less than 15 percent by the year 2013 in 110 towns where this scheme is proposed to be implemented.

## **HOUSING**

75. A sum of Rs.2,250 crores has been allocated for the year 2011-2012 under Kalaignar Veedu Vazhangum Thittam, a dream project of Hon'ble Chief Minister, which is being implemented to create hut free villages. In the Interim Budget 2011-2012, Rs.375 crores have been allocated to convert two and a half lakh huts in to concrete houses in town panchayats.

76. This Government under Kalaignar has decided to make the Municipalities and Corporations free from slums similar to its scheme to make the villages free from huts and commenced the enumeration

already for this purpose. Construction of 78,249 houses at an outlay of Rs.2,846 crores was taken up through Tamil Nadu Slum Clearance Board between 2006 and 2011 and works are in progress. Of the 24,571 houses taken up for construction to benefit the tsunami affected families, at a cost of Rs.856 crores, 15,996 houses have been completed.

77. Action has been initiated to construct tenements consisting of 1,28,906 units and improve basic infrastructure in Slums at an estimated cost of Rs.2,843 crores, over the past five years under Basic services to Urban Poor, Integrated Housing and Slum Development Programme which are sub components within the Jawaharlal Nehru National Urban Renewal mission. Thirteenth Finance commission has allocated Rs.300 crores for slum area improvement in towns. By utilising these funds construction of tenements consisting of 8,462 units and demolishing dilapidated houses and constructing 435 multi-storeyed tenements are proposed to be taken up from the year 2011-2012.

### **RURAL DEVELOPMENT**

78. To augment the financial resources of Local Bodies, the Government have gradually enhanced the quantum of devolution grants to local bodies from State's Own Tax Revenue. It was 8 percent during 2005-2006 and increased gradually to 10 percent during 2010-2011. Accordingly, a sum of Rs.7,788 crores has been released to the rural local bodies from 2006-2007. A sum of Rs.2,079 crores has been provided for this purpose in this Interim Budget.

79. Anaithu Grama Anna Marumalarchi Thittam has been implemented since 2006-2007 to improve basic amenities in all the village panchayats at a cost of Rs.2,549 crores. Mahatma Gandhi

National Rural Employment Guarantee Scheme being implemented with the Central assistance has created work of 66.48 crore man-days with a disbursement of Rs.5,237 crores as wages in the last 5 years. To promote social justice, this Government is establishing Periyar Ninaivu Samathuvapurams. From the year 2008-2009, works for 95 Samathuvapurams have been taken up. Under “Members of Legislative Assembly Constituency Development Scheme”, a sum of Rs.411 crores has been allocated during 2011-2012.

80. A sum of Rs.10,139 crores has been incurred from 2001-2002 to 2005-2006 for Rural Development. But, this Government has provided an amount of Rs.27,353 crores in the five year period commencing from 2006-2007. A sum of Rs.8,812 crores has been provided during 2011-2012 for rural development.

### **DRINKING WATER SUPPLY**

81. The Ramanathapuram Combined Drinking Water scheme completed at a cost of Rs.616 crores to benefit 15.75 lakh people living in Ramanathapuram, Sivaganga and Pudukottai districts and the Hogenakkal combined water supply scheme which is under implementation at a cost of Rs.1,929 crores to supply safe drinking water to the whole of Dharmapuri and Krishnagiri districts, are the major achievements of this Government. In this Interim Budget Rs.400 crores has been allocated for the Hogenakkal combined water supply scheme.

82. During this Government's tenure 34,212 rural habitations have been provided with safe drinking water through the individual



power pump scheme. Apart from this, 199 combined drinking water supply schemes have been completed at an outlay of Rs.1,727 crores benefiting 16 municipalities, 85 town panchayats and 13,030 rural habitations. During current financial year, 8 combined drinking water supply schemes at a cost of Rs.3,277 crores are being implemented, which will benefit 73.28 lakh people living in the districts of Madurai, Coimbatore, Virudhunagar, Nagapattinam, Vellore and Salem. The allocation under the minimum needs programme to Tamil Nadu Water Supply and Drainage Board has been increased to Rs.845 crores in this Interim Budget from the present allocation of Rs.454 crores.

### **MUNICIPAL ADMINISTRATION**

83. Over the past five years Rs.6,822 crores have been provided to urban local bodies by way of devolution grant as recommended by the State Finance Commission. In 2011-2012 Interim Budget Rs.2,198 crores has been allocated for providing these devolution grants.

84. Under the Anaithu Peruratchi Anna Marumalarchi Thittam, over the past three years works amounting to Rs.236 crores have been carried out in 420 town panchayats. During current financial year, works at an estimated cost of Rs.88 crores are being executed in the remaining 139 town panchayats. As a result of this, basic infrastructure facilities like construction of community halls and bus stands, laying of roads and improvement of water bodies have been taken up in all town panchayats.

85. Under the Jawaharlal Nehru National Urban Renewal Mission which commenced in the year 2005, a sum of Rs.2,952 crores have been allocated till the year 2012. Projects like providing drinking water, sewage removal, storm water drains, solid waste management and housing are taken up under this scheme. This scheme is being implemented in the corporations of Chennai, Madurai and Coimbatore and their surrounding municipalities and town panchayats. Apart from this, under the Tamil Nadu Urban Development Fund-III which is being implemented with World Bank assistance, works amounting to Rs.1,414 crores are being undertaken in 84 municipalities to provide basic amenities.

### **CHILD AND WOMEN WELFARE**

86. In Tamil Nadu 24.54 lakh persons are getting the benefits through the 54,439 Integrated Child Development centres. During the tenure of this Government, Rs.231 crores have been spent for improving the infrastructure facilities of these centres. The nutritional value of the food provided to the children has improved considerably as a result of various schemes implemented by the Government. The percentage of healthy children is increased to 64.08 percent now from 61.64 in 2006. Under noon meal schemes children are now supplied with 5 eggs per week instead of 3 eggs per week earlier.

87. Under the scheme for providing nutritional support to adolescent girls, 2,89,153 girls have been benefited in the last five years. The monetary assistance was increased from Rs.10,000 to Rs.25,000 per beneficiary under the schemes like Moovalur Ramamirtham Ammaiyar Memorial Marriage Assistance, Dr. Dharmambal Memorial Widow Remarriage Assistance Scheme, EVR Maniammaiyar Memorial

Marriage Assistance Scheme for the daughters of poor widows, Mother Teresa Memorial Marriage Assistance Scheme for destitute women and Anjugam Ammaiyar Memorial Assistance Scheme for inter-caste marriage. During the last five years monetary assistance of Rs.922 crores has been provided to 4.71 lakh women under these schemes. Rs.337 crores have been provided for these marriage assistance schemes in the Interim Budget.

88. For the first time in India, the scheme for providing nutritious food to pregnant women coming for antenatal check up at the Primary Health Centres was introduced in Tamil Nadu in 2008. So far, 21,96,000 women have been benefited under this scheme. Besides this, 5,38,000 pregnant women and lactating mothers are provided with nutritious food in the Integrated Child Development Centres (ICDS). Under the Muthulakshmi Reddy Memorial Maternity Assistance scheme, assistance is provided at the rate of Rs.6,000 to compensate the wage loss owing to their inability to work during the period of pregnancy, and to enable the pregnant women to have nutritious food. From 2006-2007, 25,20,186 pregnant women have been provided with an assistance of Rs.1,470 crores. In this Interim Budget, Rs.360 crores have been allocated for this purpose.

### **SOCIAL SECURITY**

89. The monetary assistance has been increased by this Government from Rs.400 to Rs.500 from 1.12.2010 benefiting 9,98,187 pensioners under the Indira Gandhi National Old Age Pension Scheme and State Old Age Pension scheme, 93,470 differently abled destitute persons, 1,13,945 deserted wives, 3,70,425 destitute widows and

3,00,007 destitute agriculture labourers. Monthly assistance of Rs.500 is being provided to 14,270 unmarried women above 50 years of age who are unable to work. So far Rs.4,251 crores have been spent for this social security scheme during the tenure of this government. In 2010-2011 Budget, an allocation of Rs.1,002 crores was provided for this scheme. In this Interim Budget, an allocation of Rs.1,421 crores has been provided.

### **ADI DRAVIDAR WELFARE**

90. In order to ensure that the members of the Adi-Dravidar communities progress on par with other communities, the Scheduled Caste Sub Plan is being implemented effectively in Tamil Nadu. Under this plan, based on the population of the Adi-Dravidars, a sum of Rs.3,828 crores was separately provided in Budget Estimates 2010-2011. To ensure that the scheme is implemented properly, a State Level Monitoring Committee has been set up under the Chairmanship of the Chief Secretary.

91. In continuation of the announcement made by the Governor in the Assembly this year for setting up of a committee under a retired judge to examine the possibilities of restoring the panchami lands to the original allottees, the Government have appointed a committee under the chairmanship of retired High Court Judge Thiru M.Maruthamuthu, with retired IAS officers Thiru I.V. Manivannan, Thiru V.Karuppan and Commissioner of Land Administration as members.

92. To facilitate the education of students from Adi-Dravidar communities and the Adi-Dravidars converted to Christianity,

scholarship is being provided every year. In the current year, under this scheme, funds to the tune of Rs.227 crores have been provided. In the Interim Budget, Rs.360 crores have been provided for this scheme. At present 1,229 hostels are being run through the Adi-Dravidar Welfare department, benefiting 84,886 students this year. In the current year Rs.30.62 crores have been allocated, to construct new buildings for the hostels, and works are in progress. Since 2006-2007, construction of 131 hostels has been taken up at an outlay of Rs.65.5 crores.

93. Last year, this Government has written off the non-farm sector loans given by TAHDCO from 1980, to benefit Adi-Dravidar entrepreneurs. Based on this announcement, Tamil Nadu Adi-Dravidar Housing Development Corporation waived off the principal as well as interest of Rs.83 crores for 53,524 individuals.

94. From the year 2006-2007, 2,911 Kms of roads have been constructed at an expenditure of Rs.412 crores to link the Adi-Dravidar colonies under Road Development Scheme. 44,518 free house site pattas have been distributed. As against the total expenditure of Rs.2,102 crores incurred under various schemes for the Adi-Dravidar community from the year 2001 to 2006, Rs.12,400 crores have been spent in the last five year period.

### **TRIBAL WELFARE**

95. In 16 districts where tribals live in large numbers, this government is implementing schemes to improve their economic status. Similar to the Scheduled Caste Sub-Plan, the Tribal Sub-Plan is also being implemented for their welfare. Under this plan for the tribal

constituting one percent of the population, Rs.217 crores have been allocated during the year 2010-2011. In the Interim Budget, Rs.242 crores have been allocated for the welfare of the tribal.

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

96. To ensure that the students belonging to the Backward Class, Most Backward Class and Denotified Communities do not face any economic hardship in continuing their studies, free meals and accommodation facilities are being provided to 74,302 students through 1,238 welfare hostels this year. In the current financial year, 25 hostels are being constructed at an outlay of Rs.14 crores. From the year 2006-2007, construction of buildings for 125 hostels was taken up by this Government at an outlay of Rs.71.59 crores.

### **MINORITIES WELFARE**

97. For the educational, social and economic development of the Minorities and to ensure their access to welfare schemes, this Government created the Directorate of Minorities Welfare in the year 2007. Out of the 30 percent reservation provided for the backward classes, 3.5 percent reservation is provided to the backward class Muslims since 15.9.2007. Further, to benefit 1,71,643 students belonging to Christian, Muslim, Sikh, Buddhist and Parsi communities, scholarships have been provided to the tune of Rs.32 crores during this financial year with the funds from State and Central Governments. To provide these scholarships in the coming financial year, an amount of Rs.40.68 crores has been provided in the Interim Budget.

### **WELFARE OF DIFFERENTLY ABLED**

98. The Hon'ble Members will be aware that while presenting the budget last year, it was announced that a separate department will be formed for Differently Abled persons which will function under the Hon'ble Chief Minister. As per the announcement, a Department for the welfare of the Differently abled was created by carving it out of Social Welfare and Nutritious Meal Programme Department. Rs.221 crores have been allocated for the welfare of the Differently Abled for the year 2011-2012 in this Interim Budget.

### **WELFARE OF WEAVERS**

99. The scheme for providing free electricity to handloom weavers, was started by this Government in 2006, and is being implemented successfully. Under this scheme, free electricity is provided upto 100 units for 1.56 lakh families of handloom weavers and upto 500 units for 1.17 lakh power loom weaving units. In this Interim Budget Rs.62 crores has been allocated for this free electricity scheme. To promote the sales of handlooms 20 percent discount is offered throughout the year and 30 percent discount is offered between 15<sup>th</sup> September, the birth day of Perarignar Anna, and 31<sup>st</sup> January. Under this scheme Rs.719 crores has been sanctioned from 2006-2007 to 2010-2011. To further boost the sale of handloom cloth, Rs.156 crores have been allocated for the sale rebate subsidy in this Interim Budget. The upper ceiling on the rebate subsidy being provided for the sale of Khadi cloth to Sarvodaya institutions by Government has been enhanced from Rs.5 crores to Rs.10 crores.

## **WELFARE OF JOURNALISTS**

100. This Government have increased the monthly pension and family pension provided to the journalists from Rs.4,000 to Rs.5,000 and from Rs.2,000 to Rs.2,500, respectively. A sum of rupees one crore has been provided to the Journalists' Welfare Fund by this Government.

## **GOVERNMENT SERVANTS AND PENSIONERS WELFARE**

101. This Government has implemented new pay scales as per the recommendations of Sixth Pay Commission. The anomalies in the pay scales have also been rectified by accepting the recommendations of One Man Commission. This Government is taking action to increase the basic pension as well as family pension by 20 to 100 percent for the pensioners and family pensioners who have crossed 80 years of age similar to Central Government pension scheme.

## **TAXES**

102. I would like the Hon'ble Members to take note of the fact that this Government under the leadership of Chief Minister Kalaignar did not levy any additional tax and burdened the people, even after announcing and implementing several new schemes over the last five years. Announcements regarding imposition of any new tax or tax exemptions have not been considered in this Interim Budget Estimates for the year 2011-2012 in view of the impending Assembly elections. Hence, financial position has been estimated on the basis of existing taxes.

103. After assuming charge, this Government implemented Value Added Tax in place of General Sales Tax since January 2007 in



line with other States following the decision of Central Government. A sum of Rs.3,040 crores has been released by the Central Government from 2006-2007 till date as a compensation for the loss suffered due to this. The Central Government have released Rs.2,456 crores to compensate the loss on account of reduction in Central Sales Tax from 4 percent to 2 percent.

104. The Revenue Receipts from commercial taxes have been estimated at Rs.30,371 crores during current financial year. This revenue is estimated to reach Rs.33,394 crores during 2011-2012. Estimates of receipts for state excise are Rs.8,935 crores, stamps and registration fees are Rs.5,856 crores and taxes on vehicles are Rs.3,033 crores during 2011-2012.

105. State's Own Tax Revenue including the above taxes is estimated at Rs.53,783 crores and Non-Tax Revenue is estimated at Rs.4,811 crores in 2011-2012. The share in Central Taxes during the same period is estimated to be Rs.13,375 crores and the Grants-in-Aid from Central Government are estimated to be Rs.7,445 crores during the year 2011-2012.

### **OVERALL FINANCIAL POSITION**

106. Hon'ble Speaker Sir, the Interim Budget Estimates for the year 2011-2012 have been placed before this House. Total Revenue Receipts have been estimated at Rs.79,413 crores and Total Revenue Expenditure have been estimated at Rs.78,974 crores. As a result of this, the Revenue Deficit will be completely wiped out by the end of the financial year 2011-2012 and there will be a Revenue Surplus of Rs.439

crores. The possibility of having more Revenue Surplus is ruled out because of the last instalment of Sixth Pay Commission arrears due for payment in 2011-2012. The Fiscal Deficit will be Rs.13,507 crores in 2011-2012 as per the present estimate. This Fiscal Deficit will be just 2.32 percent of the Gross State Domestic Product. This will be below the 3 percent limit fixed by the Thirteenth Finance Commission.

107. I would like to inform the Hon'ble Members that all the fiscal indicators like fiscal deficit will be within the limits of the target set by Thirteenth Finance Commission. The Medium Term Fiscal Plan is given as Annexure to the Interim Budget Speech. I request that this may be taken as read as part of the Interim Budget Speech.

108. I wish to convey my heartfelt gratitude to Hon'ble Chief Minister for guiding me in formulating all the Budgets of this Government in the last five years for achieving the goal of growth and prosperity to create a society established on the firm principle of equality.

109. I convey my thanks to Thiru K. Shanmugam, IAS, Principal Secretary, Finance Department and all other officials of the Department who worked for the preparation of this Interim Budget.

110. With this, I request the Hon'ble Speaker to get the approval of the Assembly for the Interim Budget Estimates for the year 2011-2012.

**Vanakkam**

**K. Anbazhagan**

Minister for Finance

Chennai,  
5<sup>th</sup> February 2011  
Thai 22,  
Thiruvalluvar Aandu 2042.

## **APPENDIX**

### **MEDIUM TERM FISCAL PLAN**

1. The State has enacted Tamil Nadu Fiscal Responsibility Act, 2003 which was amended first to bring it in line with the requirements prescribed by the Twelfth Finance Commission and then by the Thirteenth Finance Commission. According to Section 3 (1) of this Act, the Government is required to lay before the Legislative Assembly a Medium Term Fiscal Plan (MTFP) along with the Budget. Section 3 (2) of this Act requires that the MTFP shall set forth a multi-year rolling target for the fiscal indicators like Revenue Deficit and Fiscal Deficit while clearly indicating the underlying assumptions made to arrive at those projections. In compliance with this Act, a Medium Term Fiscal Plan based on current fiscal trends and policy initiatives undertaken by the Government has been prepared with the projections for the period 2011-2014 and it is being placed before the Legislative Assembly.

#### **Objectives**

2. The MTFP has been formulated by placing equal emphasis on economic growth, social welfare and fiscal sustainability. The outlay on important sectors like agriculture and infrastructure will continue to be increased so as the Five Year Plan targets are achieved. At the same time, as recommended by the Thirteenth Finance Commission, it is proposed to eliminate revenue deficit and contain fiscal deficit as a percentage of Gross State Domestic Product (GSDP) within 3% by 2011-2012.

**Present Situation**

3. As a result of the implementation of the Sixth Pay Commission recommendations, the increasing expenditure on the various existing and new welfare schemes implemented by the Government, the State will have a revenue deficit of Rs.3128.79 crores and fiscal deficit of Rs.17607.71 crores in 2010-2011. On account of gradual recovery in economy, revenue surplus of Rs.438.78 crores has been estimated in the coming financial year. This being the Interim Budget for the year 2011-2012 and many of the infrastructure projects initiated by this Government are almost completed, capital outlay for the coming financial year shows reduction leading to a lower fiscal deficit of Rs.13,506.84 crores and fiscal deficit- GSDP ratio is expected to be 2.32%. This is well with in the norms prescribed by the Thirteenth Finance Commission. This may go up in the Revised Budget for 2011-2012.
4. The State has been very careful in managing its debt. The outstanding debt of the State Government including liabilities like the provident fund which was Rs.57,457 crores as on 31.3.2006, is estimated to increase to Rs.1,01,541 crores as on 31.3.2011. The increase in debt in the five year period from 2006-2007 to 2010-2011 has been estimated at Rs.44,084 crores. The total capital expenditure during the same period has been Rs.44,667 crores showing that the whole of mobilized debt has been utilized for productive purposes. The debt-GSDP ratio of the State Government which was 22.29% at the end of 2005-2006 will be just 19.58% at the end of 2010-2011.

5. The State is prudently managing its contingent liabilities. The outstanding guarantees for each year have to be restricted at a level below 100% of the Total Revenue Receipts in the preceding year or below 10% of the GSDP whichever is lower. The outstanding guarantee as on 31.3.2010 was 10.82% of Total Revenue Receipts and 1.48% of GSDP. The outstanding risk weighted guarantee for each year has also to be kept at a level below 75% of the Total Revenue Receipts in the preceding year or 7.5% of GSDP whichever is lower. The outstanding risk weighted guarantee as on 31.3.2010 stood at 2.32% of Total Revenue Receipts and 0.32% of GSDP. It is being ensured that the new guarantees are given only to productive projects.

## **Future Prospects**

### **REVENUE RECEIPTS**

#### **State's Own Tax Revenues**

6. State's Own Tax Revenue -GSDP ratio for 2010-2011 will be 9.47%. State's Own Tax Revenue is estimated at Rs.49,125 crores for 2010-2011 and Rs.53,783 crores for 2011-2012. The salient features of the major components of the State's Own Tax Revenue are discussed below.
7. The receipts under Commercial Taxes are estimated at Rs.33,394 crores in the Interim Budget Estimates 2011-2012. This takes into consideration a growth of 10% over the Revised Estimates 2010-2011. Growth rates of 18% and 15% have been projected for 2012-2013 and 2013-2014, respectively.
8. State Excise Receipts have been estimated at Rs.8,935 crores during 2011-2012. This is about 13% higher than the Revised

Estimates 2010-2011. For the future years, 15% growth rate has been assumed.

9. As a result of the gradual economic recovery, the receipts from Stamp Duty have witnessed an increase of over 25% in 2010-2011. The Interim Budget Estimate for 2011-2012 is Rs.5,856 crores which assumes 27% growth over the Revised Estimate for 2010-2011. In the future years, receipts under this head have been projected with a growth rate of 15%.
10. The receipts from Taxes on Vehicles have been projected at Rs.3,033 crores for the next year. For the future years, growth of 15% has been assumed.

#### **Non-Tax Revenue**

11. Non-Tax Revenue is estimated at Rs.4,280 crores in the Interim Budget Estimates 2011-2012. The State's Own Non Tax Revenue contributes only 5.42% of Total Revenue Receipts. There is some potential to increase this component and it has been projected to grow at 3% in the future years.

#### **Share in Central Taxes**

12. The Thirteenth Finance Commission reduced the share of Tamil Nadu in the devolvable net tax revenue of the Union Government from 5.374% to 5.047% in case of Service Tax and from 5.305% to 4.969% in case of other taxes. Share in Central Taxes for the State has been estimated at Rs.13,375 crores during 2011-2012 based on increased collection of central taxes on the back of improved economic scenario. A growth rate of 15% is projected for 2012-2013 and 2013-2014.

**Grants-in- Aid from the Union Government**

13. The Grants-in-Aid from the Government of India have been estimated at Rs.7,445 crores in the Budget Estimates 2011-2012 by taking into account the various plan grants and the grants recommended by the Thirteenth Finance Commission.

**REVENUE EXPENDITURE**

14. The revenue expenditure during 2011-2012 is estimated at Rs.78,443 crores which shows a growth of 4.45% over Revised Estimates 2010-2011. The moderate growth in Revenue Expenditure estimated in the Interim Budget is mainly because some of the major schemes announced by this Government such as distribution of free colour television scheme are coming to an end. This is expected to go up at the time of Revised Budget. Factoring this, the Revenue expenditure is expected to grow at 12.5% in 2012-2013 and 13% in 2013-2014.
15. Salary and pension together constitutes over 49% of total Revenue Expenditure in the Interim Budget 2011-2012. As a percentage of State's Own Tax Revenue, this will be 72%.
16. From 13.54% in 2005-2006, the ratio of interest payments to Total Revenue Receipts will be reduced to 11.07% and 11.18% in 2010-2011 and 2011-2012 respectively.

**Conclusion**

17. Despite facing tough challenges in the form of economic slow down and implementation of Sixth Pay Commission to its employees, the State has achieved all the targets set by the Union Government regarding revenue deficit and fiscal deficit in the last five years.



18. As per Interim Budget Estimates 2011-2012, the State will show revenue surplus and the fiscal deficit will also be well below 3%. This trend is expected to continue in 2012-2013 and 2013-2014 also in compliance with the fiscal correction path laid down by the Thirteenth Finance Commission and Fiscal Responsibility Act.
19. The Government will continuously monitor the sustainability of the debt stock and Medium Term Fiscal Plan envisages to keep the Debt-GSDP ratio around the level projected in Interim Budget 2011-2012, i.e., 20.46% as against 24% as prescribed by the Thirteenth Finance Commission.

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