

Speech of Thiru O.Panneerselvam, Hon'ble Minister for Finance and Public Works, Government of Tamil Nadu, presenting the Budget for the year 2014-2015 to the Legislative Assembly on 13th February, 2014.

Hon'ble Speaker Sir,

ஞாலங் கருதினுங் கைகூடுங் காலம்
கருதி யிடத்தாற் செயின்

(குறள் 484)

The pendant world's dominion may be won,
In fitting time and place by action done.

As a peerless leader of the people, our Hon'ble Chief Minister **Puratchi Thalaivi J Jayalalithaa**, the embodiment of the immense wisdom which is enshrined in these immortal words of Divine poet Tiruvalluvar, has been working tirelessly for the progress of the State and welfare of the people by taking timely and apt decisions, thus emerging victorious in all her endeavours. Her success in leading our State to prosperity will surely elevate her as a National Leader. With her blessings, I rise to present to this august House, the Budget Estimates for the year 2014-2015. I am ever grateful to our sagacious and visionary leader, the Hon'ble Chief Minister, for bestowing on me this

opportunity to present the Budget for the fourth consecutive year.

2. This Government will soon be stepping into the fourth year of its tenure, after completing three most successful years. I can declare with great pride that our Hon'ble Chief Minister, besides fulfilling her promises, has also implemented innumerable other measures benefiting the common people. Never before in the history of any State in our country, has any Chief Minister announced and implemented so many schemes within such a short span of three years. The sheer number of measures announced by our benevolent Chief Minister, through her announcements in the Assembly in addition to budgetary schemes, bears testimony to her continued single minded focus on the welfare of the people. With her intellect, dedication and effort she has single-handedly put the State back on the path of development. This Budget is yet another firm stride in our march towards growth and prosperity.

ECONOMIC DEVELOPMENT

3. While the State Government has been striving hard to ensure equitable growth, the failure of the Government of India to stimulate growth and improve the failing macro-economic environment continues to adversely impact the investments and

economic growth consecutively for the second year. The continued economic stagnation has also caused a substantial shortfall in the State's projected tax revenues. Adherence to the Tamil Nadu Fiscal Responsibility (TNFR) Act target without impinging on the State's ability to invest in critical sectors has, thus, become a daunting task. Though there are signs of revival, with the State's economic growth expected to exceed five per cent during 2013-2014, massive efforts are needed to stimulate the economy to put it back on the path of accelerated growth. As a positive sign, the power situation has already improved significantly in the State and industrial growth is showing recovery.

4. This Government is taking all efforts to create a more congenial environment for increasing economic growth, besides stepping up the State investment in critical sectors. Further, with the proposed investment of Rs.42,185 crore under Plan schemes during 2014-2015, Plan Expenditure will cross Rs.1.07 lakh crore as against the overall 12th Plan target of Rs.2.11 lakh crore. We understand that in response to our Hon'ble Chief Minister's righteous demand, the Government of India has decided to channelise the funds for Central Plan Schemes, hitherto routed through Special Purpose Vehicles (SPV) outside the Consolidated Fund of the State, through the State Budget in future. This will ensure better resource management and accountability.

POVERTY REDUCTION

5. Concerted efforts are being taken to reduce rural poverty in the State. The National Rural Livelihood Mission (NRLM) is being implemented as the Tamil Nadu State Rural Livelihood Mission (TNSRLM) since 2012-2013 in the State. TNSRLM envisages the creation of sustainable livelihoods for the rural poor in 31 Districts of Tamil Nadu. Out of 385 blocks, 120 blocks involving 4,170 Village Panchayats have been covered under the Pudhu Vaazhvu Project, implemented with the financial support of the World Bank. The remaining 265 blocks, involving 8,354 Village Panchayats are being covered under the TNSRLM in a phased manner.

6. The TNSRLM promotes sustainable livelihood to alleviate poverty through the cluster approach, by promoting specific economic activities with forward and backward linkages. Under this mission, 161 economic activity clusters have been promoted so far in the State. Out of the current year's target of providing Rs.6,000 crore as credit linkage, Rs.3,847.07 crore have been achieved so far. The youth identified through skill melas are assessed and 14,050 youth have been imparted skill training at a cost of Rs.14 crore during the year 2013-2014. A sum of Rs.253.92 crore has been allocated for the year 2014-2015 under TNSRLM.

Further, an allocation of Rs.49.05 crore has been made for the Pudhu Vaazhvu Scheme during 2014-2015.

7. With the increase of the urban population, poverty in urban areas has surfaced as a major challenge. As such, 17.28 lakh families have been identified as BPL families in urban areas. The validation of all the BPL families is underway in order to arrive at a fresh list, by collating the data collected through the Socio-Economic Caste Census, Urban Statistics for Human Resources and Assessment (USHA) and with the survey data obtained under the Rajiv Awaas Yojana. As the challenges in tackling urban poverty are more complex, this Government had also launched a major initiative to address this issue through the Tamil Nadu Urban Livelihood Mission (TNULM). This is a more inclusive and flexible scheme. The Central Government has also revamped the SJSRY as the National Urban Livelihood Mission (NULM) and launched it in September, 2013. NULM and TNULM will be synchronized so as to achieve better results. **A sum of Rs.200 crore has been provided in the Budget Estimates 2014-2015 under TNULM. In the coming financial year, 62 shelters will be built for homeless destitute persons in urban areas and 45 existing shelters will be upgraded through the TNULM.**

LAW AND ORDER

8. The Tamil Nadu Police, which is known for its competence and efficiency, is very effectively maintaining public order in the State. The State Police Force is continuously upgrading its capacity to tackle emerging challenges by adopting the best Standard Operating Procedures, Crisis Management Plans and by forming Quick Response Units. To maintain the high morale of the Police Force, various measures have been taken to promote the welfare of the Police Personnel. **Thus, the allocation for the Police Department has been substantially stepped up from Rs.3,184.47 crore in 2010-2011 to Rs.5,186.20 crore in the Budget Estimates 2014-2015.**

9. I am glad to inform this august House that the Crime and Criminal Tracking Network Systems Project (CCTNS), initially launched in Tiruvallur, Ariyalur and Sivagangai Districts and also in the Coimbatore Commissionerate by the Hon'ble Chief Minister, has now been extended to the rest of the State from 26.9.2013. The Citizen Portal under CCTNS will provide online facilities to enable the people to submit license applications and also to lodge complaints. This will pave way for better transparency and accountability in Citizen-Police relationships.

10. Sanction has been given for Rs.44.36 crore for the construction of new buildings for Police Stations, Rs.160.99 crore for the construction of residential quarters and Rs.142.62 crore for the construction of other buildings during 2013-2014. **A sum of Rs.571.67 crore has been provided in the Budget Estimates 2014-2015 for the construction of buildings for Police Stations, residential quarters and other offices.**

11. Under the Modernisation of Police Force Scheme, Rs.196.14 crore has been spent by this Government from 2011-2012 to 2013-2014. In the Budget Estimates 2014-2015, a sum of Rs.130.85 crore has been allocated for this scheme.

12. This Government has substantially increased the strength of the Police Force in the past three years. Since this Government took over, 24,503 posts of Police Personnel have been newly created. **As committed, 10,099 persons were selected for the newly created Tamil Nadu Special Police Youth Brigade, which is the first of its kind in India, and is the brain-child of our Hon'ble Chief Minister.** So far, this Government has sanctioned six new Police Stations, upgraded 117 Police Stations and created 44 Traffic Police Stations and two new Sub Divisions. Further, this Government has sanctioned 32 new Armed Reserve

Platoons for 15 Districts and one Armed Reserve Company, for which 2,109 Police Personnel will be added to the existing strength, in a phased manner.

FIRE AND RESCUE SERVICES

13. The achievements of the Fire and Rescue Services Department are laudable. During 2013-2014, owing to the selfless service rendered by the Personnel of this Department, 3,474 lives and properties valued at Rs.325.62 crore were saved. This Government has accorded due importance to equipping this Department with advanced rescue equipment. During 2013-2014, two sky-lifts of 101 metre height, 10 advanced water tenders, 52 high pressure pumps, 38 combi tools and four special vans were sanctioned at a cost of Rs.50.50 crore. In the Budget Estimates for 2014-2015, Rs.189.65 crore has been set apart for the Fire and Rescue Services Department.

PRISONS

14. This Government is of the view that a prison is a place to reform and rehabilitate prisoners in order to enable them to return to a normal life on their release. It is our aim to help prisoners to acquire adequate skills, so that their productive energy is channelised in a constructive way. An innovative step was taken by this Government by establishing a Prison Bazaar in the

Central Prison Complex at Puzhal to showcase the products produced by the prisoners. A bakery unit was also established in the Central Prison, Puzhal. In order to further strengthen these initiatives, **this Government proposes to upgrade the existing production units and also add new production units in suitable trades within the prison premises at a cost of five crore rupees during 2014-2015.** In the Budget Estimates 2014-2015, Rs.194.66 crore has been allocated for the Prison Department.

JUDICIAL ADMINISTRATION

15. This Government accords special importance to the improvement of infrastructure for the Judiciary. During 2013-2014, an amount of Rs.70.67 crore had been sanctioned for improving infrastructure like court buildings, residential quarters, vehicles and other equipment. Further, a sum of Rs.28.84 crore was sanctioned for the constitution of new courts. Under the Thirteenth Finance Commission grants, Rs.57.33 crore has been allocated for improving the justice delivery system for the years 2013-2014 and 2014-2015. A sum of Rs.783.02 crore has been allocated in the Budget Estimates 2014-2015 for judicial administration.

ROAD SAFETY

16. This Government is taking several measures to reduce road accidents. Road safety campaigns will be intensified and in 2014-2015, **the present allocation for such campaigns at District level will be doubled. An allocation of Rs.65 crore will be made for the Road Safety Fund during 2014-2015. In addition to this, a special project to attend to the black spots with proper civil engineering works in highly accident prone spots, will be taken up by the Highways Department at a cost of Rs.300 crore. Rs.150 crore will be provided in the year 2014-2015 towards this project.** This allocation of Rs.215 crore towards road safety will be the **highest ever funding by any State** in a single year.

GOVERNANCE

17. This Government is committed to providing an efficient public service delivery in a transparent manner. The e-district project designed to provide e-enabled services of select public services like issue of community certificate, income certificate, etc., through the Common Service Centres (CSC) is being implemented throughout the State at a cost of Rs.66.85 crore, during 2013-2014. At present, more than 2,100 CSCs are functioning in rural areas either under Public-Private

Partnership (PPP) mode or through Primary Agricultural Co-operative Banks (PACBs). **Additionally 2,000 CSCs will be opened during 2014-2015 under PPP mode. This Government will ensure that Common Service Centres are established in all the villages in the State either through PACBs or through the village panchayats.**

18. In the urban areas, the Hon'ble Chief Minister will soon launch the scheme for opening Urban Common Service Centres at 10 places in Chennai City, to provide a common platform to facilitate the remittance of various taxes and user charges like property tax, electricity charges, sewage charges and water charges. These Centres will also provide other public and e-services. **This will be gradually increased to 200 Centres in Chennai City, besides extending such facilities to other Corporations, Municipalities and Town Panchayats.** These Centres will be managed by the District e-Governance Societies under the overall control of the Information Technology Department. I expect that these institutional interventions will make a significant change in improving governance and public service delivery.

19. This Government will continue to focus on the existing Grievance Redressal Mechanism including Mass Contact Programmes. A laudable initiative in this regard

is the launch of the 'Assured Maximum Services to Marginal People in All Villages' i.e., 'AMMA Thittam'. This scheme has taken the services of the Revenue Department to the people's doorsteps and has made a significant impact in redressing public grievances. This Government will ensure that these Public Grievance Redressal Systems function effectively and provide better public services.

TAMIL DEVELOPMENT

20. This Government has allocated Rs.104.79 crore for Tamil Development in the last three years. In the year 2013-2014, Rs.46.73 crore was allocated for implementing various schemes, distribution of awards, prizes and other purposes. A sum of Rs.31.61 crore has also been allocated for the Tamil University at Thanjavur in the last three years. In the coming financial year, Rs.6.55 crore is being allocated for this University. For the year 2014-2015, Rs.39.29 crore has been provided for Tamil Development.

REVENUE ADMINISTRATION

21. With 20 per cent overall deficit during the current year, Tamil Nadu is facing a deficit of rainfall for the second consecutive year. This Government, under the compassionate leadership of our Hon'ble Chief Minister, is fully geared up to tackle the drinking water shortage.

A detailed assessment has been made on the prevailing situation in the State and requirement of funds to tackle the drinking water shortage and fodder shortage in the ensuing summer months. **This Government has decided to sanction a relief package of Rs.681 crore to tackle the drinking water shortage and the fodder shortage effectively. A sum of Rs.189 crore will be provided under the State Disaster Response Fund (SDRF) and Rs.492 crore will be used from the funds available with local bodies and also from the on-going schemes.** I am confident that these proactive steps taken under the direction of the Hon'ble Chief Minister will enable the State to tide over the problem.

22. As announced by the Hon'ble Chief Minister on the floor of the Legislative Assembly on 15.5.2013, a Coastal Disaster Risk Reduction Project at an estimated cost of Rs.1,481 crore has been launched. This ambitious project is the next stage of co-operation between the World Bank and the Government of Tamil Nadu after the successful implementation of the Emergency Tsunami Rehabilitation Project (ETRP). The project includes critical components like the provision of Early Warning Systems in 439 coastal villages, construction of Multipurpose Evacuation Shelters and conversion of overhead electricity lines into underground cables. A sum of

Rs.106.29 crore has been provided in the Budget Estimates 2014-2015 for this project.

23. Various sections of the District Collectorates across the State will be computerised during the year 2014-2015 so as to make public service delivery more effective. In continuation of the Government's drive to equip the revenue machinery with computers, laptop computers for the remaining 4,827 Village Administrative Officers and 300 Firka Surveyors will be provided in the coming financial year. A new online Land Records Management System will also be launched. Similarly, in order to cater to the special needs of the hilly terrain of the Nilgiris District, a new Sub Division will be created with its headquarters at Udhagamandalam.

AGRICULTURE

24. The efforts of this Government towards realising the noble vision of our Hon'ble Chief Minister to usher in a Second Green Revolution in the State by increased agricultural production and productivity, have shown positive results. As a result, the productivity of important crops like paddy, sugarcane, cotton, pulses and oilseeds is increasing. The Government will continue its efforts to improve on-farm productivity and farmers'

income. **Towards this objective, various sub-projects will be taken up under the National Agriculture Development Programme (NADP), at a cost of Rs.323 crore during 2014-2015.** The System of Rice Intensification (SRI) will be further implemented in 3 lakh acres during 2014-2015. The Sustainable Sugarcane Initiative (SSI) will be further extended to 12,500 acres in the coming financial year. We will actively encourage sugar mills in order to popularize SSI and Drip Irrigation amongst sugarcane farmers. As a result of the initiative of this Government, the area under transplanted Tur (Red gram) reached 97,813 acres and this will be further extended to 1.3 lakh acres in the coming financial year. Similarly, precision farming which was taken up in 9,905 acres during 2013-2014, will be further extended to 11,000 acres during 2014-2015. All these efforts will bring additional benefits to the farmers in terms of enhanced productivity.

25. This Government has given a big thrust to water conservation and micro irrigation in order to improve water use efficiency. In the last three years around 3 lakh acres were covered under micro irrigation by dovetailing funds from Irrigated Agricultural Modernisation and Water bodies Restoration and Management (IAMWARM), National Mission on Micro Irrigation and NADP, in addition to State funds. **During 2014-2015, it is proposed to cover 1.30 lakh acres**

with an outlay of Rs.400 crore dovetailed from various schemes.

26. A massive farm mechanization programme is underway to tide over the shortage of agricultural labour and to reduce the cost of farm operations. **During 2014-2015, an amount of Rs.100 crore will be set apart for further promoting farm mechanization.**

27. With the objective of increasing farmers' income, high value horticultural crops and crop diversification are being promoted through the National Horticultural Mission (NHM) in 22 Districts. In other Districts, this objective is being met through the dovetailing of funds from other schemes, including NADP. **In the coming financial year, NHM will be implemented with an outlay of Rs.115 crore in 22 Districts. In the remaining Districts, a similar scheme will be implemented for the promotion of horticultural crops under NADP.** High density cultivation, protected cultivation, peri-metro vegetable cluster development and linking vegetable clusters with Farm Fresh Vegetable Outlets, particularly through co-operatives, will be the essential components of this programme.

28. The unilateral decision of the Government of India to replace the current National Agriculture

Insurance Scheme with the Modified National Agriculture Insurance Scheme or Weather Based Crop Insurance Scheme has proved to be a severe set-back to the farmers because now they have to bear a very high premium cost. This Government has been insisting that the Government of India should share the additional premium cost to reduce the burden on farmers. **In the Budget Estimates 2014-2015, a sum of Rs.242.54 crore has been provided for crop insurance.**

29. Cotton is presently cultivated in the State in 3.34 lakh acres, with a production of four lakh bales. There are 1,948 spinning mills in our State requiring 110 lakh bales of cotton per year. As the production of cotton within the State is inadequate, **an ambitious Tamil Nadu Cotton Cultivation Mission will be launched in the State with an initial outlay of Rs.50 crore. This Mission will focus on higher productivity and production. Funds under the Cotton Technology Mission of the Government of India will also be dovetailed with the State Mission. It is proposed to bring at least 3.70 lakh acres under cotton crop by 2014-2015, and ultimately increase it to cover 6 lakh acres in the next five years through this Mission.**

30. An amount of Rs.3,948 crore has been disbursed as crop loan during 2013-2014, by the

Co-operatives till date, as against the target of Rs.4,500 crore, thus benefiting 8.9 lakh farmers. **During 2014-2015, the crop loan target for Co-operatives will be enhanced to an unprecedented level of Rs.5,000 crore.** This Government has sanctioned full interest subvention support to make the crop loan free of interest to farmers who repay it in time. An amount of Rs.200 crore has been provided as interest subvention in the Budget Estimates 2014-2015.

ANIMAL HUSBANDRY

31. Animal Husbandry is a vital allied sector, which is supplementing the income of farmers to a very large extent. This Government has given a much needed fillip to this neglected sector by launching the innovative schemes of distributing milch cows, goats and sheep, free of cost to the rural poor. **In the coming financial year, 12,000 more beneficiaries will be given milch cows free of cost with an outlay of Rs.43.65 crore. Similarly, 1.5 lakh more beneficiaries will be given sheep or goats free of cost and Rs.198.25 crore have been allocated in this Budget for this purpose.**

32. This Government has taken all measures to strengthen the infrastructure of the Veterinary Sector. In the coming financial year, **100 veterinary sub-centres will be upgraded to Veterinary Dispensaries**

particularly in backward districts and 227 new buildings will be constructed at a cost of Rs.80.05 crore with NABARD assistance.

33. Fodder development has received a special thrust and Rs.65 crore have been allocated in the last three years under the State Fodder Development Scheme. Due to the intensive promotion of fodder cultivation, 63,542 acres of farmers' own land have been brought under fodder crops. **This scheme will be continued in the next financial year also and a sum of Rs.25 crore has been allocated in this Budget for fodder development.**

34. A new scheme for poultry development in the non-poultry backward regions of the State is being implemented with an annual outlay of Rs.25 crore. So far, 514 broiler units with 1000-5000 birds each and 730 native chicken units of 250-500 birds each have been established in selected Districts. **During 2014-2015 also, Rs.25 crore will be allotted to continue this scheme.**

35. The insurance scheme for cattle is under implementation in 15 Districts with funding from the Government of India. With a view to insulating farmers from cattle loss, **the Cattle Insurance Scheme will be**

extended to cover all the Districts in the State in the coming year, with State funding of Rs.12 crore.

36. A plethora of steps taken by this Government has realised the dream of a second White Revolution in Tamil Nadu. As a result, milk procurement by Co-operatives in the State has shown a substantial increase. The milk processing infrastructure of the various dairies under Aavin has been improved at a cost of Rs.258.61 crore, in the last three years. Works are underway to start a new dairy in Perambalur with a cost of Rs.36.28 crore. **During 2014-2015, a sum of Rs.25 crore is being earmarked to upgrade the capacity of various dairies with NABARD assistance and NADP.** A sum of Rs.70.67 crore has been allocated for the Dairy Sector in this Budget.

FISHERIES

37. The welfare of fishermen has been one of the foremost concerns of this Government. The relief assistance given to fishermen families during the lean months has already been increased by this Government. A sum of Rs.47.25 crore has been provided in this Budget for this scheme. Further, a sum of Rs.105 crore has been provided in the Budget Estimates 2014-2015 for relief during the fishing ban period. This Government is providing subsidized diesel and kerosene to fishermen

with an annual expenditure of Rs.184.72 crore, which will continue in the coming year also. The scheme for assisting fishermen to modernise their fishing vessels to make them suitable for deep sea tuna fishing will be continued with a subsidy outlay of Rs.5 crore.

38. The last three years have seen unprecedented development of fishing infrastructure in the State. The fishing harbours at Chennai, Cuddalore, Pazhayar, Nagapattinam, Thoothukudi and Chinnamuttom have been upgraded at a total cost of Rs.264.58 crore. A new Fishing Harbour at Poompuhar at a cost of Rs.78.50 crore and 23 Fish Landing Centres at a total cost of Rs.152 crore are being constructed. **During 2014-2015, the upgradation of the Fishing Harbour at Mallipattinam in Thanjavur District will be taken up at a cost of Rs.60 crore. Further, the bar mouth in the Thamirabarani river at Punnakayal in Thoothukudi District will be stabilised at a cost of Rs.18 crore.** As already announced by our Hon'ble Chief Minister, the Fishing Harbour upgradation at Rameshwaram will be taken up, for which a Detailed Project Report is under preparation.

PUBLIC DISTRIBUTION SYSTEM

39. This Government is ensuring food security for all through its unique and exemplary Universal Public

Distribution System. Rice is being provided free of cost to over 1.84 crore rice card holders in the State. In addition, under the Special Public Distribution System, pulses and edible oil are also being supplied at subsidized rates. The Hon'ble Chief Minister has announced a special Pongal gift to all rice card holders, which was distributed through the Fair Price Shops, involving a cost of Rs.281 crore. For the year 2013-2014, a sum of Rs.4,900 crore was provided for food subsidy, which was enhanced to Rs.5,000 crore in the Revised Estimates. **For the year 2014-2015, the allocation for food subsidy has been further enhanced to Rs.5,300 crore.**

40. As a price control measure, this Government has opened 297 'Amma Unavagam' Centres besides launching the Amma Mineral Water Scheme. **As yet another initiative, this Government will open 100 more Amma Marundagam shops under Co-operatives along with the existing 210 medical shops run by them to ensure the sale of medicines at reasonable prices to the public. A sum of Rs.20 crore will be used from the Price Stabilisation Fund for this purpose.**

41. Out of 23 rice mills under the Tamil Nadu Civil Supplies Corporation, the modernisation of 14 rice mills has already been taken up at a cost of Rs.58.86 crore. **In 2014-2015, the remaining nine rice mills**

will also be modernised at a cost of Rs.36 crore.

This is expected to improve the efficiency of these rice mills, besides improving the quality of rice supplied through the Public Distribution System.

IRRIGATION

42. The Dam Rehabilitation and Improvement Project is being implemented with the assistance of the World Bank at a total cost of Rs.745.49 crore. The project envisages the rehabilitation of 104 dams in four phases. The project agreement has been executed with the World Bank and a State Project Management Unit has also been formed. Hydrological review studies have been completed for the project to carry out works in 28 dams. **A sum of Rs.329.65 crore has been allocated in the Budget Estimates 2014-2015 for this project.**

43. Sanctions have been accorded for the construction of 1,335 artificial recharge shafts in Cauvery and Vennar sub-basins in Tiruvarur District at a cost of Rs.19.82 crore and these works will commence soon. During 2013-2014, sanction has been accorded for 32 schemes at a cost of Rs.209.89 crore under the NABARD - RIDF. **An amount of Rs.100 crore has been earmarked for irrigation related works under NABARD-RIDF for the year 2014-2015. Similarly, 160 works are proposed to be taken up for**

restoration of traditional water bodies and Rs.86.28 crore has been allocated in the Budget Estimates 2014-2015.

44. A sum of Rs.1,823.72 crore has been spent as on December, 2013, on the IAMWARM project which aims at increasing agricultural productivity through better water use efficiency. This scheme has got an extension of 18 months up to September 2014. **Rs.489.49 crore has been allocated in the Budget Estimates 2014-2015 for this scheme.**

45. Intra State river linkage continues to be a priority of this Government. **During 2014-2015, a sum of Rs.119.98 crore has been allocated to continue the implementation of the intra State river linkage projects. A sum of Rs.3,669.79 crore has been allocated in the Budget Estimates 2014-2015 for the Irrigation Sector.**

ENVIRONMENT AND FOREST

46. The Tamil Nadu Biodiversity Conservation and Greening Project is being implemented at a total cost of Rs.686 crore. For the year 2014-2015, a sum of Rs.119 crore has been allocated for this scheme. The Government is also implementing a two year plan with an outlay of Rs.52.11 crore from 2013-2014 to ensure the sustainability of the afforestation activities taken up

under the Tamil Nadu Afforestation Project phase II. During 2014-2015, this scheme will be implemented at a cost of Rs.28.25 crore.

47. A sum of Rs.50 crore was allocated out of the Environment Protection and Renewable Energy Fund to various conservation activities, including Rs.12 crore for the restoration of the Chetpet Lake during 2013-2014. During 2014-2015, a sum of Rs.100 crore will be allocated for this fund. After meeting the balance requirement of Rs.30 crore for the Chetpet Lake restoration, the remaining funds will be used to restore lake, water bodies and for other works in Chennai and other Cities.

48. The rising population and fast expanding infrastructure exert a huge pressure on the City environment. As part of the restoration of the rivers in Chennai, work on the plugging of 179 sewage outfalls out of the identified 337 outfalls at a cost of Rs.150 crore has commenced and will be completed by 2015. Plugging the remaining 158 outfalls at a cost of Rs.163 crore will commence during 2014-2015. **Further, a major initiative will be undertaken during the coming financial year by launching the Cooum River Restoration Project. This is a massive project with a time line of five years to be implemented at a total cost of Rs.3,833.62 crore. This involves**

Rs.2,077.29 crore for relief and rehabilitation of affected families. The project will be executed through the Chennai River Restoration Trust as the nodal agency. A sum of Rs.500 crore has been provided in the Budget Estimates 2014-2015 for this project.

ENERGY

49. Reliable supply of electricity is essential for achieving overall economic and social development in our State. In the past three years, around 2,500 MW of new generation capacity has been added by this Government. This was possible only due to the efforts taken by this Government to expedite the pending power projects. Power Purchase Agreements for 3,330 MW have also been made for long term supply. Similarly, 500 MW of power is being purchased through medium term Power Purchase Agreements. It is only due to such initiatives taken by the Hon'ble Chief Minister, that the power shortage in the State has been significantly reduced. Load shedding in the State is now minimal and infrequent. This has ensured uninterrupted supply of quality power throughout the State. Further, an all-time high peak demand of 12,799 MW was met on 29.01.2014 by the Tamil Nadu Generation and Distribution Corporation Limited (TANGEDCO).

50. Strengthening the power transmission and distribution system is another thrust area of the Government's efforts. The Tamil Nadu Transmission Corporation Limited (TANTRANSCO) is carrying out transmission projects at a cost of Rs.5,000 crore, with loan assistance of Rs.3,572 crore from the Japan International Co-operation Agency (JICA) in order to strengthen the transmission network, especially in Chennai City. Fifty Sub stations established at a cost of Rs.509.88 crore have been commissioned by our Hon'ble Chief Minister on 30.12.2013, so as to meet the consumer demand and to improve the system voltage. Works are also in progress for the establishment of 400 KV substations, along with associated 400 KV lines at Thappugundu, Anaikadavu and Rasipalayam to evacuate wind power at a total cost of Rs.1,192 crore. To draw more power from other regions of the country, the establishment of a 400 KV substation at Tiruvalam with its associated transmission lines, has been taken up at an estimated cost of Rs.1,000 crore. For the coming financial year, **TANTRANSCO has proposed Green Energy Corridors for the evacuation of wind power with an outlay of Rs.1,593 crore, with financial assistance from KfW, the German Funding Agency.**

51. During 2013-2014, tariff subsidy of Rs.4,970 crore has been provided to TANGEDCO. In addition, Rs.2,153 crore has also been released as equity share

capital assistance. **Continuing this support, Rs.5,400 crore has been provided in the Budget Estimates 2014-2015 for tariff subsidy and Rs.2,000 crore as share capital assistance.** During 2013-2014, this Government has taken over loans worth Rs.1,000 crore out of Rs.6,353 crore of TANGEDCO loans as part of the Financial Restructuring Plan. **Rs.2,000 crore of TANGEDCO's liabilities will be taken over by this Government during 2014-2015 and the balance will be taken over in the coming years.**

HIGHWAYS

52. This Government is ensuring adequate allocation of funds for road infrastructure. During 2013-2014, the initial allocation of Rs.2,032 crore under the Comprehensive Road Infrastructure Development Project (CRIDP) has been stepped up to Rs.2,500 crore in the Revised Estimates. **This has been further enhanced to Rs.2,800 crore in the Budget Estimates 2014-2015. It is proposed to take up 1500 km of State Highways for widening and 3500 km of roads for improvement during 2014-2015 under this project.**

53. Under the Railway Works Programme, out of 69 ongoing works for Railway Over Bridges (ROBs) and Railway Under Bridges (RUBs), 14 will be completed by

March 2014 and works for the remaining are in various stages of progress. For the year 2014-2015, a sum of Rs.683.63 crore has been allocated for this programme.

54. A major initiative has been taken by this Government to strengthen road infrastructure in industrial areas. Under this, over 120 km of roads affected by heavy truck movements in Ariyalur and Perambalur Districts are being taken up for rebuilding, at a cost of Rs.240.76 crore. The first phase of the Oragadam Industrial Corridor Project with an outlay of Rs.462.42 crore is nearing completion. The second phase at a cost of Rs.86.65 crore will also be completed by September, 2015.

55. Phase-I of the Chennai Outer Ring Road at a cost of Rs.1,081.40 crore, is nearing completion and will be put to public use very soon. The works for Phase-II of the project, costing Rs.1,075 crore, will commence from March 2014. Both these projects have been taken up under the Public-Private-Partnership mode and are good examples of this Government's efforts to pull in private resources to realize our Vision 2023.

56. The Chennai Peripheral Ring Road is another ambitious project envisioned by this Government. The Government proposes to finance this project with loan assistance from JICA.

Besides, in the Chennai Metropolitan Area, 17 projects involving bridge works, road works and Railway Over Bridges, costing Rs.2,000 crore, will be implemented with financial assistance from JICA.

57. As per the announcements made in the Budget Speech for 2013-2014, roads for a length of 2,049 km have been identified for upgradation and improvements at a cost of Rs.9,061 crore through Phase-II of the Tamil Nadu Road Sector Project, with the assistance of the World Bank. I am happy to inform this House that these works under this project will commence shortly.

TRANSPORT

58. The present Government has taken all out efforts to improve public transport facilities by increasing the number of scheduled bus services from 19,167 in June, 2011, to 20,634 in January, 2014. 3,994 new buses have been inducted at a cost of Rs.697.96 crore in the last three years. This has ensured better connectivity and provided reliable and comfortable public transport. In order to further modernise the fleet, **this Government is now proposing to procure another 1,000 new buses for the year 2014-2015 at an**

estimated cost of Rs.200 crore under the JNNURM-II to replace the over aged vehicles.

59. The incessant increase in the price of diesel has caused an unprecedented financial burden on the State Transport Undertakings, which mainly cater to the poor and downtrodden people. A sum of Rs.500 crore was provided in the Budget Estimates for the year 2013-2014 to compensate the State Transport Undertakings for the additional fuel cost. Besides this, Rs.350 crore was also provided as share capital support. **A sum of Rs.500 crore is being provided as diesel subsidy for the year 2014-2015.**

60. Well co-ordinated traffic flow increases the efficiency of the transport system. **This Government has envisioned a new Intelligent Transport System for Chennai City. The preliminary study and preparation of the Detailed Project Report for this technology intensive solution for a new Chennai City Transportation System will be taken up soon. This is expected to provide much needed relief to the traffic woes of Chennai City.**

61. In pursuance of our commitment to establish a multi-modal transport system in Chennai City, the Mono Rail project has been restructured to make it more viable. The bid process is in progress and Rs.200 crore

has been provided for this purpose in the Budget Estimates 2014-2015. In order to improve the efficiency of the Bus Transport System in Chennai City and make it more user-friendly, **an Integrated Public Bus Information System, with Global Positioning System (GPS) enabled real time bus tracking module, will be implemented. Under this scheme, all the Metropolitan Transport Corporation (MTC) buses will be fitted with GPS units for tracking and networking with public bus stops. Initially, 500 bus stops will be networked to establish a public information system on route maps, bus arrival details and other amenities. This will be extended to all bus stops in the City in a phased manner.**

INDUSTRIES

62. Tamil Nadu is a major manufacturing hub of the Country. A strong existing manufacturing base, vast network of ancillary industries, good infrastructure, ethical work culture and skilled manpower are the strengths of Tamil Nadu, which attract both domestic and foreign investors. From May 2011, Memoranda of Understanding have been signed for a total investment of Rs.26,625 crore, of which Rs.10,660 crore of actual investment has been realized till date. This has created additional employment opportunity for 10,022 persons.

I am happy to inform the august House that in order to further promote the growth of industry and infrastructure in the State, **the Government will host a Global Investors Meet in Chennai in October 2014, for which an outlay of Rs.100 crore has been provided in this Budget.**

63. As an ambitious initiative, around 53,000 acres of land will be developed for industrial purpose all over the State with a special focus on the Southern Districts namely; Madurai, Dindigul, Theni, Sivagangai, Ramanathapuram, Virudhunagar, Pudukkottai, Thoothukudi, Tirunelveli and Kanniyakumari. A special package for the industrial development of the Southern Districts has been put in place. **A Special Purpose Vehicle will be formed soon to implement the Madurai-Thoothukudi Industrial Corridor for which the Detailed Project Report has already been prepared.**

64. In order to upgrade the skills of our youth, SIPCOT has created a Skill Development Centre at Oragadam in Kancheepuram District. **Two more such Centres will be started at Gangaikondan in Tirunelveli District and Thervoikandigai in Tiruvallur District. This initiative is expected to provide trained manpower to industries and open up more employment opportunities for our youth.**

MICRO, SMALL AND MEDIUM ENTERPRISES

65. Micro, Small and Medium Enterprises are the driving force behind the growth of the Manufacturing Sector, providing high employment generation. Taking this into consideration, the Hon'ble Chief Minister had announced a package of incentives for the development of these enterprises to register higher growth. This Government has been adopting the 'Cluster Development Approach' as a key strategy and allocated Rs.50 crore towards financial assistance to the Entrepreneurs' Consortia for establishing new industrial estates and also for shifting their industrial units to geographically defined areas for better management of power supply, infrastructure and pollution related issues. An amount of Rs.50 crore will be provided for the year 2014-2015 for this scheme.

66. The New Entrepreneur - Cum - Enterprise Development Scheme (NEEDS) was launched by the Hon'ble Chief Minister on 20.02.2013 to assist educated youth to become first generation entrepreneurs. There is good response to this scheme from educated youth, particularly from women. During 2014-2015, an amount of Rs.100 crore will be provided for continuous implementation of this scheme.

67. **As a new initiative to support clusters of micro industries, this Government proposes to launch a new scheme with a grant of 70 per cent, not exceeding an amount of Rs.2.5 crore to each cluster, to put up common production infrastructure, besides raw material bank and marketing infrastructure. Initially, a sum of Rs.25 crore will be allocated for the year 2014-2015 to develop 10 such clusters of micro industries.**

SKILL DEVELOPMENT

68. Thrust on skill development is one of the strategies adopted by this State Government to achieve our Vision 2023 for the State. In the year 2013-2014, a sum of Rs.100 crore was provided for the ambitious Skill Development Mission. **A sum of Rs.100 crore will be provided for this Mission in the year 2014-2015 also.**

69. During the current financial year, 10 new Government ITIs have been started by this Government at a cost of Rs.50.89 crore. This Government has also extended various concessions to the students of ITIs, such as a monthly stipend of Rs.500/-, supply of laptop computers, bicycles, uniforms, shoes, text books and drawing instruments. **The existing Government ITIs in the State will be upgraded, utilising the funds**

available with the Construction Worker's Welfare Board at a cost of Rs.50 crore to enable the students to acquire the latest skills.

INFORMATION TECHNOLOGY

70. This Government attaches great importance to the promotion of the IT and ITeS Sector. In the year 2012-2013, the value of IT and ITeS exports from the State was around Rs.65,000 crore. **As a major step to support young entrepreneurs, from 2014-2015 onwards, this Government will make available 10 per cent of space exclusively for Information Technology Incubation Centres as "warehouses for startups" in all Information Technology Parks developed by the Government. These Centres will promote new ventures and assist upcoming entrepreneurs by creating an appropriate eco-system.**

HANDLOOMS AND TEXTILES

71. This Government recognises the vital contribution of the textile industry in employment generation and the industrial growth of the State. **The scheme for the distribution of free sarees and dhoties to support this sector will continue in 2014-2015 with an allocation of Rs.499.16 crore in the Budget Estimates.** Further, Rs.78 crore has

been provided as rebate to support handlooms and Rs.10 crore has been allocated to Khadi institutions for the year 2014-2015.

72. This Government has sanctioned an amount of Rs. 260 crore for the construction of 10,000 Solar Powered Green Houses for weavers. Each house will have an additional space for putting up a loom. A higher unit cost of Rs.2.60 lakh per house has been fixed. In the Budget Estimates, 2014-2015, Rs.168 crore has been allotted for this Scheme.

RURAL DEVELOPMENT

73. This Government is determined to transform the rural areas by putting in place adequate and quality infrastructure. A multitude of schemes for housing, connectivity, drinking water, construction and renovation of public buildings are being implemented for the holistic development of rural areas of the State. Under State Finance Commission (SFC) grants also, substantial funds are being devolved to Rural Local Bodies as their share in the State's tax revenue. **A sum of Rs.5,168.07 crore has been provided for devolution to Rural Local Bodies in the Budget Estimates 2014-2015.**

74. The Chief Minister's Solar Powered Green House Scheme (CMSPGHS) is one of the most commendable initiatives of this Government. This scheme

was designed to address the housing issue as well as to promote green energy. So far, 1.8 lakh houses have been taken up under this scheme. **An allocation of Rs.1,260 crore has been provided in the Budget Estimates 2014-2015 for taking up another 60,000 houses.** Apart from this, **1.06 lakh houses will be taken up under the Indira Awaas Yojana during 2014-2015, for which Rs.729.69 crore has been provided in the Budget Estimates as the State's share and additional roofing cost.**

75. This Government, through its flagship programme of **Tamil Nadu Village Habitations Improvement (THAI) scheme**, has brought about a paradigm shift in the provision of basic amenities through an innovative concept of planning at the habitation level so as to reduce disparities within villages. Rural roads, street lights, burial grounds, water supply and other rural infrastructure are being provided under this scheme. Since 2011-2012, the scheme was implemented in 6,770 village panchayats covering 59,031 habitations with an amount of Rs.2,180 crore. **This scheme will be continued with an allocation of Rs.750 crore in the Budget Estimates 2014-2015.**

76. Rural road connectivity will be given priority so as to upgrade all the important non-Black Topped (BT) roads to BT roads. **During 2014-2015, 9,235 km of**

non BT roads will be taken up for upgradation to BT roads at a cost of Rs.2,308 crore by dovetailing funds from various schemes. Important bus plying local body roads will be upgraded and reclassified as Other District Roads (ODR) and handed over to the Highways Department for maintenance.

77. The Hon'ble Chief Minister's cherished vision of making Tamil Nadu a Solar Powered State is being realised with an array of innovative schemes to promote Solar Energy. One such scheme is the energisation of street lights with Solar Power. This scheme is being implemented so as to replace the existing street lights in the villages with solar powered street lights. So far, 60,000 street lights have been taken up for energisation with Solar Power at a cost of Rs.138.71 crore. A sum of Rs.46.58 crore has been allocated in the Budget Estimates 2014-15 for its continuance.

78. The Mahatma Gandhi National Rural Employment Guarantee Scheme will be implemented with more focus on public asset creation at a cost of Rs.6,000 crore during 2014-2015. An amount of Rs.100 crore has been earmarked under SFC grant for Rural Infrastructure Scheme (RIS) to stabilize assets created under MGNREGS. Similarly, under the Self Sufficiency Scheme, Rs.100 crore has been provided in the Budget Estimates 2014-2015. Further, Member of Legislative Assembly

Constituency Development Scheme (MLACDS) at a cost of Rs.470 crore, Rural Building Maintenance and Renovation Scheme (RBMRS) at a cost of Rs.100 crore and Comprehensive School Infrastructure Development Scheme (CSIDS) at a cost of Rs.100 crore will be continued by this Government during 2014-2015.

79. Rural Sanitation is one of the priorities of this Government. Under Nirmal Bharat Abhiyan, a sum of Rs.362.41 crore is proposed for the year 2014-2015. Under this scheme, household toilets and community toilets are being built. A Clean Village Campaign is also being implemented by this Government to make the villages clean and free from plastic wastes. **A sum of Rs.200 crore is also being provided in the 2014-2015 Budget Estimates for solid waste management in the villages.**

MUNICIPAL ADMINISTRATION

80. In the past ten years, the percentage of urban population in Tamil Nadu has grown from 44.04 to 48.45. The demography of urban areas includes a very large proportion of young and educated persons, who have migrated to cities for securing better employment, as most of the industrial areas of the State are also located in and around major urban agglomerations. The needs of the urban areas reflect this peculiar

demographic structure. Transport, water supply, sewerage, solid waste management and housing are the major areas where Government intervention and support are required in a significant way. I am happy to note that this Government has risen to the occasion and substantial devolution of funds is being made under SFC grants to Urban Local Bodies. **In the year 2014-2015, a sum of Rs.3,734 crore is being provided as devolution grant to Urban Local Bodies.**

81. A noteworthy initiative of this Government to meet the infrastructure needs in urban areas, is the launch of two mission mode programmes. The Chennai Mega City Development Mission and the Integrated Urban Development Mission have been huge successes. In the past three years, Rs.1,250 crore was allocated each year for these two mission mode projects. Both these schemes leverage the funds allocated by the State and enable the local bodies to fill in critical infrastructure gaps. **In the Budget Estimates 2014-2015 also, Rs.500 crore has been allocated for the Chennai Mega City Development Mission and the Integrated Urban Development Mission has been allocated Rs.750 crore.**

82. This Government is giving special priority to establishing proper underground sewerage systems in all urban local bodies. Sanction has been given for

underground sewerage systems in Trichy Corporation, 21 Municipalities and 29 Town Panchayats at a cost of Rs.2,433.79 crore, works for which will commence during 2014-2015.

83. This Government has successfully implemented the Tamil Nadu Urban Development Project-III (TNUDP-III) with the assistance of the World Bank. Now, adopting a similar development financing model, **this Government is proposing a new infrastructure project, namely, the Tamil Nadu Sustainable Urban Development Project with the aid of the same funding agency. The total project size would be Rs.3,600 crore with Rs.2,400 crore as loan component.**

84. The much awaited second phase of the **Jawaharlal Nehru National Urban Renewal Mission** is yet to be launched by the Union Government. The first phase of the mission is being successfully implemented by the State. In the last three years, a sum of Rs.2,648.30 crore had been allocated. **In 2014-2015 also, Rs.818.74 crore has been allocated for the infrastructure projects undertaken under this scheme.**

85. A special Solid Waste Management Fund was constituted with a sum of Rs.100 crore for financing Solid

Waste Management Projects in financially weak urban local bodies during 2013-2014. With these funds, 77 projects for Town Panchayats were sanctioned at a cost of Rs.48.58 crore. Further, a Waste To Energy project under Public-Private-Partnership has been taken up in Tirunelveli Municipal Corporation at a cost of Rs.54.49 crore with Rs.11 crore grant from this fund. During 2014-2015 also, a sum of Rs.133 crore has been allocated for this Fund.

86. This Government has launched a scheme for eradicating open defecation in urban areas from 2011-2012 with a view to realizing the vision of becoming an open defecation free State by 2015. During the year 2014-2015, Rs.72.60 crore will be provided for continuing this scheme.

87. To improve the infrastructure in Town Panchayats, 425.92 km of road works, 75 storm water drains and 42 bridges have been taken up at an estimated cost of Rs.140 crore under the NABARD scheme for the year 2013-2014. **During 2014-2015, 273 road works to a length of 388 km, 105 storm water drain works to a length of 124.96 km and 29 bridges will be taken up at an estimated cost of Rs.150 crore under NABARD-RIDF scheme.**

WATER SUPPLY

88. The objective of this Government is to ensure a service level of potable water supply at the rate of 55 lpcd, 70 lpcd, and 135 lpcd to people living in rural areas, Town panchayats and Municipalities respectively. During 2013-2014, this Government has taken up water supply schemes to cover 6,000 rural habitations at a cost of Rs.1,190.72 crore. Further, 43 Combined Water Supply Schemes (CWSS) have been taken up to cover three Municipalities, 28 Town Panchayats and 7,011 habitations benefiting a population of 42.25 lakhs. Besides this, 47 stand-alone schemes have been taken up to cover 17 Municipalities benefiting a population of 11.33 lakhs and 30 Town Panchayats covering a population of 4.87 lakhs.

89. During 2014-2015, this Government proposes to provide protected drinking water supply to 6,000 rural habitations using the National Rural Drinking Water Programme (NRDWP), Minimum Needs Programme (MNP) and State funds to the extent of Rs.1,500 crore. An allocation of Rs.186.35 crore has been provided for the Minimum Needs Programme in the Budget Estimates 2014-2015. An allocation of Rs.700 crore has been provided as the State's share for the National Rural Drinking Water Programme.

90. The successful completion of the Hogenakkal Water Supply and Fluorosis Mitigation project is a major achievement and a boon to the people living in the affected areas of Dharmapuri and Krishnagiri districts. The Combined Water Supply Scheme for Vellore Corporation and surrounding areas is also progressing very fast. This Government has also proposed to provide stand-alone water supply schemes to four Municipalities namely Arani, Tindivanam, Tiruvathipuram and Periyakulam benefiting a population of 2.17 lakh at a cost of Rs.117.69 crore. **In the Budget Estimates 2014-2015, Rs.745.67 crore has been allocated for major Combined Water Supply Schemes in Madurai, Virudhunagar, Sivagangai, Nagapattinam, Vellore, Salem, Tiruppur, Coimbatore, Cuddalore, Pudukottai and Thanjavur Districts.**

HOUSING AND URBAN DEVELOPMENT

91. Under the slum free city programme of Rajiv Awaas Yojana, the Tamil Nadu Slum Clearance Board is constructing 2,980 tenements at a cost of Rs.205.15 crore. As part of the Basic Services for Urban Poor (BSUP) Programme, construction of 21,208 tenements at a cost of Rs.1,461.02 crore is also under progress. Both these works will be completed by March 2015.

92. **The Tamil Nadu Housing Board will construct 1,747 housing units at a cost of Rs.197.10 crore during 2014-2015 at various places like Chennai, Vellore, Villupuram, Salem, Erode, Coimbatore, Hosur, Madurai, Trichy, Thanjavur and Tirunelveli.**

HEALTH AND FAMILY WELFARE

93. The last three years have witnessed our State making great strides in the Health Sector. By strengthening the primary and secondary care hospitals and upgrading the tertiary care institutions, this Government has ensured that every one has access to round-the-clock health care services. This is reflected in the rapid improvement in vital health parameters seen in the last two years. This has been made possible by the **phenomenal increase in the health budget from Rs.4,395.30 crore in 2010-2011 to Rs.7,005.02 crore in 2014-2015.**

94. The National Rural Health Mission, implemented by the State Government, has contributed immensely to the strengthening of the primary and secondary health care facilities in the State. **This Government has decided to establish 118 new Primary Health Centres at a cost of Rs.100.44 crore and upgrade 64 Primary Health Centres as**

30 bedded hospitals at a cost of Rs.76.13 crore.

The urban component of the newly launched National Health Mission will effectively address the health concerns of the urban poor, especially in slums and vulnerable areas. Under this new mission, at an overall cost of Rs.105.32 crore, **20 new Urban Primary Health Centres will be established and the existing 100 Urban Health Centres will be strengthened in Chennai Corporation. In the other nine Corporations and 77 Municipalities, 37 new Urban Primary Health Centres will be established, besides strengthening the existing 243 Urban Primary Health Centres.**

95. As part of the National Health Mission, this Government has decided **to launch a new initiative for child health screening and early intervention service. Under this, two teams per block, i.e. a total of 770 Mobile Health Teams, with a doctor, a staff nurse and a pharmacist will be constituted. One District Early Intervention Centre (DEIC) per District, in 31 Districts, will be located in the Government Medical College Hospitals and District Headquarters Hospitals where there is no Government Medical College Hospital, to provide referral support to children detected with critical health conditions. Various schemes under the**

National Health Mission will be implemented with an outlay of around Rs.1,400 crore in 2014-2015.

96. The Taluk and District Headquarters Hospitals, which provide vital emergency services including maternal and child health care have been strengthened through the Tamil Nadu Health Systems Project (TNHSP), being implemented with World Bank assistance. The establishment of Comprehensive Emergency and Obstetric and Neonatal Care (CeMONC) Centres under this project has contributed immensely to the reduction in Infant Mortality Ratio (IMR) and Maternal Mortality Rate (MMR). As announced by our Hon'ble Chief Minister in the Annual Conference of District Collectors and Police Officers, 15 District Headquarters Hospitals are being upgraded to the standards of Medical College Hospitals. This will be done by adding posts of 351 doctors and 918 other posts in these institutions. In addition, equipment and buildings worth Rs.78 crore will also be provided.

97. The Hon'ble Chief Minister's Comprehensive Health Insurance Scheme is a model for other States to emulate. A sum of Rs.757.5 crore has been allocated for this programme in the Budget Estimates 2014-2015.

98. **The Dr. Muthulakshmi Reddy Maternity Benefit Scheme** is a boon to pregnant women from poor families. This landmark scheme provides Rs.12,000 as financial assistance in three spells which is the highest in the Country. Since May 2011, 19 lakh pregnant women have been benefited under this scheme with an amount of Rs.1,708 crore. **For the year 2014-2015, an amount of Rs.716.77 crore has been allocated in the Budget Estimates.**

99. In order to augment the tertiary healthcare facilities, a Multi Super Speciality Hospital is being established in Omandurar Government Estate at Chennai. Similarly, the upgradation of the Mahatma Gandhi Memorial Government Hospital at Trichy as a Super Speciality Hospital at a cost of Rs.100 crore is also under progress. In addition, **this Government will establish two more Super Speciality Hospitals with modern trauma care centres in the Medical College Hospitals of Thanjavur and Tirunelveli at a total cost of Rs.300 crore. A speciality tower block will be constructed at the Government Stanley Hospital, Chennai, at a cost of Rs.75 crore. The Institute of Child Health and Hospital for Children, Egmore, will be strengthened by providing modern equipment at a cost of Rs.14 crore. Further, with the assistance of Japan International Co-operation Agency (JICA),**

a new outpatient facility will be constructed at this hospital at a cost of Rs.91 crore.

SCHOOL EDUCATION

100. This Government has been taking many innovative steps to improve student enrolment and retention at the Primary, Upper Primary and Secondary level. The persistent efforts of this Government have brought down the dropout rate in 2012-2013 to 0.92 per cent, 1.70 per cent and 8.33 per cent from 0.99 per cent, 1.79 per cent and 13.27 per cent in 2010-2011 at Primary, Upper Primary and Secondary level respectively. This Government is also focusing fully on improvement in quality of education, especially in language and mathematical skills. **In the Budget Estimates 2014-2015, Rs.17,731.71 crore has been allocated to the School Education Department for providing free and quality education to all school going children in the State.**

101. This Government has made substantial investment to provide infrastructure facilities in schools in the form of school buildings, additional class rooms, drinking water facilities, toilets, separate toilets for girls and differently abled children, kitchen sheds, compound walls and laboratories with the resources from the Sarva Shiksha Abhiyan(SSA), Rashtriya Madhyamik Shiksha

Abhiyan (RMSA) and NABARD-RIDF. **Under the NABARD scheme, Rs.250 crore has been earmarked during 2014-2015 for meeting the infrastructure needs of schools. Under the Sarva Shiksha Abhiyan, an amount of Rs.700 crore will be provided as the State's share for 2014-2015. Under the Rashtriya Madhyamik Shiksha Abhiyan, Rs.384.90 crore has been allocated as the State's share in the Budget Estimates 2014-2015.**

102. This Government has taken every possible effort to ensure that all basic requirements of school children are met through State funds. Towards this goal, the Government has made a total allocation of Rs.1,631.53 crore for the following schemes in the Budget Estimates 2014-2015.

- i. Rs.264.35 crore for the supply of text books to 111.29 lakh students.
- ii. Rs.106.45 crore for the supply of note books to 77.66 lakh students.
- iii. Rs.323 crore for free bus passes to cover 20.57 lakh students.
- iv. Rs.409.30 crore to supply 4 sets of uniform covering 46.29 lakh students.
- v. Rs.120.71 crore to supply school bags for 90.78 lakh students.

- vi. Rs.120.07 crore for supplying footwear to 77.66 lakh students.
- vii. Rs.6.77 crore for supplying geometry boxes, atlases, etc. to 9.39 lakh students.
- viii. Rs.6.49 crore for supplying colour pencils and crayons to 31.45 lakh students.
- ix. Rs.216.04 crore for the supply of bicycles to 6.30 lakh students.
- x. Supply of woollen sweaters to 1.03 lakh children in hilly areas at a cost of Rs.3.71 crore.
- xi. Supply of Sanitary Napkins to 36.07 lakh girl children at a cost of Rs.54.63 crore.

103. In the first three years of this Government's tenure, free laptop computers have been sanctioned to 22.33 lakh students in schools and colleges. This scheme has been lauded nationally and our State has become a trend setter for other States to follow. **During the coming financial year also, 5.5 lakh laptop computers will be provided to Plus Two students and students in polytechnic colleges at a cost of Rs.1,100 crore.**

104. Yet another programme to encourage students to continue their secondary education, is the special incentive given for reducing dropout amongst students studying in classes X, XI and XII in Government

and Government aided schools. In the year 2013-2014, 23.21 lakh students have benefited at a cost of Rs.381 crore. In the Budget Estimates 2014-2015 also, Rs.381 crore has been allocated for this scheme. This scheme has incentivised retention at the higher secondary level and the number of students in X and XII has steadily increased from 8.38 lakh and 7.16 lakh in 2010-2011 to 11.4 lakh and 8.4 lakh in 2013-2014 respectively.

HIGHER EDUCATION

105. Our Vision 2023 envisages that Tamil Nadu will be known as the Innovation Hub and Knowledge Capital of India, on the strength of world class institutions in various fields with the best human talent. Marching towards this goal, this Government is strategically investing in development of higher educational institutions. The present Gross Enrolment Ratio (GER) as per 2011-2012 figures is already 38.2 per cent as against the Twelfth Plan target of 25 per cent. In the last three years of this Government, 12 Government Arts and Science Colleges, 24 University constituent Arts and Science Colleges, four Government Engineering Colleges and 11 Polytechnic Colleges have been started. This Government has also sanctioned 798 new courses in various Government educational institutions in the State. Our objective is to establish

such Government educational institutions in educationally backward areas so as to increase the Gross Enrolment Ratio in the State. This Government is providing Rs.979.32 crore for the year 2014-2015 as assistance to various Universities in the State. **During 2014-2015, a sum of Rs.3,627.93 crore has been provided in the Budget Estimates for the Higher Education Department.**

106. Under the scheme to reimburse tuition fees to first generation students pursuing graduation, Rs.650 crore was allocated during 2013-2014, benefiting 2,73,675 students. **During 2014-2015, an amount of Rs.585.17 crore has been provided for this in the Budget Estimates.** This initiative has benefited lakhs of students and has opened new windows of opportunity for the students of rural areas. Due to the concerted efforts of this Government, the enrolment of students in higher education, which was 6,51,807 in 2010-2011, has increased to 7,31,485 in 2013-2014.

SPORTS AND YOUTH WELFARE

107. This Government is promoting sports development in the State in a big way. Be it creating infrastructure, conducting sports events or imparting training, this Government is at the forefront to usher our youth to success in the national and international arena.

Across the State, new sports infrastructure is coming up rapidly in the form of indoor stadia, sports hostels, swimming pools, sports equipment and synthetic tracks. In the past three years, this Government has sanctioned Rs.380.77 crore for the development of sports and sports related activities. In the coming financial year also, Rs.146.64 crore has been allocated in the Budget Estimates.

TOURISM

108. Tamil Nadu now ranks second in the Country in both domestic and foreign tourist arrivals. The total number of foreign tourist arrivals to Tamil Nadu has increased from 33.08 lakhs to 39.90 lakhs in the last three years. This Government has allocated Rs.135.83 crore since 2011-2012 for the improvement of tourism infrastructure. The allocation for the Tourism Department has been increased from Rs.136.10 crore in the Revised Estimates 2013-2014 to Rs.178.51 crore in the Budget Estimates 2014-2015. In order to give a further boost to tourism, this Government launched an innovative marketing campaign namely 'Destination Tamil Nadu 2014'.

109. The Asian Development Bank funded Infrastructure Investment Programme for Tourism is being executed expeditiously. Under this Rs.450 crore

project, the infrastructure in the East Coast Tourist Circuit and in the Southern Tourist Circuit is getting upgraded. An amount of Rs.55.53 crore is being provided for this project during 2014-2015.

SOCIAL WELFARE

110. This Government, under the compassionate leadership of our Hon'ble Chief Minister, has always given the top most priority to the welfare of women and children. The various marriage assistance schemes, giving higher financial benefit to graduate girls, have motivated young girls to enroll for higher studies, increased the average age of marriage for women and have resulted in considerable improvement in the overall health of women. During 2013-2014 alone, 1.7 lakh poor families benefited under this scheme. **In 2014-2015, Rs.751.09 crore has been allocated for various marriage assistance schemes, out of which Rs.204 crore has been apportioned for gold coins for making the Thirumangalyam and Rs.547.09 crore for cash assistance.**

111. Under the Girl Child Protection Scheme, 59,229 girl children have benefited in 2013-2014 at a cost of Rs.105 crore. For the year 2014-2015, a sum of Rs.105 crore has been allocated for this scheme. Similarly, 4,390 abandoned infants have been

rehabilitated during 2013-2014 under the Cradle Baby Scheme revived by the Hon'ble Chief Minister.

112. Tamil Nadu is a pioneer in implementing various Social Security Schemes. The total number of beneficiaries under the various social security schemes, including the Chief Minister's Uzhavar Padhukappu Thittam, has gone up from 23.71 lakhs in 2010-2011 to 36.41 lakhs as on 31.12.2013. **Allocation under these schemes has also been substantially increased to Rs.4,200 crore in the Budget Estimates 2014-2015.**

113. During the past three years, this Government has taken up the distribution of fans, mixies and grinders free of cost to 95 lakh poor families. **An amount of Rs.2,000 crore has been allocated for this scheme during 2014-2015 and we will cover 35 lakh more families.**

114. Tamil Nadu is one of the best performing States in India in the delivery of services under the Integrated Child Development Services Scheme. This Government has taken up construction of own buildings for 15,313 Anganwadi Centres, repairs in 15,399 Centres, construction of 16,402 baby friendly toilets, electrification of 20,558 Centres and provision of weighing scales and hygiene kits to all Centres. Supplementary nutrition is being provided to 16.6 lakh

children in the age group of 6 to 36 months. Cooked nutritious meal is provided to 11.55 lakh children in the age group of 2 to 5 years. About 6.64 lakh pregnant women, lactating mothers and 3.86 lakh adolescent girls are also provided with supplementary nutrition. **For all these initiatives under the Integrated Child Development Services Scheme, this Government has allocated Rs.1,475.42 crore in the Budget Estimates 2014-2015.**

115. The Puratchi Thalaivar MGR Nutritious Noon Meal Programme benefits 53.52 lakh children in the age group of 5 to 15 years. This is one of the most acclaimed schemes of the State. Out of 42,490 Noon Meal Centres, only 6,257 Centres have been provided with gas connections. **This Government will cover all the remaining 36,233 centres with gas connection or steam cooking system with briquettes in feasible places at a cost of Rs.83 crore during 2014-2015. For the year 2014-2015, the allocation for PTMGR Nutritious Noon Meal Programme will be Rs.1,412.88 crore.**

116. The Hon'ble Chief Minister has already announced the construction of 20 Working Women Hostels in 13 Districts at a total cost of Rs.23.85 crore for the welfare and safety of working women in urban areas for which works are in progress. **In the coming**

financial year, 14 more Working Women Hostels will be established in needy places at a cost of Rs.17.50 crore.

ADI-DRAVIDAR AND TRIBAL WELFARE

117. This Government ensures the adequate flow of funds for the welfare of the Scheduled Castes and Scheduled Tribes. **Under the State Annual Plan, Rs.7,603 crore has been provided for Scheduled Caste Sub Plan, which constitutes 18.02 per cent of the plan allocation.**

118. In order to increase the enrolment rate and to reduce the dropout rates of girl students, this Government is giving a sum of Rs.500/- per year to girl students who are studying in standards III to V and Rs.1,000/- per year for VI Standard students studying in Government and Government aided schools. This Scheme has been extended to girl students studying in standards VII and VIII from the academic year 2013-2014 with a sum of Rs.1,500/- per year. A sum of Rs.55.11 crore has been provided in the Budget Estimates 2014-2015 for this scheme.

119. This Government gives top priority to the educational upliftment of the Scheduled Castes, Scheduled Tribes and Converted Christians. The benefit of post-matric scholarship is also extended to the

students studying in private colleges. **An amount of Rs.55.92 crore is provided for the pre-matric scholarship and Rs.676 crore is provided for post-matric scholarship in the Budget Estimates 2014-2015 to continue these efforts.**

120. Various income generating activities are being implemented for the welfare of Adi-Dravidars through Tamil Nadu Adi-Dravidar Housing and Development Corporation (TAHDCO). This Government has sanctioned Rs.33.15 crore as share capital support to this Corporation in the last three years. In the year 2014-2015, Rs.20 crore is being provided as share capital support to TAHDCO. An amount of Rs.80 crore has been allocated under Special Central Assistance (SCA) during 2013-2014. For the year 2014-2015, a sum of Rs.130 crore is proposed under SCA.

121. A sum of Rs.435.55 crore has been allocated under the Tribal Sub-Plan (TSP) for the welfare of Scheduled Tribes being implemented through 17 Departments. This constitutes 1.03 per cent of the Plan allocation.

122. During the year 2013-2014, this Government sanctioned Rs.50 crore under the Comprehensive Tribal Development Programme for providing basic amenities to tribal habitations and for income generating activities.

A sum of Rs.50 crore has been provided for the year 2014-2015 also under this scheme and Rs.10 crore will be earmarked to upgrade the hostel facilities including Government Tribal Residential (GTR) schools.

123. There are 1,300 hostels for the benefit of Scheduled Caste students and 42 hostels for Tribal students, thus benefiting 1,00,021 students. The monthly feeding charges have been enhanced recently to Rs.755 for school boarders and Rs.875 for college boarders. The Hon'ble Chief Minister has also announced the construction of own buildings for 54 Adi-Dravidar and Tribal Hostels. Out of these, sanctions have already been issued for 27 hostels at a cost of Rs.27 crore. **The remaining 27 hostels will be taken up for construction during 2014-2015.** In the year 2014-2015, a sum of Rs.107.25 crore has been provided for hostel maintenance and food charges.

WELFARE OF BACKWARD CLASSES, MOST BACKWARD CLASSES AND DENOTIFIED COMMUNITIES

124. This Government's policy of implementing 50 per cent reservation for Backward Classes, Most Backward Classes and Denotified Communities has brought 4,84,933 students in to various streams of higher education in 2013-2014. To enable the poor students belonging to these communities to pursue their education, Rs.202.08 crore has been provided in the

Revised Estimates 2013-2014 for various scholarship schemes benefiting 6.40 lakh students. This includes 1.05 lakh new students, who have now been made eligible for assistance due to the farsighted decision of this Government to enhance the eligibility criterion of the parental annual income limit from one lakh rupees to two lakh rupees from the year 2013-2014. **For the year 2014-2015, Rs.236.32 crore has been allocated for scholarship schemes.**

125. Free food and accommodation are being provided to 80,064 students residing in 1,294 hostels. The monthly food charges per student have been substantially enhanced now to Rs.755 for school boarders and Rs.875 for college boarders. During 2014-2015, a sum of Rs.85.83 crore will be provided for hostel maintenance and food charges.

126. With the aim of providing own buildings to all hostels, orders have been issued during 2013-2014 to construct new buildings at a cost of Rs.85.94 crore for 68 hostels, now functioning in rented buildings. **During the year 2014-2015, ten new college hostels will be established at a cost of Rs.2.80 crore. Additional dormitories will be constructed at a cost of Rs.4.5 crore for ten existing college hostels. Similarly, new buildings will be constructed for ten existing**

college hostels at a cost of Rs.16 crore during 2014-2015.

WELFARE OF MINORITIES

127. This Government is implementing various scholarships for the benefit of students belonging to religious minorities. During 2014-2015, a sum of Rs.72.39 crore has been provided for the various scholarship schemes. Financial assistance for pilgrimage to Jerusalem and the Hajj pilgrimage will be continued as in the past. In the Budget Estimates, Rs.93.84 crore has been provided for the welfare of minorities.

LABOUR WELFARE

128. The Unorganized Workers Welfare Boards give various types of welfare assistance to ensure social security to the workers in the Unorganized Sector. So far, 8,19,579 workers have been registered in the Unorganized Workers Welfare Boards. Welfare assistance under various heads to the extent of Rs.284.45 crore has been disbursed to 12,07,731 beneficiaries in the last three years. The scheme of electronic transfer of welfare assistance directly to the bank accounts of the workers has also been implemented.

WELFARE OF POTTERS

129. There are 34 registered Potters Societies under the Tamil Nadu Khadi and Village Industries Board and 10,753 members are enrolled in the Potters Welfare Board. **Considering the fact that making pots during the rainy season is difficult, this Government has decided to sanction a maintenance allowance of Rs.4,000/- during the rainy season to the potters, who are engaged in pot making as their main livelihood support.** This will cost the State Rs.4.50 crore per annum.

WELFARE OF THE DIFFERENTLY ABLED

130. This Government is giving high priority to the welfare of the differently abled. During 2014-2015, an amount of Rs.284.29 crore has been provided in the Budget Estimates for the welfare of the differently abled. **I am happy to inform this august House that our State has received the National Award for 2013 for being the best performing State in empowering differently abled persons.**

131. As an innovative measure, 1000 retro fitted scooters are being given free of cost every year to differently abled persons who have lost both legs. Monthly maintenance allowance for severely disabled persons, mentally challenged persons and persons

affected with muscular dystrophy has been enhanced from Rs.500/- to Rs.1,000/- and as many as 1,08,530 persons are getting this benefit. **From the next financial year, this assistance will be enhanced to Rs.1,500 per month.** Scholarships and readers allowance are given to differently abled students. This has been enhanced by 100 per cent during 2013-2014. This Government has sanctioned 32 Mobile Therapy Units for differently abled children to give therapy to children under 6 years at a cost of Rs.4.49 crore. These schemes will be continued during 2014-2015 also.

ADVOCATES WELFARE

132. This Government has always taken care of the welfare of advocates in the State. The financial assistance to the legal heirs of deceased advocates has been substantially enhanced by our Hon'ble Chief Minister from Rs.2.00 lakhs to Rs.5.25 lakhs from 2012. An amount of Rs.8 crore has been provided as a grant to the Tamil Nadu Advocates Welfare Fund by this Government so far.

WELFARE OF GOVERNMENT EMPLOYEES

133. Government employees play a very vital role in the successful implementation of various welfare schemes. In spite of the difficult fiscal situation, this Government is giving benefits like dearness allowance

hikes and ex-gratia in time. Since 2012, nearly 69,130 employees have availed of treatment to the extent of Rs.287.72 crore for various ailments under the New Health Insurance Scheme.

WELFARE OF PENSIONERS

134. There are seven lakh pensioners and family pensioners. With a view to supporting their medical needs, this Government has already announced the implementation of a new Health Insurance Scheme on the lines of the Government Employees Health Insurance Scheme. Under this, they are entitled for a health cover of Rs.2 lakhs in a block period of 4 years. The bid process for selecting the insurance company is underway and soon this scheme will be launched. **A sum of Rs.16,021 crore is being provided in the Budget Estimates 2014-2015 for pensionary benefits.**

RESOURCES FOR FINANCING THE BUDGET

135. I shall now turn to the resources identified for the coming financial year for implementing the various welfare measures discussed so far.

136. This Government had budgeted Rs.86,065.39 crore as the State's Own Tax Revenue (SOTR) in the Budget Estimates 2013-2014. These estimates were based on the assumption that the overall economic

situation in the country would improve. It was also expected that the Government of India would ensure release of committed funds under devolution and grants-in-aid. Unfortunately, both have not materialized fully.

137. This financial year, right from the beginning, was marred by continuous slow growth in the State tax collections. This downtrend is particularly severe in commercial taxes where the tax collection target is being reduced by Rs.2,734.72 crore. As a result of streamlining of excise duty on alcoholic beverages, Rs.8,601.22 crore, originally estimated as excise revenue in the Budget Estimates 2013-2014, was shifted to the estimate of commercial taxes. The modified target for the commercial taxes for 2013-2014 was Rs.64,626.46 crore, which has now been downsized to Rs.61,891.74 crore in the Revised Estimates 2013-2014. For the coming financial year also, the Government is constrained to make a conservative projection of only a growth of 11.04 per cent over the Revised Estimates 2013-2014. In the Budget Estimates 2014-2015, the commercial taxes have been estimated to contribute Rs.68,724.06 crore.

138. Similarly, the targets for excise revenue were also modified after the streamlining of excise duty. Thus, the original estimate of Rs.14,469.87 crore has been

revised to Rs.5,868.65 crore in the Revised Estimates 2013-2014. Assuming 10.47 per cent growth, the estimated excise revenue in 2014-2015 will be Rs.6,483.04 crore.

139. The real estate sector has been registering low growth for the past two years. The number of registrations of property transaction has also reduced. In accordance with this low growth, the estimates have been reduced by Rs.652.24 crore in the Revised Estimates 2013-2014. In the Budget Estimates 2014-2015, the revenue from registration and stamp duty is estimated to be Rs.10,470.18 crore, assuming a growth of 13.54 per cent.

140. The Motor Vehicle Taxes are also estimated to grow by 12.31 per cent and receipts under this tax in the Budget Estimates 2014-2015 is estimated to be Rs.5,147.14 crore.

141. Thus, in the Revised Estimates 2013-2014, the overall State's Own Tax Revenue (SOTR) projection had to be downsized from Rs.86,065.40 crore to Rs.83,363.21 crore. With an overall growth of 10.16 per cent over the Revised Estimates 2013-2014, the SOTR is projected to be Rs.91,835.35 crore for the year 2014-2015.

142. The performance of Non-Tax Revenue sources, however, is expected to be slightly better and in

the Revised Estimates for 2013-2014, receipts under this item are revised to Rs.7,857.35 crore. A sum of Rs.8,083.98 crore is projected under Non-Tax Revenue for the year 2014-2015.

143. In the Revised Estimates 2013-2014, the estimates for the State's share in Central Taxes is projected at Rs.16,485.97 crore. This estimation is lower than what was projected in the Union Budget presented in February 2013. Still, we hope that the Government of India ensures the achievement of its estimated tax growth and that the State receives its due share of Central Taxes. In the Budget Estimates for 2014-2015, a growth of 15.34 per cent has been assumed and thus the receipts are fixed at Rs.19,014.23 crore.

144. Here, I would like to inform this august House that the Central Government has not released any amount as Central Sales Tax (CST) compensation for the year 2013-2014. The promise of releasing Rs.9,300 crore as CST compensation for States made in the Union Budget 2013-2014 has started appearing hollow. Considering the amount of claims pending with the Government of India, I hope that the allocation for this particular item will be increased by the Central Government in their Revised Estimates for 2013-2014 and releases made before the end of this financial year.

145. During 2012-2013, the Government of India imposed drastic cuts in its Plan Expenditure and this led to non-release of funds by various Ministries. As a result, some of the arrear claims on Government of India are expected to be realized during 2013-2014. Therefore, the Government has added Rs.638.24 crore in the Revised Estimates 2013-2014, over and above the Budget Estimates 2013-2014. Thus, the State hopes to receive Rs.9,101.95 crore as Grants-in-Aid from the Government of India including the arrears of grants. During 2014-2015, the Grants-in-Aid are expected to be Rs.8,456.27 crore.

FISCAL INDICATORS

146. As per the Tamil Nadu Fiscal Responsibility (TNFR) Act 2003, revenue deficit should be eliminated and fiscal deficit should be restricted to a maximum of three per cent of the Gross State Domestic Product (GSDP). This Government has revived the State's finances, ensured better fiscal management and achieved all fiscal indicators in the first two years. In 2012-2013, this Government ensured a revenue surplus of Rs.1,760.27 crore and contained the fiscal deficit to Rs.16,518.98 crore which was 2.39 per cent of the GSDP.

147. During the current financial year also, this Government is making all possible efforts to ensure that the targets specified in TNFR Act 2003 are met. In the

Revised Estimates 2013-2014, the revenue surplus is estimated to be Rs.244.27 crore. The fiscal deficit is also estimated to be Rs.21,642.83 crore which is 2.68 per cent of GSDP. **Considering all these estimations, the State is projecting a Revenue Surplus of Rs.289.36 crore and Fiscal Deficit of Rs.25,714.31 crore for the year 2014-2015. The Fiscal Deficit will be 2.73 per cent of the GSDP.**

148. Since this Government has ensured a Revenue Surplus, the State's entire borrowing is spent only on Capital Expenditure. In the Revised Estimates 2013-2014, the Capital Expenditure is expected to be Rs.21,887.10 crore. This is expected to grow by 18.80 per cent in the coming financial year as the Capital Expenditure has been estimated to be Rs.26,003.67 crore in the Budget Estimates 2014-2015.

149. As per the 13th Finance Commission's recommendation, the annual borrowing limit has been fixed at three per cent of the projected GSDP. Thus, for the current financial year, the State Government can borrow up to Rs.24,263 crore. However, as this Government is committed to reducing the borrowings, the Government has decided to restrict its net borrowing to Rs.20,218.77 crore during 2013-2014. Similarly, for the year 2014-2015 also, the net borrowing has been estimated to be Rs.25,000.22 crore which will be much

below the eligibility of the State to borrow up to Rs.28,267 crore. Hon'ble Speaker, Sir, here I wish to point out that the State Government is consciously borrowing less than the eligible limit for the past three years in order to reduce the interest burden on the State exchequer. Thus, the overall debt to GSDP ratio for the year 2014-2015 will be 18.91 per cent as against the permissible limit of 25.2 per cent under TNFR Act, 2003.

150. The Medium Term Fiscal Plan is given as an annexure to the Budget Speech. I request that this may be taken as read, as part of the Budget Speech.

151. Our Hon'ble Chief Minister is determined not to allow the State's economy to falter, even in the face of a difficult financial situation. Our visionary Hon'ble Chief Minister provides indomitable courage to the Government, which is making all possible efforts to ensure adequate funds for all the committed schemes and welfare measures. I am sure that, by fulfilling her promises and aspirations of the common people, the Hon'ble Chief Minister will take this State to the pinnacle of glory.

152. Hon'ble Speaker, Sir, history talks about many leaders, but there are only a few who create history. Our Hon'ble Chief Minister is one such leader, who creates history and I am proud to serve under her able leadership. Preparing a budget to fulfill everyone's

aspirations, that too in the current tough financial conditions, is indeed a difficult task. It is only with the deep knowledge, inspirational ideas and support of the Hon'ble Chief Minister, who has guided me with her profound wisdom and vast experience, that it has been possible to prepare and present this Budget. I express my sincere gratitude to Hon'ble Chief Minister for her able guidance and immense support.

153. I also thank the Principal Secretary, Finance Department, Thiru K. Shanmugam, IAS, and his team of officers in the Finance Department who have worked with me tirelessly on the formulation and preparation of this Budget.

154. Hon'ble Speaker, Sir, I commend the Budget Estimates for 2014-2015 for the approval of the House.

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Vanakkam

O.PANNEERSELVAM

Minister for Finance & Public Works

Chennai,
13th February 2014
Vijaya, Masi - 1,
Thiruvalluvar Aandu 2045

APPENDIX

MEDIUM TERM FISCAL PLAN

According to Section 3 (1) of the Tamil Nadu Fiscal Responsibility Act, 2003, 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 for the coming year and next two years i.e., from 2015-2016 is hereby placed before the Legislative Assembly.

Objectives

The objective of this MTFP is to balance the need for developmental expenditure and fiscal prudence. Fund requirement for the large number of welfare schemes launched by the Government, increasing capital expenditure and additional financial burden due to unforeseen circumstances like an abnormal hike in Dearness Allowance are to be met through the State's limited revenue sources. At the same time, the Government is committed to achieve fiscal consolidation by complying with the roadmap set forth by the Thirteenth Finance Commission. The MTFP ensures that

the following goals of fiscal prudence are complied in the period 2014-2017 and thereafter:

- a. Revenue surplus will be maintained.
- b. Fiscal deficit will be kept within 3% of GSDP
- c. Debt as a percentage of GSDP will be maintained well below the norms of 25.2% in 2014-2015 fixed by the Thirteenth Finance Commission.

Future Prospects

The nominal growth of GSDP for 2014-15 is assumed same as projected by the Thirteenth Finance Commission. Although the real growth rate is low, the inflation is expected to be on the higher side considering the present trend.

I. Revenue Receipts

The total Revenue Receipts of the State Government are estimated as Rs.1,27,389.83 crore in 2014-2015. Its important components are discussed below.

1. The State's Own Tax Revenue

The State had earlier taken umpteen measures to improve efficiency in tax collection and expansion of tax base. Tax compliance in the State is also already very good. Hence, scope for additional revenue generation is very less. Therefore, tax revenue growth

would stabilize henceforth and would achieve only a moderate growth rate.

The State's Own Tax Revenue is Rs.83,363.21 crore as per Revised Estimates 2013-2014. It is estimated to increase to Rs.91,835.35 crore in Budget Estimates for 2014-2015. This would mean a growth of 10.16%. State's Own Tax Revenue - GSDP ratio for 2014-2015 will be 9.75% as per Budget Estimates 2014-2015. A growth rate of 13.13% is assumed 2015-2016. The salient features of the major components of the State's Own Tax Revenue are as below.

- a) The receipts under Commercial Taxes are estimated at Rs.68,724.06 crore in the Budget Estimates 2014-2015, with a growth of 11.04% over the Revised Estimates 2013-2014.
- b) State Excise Receipts have been estimated at Rs.6,483.04 crore during 2014-2015. There is an increase of 10.47% over Revised Estimates 2013-2014 assumed on the basis of high growth rates in the past few years.
- c) Receipts from Stamp Duty and Registration are expected to grow at a rate of 13.54% in 2014-2015 and are fixed as Rs.10,470.18 crore in 2014-2015 as against Rs.9,221.98 crore estimated in Revised Estimates 2013-2014.

- d) The receipts under Motor Vehicle tax is fixed as Rs.5,147.14 crore in 2014-2015 as against Rs.4,583.02 crore estimated in Revised Estimates 2013-2014.

2. Non-Tax Revenue

Non-Tax Revenue is estimated at Rs.8,083.98 crore in the Budget Estimates 2014-2015. Since there is very limited mining potential in our State and most of Government services are delivered at free of cost or only at nominal rate, non-tax revenue is estimated only marginally higher than the Revised Estimates 2013-2014. A growth rate of 2.26% is assumed for 2015-2016 and 10.40% for 2016-2017.

3. Share in Central Taxes

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.19,014.23 crore during 2014-2015. A growth rate of 16.31% is assumed for 2015-2016 and 14.29% for 2016-2017.

4. Grants-in- Aid from the Union Government

The Grants-in-Aid from the Government of India have been estimated at Rs.8,456.27 crore in the Budget

Estimates 2014-2015 by taking into account the various plan grants, non-plan grants and the grants recommended by the Thirteenth Finance Commission. A growth rate of 10.32% is assumed for 2015-2016 and 10% for 2016-2017.

II. Revenue Expenditure

The revenue expenditure during 2014-2015 is estimated at Rs.1,27,100.47 crore which shows a growth of 9.04% over Revised Estimates 2013-2014. The main components are explained below:

- 1) The allocation for salaries is Rs.35,720.86 crore and for pension is Rs.16,020.63 crore in the Budget Estimates 2014-2015. This is 40.71% of the total Revenue Expenditure. Considering the possible expenditure due to hikes in Dearness Allowance, increments and filling up of vacancies keep a growth rate of 14.62% is assumed for 2015-2016 and 20% for 2016-2017. The projection is based on the assumption that the Seventh Pay Commission recommendations will be implemented from 2016-17 onwards. Unlike the previous pay commission experience, it has been assumed that the recommendations will be implemented with immediate effect and there won't be any arrears to be provided in instalments during subsequent years.
- 2) For Subsidies and Grants, the allocation is Rs.49,068.03 crore in the Budget Estimates 2014-2015. The increase

takes into consideration the commitment for various welfare schemes announced by the Government. Commensurate with increased estimates of receipts under State's Own Tax Revenue there is an increase in devolution to Local Bodies as per the State Finance Commission recommendations. Similarly, increased subsidy to Tamil Nadu Electricity Board has also added to the overall allocation under subsidies. A growth rate of 10% is assumed for 2015-2016, which will be stabilised by 2016-2017.

- 3) Expenditure on Non-Wage Operations and Maintenance shows an increase of 7.56% in Budget Estimates 2014-2015 over Revised Estimates 2013-2014. This is mainly on account of scheme for distribution of laptop computers electric fans, mixies and grinders at free of cost, distribution of uniforms to school students, etc. A growth rate of 10% is assumed for 2015-2016 and 10% for 2016-2017.
- 4) Interest payments have been estimated as Rs.15,463.90 crore in the Budget Estimates 2014-2015. The ratio of interest payments to Total Revenue Receipts will be 12.14% in 2014-2015. This is expected to be 12.28% and 12.07% during 2015-2016 and 2016-2017 respectively.

III. Capital Expenditure

The State has proposed to give a major thrust to capital expenditure in 2014-2015. As a result, the allocation under capital expenditure has been increased from Rs.21,887.10 crore in Revised Estimates 2013-2014 to Rs.26,003.67 crore in Budget Estimates 2014-2015, thus growing by 18.80%. This is expected to grow further at 12.91% in 2015-2016 and 10.12% in 2016-2017.

IV. Revenue Surplus and Fiscal deficit

For 2014-2015 the revenue surplus is estimated to be Rs.289.36 crore. The State will also continue to maintain revenue surplus in 2015-2016 and 2016-2017. Fiscal deficit for 2014-2015 is estimated as Rs.25,714.31 crore. This would constitute 2.73% of the GSDP. In the forthcoming years, Fiscal Deficit-Gross State Domestic Product (FD-GSDP) ratio will be 2.70% in 2015-2016 and 2.67% in 2016-2017.

V. Public debt

Although the borrowing entitlement of the State Government for the year 2014-2015 is Rs.28,267 crore, the Government plans to restrict the borrowing. The net borrowings during 2014-2015 is estimated as Rs.25,000.22 crore. The outstanding public debt including provident fund will be Rs.1,78,170.76 crore

as on 31.3.2015. This will constitute only 18.91% of GSDP.

VI. Guarantees

The outstanding guarantees for each year have to be restricted at a level 100% of the Total Revenue Receipts in the preceding year or 10% of the GSDP whichever is lower. The outstanding guarantee as on 31.3.2013 was 28.25% of Total Revenue Receipts in the preceding year and 3.49 % of GSDP. The outstanding risk weighted guarantee for each year has also to be kept at a level 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 31.3.2013 stood at 6.02% of Total Revenue Receipts in the preceding year and 0.74% of GSDP.

Conclusion

The State has recovered in the last two years from the revenue deficit of 2010-2011. With prudent fiscal management, the State will achieve all the targets set by the Thirteenth Finance Commission during 2014-2015 and will also be able to maintain the same success in the future.

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Table - Medium Term Fiscal Plan

(Rupees in Crores)								
February-2014	2012-2013 Projection	2012-2013 Accounts	2013-2014 Projection	2013-2014 Revised Estimates	2014-2015 Projection	2014-2015 Budget Estimates	2015-2016 Projection	2016-2017 Projection
Revenue	98,793.94	98,827.71	114,551.28	116,808.48	137,733.82	127,389.83	143,603.43	163,883.68
State's Own Revenues	75,166.93	77,808.54	88,393.22	91,220.56	108,545.23	99,919.33	112,159.32	128,345.56
Tax	70,548.70	71,254.28	82,179.63	83,363.21	101,557.18	91,835.35	103,892.52	119,218.86
Non-Tax	4,618.23	6,554.26	6,213.59	7,857.35	6,988.05	8,083.98	8,266.80	9,126.70
Central Transfer	23,627.01	21,019.17	26,158.06	25,587.92	29,188.59	27,470.50	31,444.11	35,538.12
Shared Taxes	15,077.74	14,519.69	17,287.34	16,485.97	19,878.51	19,014.23	22,114.89	25,275.98
Grants	8,549.27	6,499.48	8,870.72	9,101.95	9,310.08	8,456.27	9,329.22	10,262.14
Non-Interest Expenditures	106,572.89	104,510.87	124,343.41	125,351.37	147,583.32	137,640.25	154,553.74	1,75,975.36
Salaries (including GiA for education)	31,154.13	27,597.09	32,863.91	32,265.25	40,100.38	35,720.86	40,721.78	48,866.14
Pensions & Retirement Benefits	13,774.72	12,494.48	14,651.44	14,505.46	17,785.50	16,020.63	18,583.93	22,300.72
Non- Wage O & M	7,871.01	8,493.75	9,684.42	10,036.99	10,366.76	10,796.27	11,875.90	13,063.49
Subsidies and Transfers	34,506.46	37,629.42	41,619.27	46,613.44	52,404.23	49,068.03	53,974.83	59,372.32
Other Revenue Expenditures	7.34	16.85	39.88	43.13	45.54	30.79	35.10	38.96
Capital Outlay	18,259.23	14,567.68	23,984.49	19,763.07	25,880.91	23,684.80	26,852.95	30,904.87
Net Lending	1000.00	3711.59	1500.00	2124.03	1000.00	2318.87	2509.25	1,428.87
Fiscal Indicators								
Primary Surplus (+) / Deficit (-)	-7,778.95	-5,683.16	-9,792.13	-8,542.89	-9,849.50	-10,250.42	-10,950.31	-12,091.68
Interest Payments	10,130.17	10,835.84	12,587.11	13,099.94	13,584.93	15,463.90	17,628.46	19,787.77
Interest Payments / Total Revenue Receipts	10.25%	10.96%	10.99%	11.21%	9.86%	12.14%	12.28%	12.07%
Revenue Surplus (+) / Deficit (-)	1350.11	1,760.27	3105.26	244.27	664.06	289.36	783.43	454.29
Revenue Surplus (+) / Deficit (-) over TRR %	1.37%	1.78%	2.71%	0.21%	0.56%	0.23%	0.55%	0.28%
Revenue Surplus (+) / Deficit (-) over Fiscal Surplus (+) / Deficit (-) %	-8.00%	-10.66%	-14.00%	-1.13%	-2.89%	-1.13%	-2.74%	-1.43%
Fiscal Surplus (+) / Deficit (-) (Adjusted)	-17,909.12	-16,519.00	-22,379.23	-21,642.83	-22,938.57	-25,714.32	-28,578.77	-31,879.45
Fiscal Surplus (+) / Deficit (-) (Adjusted) over GSDP%	-2.74%	-2.39%	-2.88%	-2.68%	-2.52%	-2.73%	-2.70%	-2.67%
Gross State Domestic Product (GSDP)	6,54,340.00	6,90,542.00	7,76,859.75	8,08,766.00	9,09,861.75	9,42,225.00	10,60,003.13	11,92,503.52