

## **Budget Highlights 2019-2020**

**The man endowed with greatness true,  
Rare deeds in perfect wise will do.**

**(Kural 975)**

- ❖ High Priority is being accorded for promotion and strengthening of primary sector and attracting greater investments in manufacturing and service sector.
- ❖ The State continues to focus on the primary and secondary sectors, including the industrial sector, to ensure balanced growth and equitable development.
- ❖ The per capita income of the State has grown from Rs.1,03,600 in the year 2011-2012 to Rs.1,42,267 during 2017-2018 in real terms.
- ❖ As per advance estimates, the projected growth rate of GSDP for the year 2017-2018 is 8.09 percent in real terms, as against the all India projected growth rate of 7.20 percent. The GSDP growth in 2018-2019, as per the preliminary estimates, is expected to be 8.16 percent and the State is poised to enter a higher growth trajectory.
- ❖ This Government is implementing the State Balanced Growth Fund Scheme in 100 backward blocks specially addressing issues like poverty, illiteracy, unemployment, health indicators and gender equality to achieve equitable development.
- ❖ A sum of Rs.100 crore has been allocated for the State Balanced Growth Fund (SBGF) in this Budget. Similarly, Rs.75 crore has been allocated in the

Budget Estimates 2019-2020 for the Special Area Development Programme.

- ❖ An amount of Rs.100 crore has been provided for the Tamil Nadu Innovation Initiatives Programme.
- ❖ The revenue deficit for the year 2019-2020 is expected to come down to Rs.14,315 crore as against the projected revenue deficit of Rs.19,319 crore in the Revised Estimates 2018-2019.
- ❖ The State is yet to receive its due share of IGST to the tune of Rs.5,454 crore as well as the assured GST compensation of Rs.455.16 crore for the year 2017-2018. The delay in release of these dues by the Union Government is impinging on the State finances.
- ❖ TNIDB has developed the Intelligent Transport Systems project for Chennai to be implemented by Chennai Smart City Ltd at a cost of Rs.660 crore.
- ❖ This Government will implement the 'Comprehensive Integrated Parking Management Project' in Chennai city by creating underground parking facilities, multi-level parking facilities and on-lane smart parking under PPP mode to accommodate two lakh four wheelers and two lakh two wheelers at a cost of Rs.2,000 crore.

### **Disaster Management**

- ❖ A sum of Rs.825 crore has been allocated under SDRF for the year 2019-2020.

- ❖ The Government of India has sanctioned Rs.900.31 crore from the National Disaster Response Fund (NDRF) for temporary restoration to mitigate the impact of Gaja cyclone.
- ❖ With the above resources and State's own funds, a sum of Rs.2,361.41 crore has been sanctioned for temporary restoration measures, of which, Rs.774.13 crore has been provided for crop damage, Rs.577.46 crore for gratuitous relief, Rs.401.50 crore for huts and house damage and Rs.41.63 crore for compensation to damage fishermen boats.
- ❖ The compensation for hut damage, damage to coconut crop and the Fibre-Reinforced Plastic (FRP) boats was significantly enhanced by the State Government, over and above the SDRF norms. Further, to combat the prevailing drought and to ensure proper supply of drinking water, Rs.157 crore is sanctioned by this Government. A sum of Rs.825 crore has been allocated under SDRF for the year 2019-2020.
- ❖ A separate project office has been created for taking up permanent restoration measures, like construction of concrete houses to replace damaged huts and also for revival of coconut and other plantations to revive the economic livelihood of the affected people. So far, Rs.230.09 crore has been sanctioned for the rejuvenation of coconut and other plantations.
- ❖ The Government will take up the construction of one lakh concrete houses with a unit cost of Rs.1.70 lakh, to replace damaged huts in districts affected by Gaja

cyclone at a total cost of Rs.1,700 crore, of which the Government of India is expected to share Rs.720 crore and the balance Rs.980 crore towards State share will be raised as debt through the Tamil Nadu Rural Housing and Infrastructure Development Corporation.

- ❖ As a special measure, this Government will take up permanent flood mitigation works like formation of reservoir across Orathur tributary of Adayar river with inter-basin transfer canal for water supply augmentation and flood mitigation near Orathur village in Sriperumbudur taluk; regrading of lower Paravandar river and formation of a new flood diversion canal from Aruvalmooku stretch in Kurinjipadi taluk; construction of new flood regulator across Coleroon river near Perampattu in Chidambaram taluk; construction of tail-end regulator across Upanaar river near Pitchavaram village in Chidambaram taluk to arrest sea water intrusion and ten other works at a total cost of Rs.284.70 crore in the coming year.

### **Revenue Administration**

- ❖ A new sub-division will be created in 2019-2020 with headquarters at Thirumangalam in Madurai district which will encompass three taluks viz., Thirumangalam, Kallikudi and Thiruparankundram.
- ❖ In the Budget Estimates 2019-2020, a sum of Rs.3,958 crore has been provided for social security pensions.

- ❖ The Government has passed orders to regularize all residential encroachments subsisting for more than five years on unobjectionable poramboke lands and issue house site pattas. This is expected to benefit 1.5 lakh families.
- ❖ The Government will launch a comprehensive accident cum life insurance scheme, covering all Below Poverty Line (BPL) families, which will substantially increase the compensation to Rs.2 lakh and Rs.4 lakh for natural death and death due to accident respectively and Rs.1 lakh for permanent disability. A sum of Rs.250 crore has been provided for payment of premium under this scheme.
- ❖ In the Budget Estimates 2019-2020, a sum of Rs.169.81 crore has been provided for Uzhavar Padhukappu Thittam. A sum of Rs.6,106.95 crore has been provided for the Revenue Department.

### **Tamil Development**

- ❖ This Government is taking action to establish Tamil Chairs in other International Universities.
- ❖ A sum of Rs.54.76 crore has been allocated in the Budget Estimates 2019-2020 for Tamil Development Department.

### **Law and Order**

- ❖ In the Budget Estimates 2019-2020, Rs.8,084.80 crore is allocated for the Police Department including Rs.111.57 crore for Modernisation of Police force.

**Fire and Rescue Services**

- ❖ In the Budget Estimates 2019-2020, Rs.403.76 crore has been allocated for the Fire and Rescue Services Department.

**Prisons**

- ❖ In the Budget Estimates 2019-2020, a sum of Rs.319.92 crore has been allocated for the Prisons Department.

**Administration of Justice**

- ❖ In the Budget Estimates 2019-2020, Rs.1,265.64 crore has been provided for Administration of Justice.

**Agriculture**

- ❖ During 2019-2020, this Government will notify more crops and expand the coverage under crop insurance. Further, cloud burst and natural fire will also be included under localized calamities in addition to hail storm, landslide, inundation, etc.
- ❖ In 2018-2019, under 'Pradhan Mantri Fasal Bima Yojana' scheme, 21.70 lakh farmers have been enrolled till date, which is the highest in the past three years.
- ❖ An allocation of Rs.621.59 crore has been provided in the Budget Estimates 2019-2020 as State Government share of premium.
- ❖ An all time high coverage of 1.80 lakh hectares was achieved under micro irrigation during 2018-2019. It is proposed to cover another

2 lakh hectares under Micro Irrigation during 2019-2020 with an outlay of Rs.1,361 crore under micro irrigation. During 2019-2020, it is proposed to provide 2,000 solar powered pumps upto a capacity of 10 HP to farmers with a subsidy assistance of Rs.84.09 crore.

- ❖ During 2019-2020, another 5,000 IFS units will be assisted in 25 districts at an outlay of Rs.101.62 crore.
- ❖ During 2019-2020, this Government will form 2,000 Farmers Producers Groups and 100 FPOs, with a financial allocation of Rs.100.42 crore. There is an urgent need to federate FPOs to achieve sustainability. The Government of Tamil Nadu has been taking initiatives to strengthen the FPOs by federating them at State and zonal levels. A Tamil Nadu FPO Policy is also being formulated to promote FPOs.
- ❖ Tamil Nadu is the first State to initiate procurement of black gram under the Price Support Scheme on a large scale.
- ❖ The transitional production incentive introduced in 2018-2019, for sugarcane over and above the Fair and Remunerative Price announced by the Government of India, will be continued during 2019-2020 and allocation of Rs.200 crore has been provided for this purpose.
- ❖ It is planned to integrate 70 more regulated markets under e-NAM during 2019-2020.

- ❖ In the coming year, 128 block level agricultural machinery custom hiring centres and 360 village based agricultural machinery custom hiring centres will be established. A sum of Rs.172.06 crore is allocated for farm mechanization during the year 2019-2020.
- ❖ A special scheme called Chief Minister's Scheme for Augmentation of Fruits and Vegetables will be implemented from 2019-2020 for which a sum of Rs.50 crore is earmarked. Institutionalized vegetable seed production will be augmented through State owned horticulture farms for facilitating distribution of truthfully labelled vegetable seeds in needy areas.
- ❖ A sum of Rs.100 crore has been provided in the Budget Estimates 2019-2020 for the Mission on Integrated Development of Horticulture.
- ❖ The private investors are also keen to invest in the agro processing sector and a French company has signed a Memorandum of Understanding to invest Rs.2,000 crore to set up an integrated Food Processing Park near Chennai.
- ❖ Realizing the importance of agri exports, this Government will set up a special agro export promotion cell in the Directorate of Agri business and Agri marketing. This centre will co-ordinate all export promotion activities like organic and other quality certification and disbursement of incentives to farmers and exporters.

- ❖ The Organic Certification Centres will be established in all districts of the State to promote organic farming.
- ❖ During 2019-2020, a sum of Rs.79.73 crore will be spent for Government agricultural and horticultural colleges for further improving their infrastructure.
- ❖ A sum of Rs.10,550.85 crore has been provided in the Budget Estimates 2019-2020 for the agriculture sector, which includes Rs.300 crore under National Agriculture Development Programme and Rs.87.22 crore for National Mission for Sustainable Agriculture.

#### **Co-operation**

- ❖ During 2019-2020, it is proposed to disburse crop loan to an extent of Rs.10,000 crore and Rs.200 crore has been provided in the budget for interest waiver on crop loan.

#### **Animal Husbandry & Dairying**

- ❖ The scheme for distribution of milch cows will be continued in the year 2019-2020 with an allocation of Rs.49.83 crore. The scheme for distribution of sheep or goats to the poor families launched during 2011-2012, has benefitted 8.72 lakh poor families till date. During 2019-2020, Rs.198.75 crore has been allocated for continuing this scheme.
- ❖ The Fodder Development Programme will be continued with an allocation of Rs.25 crore. The special scheme launched during 2018-2019 to promote native chicken 'Aseel' will be continued with

an allocation of Rs.50 crore during 2019-2020.

- ❖ During 2019-2020 a sum of Rs.60.27 crore is earmarked for the construction of new buildings for veterinary institutions.
- ❖ For 2019-2020, this Government has allocated Rs.200 crore for strengthening the milk processing infrastructure.
- ❖ A new Frozen Semen Station with high pedigree country and cross bred bulls will be established at an estimated cost of Rs.100 crore.
- ❖ In the Budget Estimates 2019-2020, an amount of Rs.1,252.41 crore has been allocated for Animal Husbandry and Rs.258.45 crore for Dairy Sector.

### **Fisheries**

- ❖ A sum of Rs.170.13 crore has been allocated in the Budget Estimates 2019-2020 for providing assistance during lean season and fishing ban period.
- ❖ The fishing harbour projects for Vellapallam, Tharangampadi and Thiruvottriyurkuppam have already been sanctioned by the State Government at an estimated cost of Rs.420 crore, besides sanctioning Rs.116 crore for the construction of groynes at Neerody, Marthandanthurai and Villavilai in Kanyakumari district.
- ❖ This Government will distribute 240 units of Navic, 160 units of Isat-2 satellite phones and 160 units of

Navtex instruments to 80 clusters of deep sea fishing boats.

- ❖ A sum of Rs.927.85 crore has been provided in the Budget Estimates 2019-2020 for Fisheries Sector.

### **Water Resources and Irrigation**

- ❖ In the Budget Estimates 2019-2020, Rs.300 crore has been allocated for Kudimaramath scheme to rehabilitate irrigation tanks under the control of Public Works Department. Similar approach will be adopted for rehabilitating minor irrigation tanks of rural local bodies under Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGS).
- ❖ The Irrigated Agricultural Modernisation Project (IAMP), is under implementation in 66 sub-basins covering 30 districts with an outlay of Rs.2,962 crore.
- ❖ In the Budget Estimates 2019-2020, Rs.235.02 crore is allocated for Irrigated Agricultural Modernisation Project (IAMP).
- ❖ The State Government is implementing the 'Climate Change Adaptation Programme' in Cauvery Delta, with an outlay of Rs.1,560 crore with loan assistance from Asian Development Bank (ADB). During the first stage of this project, works taken up to the tune of Rs.960.66 crore are under various stages of implementation. An amount of Rs.478.73 crore has been allocated for this project in the year 2019-2020.

- ❖ The Government of Tamil Nadu has also accorded approval for the DRIP-II project under which it is proposed to rehabilitate and improve 37 dams and associated appurtenances. The project will be taken up at a cost of Rs.610.26 crore which will be completed in a span of five years from 2020-2021.
- ❖ The Government will soon commence the implementation of the Athikadavu-Avinashi scheme and Rs.1,000 crore has been provided in Budget Estimates for this purpose.
- ❖ It is proposed to establish a solar power project as a part of the scheme, at an estimated cost of Rs.132.80 crore with NABARD assistance to provide captive power supply.
- ❖ In 2019-2020, Rs.811.60 crore has been included in the Budget for taking up various works under NABARD schemes.
- ❖ In the Budget Estimates 2019-2020, Rs.5,983.98 crore has been allocated for water resources and irrigation.

### **Environment and Forests**

- ❖ Urbanisation and development have put pressure on reserve forests in and around Chennai with problems like encroachments and dumping of garbage. For 2019-2020, a sum of Rs.25 crore will be provided for concrete and live fencing for the protection of the reserve forests around Chennai city.
- ❖ This Government has sanctioned 'Improved resilience of urban eco-system to climate change through

restoration of Pallikaranai marshland' at a total cost of Rs.165.68 crore.

- ❖ A sum of Rs.300 crore has been allocated in the Budget Estimates for continuing the eco-restoration works.
- ❖ A sum of Rs.445.05 crore and Rs.31.78 crore have been allocated for Forests Department and Environment Department respectively in the Budget Estimates 2019-2020.

### **Public Distribution System**

- ❖ As announced earlier, this Government has disbursed Rs.1,985.46 crore as pongal gift of Rs.1,000/- per family for celebrating the harvest festival.
- ❖ During 2019-2020, an allocation of Rs.6,000 crore has been provided for food subsidy and Rs.333.81 crore is provided to co-operatives for implementing public distribution system.

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

- ❖ A sum of Rs.5,164.98 crore and Rs.6,573.61 crore have been provided in the Budget Estimates 2019-2020 for the urban and rural local bodies respectively.
- ❖ Budget provision of Rs.5,178.52 crore has been made for the Central Finance Commission grant to local bodies for the year 2019-2020.

## **Rural Development**

- ❖ After the sanitation baseline survey of 2013-2014, a record 48.94 lakh individual household toilets have been constructed in rural areas to ensure universal coverage.
- ❖ A sum of Rs.400 crore has been provided in the Budget Estimates for Swachh Bharat Abhiyan (Gramin).
- ❖ MGNREGS is being implemented with full zeal in the State to create durable assets. The State will continue its efforts to implement the scheme for creating such assets during 2019-2020, for which Rs.250 crore has been provided towards State share of material component.
- ❖ Repair and reconstruction of 45,594 old and dilapidated houses that were constructed 25 years ago for the rural poor has been taken up at a cost of Rs.227.97 crore.
- ❖ An amount of Rs.2,276.14 crore has been provided in the Budget Estimates 2019-2020 for PMAY (Gramin). As in the past, 20,000 houses will be constructed under the Chief Minister's Solar Powered Green Houses Scheme, for which Rs.420 crore has been provided in the Budget Estimates.
- ❖ A sum of Rs.18,273.96 crore has been provided in the Budget Estimates 2019-2020 for the Rural Development Department.

**Municipal Administration**

- ❖ A sum of Rs.1,650 crore has been provided for Smart Cities programme for the year 2019-2020.
- ❖ In the Budget Estimates 2019-2020, Rs.1,450 crore has been allocated for AMRUT scheme and Rs.302 crore is provided for TNUFIP.
- ❖ A sum of Rs.750 crore has been allocated for IUDM and Rs.500 crore has been allocated for CMCDM.
- ❖ In the Budget Estimates 2019-2020, Rs.836.39 crore has been allocated for TNSUDP.
- ❖ The Government will also take up works at an estimated cost of Rs.200 crore in town panchayats with NABARD funding in 2019-2020.
- ❖ A comprehensive solid waste management project for the Greater Chennai Corporation has been prepared. Administrative sanction has already been accorded for collection and transportation of solid waste in eight zones in two packages for a total cost of Rs.1,546.04 crore. Remediation and reclamation of existing landfills for Kodungaiyur and Perungudi under PPP mode along with the setting up of waste-to-energy plants is under consideration of the Government at a total cost of Rs.5,259.10 crore.
- ❖ In the Budget Estimates 2019-2020, Rs.18,700.64 crore has been allocated for the Municipal Administration and Water supply Department.

### **Drinking Water Supply**

- ❖ During 2018-2019, Tamil Nadu Water Supply and Drainage Board (TWAD) has taken up projects to cover 2,310 partially covered habitations and remaining 2,017 partially covered habitations will be covered during 2019-2020.
- ❖ In the year 2019-2020, works to the tune of Rs.1,558.87 crore will be taken up under these schemes including combined water supply schemes to cover 282 rural habitations in Aravakuruchi and K.Paramathy blocks of Karur district.
- ❖ In the Budget Estimates 2019-2020, Rs.364.76 crore, Rs.286 crore and Rs.600 crore have been allocated for NRDWP, MNP and NABARD funded works respectively.

### **Housing and Urban Development**

- ❖ In line with the Sustainable Development Goal (SDG) of ensuring access for all to adequate, safe and affordable housing and basic services and to improve slums by 2030, the Government will soon unveil the State Urban Housing and Habitat Policy. The role of the Government as a provider of housing to poorest and as an enabler of housing markets to ensure access of the poor and middle classes to affordable housing will be strengthened.
- ❖ The Government will take up the construction of 1.97 lakh tenements in 2019-2020 under the PMAY (Urban). A sum of Rs.2,662.16 crore has been provided in the Budget Estimates 2019-2020 for this purpose.

- ❖ 'Tamil Nadu Housing and Habitat Development for Urban Poor' programme, with World Bank assistance, will be launched to construct 38,000 tenements at a cost of Rs.4,647.50 crore in Chennai and surrounding areas for poor families living at river margins by adopting best resettlement practices.
- ❖ A project for Inclusive Resilient and Sustainable Housing for the Urban Poor has been posed to the Asian Development Bank at a cost of Rs.5,000 crore for providing housing in areas other than Chennai and to create adequate stock of industrial and rental housing.
- ❖ The Tamil Nadu Shelter Fund has been registered with SEBI and has been set up to attract domestic and global investors providing 'Social Impact Investments'. This fund would be deployed to create environment friendly, quality affordable housing for sale to the poor and middle class families. The fund will also be used to set up affordable hostel facilities for working women to address their needs for good quality affordable and safe accommodation and affordable assisted living facilities for senior citizens and the differently abled.
- ❖ In order to bring the entire State under planned development, the Directorate of Town and Country Planning (DTCP) will prepare regional plans by dividing the State into nine regions and will prepare a perspective plan for the entire State within a period of two years. In the first phase, the regional plans for the Coimbatore and Madurai regions will be prepared.

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

### **Poverty Alleviation**

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

DAY-NULM and Rs.50 crore under TNULM in the Budget Estimates 2019-2020. Totally, Rs.1,031.53 crore has been allocated for poverty alleviation programmes in this budget.

### **Highways**

- ❖ In 2018-2019, the allocation under CRIDP was substantially enhanced to Rs.4,165.23 crore and Rs.4,570.43 crore has been allocated for the year 2019-2020.
- ❖ During 2019-2020, another 622 km of roads at a cost of Rs.715 crore will be covered in Sivagangai division under PBMC model.
- ❖ Adopting the PBMC model, this Government is drafting a comprehensive project to seek funding from multilateral institutions like Asian Development Bank.
- ❖ 1,986 km of Panchayat and Panchayat Union roads will be taken up at a cost of Rs.1,142 crore in 2019-2020 for upgrading to standard of Other District Road.
- ❖ An amount of Rs.459.74 crore has been allocated for the TNRSP in the Budget Estimates 2019-2020.
- ❖ In the Budget Estimates 2019-2020, Rs.13,605.19 crore has been allocated to the Highways and Minor Ports Department.

**School Education**

- ❖ The number of out of school children have fallen drastically from 63,178 children in 2011-2012 to 33,519 children in 2018-2019.
- ❖ Welfare schemes such as distribution of school bags, footwear, notebooks, textbooks and geometry boxes, etc., free of cost to students will be continued by this Government. Towards this, Rs.1,656.90 crore has been allocated in the Budget Estimates 2019-2020.
- ❖ The Government will continue to provide special cash incentive of Rs.5,000 per student to all students studying in Government and Government aided schools in 10th, 11th and 12th standards to prevent their dropping out. An amount of Rs.313.58 crore has been allocated in this Budget for this purpose.
- ❖ A sum of Rs.1,362.27 crore has been allocated in this Budget for providing laptops to school students during 2019-2020.
- ❖ In order to provide adequate infrastructure to Government schools, the Government will take up construction of classrooms, labs, toilets and other facilities at a cost of Rs.381.31 crore with NABARD loan assistance.
- ❖ The Government of India is yet to release the long pending arrears to the tune of Rs.2,109.08 crore under Sarva Shiksha Abhiyan (SSA) and Rs.1,092.22 crore under Rashtriya Madhyamik Shiksha Abhiyan (RMSA).

- ❖ The Centrally sponsored schemes of SSA and RMSA have been integrated to form the Samagra Shiksha Abhiyan scheme, with effect from 2019-2020, for which Rs.2,791.32 crore has been included in the Budget Estimates 2019-2020.
- ❖ A sum of Rs.248.76 crore has been allocated for the scheme of Right of Children to Free and Compulsory Education Act, in the Budget Estimates 2019-2020.
- ❖ In the Budget Estimates 2019-2020, Rs.28,757.62 crore has been allocated for School Education Department.

### **Higher Education**

- ❖ This Government will establish a new Government arts and science college at Rameswaram during 2019-2020, which will be named after Dr. A.P.J. Abdul Kalam.
- ❖ Under the first generation graduates scholarship programme, Rs.460.25 crore has been provided in the Budget Estimates 2019-2020.
- ❖ As a measure to upgrade educational institutions to international standards, the Government has enacted legislation for establishing private universities, under which SSN University and SAI University have been accorded permission. Under RUSA 2.0, Rs.382 crore has been sanctioned
- ❖ Anna University being a premier State University, a sum of Rs.100 crore will be sanctioned to upgrade infrastructure, including equipment, to impart teaching at international standards in the university

and the engineering colleges under the control of Director of Technical Education.

- ❖ An amount of Rs.4,584.21 crore has been provided in the Budget Estimates 2019-2020 for Higher Education.

### **Health and Family Welfare**

- ❖ Since its inception of 'Chief Minister's Comprehensive Health Insurance Scheme' in 2011-2012, 28.34 lakh beneficiaries have availed medical treatment valued at Rs.5,527 crore.
- ❖ The Government has recently increased the insurance coverage of Rs.2 lakh per family per annum to Rs.5 lakh with effect from 1<sup>st</sup> December 2018 by dovetailing the Government of India's flagship scheme, Pradhan Mantri Jan Arogya Yojana. A sum of Rs.1,363 crore has been provided in the Budget Estimates 2019-2020 for payment of premium for this scheme.
- ❖ The Government of India's Pradhan Mantri Matru Vandana Yojana for all eligible pregnant mothers for first live birth has been merged with the State Scheme. A sum of Rs.959.21 crore has been provided in the Budget Estimates 2019-2020 for this scheme.
- ❖ The Government of Tamil Nadu is implementing 'Tamil Nadu Urban Health Care Project' at a cost of Rs.1,634 crore in order to strengthen the secondary and tertiary care institutions in the State. A sum of Rs.242.92 crore has been provided in the Budget Estimates for this scheme.

- ❖ The State Government will soon launch the Tamil Nadu Health Systems Reforms Programme with World Bank funding support at a total cost of Rs.2,685.91 crore, to improve the access of the poor and disadvantaged to the Government health facilities.
- ❖ This Government will launch an ambitious programme to formulate an essential diagnostics list guaranteeing a set of diagnostic tests at each level of health care. This scheme will be implemented at a cost of Rs.247 crore over a period of three years.
- ❖ In the Budget Estimates 2019-2020, Rs.12,563.83 crore has been allocated to Health and Family Welfare Department.

### **Transport**

- ❖ This Government will implement a project to procure 12,000 new BS-VI buses and 2,000 new electric buses at an outlay of Rs.5,890 crore
- ❖ The State Government will introduce 2000 BS-VI buses in the State and 500 electric buses in Chennai, Coimbatore and Madurai during the first phase.
- ❖ A sum of Rs.333.07 crore was also disbursed as 'Diesel Price compensation' to the State Transport Corporations to absorb the price shocks due to the fluctuating diesel prices during 2018-2019.
- ❖ In the Budget Estimates 2019-2020, a sum of Rs.1,297.83 crore has been allocated for Transport Department including Rs.766 crore towards free bus

pass to students and Rs.250 crore as diesel price compensation.

### **Energy**

- ❖ TANGEDCO will be establishing floating solar power projects in the districts of Theni, Salem and Erode with a capacity of 250 MW at an estimated cost of Rs.1,125 crore and Kadaladi Ultra Mega Solar Photovoltaic Park Power Project with a capacity of 500 MW at a cost of Rs.2,350 crore.
- ❖ Tamil Nadu Energy Development Agency (TEDA) will establish 'Amma Green Gramam' as sustainable energy villages with mini rural renewable energy parks each with a capacity of 5 MW, by using non-productive community as well as patta lands for renewable energy generation using Green Climatic Fund.
- ❖ The Tamil Nadu Solar Energy Policy 2019 that was recently unveiled by the Hon'ble Chief Minister, will increase the solar power generation capacity of the State to 9,000 MW by 2023.
- ❖ Power subsidy for various categories like agriculture and other consumers will be continued, for which Rs.8,118.25 crore has been allocated.
- ❖ In the Budget Estimates 2019-2020, Rs.18,560.77 crore has been allocated for energy sector.

**Chennai Metro Rail**

- ❖ The Phase-I of Chennai Metro Rail Project covering two corridors stretching 45.01 km will be fully commissioned during February 2019.
- ❖ The Phase-I Extension covering a length of 9 km upto Tiruvottriyur / Wimco Nagar is expected to be commissioned by June 2020.
- ❖ As announced already, feasibility study is also being taken up for the extension of metro rail line from Meenambakkam Airport to Kilambakkam metro bus terminus.
- ❖ Out of the approved 118.90 km of three metro rail corridors, JICA has approved funding of Rs.20,196 crore for implementing the priority stretches totalling 52.01 km from Madhavaram to Sholinganallur and Madhavaram to Chennai Mofussil Bus Terminus (CMBT) and the State Government has also accorded administrative sanction for a total cost of Rs.40,941 crore to commence the work shortly.
- ❖ In the Budget Estimates 2019-2020, a sum of Rs.2,681 crore has been allocated for the Chennai Metro Rail Project as share capital and debt.

**Labour Welfare**

- ❖ This Government will take all efforts to ensure that the members enrolled in unorganised workers welfare boards will get the benefit of pension announced by the Government of India recently. An allocation of Rs.148.83 crore has been made in this Budget for grants to unorganised workers welfare boards.

**Employment and Skill Training**

- ❖ New advanced and high-end trades such as medical electronics, architectural assistant, auto-body repairing and painting, operator advanced machine tools, technician power electronics, fire technology and industrial safety management are being introduced in 20 Government ITIs at a cost of Rs.38 crore.
- ❖ As a new initiative, advanced hi-end skill building centres to impart higher level technical skills to unemployed engineering graduates will be established in the coming year under PPP mode in five selected district headquarters. This will benefit 10,000 unemployed engineering graduates every year to get employed in specialised jobs in emerging areas of technology.
- ❖ A sum of Rs.200 crore has been provided in the Budget Estimates 2019-2020 to TNSDC and a sum of Rs.51.64 crore is provided under PMKVY.

**Handloom, Handicraft, Textiles and Khadi**

- ❖ A sum of Rs.40 crore is allocated under the newly launched Handloom Support Programme for the year 2019-2020.
- ❖ The scheme of free distribution of sarees and dhoties to poor families will continue and in the Budget Estimates 2019-2020, Rs.490.20 crore has been allocated for this scheme.
- ❖ Tamil Nadu Handicrafts Development Corporation is in the process of establishing a virtual reality

showroom, the first of its kind in the country to promote sales.

- ❖ In the Budget Estimates 2019-2020, Rs.1,170.56 crore has been allocated to handloom and textiles sector and Rs.211.11 crore for handicrafts and khadi sector.

### **Information Technology**

- ❖ The Government has accorded approval to extend TNSWAN Phase-II operations and to integrate the TNSWAN with TAMILNET at a cost of Rs.443.64 crore.
- ❖ The Government would harness artificial intelligence, machine learning, block chain, big data, drones and Internet of Things (IoT) to serve the people better. For this, a 'Centre of Excellence for Emerging Technologies' would be set up under TNeGA.
- ❖ A sum of Rs.140.62 crore has been provided for Information Technology Department.

### **Industries**

- ❖ Global Investors Meet 2019 (GIM 2019), 304 Memoranda of Understanding (MoUs) were signed with investors for investment commitments worth over Rs.3 lakh crore. These projects are expected to generate employment to over 10.45 lakh persons. The investments attracted during GIM 2019 encompass diverse sectors including manufacturing, IT parks, retail park, housing, renewable energy, food processing and education. GIM 2019 attracted Rs.32,206 crore of investment in the MSME Sector to promote investments in industrially backward areas

like southern districts and Nagapattinam district. We have also been able to garner further investments in the western region of the State, especially in the textiles, garments and engineering sectors.

- ❖ The Defence Industrial Corridor Project, with nodes at Chennai, Hosur, Salem, Coimbatore and Trichy and investments worth Rs.3,123 crore from Ordinance Factory Boards, Defence Public Sector undertakings and private sector units in these nodes, were launched recently by the Hon'ble Union Minister for Defence.
- ❖ This Government has provided further fillip to this project by unveiling the Tamil Nadu Aerospace and Defence Industrial Policy, 2019. Under this policy, attractive incentive packages will be provided to aerospace and defence manufacturers for setting up manufacturing facilities in our State.
- ❖ The State Government has sanctioned Rs.2,000 crore as investment related incentives for the year 2018-2019. A sum of Rs.2,500 crore has been provided as incentives for the year 2019-2020 and an amount of Rs.2,747.96 crore has been provided in the Budget Estimates for Industries Department.

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

- ❖ The New Entrepreneur-cum-Enterprise Development Scheme (NEEDS) has created a favourable environment for budding entrepreneurs to start business enterprises in the State. In the Budget Estimates 2019-2020, a sum of Rs.87.92 crore has been allocated for this scheme.

- ❖ The industrial estates in Thirumudivakkam and Alathur will be further expanded to meet the growing demand of land for new MSME units. The SIDCO industrial estates, which have power supply from agricultural feeder lines, will be provided with separate industrial feeder lines during 2019-2020 to provide quality and uninterrupted power supply to MSME units.
- ❖ In order to promote overseas investment in MSME sector in Tamil Nadu and provide access to international markets for the products and services of the MSMEs, the Government will establish a new autonomous body named MSME Trade and Investment Promotion Bureau.
- ❖ In the Budget Estimates 2019-2020, Rs.476.26 crore has been allocated to Micro, Small and Medium Enterprises Department.

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

- ❖ Destination based and circuit based tourism is being promoted under Asian Development Bank programme, for which Rs.288 crore has been provided under Tranche IV.
- ❖ This Government will launch a massive tourism promotion project under PPP mode. This is expected to generate huge employment opportunities. The programme will be launched during 2019-2020. A sum of Rs.100 crore has been provided as initial investment in the Budget Estimates for this project.
- ❖ A sum of Rs.186.23 crore has been provided in the Budget Estimates 2019-2020 for tourism sector.

A sum of Rs.56.23 crore for the Department of Arts and Culture, Rs.14.65 crore for the Department of Museums and Rs.10.19 crore for the Department of Archeology have also been provided.

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

- ❖ In the Budget Estimates 2019-2020, Rs.281.86 crore has been provided for Hindu Religious and Charitable Endowments Department.

### **Social Welfare**

- ❖ A sum of Rs.140.11 crore has been allocated under the Chief Minister's Girl Child Protection Scheme for the year 2019-2020.
- ❖ Under various marriage assistance schemes, Rs.726.32 crore has been provided in the Budget Estimates 2019-2020.
- ❖ Further, a sum of Rs.250 crore has been provided to continue the distribution of two wheelers to working women under the Amma Two Wheeler Scheme.
- ❖ A sum of Rs.1,772.12 crore has been provided for Puratchi Thalaivar MGR Nutritious Meal Programme in the Budget Estimates 2019-2020.
- ❖ A sum of Rs.2,052.22 crore has been provided in the Budget Estimates 2019-2020 for implementing the ICDS scheme. In the Budget Estimates 2019-2020, Rs.5,305.51 crore has been allocated for the Social Welfare Department.

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

- ❖ A sum of Rs.290.71 crore has been allocated for these ongoing programmes during 2019-2020. Further, the Government also allocated Rs.138.48 crore in the year 2019-2020 for distributing bicycles to the school students and ITI students.
- ❖ A sum of Rs.79.23 crore has been allocated for food charges to the hostel students in the Budget Estimates 2019-2020.
- ❖ A sum of Rs.911.47 crore has been provided for the Department of Backward Classes, Most Backward Classes and Denotified Communities Welfare.

**Minorities Welfare**

- ❖ The Government is committed to promote the welfare of the religious and linguistic minorities in the State. For the benefit of poor students belonging to minority communities, 16 minority hostels are being run by the Government benefiting 1,300 students.
- ❖ For the year 2019-2020, Rs.14.99 crore has been allocated to the minorities welfare.

**Adi Dravidar and Tribal Welfare**

- ❖ In 2019-2020, the Government will construct building for 20 hostels, for which Rs.40 crore has been allocated in the Budget Estimates 2019-2020.

- ❖ For the monthly food charges for students in school and college hostels, Rs.103.55 crore has been allocated in this Budget.
- ❖ The recent change in the guidelines for post-matric scholarships brought about by the Government of India has transferred a huge financial liability from the Centre to States in such a manner that has resulted in the financial commitment of Government of Tamil Nadu increasing from Rs.353.55 crore to Rs.1,526.46 crore per annum. Moreover, Government of India is yet to release arrears to the tune of Rs.985.80 crore, which has been pending for long time, despite repeated requests.
- ❖ The State Government has allocated Rs.1,857.13 crore during 2019-2020 for post-matric scholarships.
- ❖ The scheme of providing cash incentives to girl children from class III to VIII for encouraging their school enrolment will be continued this year with a budget allocation of Rs.48.70 crore.
- ❖ A sum of Rs.71.01 crore has been included in the Budget Estimates 2019-2020 for providing bicycles free of cost to the students belonging to the Schedule Castes and Scheduled Tribes studying in Government and Government aided schools.
- ❖ Continuing the initiatives taken during the current year to improve the basic amenities in scheduled caste habitations through a special programme, a sum of Rs.100 crore has been allocated in the

Budget Estimates 2019-2020, for the provision of basic amenities in the scheduled caste habitations.

- ❖ An amount of Rs.25 crore has been allocated as initial fund to support Non-Government Organizations (NGOs) for starting new schools in interior tribal areas for the benefit of tribal students.
- ❖ In the Budget Estimates 2019-2020, Rs.3,810.28 crore has been allocated for the Adi Dravidar and Tribal Welfare Department, of which Rs.135 crore is under special central assistance for the economic development of the scheduled castes.
- ❖ A sum of Rs.482.80 crore has been allocated for tribal welfare in the Budget Estimates 2019-2020.

### **Welfare of the Differently Abled**

- ❖ Considering the additional requirement, allocation in 2019-2020 will be suitably enhanced to distribute 3,000 special wheel chairs and 3,000 retrofitted scooters.
- ❖ In the Budget Estimates 2019-2020, Rs.572.19 crore has been allocated for the Welfare of differently abled persons.

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

In the Budget Estimates 2019-2020, Rs.168.27 crore has been allocated for the Youth Welfare and Sports Development Department.

### **Government Servants and Pensioners**

- ❖ Allocations of Rs.253 crore and Rs.299.28 crore have been provided towards payment of premium for the

health insurance scheme of Government servants and pensioners respectively.

## **PART-B**

### **Resources for Financing the Budget**

- ❖ The Integrated Financial and Human Resources Management System (IFHRMS) ensures digitisation of the treasury system, seamlessly integrating it with human resource and budget management, which is the first of its kind in the country.
- ❖ The revenue from commercial taxes has been estimated at Rs.84,365.91 crore in the Revised Estimates 2018-2019 and at Rs.96,177.14 crore in the Budget Estimates 2019-2020.
- ❖ Based on the present trend in State Excise Duty collection, an amount of Rs.6,724.38 crore has been included in the Revised Estimates 2018-2019 and Rs 7,262.33 crore is being included in the Budget Estimates 2019-2020.
- ❖ The revenue collections from stamp duty and registration fees have performed well in 2018-2019 and hence Rs.11,512.10 crore has been fixed in the Revised Estimates 2018-2019.
- ❖ The stamp duty on property transfer in respect of amalgamation or reconstruction of companies will be fixed at 2 percent of the market value of the immovable property or 0.6 percent of the aggregate of the market value of the shares, whichever is higher. Similarly, the registration fees payable on such transactions will be fixed at a maximum of

Rs.30,000. This will clear all the ambiguities related to payment of stamp duty and registration fees on such transactions.

- ❖ An amount of Rs.13,122.81 crore is projected to be the tax collection from Stamp duty and Registration fees in the Budget Estimates 2019-2020, which is Rs.2,187.14 crore over and above the Budget Estimates 2018-2019.
- ❖ The Revised Estimates for revenue from motor vehicle tax is Rs.5,918.82 crore and is projected to be Rs.6,510.70 crore in the Budget Estimates 2019-2020.
- ❖ The projection for SOTR has been increased to Rs.1,10,178.43 crore in the Revised Estimates 2018-2019 and Rs.1,24,813.06 crore has been projected as State's Own Tax Revenue in the Budget Estimates 2019-2020. The receipts under the State's Own Non-Tax Revenue are estimated to be Rs.13,326.91 crore in 2019-2020.
- ❖ A sum of Rs.30,638.87 crore has been included as Share in Central Taxes in the Revised Estimates 2018-2019 and Rs.33,978.47 crore in the Budget Estimates 2019-2020.
- ❖ For the year 2019-2020, the Grants-in-Aid from the Government of India have been estimated at Rs.25,602.74 crore based on the existing trends and provisions in the Union Budget 2019-2020.

**Fiscal Indicators**

- ❖ The Total Revenue Receipts (TRR) of the State have been estimated at Rs.1,80,618.71 crore in the Revised Estimates 2018-2019 while the revenue expenditure is estimated to be Rs.1,99,937.73 crore, resulting in a revenue deficit of Rs.19,319.02 crore. The Total Revenue Receipts for 2019-2020 are projected to be Rs 1,97,721.17 crore.
- ❖ An amount of Rs.2,12,035.93 crore has been estimated as revenue expenditure, resulting in a revenue deficit of Rs.14,314.76 crore in the Budget Estimates 2019-2020.
- ❖ In the Revised Estimates 2018-2019, Capital expenditure has been estimated as Rs.26,191.98 crore and Rs.31,251.21 crore has been estimated in the Budget Estimates 2019-2020 which is 19.32 percent growth over and above the Revised Estimates 2018-2019.
- ❖ In the Revised Estimates 2018-2019, the Fiscal Deficit is estimated to be 2.85 percent of GSDP.
- ❖ The State expects to bring down the Fiscal Deficit to 2.56 percent of GSDP in 2019-2020, which is within the prescribed Fiscal Deficit norm of three percent of GSDP.
- ❖ During 2018-2019, this Government adopted a conservative approach and raised only Rs.44,066.82 crore as net borrowing as against the permitted limit of Rs.47,350 crore, to restrict outstanding debt. It is estimated that Rs.43,000 crore will be raised as net borrowings in

2019-2020 as against the permissible borrowing of Rs.51,800 crore. Therefore, the net outstanding debt at the end of 31st March 2020 will be Rs.3,97,495.96 crore and the debt to GSDP ratio will be 23.02 percent, which is well within the debt-GSDP norm of 25 percent.