

Speech of Thiru O. Panneerselvam, Hon'ble Minister for Finance, Personnel and Administrative Reforms, Government of Tamil Nadu, presenting the Revised Budget for the year 2016-2017 to the Legislative Assembly on 21st July, 2016.

Hon'ble Speaker Sir,

கொடைஅளி செங்கோல் குடிஓம்பல் நான்கும்

உடையான்ஆம் வேந்தர்க்கு ஒளி

(குறள் 390)

Gifts, grace, right scepter, care of people's weal

These four a light of revered King's reveal

(Kural 390)

The ruler who is just, gracious, liberal and treats his people with care is the light among kings. These words of the Divine Poet Thiruvalluvar, aptly describe our **Hon'ble Chief Minister Puratchi Thalaivi J Jayalithaa**, who is the embodiment of profound wisdom and compassion. Declaring "**I am by the people and for the people**", the Hon'ble Chief Minister has been working tirelessly day and night to enliven the Tamil language, to ensure that Tamil Nadu flourishes and to bring prosperity to the life of the Tamil people.

2. Unparalleled in her leadership, unflinching in her commitment to the development of Tamil Nadu and welfare of its people and steadfast in her march towards consecutive historic electoral victories, she has been bestowed with the infinite love, affection and respect of the people of Tamil Nadu, which has ensured her assumption of charge as the Chief Minister for the sixth time. I am proud to have once again being given the opportunity to work as Finance Minister under the astute and sagacious leadership of the Hon'ble Chief Minister. As I rise to present the Revised Budget Estimates 2016-2017, in this august House, I submit before her boundless wisdom and faithfully express my gratitude towards her for bestowing this great responsibility on me.

3. Only a great leader can create a vision, articulate it and passionately own and pursue it, till it is fulfilled. As a great visionary leader, our Hon'ble Chief Minister has chiseled a path of development for the State of Tamil Nadu by launching the 'Vision Tamil Nadu 2023' document on 22.03.2012. While launching the document, she proclaimed

"Like Martin Luther King who had a great dream about the USA, I also have a dream or vision for Tamil Nadu. In my dream I envision a Tamil Nadu where no youth remains unemployed, where

poverty is totally eradicated, where every citizen has access to all basic amenities such as health care, education, water supply and sanitation, and above all, where all the people of the State enjoy prosperity, security and peace. I have a dream wherein Tamil Nadu emerges as the Numero Uno in all economic and social indicators and emerges as the knowledge economy in this new millennium. This Vision 2023 document articulates my dream and sets certain tasks to be accomplished."

The Vision Document outlines the agenda for the development of the State, now and for the future and sets the direction for the Revised Budget Estimates 2016-2017.

4. To achieve **peace, growth** and **prosperity** in the State and the goals set out in the Vision 2023 document; this Government has formulated the following **Five State Missions** and **Eleven Special Focus Areas of Development**. The five Missions contemplated here set ambitious targets to be achieved through multi-disciplinary and multi-departmental co-ordination.

The Five State Missions are:

- ❖ **Mission for water resource management and revival of Kudimaramath**
- ❖ **Mission for housing to achieve hut-free villages and slum-free cities**
- ❖ **Mission for poverty reduction and economic empowerment of the poor**
- ❖ **Mission for a clean Tamil Nadu**
- ❖ **Mission for skill development**

The Eleven Special Focus Areas of Development are:

- ❖ **Agriculture and allied sector development**
- ❖ **Strengthening urban infrastructure**
- ❖ **Tourism promotion**
- ❖ **Promotion of Micro, Small and Medium Enterprises**
- ❖ **Infrastructure development including roads, power, minor ports, irrigation and drinking water**

- ❖ **Industrial investment through corridor based development and improving ease of doing business**
- ❖ **Education for all with focus on quality**
- ❖ **Health for all**
- ❖ **Social security with focus on women and children**
- ❖ **Strengthening urban transportation**
- ❖ **Good Governance and transparency**

All the policies, programmes and schemes are designed to achieve the above objectives, for which the Revised Budget 2016-2017 outlines the strategies.

5. In the words of Thiruvalluvar, "just to say a thing is easy for anyone, but to do it in the manner undertaken is a rare thing indeed". True to her words, the Hon'ble Chief Minister has proven her able leadership with her actions. In the recent Legislative Assembly Elections, after 32 years, the people of Tamil Nadu delivered a historic verdict and have given her a consecutive second term to take charge of the State administration. During her address to thank the people of Tamil Nadu, the Hon'ble Chief Minister said, "**I am indebted to the people of Tamil Nadu for placing**

immense faith on me and giving this historic victory. I intend to show my gratitude by my actions and we will strive to fulfil all promises made in the Manifesto". To fulfil this commitment, the Hon'ble Chief Minister, immediately after assuming charge, has issued Government Orders for implementing the five major promises made in the Election Manifesto.

POVERTY REDUCTION

6. This Government has launched a State Mission on Poverty Reduction in both rural and urban areas with a multi-pronged approach under the aegis of the Tamil Nadu Corporation for Development of Women. The main strategy is identifying eligible poor families and organising them as Self Help Groups. These groups will be supported for their economic empowerment through skill training, extension of credit for self-employment and starting micro-enterprises, besides assisting them in the areas of health, sanitation and education.

7. The 'Pudhu Vaazhvu Project' is being implemented in 120 Blocks. The 'Tamil Nadu Rural Transformation Project' will be taken up with the World Bank assistance at a cost of Rs.900 crores in 120 Blocks. Along with these, the 'Tamil Nadu State Rural Livelihood Mission' (TNSRLM) and the 'National Rural Livelihood Mission' (NRLM) will cover all the 385 Blocks, thus covering the entire State under poverty alleviation

programmes. **For these poverty reduction schemes in rural areas, an amount of Rs.355.81 crores has been provided in the Revised Budget Estimates 2016-2017.**

8. Even though the Government of India has restricted the 'National Urban Livelihood Mission' (NULM) in Tamil Nadu to forty Urban Local Bodies (ULBs), the State Government has been implementing the 'Tamil Nadu Urban Livelihood Mission' (TNULM) throughout the State, filling the gap with its own funds. **A sum of Rs.350 crores has been provided for urban livelihood programmes in the Revised Budget 2016-2017.**

EMPLOYMENT AND SKILL DEVELOPMENT

9. The State Mission on skill development will impart skills to 20 million persons as stated in the Vision Tamil Nadu 2023 Document. The Tamil Nadu Skill Development Corporation has been set up as a nodal agency to coordinate all the skill development training implemented in the State. Tie-ups of potential employers like industrial units with academic institutions will be encouraged to enhance the employability of the educated youth. These tie-ups would play a crucial role in imparting skill development training to fulfil the skill gap requirements of the industry and to ensure benchmarking of skill training in alignment with the National Skill

Qualification framework. **During 2016-2017, it is proposed to train two lakh youth for skill development under this Mission. A sum of Rs.150 crores has been earmarked in the Revised Budget Estimates 2016-2017 for the 'Tamil Nadu Skill Development Mission'.**

10. Employment Exchanges are now acting as career guidance centres for disseminating information on career opportunities to the unemployed youth. District Level Private Placement Assistance Cells, which have been created in 37 District Employment Offices, organise job-melas and facilitate face-to-face interviews. The access to the database maintained by the employment offices is open to private sector employers to fulfil their employment requirement.

PLANNING AND DEVELOPMENT

11. The Hon'ble Chief Minister released the Part-II of Vision Tamil Nadu 2023 document on 21.02.2014. This document spelt out the sector specific approaches and profiles of 217 infrastructure projects in six major sectors. I am glad to inform this august House that the works for 88 projects have already started and 16 projects have reached bidding stage. Detailed Project Reports and Detailed Feasibility Studies have been prepared for 24 projects which are ready for launch. The remaining projects are at various stages of preparation.

12. This Government has created the Tamil Nadu Infrastructure Development Board (TNIDB) in 2012 to support and execute the enlisted projects in Vision 2023 and give exclusive focus to major infrastructure projects, especially under the Public Private Partnership (PPP) mode. **In the Revised Budget Estimates 2016-2017, an amount of Rs.2,000 crores has been allocated for the 'Tamil Nadu Infrastructure Development Fund' and Rs.100 crores has been allocated for the 'Project Preparation Fund'.**

13. **In a landmark initiative, for the first time in the Country, the State has promoted the Tamil Nadu Infrastructure Fund as an Alternative Investment Fund Category-I (AIF-I) through the Tamil Nadu Infrastructure Fund Management Corporation (TNIFMC). I am happy to inform that the Fund has already been registered by the Securities and Exchange Board of India (SEBI) and is now in the process of mobilizing the first financial close of Rs.3,000 crores. These resources will be used to fund new infrastructure projects in the State during 2016-2017.**

14. The greatest challenge before this Government is to steer the State economy in the midst of the uncertain global and domestic economic environment. The challenge is particularly intense in the

Manufacturing Sector, which is critical to achieve double digit growth. Even under these difficult circumstances, the State performed better as the Gross State Domestic Product (GSDP) growth rate in 2015-2016 is estimated at 8.79% as against the All India Gross Domestic Product (GDP) growth rate of 7.57% at 2011-2012 constant prices. The growth rate is expected to improve once the data from latest estimates is made available. With the State Plan expenditure target for 2016-2017 set at Rs.60,610 crores, the GSDP growth rate is expected to go up further during 2016-2017.

15. Several inclusive welfare programmes are being implemented to uplift the poor for ensuring growth with equity. The steps taken by this Government to prepare Human Development Reports for all Districts in the State will provide the much needed inputs for appropriately designing various programmes. **The 'State Balanced Growth Fund' (SBGF) aimed at reducing the socio-economic imbalances in 105 backward blocks through flexible programmes to address the gaps in key indicators in poverty, health, education and gender equity will be continued. A sum of Rs.100 crores is allocated for this programme in the Revised Budget Estimates 2016-2017. The 'Special Area Development Programme' has been launched with State funds,**

in lieu of the erstwhile 'Hill Area Development Programme' (HADP) and 'Western Ghats Development Programme' (WGDP). This scheme will be implemented with an allocation of Rs.75 crores during 2016-2017.

16. The successful Tamil Nadu Innovation Initiatives (TANII) launched by the Government to encourage innovations in administration will be continued further. So far, 115 projects have been taken up at an outlay of Rs.250.49 crores to pilot innovative ideas. In the Revised Budget Estimates 2016-2017, Rs.150 crores has been provided for this purpose.

TAMIL DEVELOPMENT

17. The Hon'ble Chief Minister has always given special support to all institutions that are involved in promotion of the Tamil language. As announced earlier, 'Amma Literary Award' for eminent women writers, 'World Tamil Sangam Award' for Tamil Scholars across the globe, 'The Best Translator Award' for outstanding translators will be given from this year onwards. A sum of Rs.32.94 crores is provided for the Tamil Development Department in the Revised Budget Estimates 2016-2017.

ROAD SAFETY

18. This Government has already strengthened road patrols and improved the use of Road Accident Data

Management System in order to reduce road accidents. This Government will further strengthen road safety measures, including awareness campaigns and engineering interventions. **Totally, an amount of Rs.165 crores has been provided for the Road Safety Fund in this Revised Budget Estimates 2016-2017. Further, under the Comprehensive Road Infrastructure Development Project (CRIDP), an amount of Rs.150 crores is earmarked for the Road Safety Component to correct black spots in highly accident-prone areas.**

LAW AND ORDER

19. Maintenance of a peaceful environment in the State is the first goal in the troika of 'Peace, Growth and Prosperity', the mission statement of this Government. The Hon'ble Chief Minister is known for her resolve to preserve public order and maintain communal amity through timely and firm action. Caste and communal tensions are being handled by the Police with tact and requisite force. Frequent combing operations, effective intelligence system and formation of Naxalite Special Duty Wing in 10 border Districts have effectively controlled the activities of Left Wing Extremism. It is a matter of pride that 500 fishermen youth were appointed as Marine Home Guards in 13 coastal Districts, which is a first of its kind initiative in the Country.

20. The professionalism and efficiency of our Police Force was exhibited in the successful security arrangements made for the Mahamaham festival in Kumbakonam from 13th to 22nd February 2016. Facilitating the smooth participation of more than fifty lakh devotees for taking holy dip in an orderly manner, elaborate bandobust and security arrangements were made by the Police Force.

21. This Government will ensure that all the Police Stations function in Government buildings by **constructing buildings for the remaining 64 Police Stations which are functioning in the private rental buildings.** The Government has already sanctioned Rs.50.10 crores under the 'Modernisation of Police Force' (MPF) towards purchase of vehicles, equipment for security, communication, surveillance, etc. In the Revised Budget Estimates 2016-2017, Rs.68.62 crores has been provided for the Modernisation of Police Force.

22. Under the 'Crime and Criminal Tracking Network System' (CCTNS), 1,482 Police Stations and 479 higher offices throughout the State have been connected. Besides, this Government has sanctioned Rs.22.14 crores from State funds, for various components including the addition of 938 special units in the CCTNS.

23. **Committed to the policy of increasing housing availability for Police Personnel, construction of 2,673 houses for Police Personnel will be taken up at a cost of Rs.422 crores in the year 2016-2017.** In the Revised Budget Estimates 2016-2017, a sum of Rs.6,102.95 crores has been allocated for the Police Department.

FIRE AND RESCUE SERVICES

24. The Fire and Rescue Services Department has been continuously modernized under the able leadership of the Hon'ble Chief Minister by inducting modern equipment like sky lifts and quick response vehicles. This Government will further strengthen the Fire and Rescue Services by improving their technical capability. A sum of Rs.230.07 crores has been allocated to this Department in the Revised Budget Estimates 2016-2017.

PRISONS

25. This Government considers the prisons as corrective institutions and several innovative measures are being taken for providing job-oriented vocational training and by setting up several production units in the prison premises. In the Revised Budget Estimates 2016-2017, a sum of Rs.282.92 crores has been allocated for the Prisons Department.

ADMINISTRATION OF JUSTICE

26. To facilitate smooth and efficient functioning of the Judiciary, the infrastructure of courts has been improved substantially. In the last five years, 223 new courts have been constituted, new buildings at a cost of Rs.486.26 crores have been constructed, and additional Judges and necessary supporting staff have been sanctioned. In addition to the State Judicial Academy in Chennai, Regional Centres of this Academy have also been established at Coimbatore and Madurai at a cost of Rs.28.10 crores. Digitization of court records of the High Court of Madras is under progress at a cost of Rs.9.43 crores. A sum of Rs.993.24 crores has been provided in the Revised Budget Estimates 2016-2017 for Administration of Justice.

GOVERNANCE

27. Among the many initiatives taken up by this Government for transparency and accountability in governance, '**AMMA Thittam**' (**Assured Maximum Services to Marginal People in All Villages**) taking the services of the Government to the doorsteps of the people, **Amma Call Centre**, a round the clock grievance redressal system and establishment of 10,532 **e-Sevai Centres** across the State are noteworthy. **These e-Sevai Centres are providing more than 100 public services at present and the**

number of services will be scaled up to 300 during this year. The proposed constitution of Lokayukta will make a significant impact in ensuring clean administration and accountability in governance.

28. The process of establishing the 'State Resident Data Hub' (SRDH) has been almost completed. This hub will serve as a unified data repository of biometry enabled residents data derived from the National Population Registry (NPR). This hub will cater to the needs of all Departments for delivery of citizen centric services. It will help the Government to ensure better targeting, effective service delivery, greater accountability and more efficient monitoring of schemes. In the near future, this will facilitate rolling out of a biometric-Aadhaar enabled payment system to disburse welfare benefits to citizens.

REVENUE ADMINISTRATION

29. The Government under the Hon'ble Chief Minister has created 65 new Taluks and 9 new Revenue Divisions in the past five years. This has ensured the common public better accessibility to revenue administration, resulting in speedier delivery of public services. This Government is committed to creating more Taluks and Revenue Divisions as per the need, in order to further improve the administration. **The infrastructure of the Revenue Department will be**

further improved by constructing buildings for 15 Taluk Offices and 5 Revenue Divisional Offices and a new building for Assistant Director, Survey Department at Kancheepuram at a total cost of Rs.51.57 crores.

30. The Land Records Modernisation scheme will ensure digitisation of all Field Measurement Books (FMB) and integrate the Registration and Survey Departments to facilitate online updation of land records and online patta transfers besides providing online access of these records to the public. **The online patta transfer system, originally piloted in select Taluks, is now ready to be launched throughout the State.** The pioneering initiative of 'Fast Track Patta Transfer Scheme' will be further streamlined to improve public services.

31. **This Government will give 3.50 lakh house site pattas during the year 2016-2017. The Government will adopt an innovative approach, promote multi-storied buildings and issue joint pattas to the houseless families in areas, where land is scarce and costly. The Rural Development Department will construct houses in such patta lands by adopting flexible housing designs.**

32. The 'Chief Minister's Uzhavar Padhukappu Thittam', with an enhanced financial assistance has given

much needed security and support to farmers. During the period from 2011-2012 to 2015-2016, a sum of Rs.3,039 crores was disbursed to 37.67 lakh beneficiaries as assistance under various schemes. For this scheme, an amount of Rs.206 crores has been allocated in the Revised Budget 2016-2017 and Rs.5,686 crores has been allocated for the Revenue Department.

AGRICULTURE AND CO-OPERATION

33. Considering the vital importance of agriculture which constitutes the core of the Primary Sector, this Government has identified Agriculture and its Allied Sectors as one of the Special Focus Areas of Development, with the objective of sustainable development for improving production and productivity of farm sector and enhancing the income levels of farmers. This Government has fixed an ambitious food grain production target of 147 lakh metric tonnes during 2016-2017. Major schemes like the 'National Agriculture Development Programme' (NADP), the 'National Mission for Sustainable Agriculture', the 'National Food Security Mission', etc., are under implementation to achieve this purpose.

34. A comprehensive approach will be followed for agricultural development by encompassing the following strategies to bring in better synergy and

sustainability using the funds available under various programmes.

- ❖ As in the past, high-end technology will be disseminated among farmers with more vigour. During 2016-2017, the System of Rice Intensification (SRI) will be followed in 27.50 lakh acres and the Sustainable Sugarcane Initiative (SSI) will be adopted in 43,688 acres. Precision farming will be promoted in the cultivation of cotton and vegetables.
- ❖ **As promised in the Election Manifesto, a new scheme will be launched for dry land farming, focusing on improving the production and productivity of millets, pulses and oilseeds. Water conservation measures will be taken up as an integral part of this scheme. Mixed farming will be promoted in dry land areas by supporting mini-dairy and poultry units to supplement farm income.**
- ❖ **A special self-sufficiency Pulse Production Programme will be launched this year, specifically for promoting cultivation of green gram, black gram and red gram under irrigated conditions. The State has planned to bring 27.50 lakh acres of land under**

pulses during 2016-2017, aiming for an overall production of 9.80 lakh metric tonnes.

I am confident that these measures will help us to achieve self-sufficiency in pulses production in the State.

- ❖ The policy of providing subsidies to micro-irrigation will be continued. **During 2016-2017, micro-irrigation will be adopted in 28,540 acres of agricultural crops and in 86,707 acres of horticultural crops at a total cost of Rs.319 crores.**
- ❖ Under farm mechanisation, our present strategy of promoting farm machinery at different levels will be continued. Heavy duty machinery will be purchased and used by Agricultural Engineering Department and purchase of farm machinery with a maximum subsidy of 50 per cent will be promoted among farmers. Assisting the rural youth for setting up Agricultural Machinery Custom Hiring Centres with 40 per cent subsidy will be pursued vigorously. So far, 212 such Custom Hiring Centres have been established at a cost of Rs.20.99 crores. During 2016-2017, another 324 Custom Hiring Centres will be established at a cost of Rs.32.45 crores. In the year 2016-2017,

a sum of Rs.100 crores has been provided for promoting farm mechanisation.

35. Adoption of high-end technologies in horticulture like green house cultivation, shade net cultivation, high density plantation and precision farming will continue to be encouraged. The area under fruits and vegetables cultivation will be increased from the present level of 13.85 lakh acres to 16 lakh acres in the next five years. Cocoa, one of the most potential commercial crops, will be promoted in suitable agro-climatic zones and in coconut plantations as a multi-tier crop. An amount of Rs.518.19 crores has been allocated in the Revised Budget Estimates 2016-2017 for the Department of Horticulture.

36. This Government has established the Tamil Nadu State Seed Development Agency (TANSEDA) for the supply of quality seeds for agricultural crops. The Tamil Nadu Horticulture Development Agency (TANHODA) has been supplying seeds and liquid fertilisers for horticultural crops. A sum of Rs.150 crores has also been provided as revolving fund to the Tamil Nadu Co-operative Marketing Federation (TANFED) for ensuring timely supply of fertilisers.

37. A special project for Supply Chain Management of perishable commodities like fruits and

vegetables in 10 Districts at a cost of Rs.398.75 crores is under implementation. This will bring a revolutionary change in reducing the post-harvest losses, besides bringing better sustainability through setting up of agro-processing industries. In future, this strategy will be adopted for the other needy Districts.

38. As a major initiative, this Government is formulating a project for upgrading and integrating the agricultural markets and linking them with commodity markets with sufficient financial support. **Necessary amendments will be brought in the Tamil Nadu Agricultural Produce Marketing (Regulation) Act, 1987, to improve the efficiency of agricultural markets.**

39. In order to protect farmers from the weather related risks and uncertainties, the 'Pradhan Mantri Fasal Bima Yojana' (PMFBY) will be implemented by this Government. A sum of Rs.239.51 crores has been provided for the year 2016-2017 as the State's share in the Revised Budget Estimates for this scheme.

40. Storage facilities under the Co-operatives, Tamil Nadu Civil Supplies Corporation (TNCSC) and Tamil Nadu Warehousing Corporation (TNWC) have been substantially augmented in the last five years. This has increased the flow of produce pledge loans to the

farmers. We will continue our efforts to further augment the godown facilities and upgrade scientific storage through silo godowns for better storage of food grains under TNCSC in the coming years.

41. As promised in the Election Manifesto, on the very day of assuming charge, the Hon'ble Chief Minister has sanctioned the waiver of outstanding short-term crop loans, medium term (agriculture) and long term (farm sector) loans issued to small and marginal farmers by the Co-operative Institutions as on 31.03.2016. **The tentative principle and interest outstanding due to be waived has been assessed at Rs.5,780.92 crores, which will be compensated by the Government with interest in five years to Co-operatives. This will benefit 8,35,360 small farmers and 8,58,785 marginal farmers. In the Revised Budget Estimates 2016-2017, an amount of Rs.1,680.73 crores has been provided for Co-operative loan waiver scheme. During 2016-2017, the Co-operatives will extend fresh crop loans to an extent of Rs.6,000 crores.**

ANIMAL HUSBANDRY

42. This Government's pioneering schemes of 'Distribution of Milch Cows and Goats / Sheep' at free of cost have made a significant impact on the rural economy, and have improved the income of the poor.

The unit cost of milch cow will be revised from Rs.30,000 to Rs.35,000. Continuing these schemes, 12,000 milch cows to 12,000 poor women and four lakh goats / sheep to one lakh poor families will be distributed during 2016-2017.

In the Revised Budget Estimates 2016-2017, Rs.182.33 crores has been allocated for implementing these schemes. An allocation of Rs.25 crores has been made in the Revised Budget Estimates 2016-2017 for the 'Fodder Development Scheme'.

43. **During 2016-2017, this Government will upgrade 100 sub-centres into veterinary dispensaries with necessary building infrastructure.** In the Revised Budget Estimates 2016-2017, a sum of Rs.90.27 crores has been provided to strengthen the veterinary infrastructure with NABARD assistance. Further, a sum of Rs.25 crores is allocated for the 'Poultry Development Scheme' to promote broiler farms and native chicken farms in dry areas and tribal areas. Totally, a sum of Rs.1,188.97 crores has been provided in the Revised Budget 2016-2017 for Animal Husbandry Department.

DAIRY DEVELOPMENT

44. In the past five years, several infrastructure developmental projects amounting to Rs.593.65 crores have been implemented in the Dairy Sector under

various schemes. These include a new dairy at Perambalur and at Tiruvannamalai, besides setting up of a new product dairy at Ambattur to handle the increasing milk procurement. These initiatives have resulted in increasing the average daily milk procurement of Aavin to 28.97 lakh litres per day and enabled Aavin to serve its 22.95 lakh milk consumers effectively. **A new product dairy will be established at a cost of Rs.45 crores at Madurai, to promote the Dairy Sector in Southern Districts. This will produce a range of milk products including ice cream.** In this Revised Budget Estimates 2016-2017, an amount of Rs.121.69 crores has been provided for the Dairy Sector.

FISHERIES

45. The Government gives utmost importance to the safety, security and welfare of fishermen. Initiatives such as providing relief assistance of Rs.4,000 per family during the lean fishing season and a relief amount of Rs.2,000 per family during the fishing ban period have alleviated the hardships faced by our fisherfolk. **As promised in the Election Manifesto, the relief assistance provided under both these schemes will be enhanced to Rs.5,000 per family.** In the Revised Budget Estimates 2016-2017, a sum of Rs.223 crores has been provided to implement various relief assistance schemes to fisherfolk.

46. This Government has pioneered a scheme to tap the untapped deep sea fishery resources by helping our fishermen to procure new Tuna longliners, with 50 per cent subsidy subject to a maximum of Rs.30 lakh at a total outlay of Rs.51.30 crores. So far, this scheme has benefited 94 fishermen. A sum of Rs.14.32 crores has been provided for 2016-2017 to implement this scheme.

47. In order to alert fishermen during emergencies, the Government is providing 30,000 Distress Alert Transmitters (DAT) to fishermen at a cost of Rs.48 crores. The Government has initiated steps to provide communication network facilities and Very High Frequency (VHF) equipment to all fishing crafts at an estimated cost of Rs.62.14 crores with World Bank support.

48. The consistent efforts of this Government to develop infrastructure for fish seed production have significantly reduced the demand-supply gap in fish seed from 25 crores to 8.73 crores. Works related to establishing four fish processing parks are under progress in Thiruvallur, Thoothukudi and Kanniyakumari Districts. Further, an amount of Rs.209.25 crores has been provided in this Revised Budget for developing fish landing facilities. In the Revised Budget Estimates,

Rs.743.79 crores has been allocated for Fisheries Department.

ENVIRONMENT AND FORESTS

49. I am pleased to inform this august House that the forest cover increase in our State is the highest among all the States in India during the latest assessment, as per the Government of India's Forest Survey of India Report, 2015. **The tree cover and valuable timber resources of the State have also been enhanced by raising teak and other plantations on canal banks, padugai lands and other lands outside the forest areas. This scheme will be implemented in Thanjavur, Thiruvarur, Trichy, Madurai, Dindigul, Theni, Sivagangai, and Villupuram Districts, with an allocation of Rs.52.64 crores over a period of five years commencing from 2016-2017.**

50. An expenditure of Rs.339.18 crores has been incurred under the Japan International Co-operation Agency (JICA) assisted 'Tamil Nadu Bio-diversity Conservation and Greening Project' from 2011-2012 to 2015-2016. An amount of Rs.109.51 crores has been provided for this scheme in the Revised Budget Estimates.

51. The ecological restoration and conservation of Pallikaranai wetland, and the eco-restoration works in Madhavaram, Ambattur and Korattur lakes are under progress at a total cost of Rs.74.93 crores. Following the success of the major restoration work at Chetpet lake, this Government will take up works relating to all other water bodies in and around Chennai, in a phased manner, using the funds available with the Tamil Nadu Pollution Control Board.

52. In order to improve water regime by increasing overall bio-diversity of forest in the catchment and to enhance the sustained discharge of water into Vaigai and Noyyal rivers, this Government will launch a new scheme for 'Rejuvenation of Vaigai and Noyyal Rivers' at a cost of Rs.24.58 crores.

53. This Government has taken various measures such as erecting physical barriers in vulnerable areas, augmenting fodder resources and providing waterholes for wild animals within the forests to reduce the man-animal conflicts and provide a sense of security to the people. **The compensation provided for loss of life and damages to crops and property due to attacks of wild animals will be enhanced and fixed on par with the State Disaster Response Fund (SDRF) norms.** In the Revised Budget Estimates 2016-2017,

an amount of Rs.652.78 crores has been provided for the Environment and Forests Department.

WATER RESOURCES AND IRRIGATION

54. In the words of Thiruvalluvar, 'Nothing on earth can go on without water'. Tamil Nadu remains a water deficit State and efforts are needed for more optimum use of available resources. **The State Government will embark on a Mission for Water Resource Management to restore water bodies and revive Kudimaramath through user communities.** While continuing to augment storage capacity of dams and tanks under various externally aided projects, a massive effort will be taken up to rejuvenate the irrigation structures under the Public Works Department. Similarly, Rural Local Bodies will undertake a large scale programme to improve the Minor Irrigation tanks and irrigation structures under their control, besides cleaning up and improving ponds, ooranies and temple tanks by dovetailing funds under MGNREGS. **Initially, a sum of Rs.100 crores is set apart as incentive fund to revive Kudimaramath, which will be enhanced substantially with NABARD assistance in due course.**

55. Keeping in view the damages caused by the recent floods, as a measure of permanent flood control initiatives, **this Government will take up flood**

prevention works like widening the drainage channels and strengthening bunds and river banks in Cuddalore District at a cost of Rs.140 crores with the financial assistance of NABARD during 2016-2017. For other vulnerable coastal Districts like Chennai, this Government is preparing a Comprehensive Flood Protection Plan, which will be executed in a phased manner. For the current financial year, a sum of Rs.445.19 crores has been provided for taking up projects relating to irrigation and flood control with NABARD assistance.

56. The World Bank funded 'Dam Rehabilitation and Improvement Project' (DRIP) is being implemented at an outlay of Rs.745.49 crores. Out of 105 dams to be rehabilitated, works have already commenced in 66 dams. In this Revised Budget, Rs.258.46 crores has been allotted for this scheme.

57. In the first phase of the Asian Development Bank (ADB) assisted 'Climate Change Adaptation Programme', works have been taken up in the Vennar sub-basin at a cost of Rs.279 crores. The remaining works will be taken up during 2016-2017. Further, encouraged by the successful completion of Phase-I of the 'Irrigated Agriculture Modernisation and Water-Bodies Restoration and Management' (IAMWARM) project in 61 sub-basins, the Phase-II of IAMWARM will be taken

up with the World Bank assistance at an estimated cost of Rs.2,950 crores to extend the benefits to the uncovered sub-basins.

58. Due to the persistent and untiring efforts of the Hon'ble Chief Minister, Tamil Nadu achieved spectacular success in Inter-State River Water Disputes, especially, the historic verdict enabling Tamil Nadu to raise the water level to 142 feet initially in the Mullai Periyar Dam and the Government of India's notification of the Final Order of the Cauvery Water Disputes Tribunal in its Gazette.

59. This Government is of the firm view that the remedy to the water problems of the State lies only in the expeditious implementation of the interlinking of rivers at National level. Meanwhile, Tamil Nadu has already taken up the inter-linking of Tamirabarani, Karumeniyar and Nambiyar rivers in Tirunelveli and Thoothukudi Districts. I urge the Union Government to initiate action for implementation of the National River Water Linkage Projects. The budgetary allocation for the Water Resources Department in the Revised Budget Estimates 2016-2017 is Rs.3,406.69 crores.

HIGHWAYS

60. During 2016-2017, widening of 1,000 km of roads and improvement of 3,000 km of

roads will be taken up under the 'Comprehensive Road Infrastructure Development Programme' (CRIDP). A sum of Rs.2,800 crores has been allocated in the Revised Budget Estimates 2016-2017 for this scheme. Initial rectification and maintenance works on State Highways and Major District Roads have been taken up under the 'Performance Based Maintenance Contract' (PBMC) system in Pollachi, Krishnagiri, Ramanathapuram and Thiruvallur Divisions. For continuing this scheme in the current financial year, an amount of Rs.437 crores is earmarked under the CRIDP. Further, **during 2016-2017, this Government will undertake strengthening of roads and bridges at a cost of Rs.300 crores with NABARD assistance.**

61. Considering the traffic intensity, industrial connectivity and socio-economic importance, 222 km of Major District Roads and 9 km of Other District Roads have been upgraded to State Highways. 530 km of Other District Roads and 12 km of Sugarcane Roads have been upgraded to Major District Roads. It is proposed to complete 12 Road Over Bridges and Road Under Bridges at a cost of Rs.375.17 crores during 2016-2017.

62. In order to reduce the traffic congestion at critical points, flyover works have been undertaken at various sites including Five Road Junction in Salem City at a cost of Rs.320 crores, AVR Roundtana and

Kuranguchavadi junctions at a combined cost of Rs.111.40 crores, Thiruvagoundanur junction at a cost of Rs.26.77 crores and Athupalam and Ukkadam junctions up to Oppanakara Street in Coimbatore at a cost of Rs.121.82 crores. These works will be expedited.

63. Under Phase II of the World Bank funded 'Tamil Nadu Road Sector Project', 427 km of roads will be upgraded to two lanes with paved shoulders, 146 km will be upgraded to four lanes and 597 km of roads will be maintained. Contracts have been awarded for 10 works under Engineering, Procurement and Construction (EPC) mode and 2 maintenance works under Output and Performance based Road Contract (OPRC) mode. **In the next stage, four laning and strengthening of State Highways for 30 km length of Mettupalayam-Erode road, 70 km length of Oddanchatram-Tiruppur road and 46 km length of Tirunelveli-Kollam road will be undertaken under Public-Private-Partnership (PPP) at a cost of Rs.1,541 crores.** In the Revised Budget 2016-2017, an amount of Rs.1,220.28 crores has been provided for this project.

PUBLIC DISTRIBUTION SYSTEM

64. The Universal Public Distribution System (PDS) followed in the State has ensured food safety net to 1.91 crore rice cardholders through 34,686 PDS outlets in the State by distributing rice free of cost.

In addition, various essential commodities are also being supplied at highly subsidized prices to the common people. Works relating to the computerisation of the PDS operations and integration of Aadhaar numbers with the family card database at a cost of Rs.318.40 crores is in progress. This will enable the issue of smart cards by 2016 and will streamline the system by plugging leakages. Further, the issue of new cards, migration and mutation of card details will be done online making the process faster and simpler for the benefit of the people.

65. With the novel idea of directly linking the consumers with producers, the Farm Fresh Consumer Outlets have been set up. For transportation of these vegetables, Farm Fresh Consumer Vans have also been sanctioned. The Price Stabilisation Fund, which was established for taking up various market intervention activities, has been effectively utilized for this purpose. These market interventions have insulated common people from the rising prices of essential commodities.

ENERGY

66. This Government places the highest emphasis on the augmentation of power generation to ensure the supply of uninterrupted quality power supply. In the last five years, 8,432.50 MW additional power generation has been added to the grid by the State and Central Government agencies, through long-term and

medium-term Power Purchase Agreements and through Solar power purchases. The expeditious commissioning of various thermal power projects has helped in bridging the demand-supply gap. The projects announced by the Hon'ble Chief Minister are also at various stages of progress. As promised in the Election Manifesto, 13,000 MW of thermal power, 2,500 MW of hydel power and 3,000 MW of solar power will be added to the existing generation capacity in the State in the next five years. Such a turnaround in the Power Sector of the State was possible only due to the concerted efforts taken by the Hon'ble Chief Minister.

67. The power transmission sector in the State is being strengthened with the assistance of externally aided projects. The Green Energy Corridor Project is being implemented with the assistance of KfW at an outlay of Rs.1,593 crores. Further, various works have been taken up under the JICA assisted Tamil Nadu Transmission System Improvement Project with an outlay of Rs.5,014 crores. The works under these projects are progressing well and an amount of Rs.1,738 crores has been included for these projects in the Revised Budget 2016-2017.

68. The Hon'ble Chief Minister has fulfilled her electoral promise by giving free power up to 100 units to all 191 lakh domestic consumers. This announcement will

cause an additional commitment of Rs.1,607 crores every year to the State Government. Free power to Handloom and Powerloom weavers has also been enhanced to 200 units and 750 units respectively as promised in the Election Manifesto. The overall commitment to the State for power subsidy has thus increased to Rs.9,007 crores in the current financial year. An amount of Rs.2,000 crores has been provided in the Revised Budget Estimates 2016-2017 for repayment of TANGEDCO's debt takeover under the Financial Restructuring Plan. In the Revised Budget Estimates, an amount of Rs.13,856 crores has been provided for the Energy Sector.

TRANSPORT

69. The public transport system is being run efficiently in the State with 20,839 scheduled services. These services have not only helped in timely connectivity but also provided affordable transport facility to the common people. This has been made possible with an increased fleet strength of 22,948 buses. This Government has introduced small bus services by the Metropolitan Transport Corporation at Chennai for the benefit of common public. Replacement of the aged vehicles with new ones is a continuous process. **A sum of Rs.150 crores is provided as share capital and Rs.125 crores as loan assistance for the purchase**

of 2,000 new vehicles as replacement for old vehicles in 2016-2017.

70. I am pleased to inform the august House that under the 'Senior Citizen's Bus Pass Scheme', so far, 2.49 lakh identity cards have been issued to the senior citizens for free travel in Metropolitan Transport Corporation buses. During the current financial year, this Government has provided Rs.505.35 crores as Student Concession Subsidy and Rs.200 crores as Diesel Subsidy in the Budget. In the Revised Budget Estimates 2016-2017, an amount of Rs.1,295.08 crores has been allocated to Transport Department.

TOURISM

71. I am happy to inform the house that our State has been ranked first, both in domestic and foreign tourist arrivals. Aggressive marketing campaigns will be conducted to further popularize the tourist destinations in Tamil Nadu. Tourism circuits covering various themes like heritage tourism, religious tourism, eco-tourism and health tourism will be promoted and strengthened besides encouraging new tourism promotion activities like heli-tourism, water sports activities, etc. Necessary infrastructure will be created for such circuits eliciting the participation of private investors. Site museums and information centres will be set up in World famous tourism destinations.

72. Infrastructure development at tourist places is being improved under the Asian Development Bank funded 'Infrastructure Development Investment Programme for Tourism' in the State. An amount of Rs.33.62 crores has been spent so far under this project and Rs.53.20 crores has been provided for this project in the Revised Budget Estimates 2016-2017. A sum of Rs.85.80 crores has been provided for Tourism Department in the Revised Budget Estimates 2016-2017.

HINDU RELIGIOUS AND CHARITABLE ENDOWMENTS

73. The scheme of Annadhanam is being implemented in 724 temples in the State, which will be extended to another 30 temples during 2016-2017. Repair and renovation of 500 village temples and 500 temples in Adi-Dravidar habitations and Tribal areas will be taken up during the current financial year at a cost of Rs.10 crores. In the last five years, renovation of 143 temples has been taken up at a cost of Rs.16.72 crores using the Common Good Fund and 135 temple cars have been renovated under the Temple Car Renovation Fund to revive various car festivals in the State. Under the 'Orukala Pooja' scheme, the deposit amount for each temple has been increased to one lakh rupees and

12,504 temples have been benefited in the last five years.

INFORMATION TECHNOLOGY

74. Chennai has become a hub for the Information Technology and Information Technology enabled Services (IT / ITeS). Over 50 Multi National Companies (MNCs) are having their global facilities in Chennai. Software exports have grown steadily at around 10 to 12 per cent per annum and are expected to have touched Rs.95,000 crores in 2015-2016. Subsequent to the Global Investors Meet 2015, M/s. Ford Motors, USA is in the process of establishing its Research & Development Centre at Chennai, the first such global centre outside USA. Due to the impetus given to the growth of IT industries in Southern Tamil Nadu, M/s. Honeywell, M/s. HCL Technologies, M/s. Zoho Corporation and M/s. Syntel are establishing their facilities in Southern Tamil Nadu.

75. The Government has been implementing the innovative scheme of providing laptop computers to the students studying in Government and Government aided schools and colleges, with a view to bridge the digital divide and provide equal opportunity to all. **This scheme will be continued and 5.35 lakh students will be provided with laptop computers during**

2016-2017. A sum of Rs.890 crores is provided for this scheme in the Revised Budget Estimates 2016-2017.

INDUSTRIAL DEVELOPMENT

76. Tamil Nadu has been emerging as the most preferred destination for manufacturing, trade and services in the Country. This Government has taken important steps for improving the ease of doing business to attract more investments. Multiple incentives, including capital and tax subsidies and infrastructure in the form of Industrial Parks, road connectivity and power supply, have been provided in well structured packages for attracting investments to the State. I am happy to note that, the Japan International Co-operation Agency (JICA) has also agreed to fund the second phase of the 'Tamil Nadu Investment Promotion Programme' (TNIPP) with an outlay of Rs.1,560 crores to improve the investment environment.

77. The first ever Global Investors Meet in Tamil Nadu held at Chennai in September 2015 was a stupendous success, resulting in attracting potential investments of Rs.2.42 lakh crores with an employment potential for 4.70 lakh persons. So far, investments totalling Rs.23,258 crores have materialised and have generated employment for 48,145 persons. As already announced, this Government is committed to conducting the Global Investors Meet once every two years and the

next meet is due in 2017. These events will not only help the State to showcase the success stories but also act as catalysts to attract investments and push forward all round sustainable industrial development.

78. State Industries Promotion Corporation of Tamil Nadu (SIPCOT) has been taking all efforts for creating a land bank for industrial development with an area of about 19,000 acres in the nine Southern Districts viz., Ramanathapuram, Pudukkottai, Dindigul, Sivagangai, Theni, Virudhunagar, Thoothukudi, Tirunelveli and Kanniyakumari. The Madurai-Thoothukudi Industrial Corridor project will help us to bring an investment of about Rs.25,000 crores with an employment potential for one lakh persons. I am happy to inform that the SIPCOT has also initiated action for implementing this project by forming a Special Purpose Vehicle i.e. Madurai-Thoothukudi Industrial Corridor Development Corporation Limited and has expedited the land acquisition process.

79. This Government is also in the process of developing Ponneri Industrial Node as a National Investment and Manufacturing Zone (NIMZ) under the Chennai-Bengaluru Industrial Corridor Project. Tamil Nadu Industrial Development Corporation (TIDCO), in association with the SIPCOT, is establishing a Polymer Industries Park in about 306 acres of land in Ponneri

Taluk of Thiruvallur District at a total cost of Rs.294 crores. This will accommodate about 84 medium and small scale plastic component manufacturing units. Approval has also been granted for the implementation of an aerospace park in an area of about 250 acres in SIPCOT Industrial Park at Vallam Vadagal in Sriperumbudur Taluk. This will accommodate aerospace engineering, production and maintenance of aerospace components, repair and overhauling facilities for Avionics.

80. In the Revised Budget Estimates 2016-2017, Rs.2,104.49 crores has been allocated to the Industries Department.

MICRO, SMALL AND MEDIUM ENTERPRISES

81. Recognizing its role as a major employment provider, this Government has identified the Micro, Small and Medium Enterprises (MSME) Sector as one of the Special Focus Areas of Development to provide special support for increasing investment, infrastructure development, technology up-gradation and skill development initiatives. I am glad to inform that out of 10,073 Memoranda of Understanding signed during Global Investors' Meet, 3,029 cases worth of Rs.2,599.93 crores investments have materialised so far.

82. The Government will continue to extend 25 per cent capital subsidy up to Rs.30 lakh, besides

extending interest subvention benefit of three per cent to Micro, Small and Medium Enterprises. It will continue to support promotion of private industrial clusters through trade associations to develop their infrastructure with State Government grant. For the year 2016-2017, Rs.12 crores and Rs.60 crores have been allocated for interest subvention and infrastructure support respectively.

83. The Entrepreneurship Development Institute (EDI) of Tamil Nadu has been training entrepreneurs under the 'Unemployed Youth Employment Generation Programme' (UYEGP) and the 'Prime Minister's Employment Generation Programme' (PMEGP). A sum of Rs.15 crores is earmarked to fund the programme in flood affected areas of Chennai under UYEGP. During 2016-2017, a sum of Rs.30 crores is provided under UYEGP.

84. The 'New Entrepreneurship-cum-Enterprise Development Scheme' (NEEDS), a pioneering initiative of this Government, had been designed to promote entrepreneurship amongst first generation entrepreneurs. **This scheme will be extended to major educational institutions for executing 'Start-up Action Plan' activities at a cost of one crore rupees to create a vibrant start up eco-system in Tamil Nadu.** An amount of Rs.100 crores has been allocated for

implementing this scheme in this Revised Budget 2016-2017.

85. An amount of Rs.348.22 crores has been allocated to the Micro, Small and Medium Enterprises Department in the Revised Budget Estimates 2016-2017.

HANDLOOMS, HANDICRAFTS, TEXTILES AND KHADI

86. Under the 'Free Distribution of Dhoties and Sarees' scheme, 167.81 lakh dhoties and 167.89 lakh sarees will be supplied during Pongal festival, 2017. The Rebate Subsidy Scheme is being continued in the State with the twin objectives of facilitating continuous assured employment to handloom weavers and promoting handloom cloth. An amount of Rs.487.45 crores and Rs.78.45 crores for Free Distribution of Dhoties and Sarees Scheme and Rebate Subsidy Scheme respectively have been included in this Revised Budget.

87. A sum of Rs.1,129.74 crores has been provided for the Handlooms and Textiles Sector and Rs.174.27 crores has been provided for Handicrafts and Khadi Sector in the Revised Budget.

RURAL DEVELOPMENT

88. The vision of the Hon'ble Chief Minister is to transform rural areas by improving the quality of infrastructure through a multitude of schemes for

housing, connectivity, drinking water, construction and renovation of public buildings. It is indeed a great accomplishment to cover all the 79,394 habitations in 12,524 Village Panchayats with essential basic amenities under the commendable initiative of the 'Tamil Nadu Village Habitation Improvement' (THAI) scheme. This scheme will be continued to upgrade the basic amenities by dovetailing the resources available under the State Finance Commission grants.

89. Tamil Nadu has been implementing the 'Mahatma Gandhi National Rural Employment Guarantee Scheme' (MGNREGS) in true spirit and the State's performance has been recognized every year by the Central Government through various awards at National level. The State has been channelizing these funds to create assets like farm ponds, construction of toilets, tree planting, poultry sheds and cattle sheds in villages. These initiatives have secured the State an award for 'Exhibition of Best Practices' under the MGNREGS for the year 2015-2016 also. In the Revised Budget Estimates 2016-2017, Rs.7,155 crores has been allocated for this scheme.

90. In the Primary and Middle Schools in rural areas, basic infrastructure facilities such as new buildings, kitchen sheds, water supply and toilets are being created under the 'Comprehensive School

Infrastructure Development Scheme' (CSIDS). This will be continued with an amount of Rs.100 crores during 2016-2017. The 'Tamil Nadu Rural Roads Improvement Scheme' (TNRRIS), launched in 2015-2016 to take up works relating to improvement of road infrastructure, will be continued during 2016-2017 by dovetailing funds from various schemes. In continuation of the road works taken up under the Pradhan Mantri Gram Sadak Yojana (PMGSY) Phase-IX amounting to Rs.357.12 crores during 2015-2016, improvement of 573 roads and 22 bridges will be taken up under the PMGSY Phase-X in the current year at a total cost of Rs.758.44 crores.

91. Under the 'Member of Legislative Assembly Constituency Development Scheme' (MLACDS), a sum of Rs.470 crores has been earmarked for the year 2016-2017.

92. The budgetary allocation for rural development has been enhanced to Rs.21,186.58 crores in the Revised Budget Estimates 2016-2017.

MUNICIPAL ADMINISTRATION

93. The Hon'ble Chief Minister had launched the 'Integrated Urban Development Mission' (IUDM) and 'Chennai Mega City Development Mission' (CMCDM) in 2011-2012, to strengthen the infrastructure and improve basic amenities in urban areas. These State schemes will

be continued with an amount of Rs.500 crores each by dovetailing of funds. An amount of Rs.886 crores is provided for IUDM and Rs.800 crores for CMCDM in the Revised Budget Estimates for various works including spill over works.

94. Chennai and Coimbatore cities have already been selected under the 'Smart Cities Programme', and will get a fund of Rs.100 crores per city each year for five years from the Government of India. An equivalent amount will be provided by this Government as State's share for this scheme. Under the 'Atal Mission for Rejuvenation and Urban Transformation' (AMRUT), projects worth Rs.3,316.22 crores have been approved during 2015-2016 for 32 Cities. For the year 2016-2017, projects worth Rs.3,834.49 crores are being proposed for implementation. In this Revised Budget 2016-2017, a sum of Rs.400 crores has been provided for Smart Cities Programme and Rs.500 crores for AMRUT scheme.

95. Consequent to the successful implementation of the Tamil Nadu Urban Development Programme-III, the 'Tamil Nadu Sustainable Urban Development Programme' (TNSUDP) has been launched with an outlay of Rs.3,831 crores. Under this programme, 13 projects have been taken up in 8 Urban Local Bodies (ULBs) at a cost of Rs.2,212.89 crores. In this Revised Budget

Estimates 2016-2017, a sum of Rs.399.39 crores has been allocated for TNSUDP.

96. This Government is giving special priority to the implementation of underground sewerage systems in major urban local bodies. Twenty underground sewerage schemes at an estimated cost of Rs.1,017.09 crores, to benefit a population of 14.41 lakh, are under various stages of progress. In addition, three underground sewerage schemes at an estimated cost of Rs.205.23 crores are at tender stage and works will be started during this year.

97. In this Revised Budget Estimates 2016-2017, totally a sum of Rs.11,820 crores has been allocated for Municipal Administration Department.

HOUSING FOR THE POOR

98. With an aim to create hut-free villages and slum-free cities in the State, **the Government will take up housing programmes on a massive scale under the State Mission of Housing for the Poor. As promised in the Election Manifesto, this Government, under the legendary leadership of the Hon'ble Chief Minister, will construct ten lakh houses in the next five years in the State under various schemes.**

99. Under the 'Pradhan Mantri Awaas Yojana (PMAY)' (Rural) the Government of India has allotted 45,788 houses as special allocation for flood areas at a unit cost of Rs.70,000 and 1,31,831 houses as regular allotment at a unit cost of Rs.1.20 lakh, of which, 40 per cent is shared by the State Government. **However, in order to have uniformity, the Hon'ble Chief Minister has liberally raised the unit cost for all the houses to Rs.1.70 lakh per house, including the roofing cost of Rs.50,000 provided by the State Government. Under this scheme, this Government would construct totally 1,77,619 houses in rural areas at a total cost of Rs.3,095.62 crores in 2016-2017 itself, of which Rs.1,908.47 crores will be the State's share.** Considering the substantial increase in the number of houses proposed to be taken up under the PMAY (Rural), **20,000 houses will be constructed under the 'Chief Minister's Solar Powered Green House Scheme', during 2016-2017 at a cost of Rs.420 crores.**

100. In order to rehabilitate the slum families and to provide housing for the houseless poor in urban areas, Tamil Nadu Slum Clearance Board has constructed 59,023 tenements at a cost of Rs.2,753.42 crores in the last five years. Another 10,537 tenements are under

construction. To continue these efforts, Tamil Nadu Slum Clearance Board will construct 23,476 houses during 2016-2017 for which approval has already been given. **Further, the State Government will also constitute a 'Shelter Fund', dedicated to finance housing projects to rehabilitate the urban poor.** In the Revised Budget 2016-2017, an allocation of Rs.689 crores has been made for the 'Housing for All' scheme.

MISSION FOR CLEAN TAMIL NADU

101. With an objective to create clean villages and cities, the Government is launching the 'Mission for Clean Tamil Nadu'. This State Mission will create awareness to use toilets and will also help to establish modern Solid Waste Management systems. The resources under the 'Swachh Bharat Mission' will be effectively dovetailed with the State schemes to improve sanitation and achieve the goal of an 'Open Defecation Free' Tamil Nadu.

102. Under the 'Swachh Bharat Mission' (Gramin) in 2016-2017, 7.66 lakh household toilets and 50 public sanitary complexes will be taken up in the State. Self Help Groups are being engaged in all the Village Panchayats to motivate the construction and use of toilets. In the last two years, Integrated Solid Waste Management has been taken up in 9,000 village

panchayats through convergence with MGNREGS. For collection, segregation and disposal of waste, currently 52,998 Thooimai Kaavalars are being engaged in these villages, and have been provided with 22,704 tri-cycles. In 2016-2017, the remaining 3,524 Village Panchayats will be taken up under this scheme, thereby giving a universal coverage for solid waste management in rural areas. A sum of Rs.150 crores is provided for Solid Waste Management under the State devolution grants.

103. At present, integrated Solid Waste Management projects are under implementation in 402 Urban Local Bodies at a cost of Rs.833.22 crores. For achieving better sanitation and solid waste management in urban areas, Rs.200 crores is allocated under the 'Swachh Bharat Mission' (Urban). Further, to improve the general cleanliness of cities, a sum of Rs.100 crores has been provided for the Solid Waste Management Fund under the State devolution grants for the year 2016-2017.

WATER SUPPLY

104. Ensuring the supply of adequate potable drinking water is a challenge in a water deficit State like Tamil Nadu. But this Government is striving hard to augment the resources and supply potable drinking

water. For Chennai City, preliminary works are underway to establish a 400 MLD desalination plant at Perur in South Chennai at a cost of Rs.3,227.84 crores and another 150 MLD desalination plant at Nemmeli at a cost of Rs.1,258.88 crores with the financial assistance of JICA and KfW respectively. The demand-supply gap of drinking water will be further reduced on completion of ongoing new reservoir project at Thervai Kandigai in Thiruvallur District and major renovation works taken up in four lakes, namely, Cholavaram, Nemam, Porur and Ayanambakkam. These steps will enhance the combined drinking water storage capacity for Chennai from the existing 1,474 million cubic ft to 2,542 million cubic ft.

105. Even though the Central Government has substantially reduced its allocation for the National Rural Drinking Water Programme (NRDWP), this Government continues to take up various water supply schemes in rural areas by providing State funds. In this Revised Budget Estimates 2016-2017, Rs.405.19 crores for National Rural Drinking Water Programme (NRDWP), Rs.186.35 crores for Minimum Needs Programme (MNP) and Rs.450 crores for water supply schemes with NABARD assistance have been provided.

106. Currently, works relating to eleven major Combined Water Supply Schemes (CWSS) are in progress at an estimated cost of Rs.2,888.26 crores.

In addition, 18 CWSS at a cost of Rs.644.01 crores are also at preliminary stages of implementation. Besides this, 22 stand alone urban water supply improvement schemes at a cost of Rs.480.76 crores are at various stages of progress. During 2016-2017, four stand alone urban water supply improvement schemes will be taken up at a cost of Rs.373.82 crores.

DEVOLUTION TO LOCAL BODIES

107. A share of State's Own Tax Revenue (SOTR) is being devolved to local bodies as grants to enhance the financial capacity of local bodies and make them self-reliant. As per the Fourth State Finance Commission (SFC) recommendations, Rs.4,995.66 crores and Rs.3,617.55 crores have been provided as devolutionary grants to Rural Local Bodies and Urban Local Bodies respectively in the current financial year. Further, under the Fourteenth Central Finance Commission, local bodies in the State will receive Rs.2,406.14 crores as General Basic Grants and Rs.494.99 crores as General Performance Grants during the current financial year. **Totally, Local Bodies in the State will receive a total amount of Rs.11,514.34 crores as Finance Commissions grants in 2016-2017, which will be higher by Rs.2,163.24 crores when compared to the last year grants.**

LOCAL BODY ELECTIONS

108. The elections to Local Bodies are due in October 2016. Considering the importance of women empowerment, the Hon'ble Chief Minister has enhanced the reservation for women in local body posts to 50 per cent. An amount of Rs.183.24 crores has been provided in the Revised Budget Estimates 2016-2017 for conducting Local Body elections.

CHENNAI METRO RAIL PROJECT

109. I am happy to note that substantial progress has been achieved in the implementation of Phase-I of the Chennai Metro Rail Project covering a distance of 45 km. In addition to the 10.15 km elevated stretch from Koyambedu to Alandur, which has already been inaugurated, passenger services in the remaining elevated stretches from Little Mount to Airport and from Alandur to St. Thomas Mount will commence shortly. The passenger services in the first underground stretch will also commence by the end of this year.

110. The untiring efforts of the Hon'ble Chief Minister have resulted in obtaining Government of India's approval for the extension of Corridor-I of Chennai Metro Rail from Washermenpet to Thiruvottriyur / Wimco Nagar at an estimate of Rs.3,770 crores. I am pleased to inform this august House that this extension project of

Metro Rail has already been included in the rolling plan for JICA assistance. This Government will expedite the proposal for Phase-II of the Metro Rail covering two more corridors for a stretch of 104.50 km. I hope that these efforts will strengthen the Metro Rail network in Chennai, thereby providing a world class public transport system.

HEALTH AND FAMILY WELFARE

111. As a measure to make primary healthcare accessible to the people, this Government will establish 37 new Primary Health Centres (PHCs) and upgrade 24 existing PHCs into 30 bedded PHCs during 2016-2017. An amount of Rs.1,423.38 crores is allocated under the 'National Health Mission' (NHM) for the year 2016-2017, to take up projects including establishment of new Maternal and Child Health Wings at Cuddalore and Tiruppur at a cost of Rs.20 crores each; strengthening of existing trauma care units at Tambaram, Krishnagiri and Villupuram at a cost of Rs.10 crores each.

112. This Government has undertaken the Japan International Co-operation Agency (JICA) assisted 'Tamil Nadu Urban Health Care Project' with a total outlay of Rs.1,634 crores to augment secondary care and tertiary care services in Government Hospitals. Under this project, 10 Government Medical College Hospitals, seven District Headquarters Hospitals and four other

Government Hospitals would be strengthened with world class diagnostic equipment and infrastructure. I am happy to inform this House that the State's performance in the 'Deceased Organ Transplant Programme' has received National accolades and Tamil Nadu has won the Best State Award in the Country. So far, 2,652 major organs have been harvested from 828 donors and used for patients.

113. The 'Chief Minister's Comprehensive Health Insurance Scheme' has ensured quality tertiary care services to 1.58 crore families in private and Government hospitals. So far, about 15.41 lakh patients have availed treatment costing Rs.3,192 crores and Government Hospitals have earned about Rs.1,138 crores, which have been utilised for improving their infrastructure facilities. This scheme will be continued with a budgetary allocation of Rs.928 crores in the Revised Budget 2016-2017.

114. 'Dr.Muthulakshmi Reddy Maternity Benefit Scheme', aimed at improving the Infant Mortality Rate (IMR) and the Maternal Mortality Ratio (MMR) in the State, has benefited 34.57 lakh pregnant women since May 2011 at a cost of Rs.3,239 crores. In the Revised Budget Estimates 2016-2017, Rs.668 crores has been allocated for this scheme. The 'Menstrual Hygiene Programme' will be continued with an annual budgetary allocation of Rs.61 crores. The Government will continue

its innovative welfare schemes of 'Amma Baby Care Kit', 'Amma Magapperu Sanjeevi' and 'Amma Arogiya Thittam'.

115. In this Revised Budget Estimates, Rs.9,073 crores has been allocated to the Health Department.

SCHOOL EDUCATION

116. The vision of the Hon'ble Chief Minister is to provide easy access and quality education to all children in the State. Opening of new schools, upgradation of existing schools using the Geographic Information System (GIS) based school mapping tool has ensured enrolment of all children in the schools. The teacher-pupil ratio in Government schools has consistently improved to 1:25 at primary level, 1:24 at upper primary level, 1:26 at secondary level and 1:37 at higher secondary level as against the National norm of 1:30, 1:35, 1:40 and 1:45 respectively.

117. High thrust is given by the Hon'ble Chief Minister for providing sufficient number of toilets in schools and maintenance of such toilets. Continuing the efforts of the last five years, 4,339 units of toilets will be provided in the year 2016-2017 in elementary and high schools at a cost of Rs.59.25 crores. The long felt need for maintenance of clean toilets in all schools has been

addressed by the Hon'ble Chief Minister by way of providing funds amounting to Rs.57.63 crores through local bodies during 2015-2016 exclusively for this purpose. This programme will be continued in the year 2016-2017 also. This initiative has been appreciated by the Government of India and has been set as a model for all other States. For infrastructure improvement in schools like classrooms, toilets and drinking water facilities with NABARD assistance, an amount of Rs.333.61 crores has been provided in this Revised Budget Estimates.

118. The Government has provided access to children belonging to disadvantaged groups and weaker sections to private schools under the 'Right of Children to Free and Compulsory Education Act' which has benefited 2,31,404 children so far. During the current year, 86,199 children have been admitted in private schools. An amount of Rs.125.70 crores has been provided in this Revised Budget Estimates for this purpose.

119. In order to ensure effective implementation of the 'Sarva Shiksha Abhiyan' (SSA) and 'Rashtriya Madhyamik Shiksha Abhiyan' (RMSA), the State Government continues to ensure adequate fund flow to the Mission Societies, although the Government of India's share of Rs.848 crores due for the year 2015-2016 is yet

to be received under these schemes. In the Revised Budget Estimates 2016-2017, Rs.2,329.15 crores under the SSA and Rs.1,139.52 crores under the RMSA have been provided.

120. The Government will continue to provide laptop computers, free textbooks, notebooks, educational kits, four sets of uniform, footwear, school bags, bus passes and bicycles, etc. In the Revised Budget Estimates 2016-2017, a sum of Rs.2,705 crores has been allocated for these purposes.

121. As a result of these initiatives taken by the State, the Dropout Rate (DR) has reduced to 0.90 at primary level, 1.55 at upper primary level and 3.76 at secondary level during 2015-2016. In order to further reduce dropout among girls in classes X, XI and XII in Government and Government aided schools, the special cash incentive scheme will be continued. In the Revised Budget Estimates, Rs.381 crores has been allocated for special cash incentive scheme.

122. In the Revised Budget Estimates 2016-2017, a total amount of Rs.24,130 crores has been allocated for School Education.

HIGHER EDUCATION

123. The Government is taking strenuous efforts in making the State a knowledge capital and innovation hub. In striving to achieve an even higher Gross Enrolment Ratio (GER), the Government will establish new colleges in the needy places to improve access to higher education particularly for girls. The special efforts taken by this Government are yielding results and I am glad to note that the enrolment of students in higher education has improved substantially to 44.80 per cent; especially the number of girls and Scheduled Caste students has increased respectively from 2,51,211 and 84,660 in 2010-2011 to 3,01,110 and 1,36,877 in 2015-2016. To motivate the students from educationally backward families to pursue higher education, the scheme of reimbursement of tuition fees to the first generation students will be continued in 2016-2017 with a budgetary allocation of Rs.582.58 crores. To improve the infrastructure facilities of colleges, Rs.233 crores has been allocated in the Revised Budget Estimates 2016-2017.

124. The Government has also set apart Rs.357.12 crores in the Revised Budget Estimates for sanctioning grants to the Universities, including Rs.152.97 crores to the Annamalai University. In the Revised Budget Estimates 2016-2017,

Rs.3,679.01 crores has been allocated for the Higher Education Department.

YOUTH WELFARE AND SPORTS DEVELOPMENT

125. This Government, under the leadership of the Hon'ble Chief Minister, has given a big boost to sports infrastructure. Orders have been issued for establishing a High Altitude Training Centre at Udhagamandalam at a cost of Rs.5 crores. Revamping of Aquatic Complex at Velachery, Chennai at a cost of Rs.1.50 crores is under progress. An amount of Rs.25.12 crores has been provided for 15 district level multipurpose stadia, Rs.10.50 crores for renovation of existing Sports Complexes, Rs.30.19 crores for conducting the Chief Minister's Trophy and Rs.75.15 crores for conducting Village Games in 12,524 Village Panchayats. A sum of Rs.153.39 crores has been allocated in this Revised Budget Estimates 2016-2017 for sports and sport related activities.

ADI-DRAVIDAR AND TRIBAL WELFARE

126. In the Revised Budget Estimates, Rs.12,462 crores has been allocated for the Scheduled Castes Sub-Plan (SCSP), which is 20.56% of Annual Plan outlay and Rs.722 crores for the Tribal Sub-Plan (TSP), which is 1.19% of Annual Plan.

127. At present, 1,314 Adi-Dravidar hostels with a total strength of 98,039 students and 42 Tribal hostels with 2,782 students and 306 Government Tribal Residential schools with a strength of 30,933 students are functioning under the management of Adi-Dravidar and Tribal Welfare Department. **Construction of buildings for 81 hostels is in progress and for the balance 24 hostels functioning in private rental buildings, this Government will take up the construction of new hostel buildings at a total cost of Rs.27.48 crores, thereby ensuring that all hostels in the State will function in Government buildings. This Government will provide idly cooker-cum-steam boilers and washing machines to all hostels in the next two years. This will fulfil yet another electoral promise.** In the Revised Budget Estimates 2016-2017, a sum of Rs.103.15 crores has been allocated for feeding charges and a sum of Rs.83.80 crores has been provided for improving infrastructure facilities and hostel maintenance.

128. For improving the enrolment rate of girl students belonging to Scheduled Castes and Scheduled Tribes, a sum of Rs.55.11 crores has been allocated to provide incentives to enrol girl children in schools during 2016-2017. The extension of the Post-Matric Scholarship scheme to all the Scheduled Caste (SC) and Scheduled

Tribe (ST) students studying in private self-financing colleges has benefited 7.76 lakh students during 2015-2016. In the Revised Budget Estimates 2016-2017, Rs.75.61 crores and Rs.1,429.94 crores have been provided for pre-matric and post-matric scholarships respectively.

129. To continue the scheme of distributing cycles free of cost to students belonging to the Scheduled Castes and Scheduled Tribes studying in 11th Standard in Government and Government Aided schools, an amount of Rs.64.86 crores has been allocated in the Revised Budget Estimates.

130. Various income generating activities have been taken up for the socio-economic development of the Scheduled Castes, through Tamil Nadu Adi-Dravidar Housing Development Corporation (TAHDCO). For this purpose, an amount of Rs.130 crores has been allocated under Special Central Assistance (SCA) during the year 2016-2017.

131. The 'Comprehensive Tribal Development Programme' (CTDP) was launched by the Hon'ble Chief Minister in 2011-2012. For taking up various infrastructure facilities, income generating activities, etc., under CTDP, this Government has allocated Rs.50 crores during 2016-2017. Further, **infrastructure in tribal**

schools run by the Forest Department will be improved at a cost of Rs.12 crores with NABARD assistance. In this Revised Budget Estimates, Rs.28.80 crores and Rs.7 crores have been allocated for the development of particularly vulnerable tribes living in the State and for the implementation of the 'Van Bandhu Kalyan Yojana', respectively.

WELFARE OF BACKWARD CLASSES, MOST BACKWARD CLASSES AND DENOTIFIED COMMUNITIES

132. In the Revised Budget Estimates 2016-2017, an amount of Rs.21.40 crores has been provided for pre-matric scholarships and Rs.186.56 crores has been provided for post-matric scholarships for the benefit of 6.96 lakh students from Backward Classes, Most Backward Classes and Denotified Communities.

133. At present, there are 1,338 hostels functioning with 84,314 inmates. Of these, 1,195 hostels are functioning in own buildings and the construction of new buildings for 107 hostels are in progress. **For the remaining 36 hostels, this Government will take up construction of buildings at a cost of Rs.76.96 crores during 2016-2017, to ensure that all the hostels function in Government buildings. The Government will provide idly cooker-cum-steam boilers and washing machines to all the**

hostels in the next two years. A sum of Rs.70.64 crores has been provided for food charges during 2016-2017.

134. This Government has been distributing cycles free of cost to students of the Backward Classes, Most Backward Classes, Denotified Communities and other Communities studying in 11th Standard in Government and Government Aided schools. An amount of Rs.168.04 crores has been allocated in the Revised Budget for this purpose.

135. A sum of Rs.104.40 crores has been provided in the Revised Budget for the 290 Kallar Reclamation Schools functioning in Madurai, Theni and Dindigul Districts.

LABOUR WELFARE

136. There are 17 unorganised workers welfare boards including Tamil Nadu Construction Workers Welfare Board. So far, 66.97 lakh workers have registered under the various unorganized workers welfare boards and 16,684 interstate migrant workers have been registered in the Construction Workers Welfare Board. Members of the Unorganised Workers Welfare Boards have been provided with social security benefits to an extent of Rs.125.90 crores during 2015-2016. Steps are being taken to enable unorganised sector workers to

register online and get welfare benefits. An amount of Rs.70 crores has been provided as grants to Unorganised Workers Welfare Boards in this Revised Budget Estimates. A sum of Rs.152.76 crores is allotted for the Labour Welfare Department in the Revised Budget Estimates 2016-2017.

SOCIAL WELFARE

137. Various welfare schemes have been taken up for the security and upliftment of the vulnerable sections of the society such as children, women, transgender, senior citizens and destitutes. The pioneering schemes such as the 'Girl Child Protection Scheme' and the 'Cradle Baby Scheme' launched by the Hon'ble Chief Minister during 1992, have provided adequate security to the abandoned children. A sum of Rs.140.50 crores has been provided in the Revised Budget Estimates 2016-2017 for these schemes.

138. The Hon'ble Chief Minister has already enhanced the gold for Thirumangalayam under the Marriage Assistance Schemes to eight grams. This will further encourage girls to pursue higher studies and to prevent early marriage, thereby paving the way for their economic liberation. In this Revised Budget, an amount of Rs.703.16 crores has been provided for all marriage assistance schemes.

139. Under the 'Puratchi Thalaivar MGR Nutritious Meal Programme', 26.88 lakh children in the primary school, 28.17 lakh children in the middle and high schools are being served with variety meals. A sum of Rs.1,644.52 crores has been provided for Nutritious Meal Programme in this Revised Budget. Under the 'Integrated Child Development Services' (ICDS) scheme, supplementary nutrition and nutritious meal are being served to 17.63 lakh children in the age group of 6 to 36 months and 13.97 lakh children in the age group of 2 to 5 years, 6.55 lakh pregnant women and lactating mothers and 4.02 lakh adolescent girls. A sum of Rs.1,699.79 crores has been provided for the ICDS scheme in the Revised Budget.

140. This Government has provided a unique social security net to senior citizens and other disadvantaged sections of the society. Financial assistance of Rs.1,000 per month is being disbursed as social security pension to all categories. In this Revised Budget, an amount of Rs.3,820 crores has been provided for social security pensions.

141. In this Revised Budget Estimates 2016-2017, totally a sum of Rs.4,512.32 crores has been allocated for Social Welfare Department.

WELFARE OF GOVERNMENT EMPLOYEES AND PENSIONERS

142. The New Health Insurance Scheme, 2012 for employees ended on 30.06.2016. From 01.07.2016, orders have been issued for implementing the 'New Health Insurance Scheme, 2016' to provide healthcare assistance to the Government employees and their eligible family members for another four years. The scheme provides for healthcare assistance up to four lakh rupees in a block of four years to its employees and their families. As an important addition to the existing scheme, the limit has been enhanced to Rs.7.50 lakh in cases of specified serious illnesses. For this scheme, an amount of Rs.300 crores has been provided in the Revised Budget Estimates.

143. After the Union Government accepts the recommendations of the Seventh Central Pay Commission in all aspects, this Government will constitute a Committee of Officials to study it and recommend on the appropriate pay revisions in the State.

144. This Government takes pride in the scheme of Comprehensive Health Insurance Scheme for the benefit of seven lakh pensioners introduced for the first time in the Country and a sum of Rs.129 crores has been

allocated for the premium amount in 2016-2017. A sum of Rs.18,868 crores has been provided for pensionary and other retirement benefits in the Revised Budget Estimates 2016-2017.

WELFARE OF SRI LANKAN TAMIL REFUGEES

145. This Government has already extended various welfare schemes, such as Marriage Assistance, Social Security Pensions, Health insurance, etc., to the Sri Lankan Tamils in various refugee camps. The cash assistance to Sri Lankan Tamils has also been substantially enhanced. These initiatives enabling them to lead a life of dignity, safety and security will be continued. In the Revised Budget Estimates 2016-2017, an amount of Rs.105.98 crores has been allocated for the welfare of Sri Lankan Tamil refugees.

WELFARE OF THE DIFFERENTLY ABLED

146. Tamil Nadu is a pioneering State in implementation of the welfare schemes for differently-abled persons. This Government has reduced the eligibility percentage of disability for availing the benefit of Social Security Pension from 60 per cent to 40 per cent. For the benefit of children with various disabilities, 435 Special Schools are functioning in Tamil Nadu. Early Intervention Centres (EIC) have been established with qualified educators in 29 Districts for the hearing

impaired and in 31 Districts for the mentally retarded persons. Besides this, seven EICs are functioning for the welfare of the visually impaired persons. **During 2016-2017, 1,000 retrofitted petrol scooters will be distributed free of cost to both lower limb affected differently-abled persons.** In the Revised Budget Estimates 2016-2017, an amount of Rs.396.74 crores has been allocated for the welfare of Differently Abled persons.

MINORITIES WELFARE

147. The scheme of providing financial assistance to undertake pilgrimage to Jerusalem by Christians will be continued. The proactive steps taken for the welfare of the Muslim Community such as annual administrative grant for the Tamil Nadu Waqf Board and Tamil Nadu State Hajj Committee will also be continued. Further, **as promised in the Election Manifesto, the Ulema pension will be enhanced from Rs.1,000 to Rs.1,500 per month.**

RESOURCES FOR FINANCING THE BUDGET

148. Now, I will turn towards the resources identified for financing the projected expenditure in the Revised Budget 2016-2017. In the last few years, the economic slowdown in the global economy has affected the National economy and State economy. The ripple

effects of economic stagnation have had severe repercussions on the State resources due to slowdown in the growth of tax revenue.

149. Commercial Taxes are the most important source of the State's Own Tax Revenue. In the last few years growth in the Commercial Taxes has been very low mainly due to economic stagnation and reduced collection of Sales Tax on petroleum products. The tax collections on petroleum products were stagnant in the last three years and have registered a negative growth during 2015-2016. Considering these facts, the estimates for Commercial Taxes have been revised to Rs.67,629.45 crores in the Revised Budget Estimates 2016-2017 as against the Interim Budget Estimates of Rs.72,326.45 crores.

150. Taking into account the State Government's decision to close down 500 TASMAL shops, the Excise Duty collection for the current financial year has been scaled down to Rs.6,636.08 crores. The receipts from Stamps fees and Registration charges has been estimated to be Rs.9,858.17 crores, whereas the Taxes on Motor Vehicles has been estimated to be Rs.4,793.91 crores in the Revised Budget Estimates 2016-2017. The overall State's Own Tax Revenue during the current financial year has been estimated to be Rs.90,691.87 crores in the Revised Budget Estimates

2016-2017. The receipts under State's Own Non-tax Revenue has been estimated at Rs.9,723.95 crores.

151. At the time of presentation of Interim Budget Estimates 2016-2017, the Union Budget for 2016-2017 was not presented, so the State's share in Central Taxes devolution had been projected at Rs.23,688.11 crores by assuming a growth rate of 12 per cent over 2015-2016. However, based on the Union Budget 2016-2017, the State's share in Central Taxes for the year 2016-2017 has been reduced to Rs.23,018.12 crores. The Grants-in-Aid from the Government of India for the current financial year has been revised to Rs.24,741.15 crores taking into account the grants under the Fourteenth Finance Commission and Central Assistance to State Plan.

FISCAL INDICATORS

152. The Total Revenue Receipts under the various categories of revenue resources for 2016-2017 has been estimated at Rs.1,48,175.09 crores in the Revised Budget Estimates as against the Interim Budget Estimates of Rs.1,52,004.23 crores. However, the implementation of many new schemes such as waiver of agricultural loans of small and marginal farmers owed to the Co-operative Institutions and free power to domestic consumers up to 100 units and continuance of various

welfare schemes have indeed increased the expenditure of the State. During 2016-2017, in the Revised Budget Estimates, the Revenue Expenditure has been estimated to be Rs.1,64,029.56 crores as against the Rs.1,61,159.01 crores in the Interim Budget Estimates. As a result, the Revenue Deficit for the ongoing financial year has been estimated to be Rs.15,854.47 crores. In view of this, the necessary amendments to Tamil Nadu Fiscal Responsibility Act, 2003 will be taken up in this Assembly session.

153. In the Revised Budget Estimates 2016-2017, the Fiscal Deficit has been estimated to be Rs.40,533.84 crores, which is 2.96 per cent of Gross State Domestic Product (GSDP), and is well below the limit prescribed by the Tamil Nadu Fiscal Responsibility Act, 2003.

154. Since the Government of India has revised the GSDP figures as per the new 2011-2012 series, the Net Borrowing Ceiling has also got revised to Rs.41,085 crores in 2016-2017. However, the budgetary borrowings have been estimated to be Rs.40,529 crores in this Revised Budget Estimates. The overall outstanding borrowings of the State has been estimated to be Rs.2,52,431 crores at the end of this financial year. As per Revised Budget Estimates 2016-2017, the

outstanding Debt to GSDP ratio will be 18.43 per cent of GSDP.

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

156. The Arthashastra says **"In the happiness of his subjects, lies the King's happiness; in their welfare his welfare; he shall not consider as good only that which please him, but treat as beneficial to him whatever pleases his subject"**. This reflects our benevolent Hon'ble Chief Minister, whose thoughts, words and deeds are all for one purpose – the welfare and prosperity of the Tamil people. Under her able leadership, the State has earned many laurels and she would take the State further to the pinnacle of success and glory. With her profound wisdom and knowledge, she has guided us to prepare every detail in this Budget and only with her unstinted support it was possible to prepare and present this Budget. I once again express my gratitude to her for this magnanimous gesture and support.

157. I convey my thanks to Thiru K. Shanmugam, IAS, Additional Chief Secretary, Finance Department and all other officials of the Department who have been

working tirelessly on the formulation and preparation of this Revised Budget Estimates.

158. Hon'ble Speaker Sir, I commend the Revised Budget Estimates for the year 2016-2017 for the approval of the Assembly.

**Nanri
Vanakkam**

O.PANNEERSELVAM
Minister for Finance, Personnel
and Administrative Reforms

Chennai,
21st July 2016,
Thunmugi, Aadi - 6,
Thiruvalluvar Aandu 2047

APPENDIX**MEDIUM TERM FISCAL PLAN**

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

Objectives

The MTFP has been structured with the aim of facilitating high economic growth in order to create enough fiscal space for investments in agriculture, industry and basic infrastructure, thereby enabling the State to create opportunities for the people, especially the disadvantaged, to participate in the growth process and achieve the overall objective of inclusive growth with equity.

Apart from incurring expenditure heavily on various welfare schemes, especially for social security, education, health, etc., the State has given due importance to capital expenditure for building roads & bridges, irrigation and power projects. Simultaneously, the State has to meet the ever increasing administrative expenditure, mainly due to hike in Dearness Allowance, increments, creation of new posts and filling up of vacancies. However, the State Government is committed to achieving fiscal consolidation by complying with the roadmap set forth by the Central Finance Commission.

The MTFP will ensure the compliance of the norms of fiscal prudence, such as, containing the Revenue Deficit to the minimum, Fiscal Deficit within three per cent of Gross State Domestic Product (GSDP) and Outstanding Debt to GSDP ratio within the prescribed limits of the Central Finance Commission during 2016-2019 and thereafter, except for the year 2017-2018.

Future Prospects

The GSDP figures for the States have been revised based on new 2011-2012 series. Therefore, the nominal GSDP figures based on this new series have been adopted in the budget. As per the present trend, it is estimated that the growth rate of the State will be high

and inflation is expected to be moderate during the current financial year.

I. Revenue Receipts

The Total Revenue Receipts of the State Government, including the Central Transfers, are estimated as Rs.1,48,175.09 crores in 2016-2017. The important components of Revenue Receipts and its growth trends are as follows.

1. State's Own Tax Revenue

The State economy has been showing signs of recovery, which is evident from the improvement in GSDP growth rates from 4.85% in 2012-2013 to 6.94% in 2014-2015 as per 2011-2012 constant prices. In 2015-2016, GSDP growth rate is estimated to be at 8.79% at 2011-2012 constant prices. Considering the trend, it is also expected that the economy will further improve during the current financial year and the State would register a higher growth rate.

The State's Own Tax Revenue is Rs.86,537.70 crores as per the Revised Estimates 2015-2016. It is estimated to increase to Rs.90,691.87 crores in Revised Budget Estimates for 2016-2017. A growth rate of 13.67% and 13.58% is assumed for the years 2017-2018 and 2018-2019

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

- The receipts from the Commercial Taxes are estimated to be Rs.67,629.45 crores in the Revised Budget Estimates 2016-2017. It has been revised due to reduction in the sales tax realisation on the petroleum products.
- Taking into account the impact of closure of 500 TASMALC shops during the current financial year and the present trend of receipts, the State Excise Duty collection has been estimated at Rs.6,636.08 crores during 2016-2017.
- Receipts from Stamp Duty and Registration Charges are expected to be Rs.9,858.17 crores during 2016-2017 as against Rs.9,469.29 crores estimated in Revised Estimates 2015-2016.
- For the collections under the Taxes on Motor Vehicles as against Rs.4,385 crores estimated in Revised Estimates 2015-2016, the Revised Budget Estimates for 2016-2017 are estimated at a growth rate of 9.33% and the estimates for 2016-2017 has been fixed at Rs.4,793.91 crores.

2. Non-Tax Revenue

The State's Own Non-Tax Revenue has been estimated at Rs.9,723.95 crores in the Revised Budget Estimates 2016-2017. Since the Government services are delivered free of cost or only at nominal fees and limited mining potential in the State, the Non-Tax Revenue has been estimated to be marginally higher than the Revised Estimates 2015-2016. A growth rate of 6% is assumed for 2017-2018 and 2018-2019.

3. Share in Central Taxes

The inter-se-share of Tamil Nadu has been decreasing gradually from one Finance Commission to another. The inter-se-share of Tamil Nadu from Thirteenth Finance Commission to Fourteenth Finance Commission has been reduced from 4.969% to 4.023% in the general divisible pool and from 5.047% to 4.104% in case of Service Tax pool. However, increased flows of resources are expected to be devolved to the State on account of the resource augmentation by the Central Government through revision of taxes and duties. The Share in Central Taxes for the State has been estimated at Rs.23,018.12 crores during 2016-2017 in this Revised Budget Estimates based on the projection given in the Union Budget. A growth rate of 14% is assumed for the financial year 2017-2018 and 2018-2019 also.

4. Grants-in- Aid from the Union Government

The Grants-in-Aid from the Government of India have been estimated at Rs.24,741.15 crores in the Revised Budget Estimates 2016-2017 by taking into account the Central Assistance to State Plan and Fourteenth Finance Commission grants such as contribution to State Disaster Response Fund (SDRF), basic and performance grants to both rural and urban Local Bodies. From 2015-2016 onwards, the Government of India has reduced its share for many of the Centrally Sponsored Schemes to 60 per cent. The Revised Budget Estimates 2016-2017 has also taken into consideration of the estimated receipts of Central Sales Tax (CST) compensation from the Government of India. For the financial year 2017-2018 and 2018-2019, a growth rate of 12% has been assumed.

II. Revenue Expenditure

The revenue expenditure during the ongoing financial year is estimated at Rs.1,64,029.56 crores which shows a growth of 10.99% over Revised Estimates 2015-2016. The main components are explained below:

- The allocation for salaries is Rs.45,542.18 crores and for pensions and other retirement benefits is Rs.18,868.16 crores in the Revised Budget Estimates 2016-2017. This is 39.27% of the Total

Revenue Expenditure. Considering the possible expenditure due to hikes in Dearness Allowance, increments and filling up of vacancies, a growth rate of 30% for salaries and 35% for pensions and other retirement benefits is assumed for 2017-2018 and a growth rate of 11% is assumed for both salaries and pensions for 2018-2019. The projection for the year 2017-2018 has been made based on the assumption of implementation of Seventh Pay Commission recommendations.

- For Subsidies and Grants, the allocation is Rs.68,211.05 crores in the Revised Budget Estimates 2016-2017. This increase over Revised Estimates 2015-2016 is due to various welfare schemes like food subsidy, power subsidy, scholarships, etc. The Additional commitment due to new schemes such as waiver of agricultural loans of small and marginal farmers owed to Co-operative Institutions and free power to domestic consumers up to 100 units has also been added under this head. Further, the enhanced devolution to Local Bodies has been included on the assumption of the growth in State's Own Tax Revenue. A growth rate of 7% is assumed for 2017-2018 and 8% for 2018-2019.

- Expenditure on Non-wage Operations and Maintenance is projected as Rs.10,184.69 crores in Revised Budget Estimates 2016-2017. This is mainly on account of maintenance, administrative expenses, fuel cost, distribution of uniform to school students, etc. A growth rate of 2% is assumed for 2017-2018 and 2018-2019.
- In the Revised Budget Estimates 2016-2017, the Interest Payments have been estimated as Rs.21,215.67 crores, which is 12.93% of the Total Revenue Expenditure. The ratio of Interest Payments to Total Revenue Receipts will be 14.32% in 2016-2017. This is expected to be 14.45% in 2017-2018 and 14.59% in 2018-2019.

III. Capital Expenditure

During 2016-2017, the State has given thrust to capital expenditure. As a result, the allocation for Capital Expenditure has been projected to increase from Rs.22,878.45 crores in Revised Estimates 2015-2016 to Rs.24,679.38 crores in Revised Budget Estimates 2016-2017. This is expected to grow further at 9.25% in 2017-2018 and 11.13% in 2018-2019.

IV. Revenue Deficit and Fiscal Deficit

In the Interim Budget for 2016-2017, the Revenue Deficit has been estimated to be Rs.9,154.78 crores. However, due to continuing global economic slowdown, the tax revenue growth has been slow. There is significant fall in State's Own Tax Revenue growth rate, particularly in Commercial Taxes because of the reduced sales tax realization due to fall in tax revenue from petroleum products. Taking into account these factors, the Revenue Deficit has been revised to Rs.15,854.47 crores in the Revised Budget Estimates 2016-2017. Fiscal Deficit for 2016-2017 is estimated as Rs.40,533.84 crores, which is 2.96% of the Gross State Domestic Product (GSDP). In the forthcoming years, Fiscal Deficit to GSDP ratio will be 3.34% in 2017-2018 and 2.96% in 2018-2019. The State has to go for additional resource mobilization or resort to control in expenditure in order to limit Fiscal Deficit within three per cent norm while managing additional expenditure commitments during 2017-2018.

V. Borrowings

The estimates for receipt and repayment of borrowings have been finalized on the basis of the overall borrowing ceiling fixed by the Government of India based on the formula indicated by 14th Finance Commission.

The Net Borrowing Ceiling fixed by the Government of India has got revised from Rs.37,782 crores to Rs.41,085 crores in 2016-2017 due to revision in the GSDP figures according to 2011-2012 series. The net budgetary borrowings during 2016-2017 is estimated as Rs.40,529 crores. The outstanding debt including provident fund will be Rs.2,52,431 crores as on 31.3.2017. This will constitute only 18.43% of GSDP.

VI. Guarantees

The outstanding guarantees for each year have to be restricted at a level of 100 per cent of the Total Revenue Receipts in the preceding year or 10 per cent of the GSDP, whichever is lower. The outstanding guarantees as on 31.3.2015 was 49.70 per cent of Total Revenue Receipts in the preceding year and 4.91 per cent of GSDP. The outstanding risk weighted guarantees for each year have to be kept at a level of 75 per cent of the Total Revenue Receipts in the preceding year or 7.5 per cent of GSDP whichever is lower. The outstanding risk weighted guarantees as on 31.3.2015 stood at 9.28 per cent of Total Revenue Receipts in the preceding year and 0.92 per cent of GSDP.

Conclusion

The economic recovery is evident from the GSDP growth rates in real terms from 2012-2013 onwards which was at 4.85% to 8.79% in 2015-2016.

However, on the Revenue side, there is a significant fall in the growth of the State's Own Tax Revenue, particularly in Commercial Taxes, which has impacted the revenue receipts severely. Further, the reduced share in Central devolution, delay in reimbursement of Grants-in-Aid from Government of India, in addition to reduced Central share in Centrally Sponsored Schemes have caused further strain on the State Finances. However, the trends in expenditure are steady. In spite of these constraints on Revenue Receipts, the overall Fiscal Deficit, net borrowings and outstanding debt-GSDP ratio will be within the permissible limits except Fiscal Deficit during 2017-2018. The State Government has been taking all necessary steps to put the economy back on the growth path.
