

Speech of Thiru O. Panneerselvam, Hon'ble Deputy Chief Minister, Government of Tamil Nadu, presenting the Interim Budget for the year 2021-2022 to the Legislative Assembly on 23rd February, 2021.

Hon'ble Speaker Sir,

‘கருவியும் காலமும் செய்கையும் செய்யும்
அருவினையும் மாண்டது அமைச்சு’

(குறள் 631)

‘The minister is one who can make an excellent choice of means, time, manner of execution and the difficult undertaking’

(Kural 631)

This Government functions with the immortal guidance and blessings of the late Hon'ble Chief Minister Puratchi Thalaivi Amma, celebrated in history as a dynamic leader, will be completing its present term in May, 2021. The passing of Hon'ble Puratchi Thalaivi Amma in December, 2016 after gaining the confidence of the people in the General Election in May, 2016 for a historic second consecutive term, led many to speculate that this Government will not complete its full tenure.

All these naysayers have been proved decisively wrong. **This Government, with the blessings of Hon'ble Puratchi Thalaivi Amma and led by the very capable Hon'ble Chief Minister Thiru Edappadi K. Palaniswami, has not just completed its full term, but it has realised Hon'ble Puratchi Thalaivi Amma's vision of making Tamil Nadu the numero uno State in the country.** By the dint of our dedication, hard work and performance, we have gained the confidence of the people. The people know that this is a Government that has the welfare of the people as its foremost objective and delivers on its promises.

2) This Government always remembers the late Hon'ble Chief Minister Puratchi Thalaivi Amma, and her undying love and affection for the people of Tamil Nadu. This is Hon'ble Puratchi Thalaivi Amma's Government and to honour her memory, we have constructed a memorial befitting Amma's life and message on the shores of the Bay of Bengal. The house Hon'ble Puratchi Thalaivi Amma lived in for many years, 'Veda Nilayam', has also been converted into a memorial which people can visit to draw inspiration from the life and work of Hon'ble Puratchi Thalaivi Amma. Amma's birthday will be celebrated as a befitting Government function. These are small material gestures to

preserve her memory, but our true gratitude to Hon'ble Puratchi Thalaivi Amma can be established only through our dedicated work for the people of the State. In that spirit, I salute Hon'ble Puratchi Thalaivi Amma as I rise to present before this August House, the Interim Budget for the financial year 2021-2022.

3) This Government led by the Hon'ble Chief Minister Thiru Edappadi K. Palaniswami has won recognition both within India and internationally. We were recognised by the Government of India for having secured the first place in the Good Governance Index in the first year that it was computed in 2019. India Today magazine in the 'State of the States' survey has ranked Tamil Nadu the overall Best Performing State for the third consecutive year in November, 2020. We can justifiably claim that we have worked hard to fulfil the legitimate aspirations of the people of Tamil Nadu. Our dedication to delivering Hon'ble Amma's vision and to achieve Peace, Progress and Prosperity, will carry Tamil Nadu to greater and greater heights.

4) Tamil Nadu continues to be a haven of peace and tranquillity. Ours is a Government that hears the voices of the people and responds pro-actively. We actively

seek and heed advice from experts, scholars and academicians. We are proud that many multilateral financial institutions are keen on partnering with Tamil Nadu to launch new projects. Above all, Tamil Nadu has become one of the most attractive destinations for investment even through this period of the COVID-19 pandemic.

COVID-19 Pandemic and the Response

5) The year 2020 will for ever be remembered in history as the year of the COVID-19 pandemic. **This Budget carries the imprint of the unprecedented challenges posed by and the huge overall impact of the COVID-19 pandemic on our State.** In the initial months of the pandemic, Tamil Nadu was next only to Maharashtra in the number of cases reported, and case fatalities were a challenge. Under the leadership of the Hon'ble Chief Minister, the entire administrative machinery rallied around. A taskforce under the Chief Secretary and co-ordination and monitoring committees with senior IAS officers were directed to tackle different dimensions of the pandemic. The entire public health and medical services machinery rose to the occasion. The frontline workers in the Health, Police, Revenue, Rural Development And Municipal Administration departments worked tirelessly. Through these systematic efforts and effective measures we can say

with confidence that COVID-19 has been brought under control. **Tamil Nadu is being hailed as a model State in tackling COVID-19.** This was possible because of decisive leadership and by following the advice of public health experts. **The Hon'ble Prime Minister highlighted the 100 per cent RT-PCR based testing strategy and the use of e-Sanjeevani by Tamil Nadu as models to be emulated by other States.**

6) Prevention and control of the spread of COVID-19 has been achieved by effectively following public health guidelines on screening, testing, isolating and treating the positive cases. Effective contact tracing, strict containment management, focus on aggressive testing and quarantine and effective patient management have yielded good results. As on date, 8,48,724 positive cases have been reported in the State with a positivity rate of 4.94 per cent. The weekly positivity rate for the State has now been brought down to below one per cent. 8,32,167 patients (98.05 per cent) have recovered and been discharged and 4,091 patients are under treatment. The over all Case Fatality Rate has been brought down to 1.47 per cent, which is significantly less than other States with similar case load.

7) RT-PCR testing facilities were ramped up throughout the State, with 68 Government and 186 private testing facilities currently functional. The number of tests was increased to 70,000 samples per day since October, 2020. Tamil Nadu has tested more than 1.68 crore samples, which is the highest number of RT-PCR tests in the country. Treatment management of patients has been in three categories - COVID-Hospitals, COVID-Health Centres and COVID-Care Centres. In COVID Hospitals and Health Centres, 1,38,310 beds including 34,849 oxygen supported beds, 7,709 ICU beds and 6,517 ventilators had been made available. To handle the emergent situation, 530 doctors, 2,323 nurses and 1,508 lab technicians, 334 Health Inspectors, 982 Service Post Graduate Doctors, 1,239 Non-Service Post Graduate Doctors and 2,715 Multi-Purpose Health Workers were additionally appointed. 4,570 Nurses and 2,000 paramedical workers were also additionally appointed in May 2020. The welfare of frontline medical staff including arrangements for their quarantine was given special attention to ensure they remained fit and motivated.

8) The success of fever camps in Chennai in tracing and containing the pandemic has been replicated throughout the State. At its peak, nearly 2,500 fever

camps were conducted every day. So far 6.17 lakh fever camps have been conducted with more than 3.60 crore persons screened since March 2020. A community hygiene and sanitation campaign with a thrust on 100 per cent wearing of masks, hand washing and hand hygiene, social distancing, respiratory hygiene, personal and reproductive hygiene and environmental sanitation and solid and liquid waste management was conducted. **On the whole, the Government has incurred a total expenditure of Rs.13,352.85 crore on the COVID-19 pandemic response.**

9) Due to these intensive efforts, the number of affected persons has stabilised below 500 per day and the positivity rate has come down significantly. Even as the lockdown guidelines are progressively relaxed, the efforts to manage the COVID-19 pandemic continue with fever surveillance, aggressive testing and effective patient management. As of now, almost all activities have been permitted across the State with very few restrictions. The situation is gaining normalcy. The Government continues its relentless vigil to protect the people of the State.

10) As per the instructions of Government of India, all steps have been taken for vaccination. So far 16.70 lakh

doses of COVID-19 vaccines have been received and 3.85 lakh health care and frontline workers have been administered the vaccine. The next phase of administering the vaccine to the vulnerable groups of senior citizens and those with co-morbidities will commence very shortly. As the Hon'ble Union Finance Minister has provided Rs.35,000 crore for the COVID-19 vaccination programme in the Union Budget for 2021-22, we expect the Government of India to continue to bear the full cost of the vaccination programme.

11) As a health crisis, the pandemic has also had extensive socio economic impact. This was the first economic crisis in recent memory triggered by a non-economic event. The various public health measures taken by the Government of Tamil Nadu certainly shielded the populace from further adverse impact and preserved the long term growth potential of the State. However, some of the measures including the lockdown, have had a short term adverse impact on the economy. **To place Tamil Nadu back on the expected growth trajectory and to limit longer term fiscal deterioration, the Government constituted a High Level Committee of economists and experts chaired by Dr. C.Rangarajan, former Governor of the Reserve Bank of India to**

advise on the medium term policy response.

The Committee included economists, experts and practitioners, representing every field. The Committee made an analysis of the prospects of economic growth and the policy responses of the State Government. The Committee noted positively that the Government of Tamil Nadu was swift to respond to the adversities caused by COVID-19 and further that a slew of measures, both emergency as well as medium term in nature with specific focus on the poor and the vulnerable had been implemented.

12) The Committee made projections of two growth scenarios for 2020-21, one indicating that GSDP growth will slow down to 1.31 per cent while the other indicated that growth would turn negative at (-) 0.61 per cent. **The Committee made 413 recommendations and observations** relating to immediate relief and revival measures and sector specific measures covering agriculture and allied activities, manufacturing including MSME and emerging sectors, construction and real estate, banking and finance, tourism, social sectors, inter-state migrant labour and state finances. **The State Government has promptly acted on many of the recommendations and observations of the Committee and so far 273 of them have been implemented.**

13) The overall response of the Government of Tamil Nadu including the carefully calibrated relaxations to the lockdown prioritising the productive sectors of the economy, the counter cyclical fiscal measures and emphasis on promoting both production and investment in sectors crucial to battle the pandemic, all ensured that the revival of growth in State was significantly faster and exceeded expectations. In terms of counter cyclical fiscal policy, although overall revenue receipts are expected to fall substantially in 2020-21, aggregate revenue expenditure has been maintained at a level exceeding the Budget Estimates 2020-21. **This Government acted promptly on the recommendation of the High Level Committee chaired by Dr.C.Rangarajan of incurring capital expenditure of at least Rs.10,000 crore additionally in 2020-21. Additional sanctions, over and above the provisions made in the Budget Estimates 2020-21, were granted for capital works - irrigation, construction of buildings, roads and highways, housing, water supply and sanitation - amounting to Rs.20,013 crore.**

14) As a result of these measures taken by the Government, **Tamil Nadu is expected to register a positive growth rate of 2.02 per cent at 2011-12**

constant prices in 2020-21. This is against an All India negative growth rate of 7.7 per cent in 2020-21. The strongest performance is of the primary sector at 5.23 per cent, with the livestock and fisheries sectors registering even stronger growth. The growth in the Secondary sector is 1.25 per cent and in the Services sector is 1.64 per cent. This significantly better than expected growth performance in 2020-21 is due to the expeditious and effective measures taken by the Government of Tamil Nadu to tackle the pandemic. I have no doubt that in 2021-22, the growth performance will be even stronger.

Tamil Nadu Vision 2023

15) The late Hon'ble Chief Minister Puratchi Amma had envisioned the Tamil Nadu Vision 2023 for infrastructure development in Tamil Nadu to place it on par with developed nations. Out of the 217 programmes identified, works forming part of 157 programmes are under implementation. Many important projects such as upgradation of priority state highways, metro rail, construction of satellite bus terminuses and agriculture infrastructure have already been completed. Detailed project reports have been prepared for 18 more projects and are under preparation for 19 projects.

15th Finance Commission and Centre-State Fiscal Relations

16) The final report of the 15th Finance Commission for the period from 2021-22 to 2025-26 was placed before the Parliament on 1st February 2021, along with the Action Taken Memorandum by the Union Finance Minister. The final report of the 15th Finance Commission belied the hopes held out by the Interim Report of the Commission for 2020-21, of a more fair treatment of a performing State like Tamil Nadu. The recommendations in the Report are disappointing and the injustice done to Tamil Nadu by earlier Commissions, and in particular by the 14th Finance Commission, has not been redressed.

17) The vertical devolution of taxes from the Centre to the States has been maintained at 41 per cent. The inter-se horizontal share of Tamil Nadu which had been marginally increased from 4.023 per cent in the 14th Finance Commission period to 4.189 per cent in the Interim Report of the 15th Finance Commission has now come down to 4.079 per cent in the Final Report. The Interim Report had for the first time recommended a revenue deficit grant for Tamil Nadu for 2020-21 amounting to Rs.4,025 crore which raised hopes of sustained support. But in **the Final Report, a reduced revenue deficit**

grant of Rs.2,204 crore has been recommended and that too only for the first year, 2021-22.

18) **The total amount of local body grants recommended for Tamil Nadu for the year 2021-22 has come down to Rs.3,979 crore from Rs.5,344 crore in 2020-21.** For the five year award period of the 14th Finance Commission, the total amount of local body grants recommended was Rs.17,009.74 crore as against Rs.5,455.90 crore in the 13th Finance Commission period, which was a three fold increase. In contrast, the 15th Finance Commission has recommended a total local body grant for the 5 year period from 2021-22 to 2025-26 of Rs.21,246 crore, which represents a very modest increase over the grants recommended by the 14th Finance Commission. Moreover, **the total amount of grants for Urban Local Bodies in Tamil Nadu has declined significantly from the amounts recommended by the 14th Finance Commission i.e. from Rs.8,232.31 crore for the period 2016-20 against Rs.7,187 crore in 2021-26.** This is because the 15th Finance Commission has adopted an incorrect base of the proportion of the overall population and area of each State to national population and area, and not the proportion of a

State's urban population to the national urban population. Urbanised states like Tamil Nadu have suffered as a result.

19) The proportion of untied grants to local bodies recommended by the 15th Finance Commission has also been reduced to only 40 per cent of the total grants as against 90 per cent for Rural Local Bodies and 80 per cent for Urban Local Bodies in the previous Commission. The remaining grants are to be released as performance and incentive grants with conditions. From previous experience, we are concerned about the timely release of these grants. The Government of India is yet to release Rs.548.76 crore due to local bodies in Tamil Nadu as basic grants, and Rs.2,029.22 crore as performance grants as per the recommendations of the 14th Finance Commission. With considerable follow up, basic grants of Rs.3,796.81 crore due for the year 2019-20 were obtained during the current year. The Government of India has not released performance grants recommended by the 14th Finance Commission due to almost all states since 2017-18. Tamil Nadu has fulfilled all the conditions indicated for the performance grants and submitted its claims. We urge the Government of India to release all the performance grants due to Tamil Nadu based on the 14th Finance Commission recommendations without further delay.

Securing timely release of the local body grants recommended by the 15th Finance Commission will require continuous follow up with the Government of India.

20) Unlike the 14th Finance Commission, the **15th Finance Commission has recommended certain sector specific and state specific grants. Rs.4,784 crore as performance based incentives and grants to Tamil Nadu for specific sectors including Health, School Education, Higher Education, Agriculture and Rural Infrastructure, Governance and Administrative reforms including Judiciary and Statistics have been recommended.** However, the Action Taken Memorandum presented by the Union Finance Minister before the Parliament, on Grants to States for Specific Sector states, 'Government will give due consideration to sectors identified by the Commission while formulating and implementing existing and new Centrally Sponsored and Central Sector Schemes'. We urge the Government of India not to utilise the 15th Finance Commission recommended grants to substitute their share of funding for Central Sector and Centrally Sponsored schemes. This would be a major deviation from past practice.

21) **A total amount of Rs.2,200 crore has been recommended by the Commission for Tamil Nadu as State specific grants for five schemes** including revamping of Chennai water bodies, renovation of historical and ancient temples, maintenance of heritage buildings, restoration of traditional water bodies and development of key towns of tourist importance. The Action Taken Memorandum of the Union Finance Minister states, 'Keeping in view the untied resources with the State Governments and the fiscal commitments of the Central Government, due consideration will be given to the above recommendation'. We urge the Government of India to release both the sector and State specific grants recommended by the 15th Finance Commission directly to the States and without imposing any additional conditions, respecting the convention that recommendations of the Commission are implemented in full as an award.

22) **The 15th Finance Commission** in its report has noted that there is an increasing trend of levy of cesses and surcharges by the Central Government which do not form part of the divisible pool of taxes. The **Report points out that the cesses and surcharges as a percentage of gross tax revenue of the Centre grew from 10.4 per cent in 2011-12 to 20.2 per cent in the**

Revised Estimates 2019-20. While the Commission noted this trend, it has not made any categorical recommendation of merging cesses and surcharges in the basic rate of tax or of including them in the divisible pool as demanded by the many States including Tamil Nadu, which is very disappointing.

23) **The Government of India increased the share of cesses and surcharges substantially and reduced the basic duty component in the levy of Union Excise Duties on petrol and diesel in May, 2020.** Although revenue to the Centre on account of various levies on petrol and diesel saw a growth of 48 per cent in the period from April-November, 2020 over the same period in 2019, Tamil Nadu has received 39.40 per cent less in the corresponding period as share of Union Excise Duties on petrol and diesel. I personally urged the Hon'ble Union Finance Minister in the pre-Budget meeting held on 18th January 2021 that all cesses and surcharges should be merged with the basic rate of tax so that the States receive their due share as devolution from the Central taxes. The Hon'ble Chief Minister has also taken up this issue with the Government of India. Despite this, **in the Union Budget for 2021-22, the agricultural infrastructure development cess has been levied by**

further reducing the basic excise duty on petrol and diesel.

24) Similarly **the levy of surcharge on personal income tax first introduced in 2013-14 has been further expanded and increased in the period since and has become a big revenue earner for the Centre, with no share for the States in the increased revenue. In the Union Budget for 2021-22, the basic customs duty on a number of commodities including gold, silver, alcoholic beverages, crude edible oil, coal, lignite and peat, apples, varieties of pulses and specialized fertilizers has been reduced and substituted by the agricultural infrastructure development cess.** All these measures have further shrunk the divisible pool of taxes. **We strongly urge the Government of India to merge all cesses and surcharges with the basic rate of taxes and ensure that States receive their legitimate share of revenue.**

Tamil Development

25) Tamil Nadu has a rich cultural tradition and Tamil is the oldest living language of the world. This Government continues to uphold the glory of Tamil language and culture. To celebrate Tamil culture,

Thai Pooam has been declared as a public holiday from this year onwards. Tamil scholars and those who fought for the cause of Tamil are held in high esteem and awarded enhanced monthly financial assistance. 497 persons receive financial assistance intended for Tamil Scholars and 137 persons receive assistance for their role in the merger of Tamil speaking areas with Tamil Nadu. Totally 78 awards are given annually to Tamil scholars and two new awards namely the Arutperunjothi Vallalar Award and Karaikkal Ammaiyar Award have been instituted. A Master Plan Complex of 87,300 sq. ft. at a cost of Rs.37.25 crore has been constructed for the World Tamil Sangam, Madurai. The annual block grant for the Tamil University, Thanjavur has been enhanced from Rs.5.98 crore to Rs.24.92 crore. **In addition to Harvard University and Houston University, the Government will provide assistance for the establishment of a Tamil Chair at Toronto University in Canada.**

Revenue Administration

26) To take administration closer to the people, since 2011, 6 new districts, 18 new revenue divisions and 92 new taluks have been created. Office buildings have been constructed for 10 Collector's Offices, 43 revenue divisions and 203 taluks since 2011, to enable convenient

access for the public, and these offices have been adequately staffed.

27) This Government implements 8 Social Security Schemes to provide monthly pension to the poorest and most vulnerable in the State. **At present, 33.60 lakh beneficiaries are receiving pensions under these schemes. The total budgetary allocation for these schemes has increased from Rs.1,083.78 crore in 2010-11 to Rs.4,316.43 crore in the Interim Budget Estimates 2021-22.** The Chief Minister's Uzhavar Pathukappu Thittam was launched on 10th September, 2011, providing support to farmers and their families at the time of need. Under this scheme, a total number of 28,58,092 persons have benefited so far at a total cost of Rs.2,058 crore.

28) **During the period from 1st April, 2011 till date, a total number of 25,32,732 free house site pattas have been issued exceeding the target each year.** The Special Scheme of Regularization of Residential Encroachments launched in September, 2019 has been extended for a further period of one year. Under this scheme, residential encroachments in unobjectionable poramboke lands are being regularised and house site

pattas issued. Eligible persons out of those residing on objectionable poramboke lands are being granted alternate sites. So far, on 1,36,481 identified unobjectionable poramboke lands, 60,203 house site pattas have been issued.

29) I am happy to inform this House that the Hon'ble Puratchi Thalaivi Amma Comprehensive Accident cum Life Insurance Scheme with full State Government funding has been launched in association with the Life Insurance Corporation and United India Insurance Company. 55.67 lakh Below Poverty Line (BPL) families in Tamil Nadu, will be eligible for insurance coverage of Rs.2 lakh in case of natural death of the breadwinner, and Rs.4 lakh in case of accidental death and upto Rs.2 lakh in case of permanent incapacitation of the breadwinner.

Disaster Management

30) Tamil Nadu has recently faced the Nivar and Burevi cyclones as also unseasonal heavy rain in January 2021 which caused considerable damage to standing crops, property and public assets. The total damages were quantified and memoranda prepared and submitted to Government of India, for Rs.3,758.65 crore for Nivar and

Rs.1,514 crore for Burevi and Rs.900.82 crore for the unseasonal heavy rains in January 2021. Central teams have also inspected the locations. **Considerable expenditure on the COVID-19 relief measures has also been met from the State Disaster Response Fund (SDRF). A total amount of Rs.11,943.85 crore has been spent from the SDRF in 2020-21 so far.** In addition, Rs.200 crore from the Chief Minister's Public Relief Fund out of the contributions received in response to the appeal made by the Hon'ble Chief Minister in April 2020, has been transferred to the Tamil Nadu State Disaster Management Authority to meet the expenditure related to COVID-19 relief work. **The high level of expenditure from the SDRF underscores the fact that the size of the State Disaster Risk Management Fund (SDRMF) for Tamil Nadu recommended by the 15th Finance Commission at Rs.1,360 crore with a Government of India share of Rs.1,020 crore in 2020-21 and 2021-22, is hopelessly inadequate.** Hence, I urge the Government of India to make adequate funds available to Tamil Nadu from the National Disaster Risk Management Fund.

Police

31) Tamil Nadu has emerged an attractive investment destination and a place where people can live in peace and tranquillity, mainly due to the effective maintenance of law and order. Hence, this Government continues to accord the highest priority to ensuring that the State Police Force is adequately resourced in terms of human resources, vehicles, arms and ammunition, technologically advanced equipment and infrastructure. In the Interim Budget Estimates 2021-22, Rs.100.02 crore has been provided for the modernization of the Police Force. Vacancies in the Police Department have been considerably brought down. From 1st November, 2011 to date, a total of 65,503 police personnel have been recruited. The process of recruiting 10,329 Grade II Police Constables is currently underway. **The annual budgetary allocation for the Police Department has been stepped up from Rs.3,513.15 crore in 2011-12 to Rs.9,567.93 crore in the Interim Budget Estimates 2021-22.**

Fire and Rescue Services

32) The Fire and Rescue Services Department has attended a total of 19,142 fire calls and 32,264 rescue calls in 2020, saving 2,129 lives, in addition to livestock and

property. During the year 2020-21, formation of 11 new fire stations and the upgradation of the Sivakasi Fire and Rescue Station has been announced. With this, the total number of Fire and Rescue Stations in the State has gone up to 347. In the Interim Budget Estimates 2021-22, a sum of Rs.436.68 crore has been allocated for the Fire and Rescue Services Department.

Road Safety

33) **The continued focus on road safety has considerably brought down the number of fatal road accidents in Tamil Nadu from 17,218 in 2016 to 8,060 in 2020.** The Tamil Nadu Road Safety Mission has been launched and co-ordinated efforts are being undertaken by the Police Department, Transport Department, State Transport Undertakings, Highways Department, Urban Local Bodies and the Health and Family Welfare Departments. These efforts have received national and international recognition and awards and have been cited as a model worthy of emulation.

Administration of Justice

34) Speedy and effective delivery of justice is an essential characteristic of a modern well governed State. **It is a matter of pride that in the India Justice**

Reports, 2019 and 2020, Tamil Nadu ranks first in the Judiciary pillar. During the period 2011 to 2020, this Government has constituted 520 courts including special courts. 16 special courts have been constituted for trial of cases under Protection of Children from Sexual Offences (POCSO) Act, 2012. A total sum of Rs.1,332 crore has been sanctioned for the construction of court buildings and other infrastructure facilities including accommodation for Judges. **In the Interim Budget Estimates 2021-22, a total sum of Rs.1,437.82 crore has been provided for Administration of Justice, which includes a sum of Rs.289.78 crore for the construction of new court buildings.**

Agriculture

35) This Government prioritises the welfare of farmers and agricultural labourers who form nearly 50 per cent of the population. After 8 years, the Mettur Dam was opened on the due date of 12th June and as a result, kuruvai paddy coverage reached a record of 4.12 lakh acres. As adequate water was available and with the timely supply of seeds and other inputs, farmers expected a bumper harvest. But their hopes were dashed by the successive Nivar and Burevi cyclones and the unseasonal heavy rainfall in January 2021, which damaged

standing crops at the crucial harvest time, denting the prospects of a bountiful harvest. Visuals of the damage to ripened crops were heart-rending. The Hon'ble Chief Minister being a farmer himself understood the distress of the farmers and stepped in with a series of measures to help them. The relief payable for crops was increased from Rs.7,410 per hectare to Rs.10,000 per hectare for all rainfed crops, from Rs.13,500 to Rs.20,000 per hectare for paddy and other irrigated crops and from Rs.18,000 to Rs.25,000 per hectare for perennial crops. The Hon'ble Chief Minister also lifted the ceiling of 2 hectares for eligibility for relief. As a result, **a total amount of Rs.1,715 crore is being paid to 15.25 lakh farmers across the State by direct credit to their bank accounts.**

36) Following up on this measure, **the Hon'ble Chief Minister, to provide further relief to farmers, announced the waiver of all crop loans owed to Primary Agricultural Co-operative Credit Societies. A total amount of Rs.12,110.74 crore owed by 16,43,347 farmers has been waived.** Even in the context of an acute fiscal situation in the wake of COVID-19, the Hon'ble Chief Minister has prioritised the welfare of farmers to extend this benefit. **A provision of**

Rs.5,000 crore has been made in the Interim Budget Estimates 2021-22 for the crop loan waiver scheme.

37) In addition to this immediate relief, this Government is shouldering substantial additional financial burden to implement the Revamped Pradhan Mantri Fasal Bima Yojana (RPMFBY). Even as the Government of India capped its share of the premium subsidy and many insurance companies were reluctant to participate in the programme, the scheme was suspended in many States. **The Government of Tamil Nadu took on the additional burden of premium subsidy and adopted a new co-insurance model on a 80 : 20 proportionate sharing basis to ensure that the farmers have adequate risk coverage in the current year. The provision for the scheme has been stepped up from Rs.747.15 crore in Budget Estimates 2020-21, to Rs.812.09 crore, in the Revised Estimates 2020-21 and further to Rs.1,738.81 crore in the Interim Budget Estimates for 2021-22.**

38) Tamil Nadu is in the forefront of implementing the micro irrigation scheme as it is vital for conserving precious water resources. **Since 2011-12, a total area of 19.26 lakh acres has been covered under micro**

irrigation with a total outlay of Rs.4,060.12 crore.

In 2020-21, 5 lakh acres will be brought under micro irrigation by extending a record subsidy of Rs.1,200 crore.

39) To improve farmers' income across the State, the Tamil Nadu Mission for Sustainable Dry Land Development has been relaunched to cover a further 25 lakh acres over three years. In the current year, 7.5 lakh acres have been covered through interventions such as summer ploughing, distribution of seeds at subsidized cost, establishment of farm machinery centres and value addition units. To overcome the challenges faced by small and marginal farmers, the Collective Farming initiative launched in 2017-18 continues to be implemented to cover 8 lakh small and marginal farmers who have come together to form 40,000 Farmers Interest Groups and 8,000 Farmer Producer Groups. Corpus fund of Rs.300 crore has been released and 25,228 items of farm machinery have been purchased and utilised by the Farmer Producer Groups. The Integrated Farming System continues to be implemented and will benefit 12,022 farm holdings in the current year.

40) The Government of Tamil Nadu has taken a number of measures to promote cultivation of fruits and

vegetables. The area under fruit crops has increased from 7.17 lakh acres to 7.86 lakh acres and the area under vegetables from 5.59 lakh acres to 9.24 lakh acres in 2019-20 over the previous year. To address the issue of post-harvest losses in fruits and vegetables, this Government has introduced the Supply Chain Management Project in 10 horticulture predominant districts at a total cost of Rs.482.36 crore. This project is being extended to 8 more districts at a cost of Rs.102 crore.

41) To mitigate the shortage of labour and to reduce the cost of cultivation, the Agricultural Mechanization Programme is being further extended. So far 1,51,813 items of agricultural machinery were distributed to individual farmers with subsidy assistance of Rs.714.43 crore. 3,416 Custom Hiring Centres with a subsidy of Rs.314.15 crore have been established to support small and marginal farmers.

42) **To honour the services of renowned farmer leaders, the 'Thiru C.Narayanasamy Naidu Paddy Productivity Award' is given from this year onwards** to farmers who achieve the highest productivity in paddy adopting the SRI method of cultivation and **the Nel Jayaraman Centre for Traditional Rice varieties is**

being established at Needamangalam at a cost of Rs.47.87 lakh.

43) The total allocation for the Agriculture Sector in the Revised Estimates 2020-21 has been stepped up to Rs.11,109.48 crore. In the Interim Budget Estimates for 2021-22, a provision of Rs.11,982.71 crore has been made for Agriculture.

Public Distribution System

44) This Government is fully committed to implement the Universal Public Distribution System. The One Nation One Ration Card system has been rolled out throughout the State and migrant labourers can draw their monthly allotment in any ration shop in the State or even in other States. As part of the Pradhan Mantri Garib Kalyan Anna Yojana (PMGKAY), the Government of India made an additional allocation of rice to priority households and to households covered under the Antyodaya Anna Yojana Scheme for the period from April to November, 2020. The Government of Tamil Nadu at its own cost decided to provide a similar additional allocation of rice to all the 90.71 lakh non-priority households in the State in keeping with its commitment to a Universal Public Distribution System with an additional subsidy burden of

Rs.880.31 crore. Under the Special Public Distribution System, sugar, tur dal and palm oil were distributed to all ration card holders free of cost from April to July 2020, with an additional subsidy burden of Rs.867.40 crore.

45) In April 2020, cash support of Rs.1,000 was given to all rice card holders at a total cost of Rs.2,014.70 crore. In June, 2020, further cash support of Rs.1,000 was given to all rice card holders in Chennai and its surrounding areas and in Madurai City and a total sum of Rs.283.15 crore was disbursed. **As the State is recovering from the adverse impact of COVID-19 and successive cyclones and unseasonal heavy rains, this year the Pongal Gift hamper was distributed along with cash assistance of Rs.2,500 per family at a total cost of Rs.5,604.84 crore.**

46) **In the Revised Estimates 2020-21, the provision for food subsidy has been stepped up from Rs.6,500 crore to Rs.9,604.27 crore.** A total amount of Rs.715.61 crore is being provided to Co-operatives to implement the Public Distribution System as subsidy and margin money.

Animal Husbandry & Dairying

47) The livestock sector has received a fillip since 2011-12 with the implementation of the flagship programmes of free distribution of milch cows, goats and sheep and the scheme for poultry development. These schemes have transformed the rural economy and considerably enhanced the income of many rural families. The Government has followed up these programmes which resulted in an increase of the livestock population, with back end services. Under the 'Kaalnadai Paadhukappu Thittam', since 2011-12, 52,252 camps have been conducted, benefitting 70 lakh farmers. Under the State Fodder Development Scheme, 4.5 lakh acres of land have been brought under green fodder cultivation since 2011-12. 20 lakh metric tonnes of green fodder has been produced additionally every year.

48) To provide better veterinary services, since 2011-12 440 new veterinary sub-centres have been established, 1,085 sub centres have been upgraded as veterinary dispensaries, 20 new veterinary dispensaries have been established, 10 veterinary dispensaries have been upgraded as veterinary hospitals, and six clinician centres and two veterinary hospitals have been upgraded into veterinary polyclinics. **Three new veterinary colleges**

at Theni, Thalaivasal and Udumalpet have been started in 2020-21. Since 2011-12, 2,139 new buildings for veterinary institutions have been constructed at a total cost of Rs.647.87 crore. The Amma Animal Mobile Medical Ambulance for rural veterinary care has been established similar to the 108 facility.

49) **At Thalaivasal in Salem District, the Advanced Institute for Integrated Research on Livestock and Animal Sciences is being established on 1,102 acres of land at a total estimated cost of Rs.1,020 crore.** This facility will show case ultra modern and state of the art livestock production, processing and marketing opportunities, benefiting livestock farmers and entrepreneurs. In the Revised Estimates 2020-21, the provision for establishing the Institute has been enhanced to Rs.634.87 crore.

50) **Aavin is currently handling an average milk procurement of 36.79 lakh litres per day. The historic record highest milk procurement of 40.63 lakh litre per day was achieved on 19th July 2020.** An average of 24.49 lakh litres of milk per day is sold by Aavin and the District Unions. The conversion of surplus milk into value added products like UHT milk, ghee and butter, and exports

to other countries including Singapore, Hong Kong and Qatar are being encouraged.

Fisheries

51) The untiring efforts of this Government to promote deep sea fishing, develop world class infrastructure, communication systems, post harvest facilities and sustainable fishing practices have been widely appreciated. The special scheme of diversification of 2,000 trawlers is currently under implementation and 500 deep sea tuna long liners are under construction. 42 deep sea fishing boats have been completed and are currently in operation. Under various marine fisherfolk welfare schemes including the saving-cum-relief scheme for fishermen, Tamil Nadu savings-cum-relief scheme for fisherwomen, special allowance for fishermen families during the lean fishing season and relief assistance to fishermen families for the fishing ban period, a total relief assistance of Rs.301.31 crore has been disbursed during 2020-21.

52) **There has been a substantial upgradation of infrastructure including fishing harbours, fish landing centres and shore protection work, and a total amount of Rs.1,731.82 crore has been incurred**

for such capital work in the period since 2011-12. Sanctions have been accorded for taking up 43 new fishing harbours, fish landing centres and associated infrastructure at a total cost of Rs.1,374.64 crore.

The capital outlay for fisheries has been enhanced to Rs.580.97 crore in the Interim Budget Estimates, 2021-22.

Water Resources

53) The Hon'ble Chief Minister has toiled with a single minded purpose of conserving the water resources of Tamil Nadu. This has resulted in **Tamil Nadu winning the first place in the National Water Award, 2019 instituted by the Ministry of Jal Shakthi.** Under the popular Kudimaramath scheme, so far 6,211 works have been taken up at a total estimated cost of Rs.1,418 crore. Out of these, 5,586 works have been completed and the remaining will be completed shortly. In the Revised Estimates 2020-21, Rs.485.68 crore has been allocated for the Kudimaramath Scheme. In the year 2020-21, 413 works of desilting rivers in the Cauvery Delta at an estimated cost of Rs.69.25 were taken up. 412 works have been completed and the last work will be completed soon.

54) The Government has taken up the Extension, Renovation and Modernisation (ERM) of Irrigation Infrastructure in the Cauvery Basin, covering various sub-basin areas. Under this scheme, the ERM works of the Kattalai High Level Canal Irrigation system at a cost of Rs.184 crore, Rajavoikkal Irrigation system at a cost of Rs.335.50 crore and the Noyyal Sub-basin at a cost on Rs.230 crore are currently in progress. **The ERM works of the Grand Anicut Canal System at an estimated cost of Rs.2,639 crore with financial assistance anticipated from the Asian Infrastructure Investment Bank (AIIB) have been launched by the Hon'ble Prime Minister. The ERM works on the Cauvery sub-basin at a cost of Rs.3,384 crore have been approved under NABARD Infrastructure Development Assistance (NIDA) by NABARD, and inaugurated by the Hon'ble Chief Minister on 21st February, 2021. ERM of the Lower Bhavani Project system has been taken up at an estimated cost of Rs.933 crore with NIDA financing and works will be commenced shortly. The Phase-I of the Climate Change Adaptation Programme in Cauvery Delta in the Lower Vennar basin is currently under implementation with loan assistance from the Asian Development Bank and will be completed shortly.**

55) **The Athikadavu-Avinashi Flood Canal Scheme at a total estimated cost of Rs.1,652 crore, to benefit 24,468 acres of ayacut in Coimbatore, Tiruppur and Erode districts, is expected to be completed by December, 2021. The project for diversion of flood surplus water from Mettur Dam to dry tanks in the Sarabanga basin is under implementation at a cost of Rs.565 crore and will be completed shortly.** Work on construction of a barrage across the river Cauvery at Nanjai-Pugalur in Karur District at a cost of Rs.406 crore under NIDA has been commenced.

56) Work on 87 of the 89 dams taken up under the Dam Rehabilitation and Improvement Project (DRIP) Phase I at a revised project cost of Rs.803.49 crore has been completed, and the project has been extended upto March, 2021. Under the DRIP Phase II, 37 dams at a total cost of Rs.610.26 crore are being taken up and preparatory works have commenced. The Tamil Nadu Irrigated Agriculture Modernisation Project (TNIAMP) for rehabilitation of 4,778 tanks and 477 anicuts and artificial recharge wells is being implemented. The Phase I works are at an advanced stage of completion and during 2020-21, Phase II works at a total cost of Rs.649.50 crore have been taken up.

57) Works on the formation of a new reservoir across Marudaiyar river near Kottarai Village in Alathur Taluk of Perambalur District at an estimated cost of Rs.124.20 crore are under progress. **The Tamiraparani, Karumeniyar and Nambiyar linking project will be completed by 31st March 2022, and will benefit 56,909 acres of land in drought prone parts of Tirunelveli and Thoothukudi districts. The Government has accorded in principle approval for the Cauvery-South Vellar link at a total cost of Rs.6,941 crore. As the first phase, formation of flood carrier canals at a cost of Rs.331 crore has been taken up in Karur, Trichy and Pudukkottai districts, and the work has been inaugurated by the Hon'ble Chief Minister on 21st February, 2021.** Construction of new anicuts, new supply channels, new bridges and rehabilitation of tanks, have been taken up under RIDF at a cost of Rs.2,280 crore since 2014. 288 schemes at a cost of Rs.1,522.58 crore have been completed and the balance are under progress.

58) Giving priority to irrigation works, the Government has sanctioned a number of check dams, water supply works, flood channel carriers and related works in consonance with the recommendations of the High Level

Committee headed by Dr. C.Rangarajan to enhance the expenditure on capital works. Accordingly, **the capital outlay on major irrigation, medium irrigation and minor irrigation has been stepped up from Rs.4,882.45 crore in Budget Estimates 2020-21 to Rs.6,389.22 crore in Revised Estimates 2020-21. An allocation of Rs.6,453.17 crore has been provided in Interim Budget Estimates 2021-22.**

Environment and Forests

59) The Forest Department has implemented the Massive Tree Planting Programme since 2011-12 with the aim of increasing green cover and to mitigate the adverse effects of environmental pollution. Under this scheme, including the 72 lakh seedlings being planted in the current year, 6.12 crore seedlings would have been planted on public and private lands and in degraded forest areas. As a result, **Tamil Nadu has achieved 15,900 hectare increase in tree cover over the 2017 to 2019 period as per the India State of the Forest Report, 2019 and achieved the second rank in tree diversity.**

60) Projects for rejuvenation of rivers by reducing the flow of pollutants and heavy silt loads are being implemented with assistance from NABARD in the Vaigai,

Noyyal and Palar basins and have yielded good results. **The Government is fully committed to protect the Pallikaranai marsh land, which is one of the recognized wet lands in Tamil Nadu and plays a major role in absorbing flood waters and for recharging ground water.** The Conservation Authority of Pallikaranai Marshland has been constituted and restoration activities are being implemented at a total cost of Rs.165.68 crore. Funding from the National Adaptation Fund for Climate Change is anticipated. **In the light of the recent flooding episodes in the southern suburbs of Chennai city, an integrated project in collaboration with the Public Works Department, Highways Department and the Greater Chennai Corporation, to clear and train water ways feeding into and out of Pallikaranai Marsh, and to restore the absorptive capacity of the marsh will be undertaken at a tentative cost of Rs.816.80 crore.**

61) A multi-pronged strategy will be adopted to reduce and mitigate human-wildlife conflict including habitat improvement, augmenting water and fodder resources in the forest area, forming physical barriers along the forest boundary and increasing awareness. Compensation is also being paid for loss of life and damage to crops and property.

62) The Department of Environment is the nodal agency for implementing the Tamil Nadu State Action Plan on Climate Change and has obtained approval from the National Adaptation Fund for Climate Change for the first project in the country for coastal area management in the Gulf of Mannar at a total cost of Rs.24.74 crore. The project is under implementation and will serve as a fore runner for more such initiatives.

Devolution of Funds to Local Bodies

63) **The grants to Rural Local Bodies based on the recommendations of the 15th Finance Commission will be Rs.2,666 crore in 2021-22 as against Rs.3,607 crore in 2020-21. The grants to Urban Local Bodies recommended by the 15th Finance Commission for 2021-22 are only Rs.1,313 crore as against Rs.1,737 crore in 2020-21.** This is substantially lower than the Rs.2,519.02 crore recommended as grants for Urban Local Bodies for 2019-20, the terminal year of the 14th Finance Commission.

64) During 2020-21, despite the considerable pressure on the finances of the State Government due to the COVID pandemic, this Government did its utmost to ensure that the flow of funds from the State Government

to the local bodies was preserved to the extent possible. **In the Interim Budget Estimates 2021-22, a sum of Rs.5,141.60 crore has been provided for devolution to urban local bodies and Rs.6,754.30 crore to rural local bodies.** The Sixth State Finance Commission has been constituted under the Chairmanship of Thiru Mohan Pyare, I.A.S.(Retired) and is in the process of consulting stakeholders. The recommendations of the Sixth State Finance Commission will be implemented with effect from 2022-23.

Rural Development

65) Sustainable livelihoods and provision of quality infrastructure and services in rural areas are the prime objectives of the rural development initiatives of this Government. Water supply to rural households is a basic requirement. Jal Jeevan Mission is a Centrally Sponsored Scheme with the State Government bearing a higher effective cost share than the prescribed 45 per cent, as the entire centage charges are borne by the State and other State scheme funds are converged. Under the Mission all the rural households in the State will be provided with Functional Household Tap Connections (FHTC). Out of 126.89 lakh rural households in Tamil Nadu, 21.93 lakh households already have tap connections and

the remaining 104.96 lakh households will be covered before the end of March, 2023. **In 2020-21, 40 lakh household connections will be provided at a total cost of Rs.3,016.26 crore of which funding from Jal Jeevan Mission will be Rs.2,006.08 crore and Rs.1,010.18 crore will be converged from other schemes.**

66) Sanitation is crucial to improve the health and nutritional status of the rural population and of women and children in particular. **Tamil Nadu has already achieved Open Defecation Free status and under the Swach Bharat Mission (Gramin) Phase II, the goal is to ensure that this status is sustained and no households are left behind.** In 2020-21, 1.79 lakh new and left out households have been identified and Individual Household Latrines are being constructed for them at a cost of Rs.214.63 crore. In addition, 2,749 Community Sanitary Complexes are being constructed at a cost of Rs.144.33 crore in habitations where households do not have enough space for construction of individual latrines.

67) Improving road connectivity in rural areas is of the highest priority to the Government. **In the period since 2011-12, a total amount of Rs.23,349 crore has**

been allocated for the improvement of 98,894 km of Village Panchayat and Panchayat Union Roads.

Under the Tamil Nadu Rural Roads Improvement Scheme, from 2015-16, 27,205 km of rural roads have been improved at a cost of Rs.5,800 crore. Under the Pradhan Mantri Gram Sadak Yojana Phase III, Tamil Nadu has been allocated an overall target of 7,375 km of roads connecting rural markets, high and higher secondary schools and hospitals. Improvement of 880 roads of a total length of 3,198 km has been sanctioned in the first tranche and in the Interim Budget Estimates 2021-22, Rs.440 crore has been provided for this scheme.

68) Under the Indira Awaas Yojana, 4,41,637 houses were constructed from 2011-12 to 2015-16. The Pradhan Mantri Awaas Yojana (Gramin) was launched in 2016-17 and 5,27,552 houses have been taken up for construction till 2019-20. **As the unit cost approved by the Government of India of Rs.1.20 lakh was found to be inadequate, the State Government has approved additional funding of Rs.70,000 per house, over and above the Rs.50,000 already provided as roofing grant. The unit cost has been effectively increased to Rs.2.75 lakh per house including the converged scheme cost of**

Rs.35,000. This would enable beneficiaries to complete 2,57,925 houses currently under construction. **In the Interim Budget Estimates 2021-22, a total amount of Rs.3,548 crore has been provided for the PMAY (Gramin) scheme.**

69) Tamil Nadu is the leading State in the implementation of the Mahatma Gandhi National Rural Employment Guarantee Scheme. Out of the targeted 32 crore person days for Tamil Nadu in 2020-21, till date 28.62 crore person days of employment at a cost of Rs.5,998.99 crore has been generated. Tamil Nadu has bagged 26 national awards since 2011-12 for the implementation of MNREGS.

70) **In the Interim Budget Estimates for 2021-22 Rs.22,218.58 crore has been provided for the Rural Development Sector.**

Livelihood Schemes

71) The Tamil Nadu Corporation for the Development of Women spearheads the Self Help Group movement in the State. The Tamil Nadu State Rural Livelihoods Mission is being implemented since 2012-13 and now covers all the 388 Blocks in the State. So far, 96,304

SHGs have been formed and federated into Panchayat Level and Block Level federations. In the current year 13,047 SHGs are being formed. **The target for credit linkage of SHGs in 2020-21 of Rs.14,000 crore has already been exceeded.** In the period since 2011-12, the total credit linkage availed by SHGs is Rs.80,100 crore. The Rural Livelihood Mission is also being leveraged to establish Farmer Producer Organizations, Custom Hiring Centres, Micro Food Processing Enterprises and other productive activities in convergence with schemes implemented by other departments and agencies. **The Tamil Nadu Rural Transformation Project assisted by the World Bank was very effectively leveraged in 2020-21 to deliver a COVID Assistance Package worth Rs.300 crore.** So far, 2,53,457 beneficiaries have already been assisted.

72) Under the National Urban Livelihood Mission (NULM) in 2020-21, 17,021 SHGs have been formed in urban areas, 15,000 youth have been provided placement linked skill training and bank loans worth Rs.897.38 crore have been provided under the self-employment component. Under the Shelter for the Urban Homeless component, 254 shelter units have been sanctioned at a cost of Rs.110.83 crore and 202 units are functional and 52 are under construction. 1,21,098 street vendors have been

identified through a survey, and bank loans with interest subvention are being tied up.

Urban Wage Employment

73) The focus of the Government programmes intended for the urban poor has remained centered around provision of housing, skill development and support for micro enterprises. The COVID-19 pandemic has severely affected the livelihood opportunities for the urban poor and their ability to seek alternate jobs. Hence, the Dr.C.Rangarajan Committee has recommended that there is a need to create a special programme to ensure wage guarantee and social safety in urban areas. The programme can also be leveraged to construct community assets in low income neighbourhoods. **The Government is formulating an Urban Wage Employment programme and the detailed guidelines are being finalised through discussions with stakeholders.**

Municipal Administration

74) Tamil Nadu is rapidly urbanizing and hence investment in strengthening urban infrastructure and basic services is a very high priority. Under the Smart Cities Mission, 507 projects at a cost of Rs.11,000 crore have been taken up so far. Under the Atal Mission for

Rejuvenation and Urban Transformation (AMRUT), a total of 445 projects at a cost of Rs.11,441.32 crore have been taken up and 420 projects have been completed. **In the Revised Estimates 2020-21, the provision for Smart Cities Mission has been stepped up to Rs.1,850 crore and for AMRUT Rs.1,450 crore. In the Interim Budget Estimates 2021-22, Rs.2,350 crore has been provided for Smart Cities Mission and Rs.1,450 crore for AMRUT.**

75) Under the Swachh Bharat Mission in Corporations and Municipalities from 2015-16 to 2020-21, 2.70 lakh individual household latrines and 7,708 community toilets have been constructed. In Town Panchayats, 2.31 lakh individual household latrines and 13,114 community toilets have been taken up. **All Urban Local Bodies in Tamil Nadu have been declared Open Defecation Free by the Ministry of Housing and Urban Affairs.**

76) **The World Bank assisted Tamil Nadu Sustainable Urban Development Project (TNSUDP) is being implemented at a total cost of Rs.3,831 crore from 2015.** The project is to be completed by 31st March, 2022. **Out of the savings of USD 32 million under this**

project, it is proposed to take up 2 additional sub projects including construction of Storm Water Drain missing links in the core city of Chennai and improvements to roads damaged due to laying of water supply and sewer lines in select urban local bodies. We have requested the Government of India for an urgent approval for this component. **The Tamil Nadu Urban Flagship Investment Program (TNUFIP) with ADB assistance of USD 502 million spread over 3 phases to develop priority water supply, sewerage and drainage infrastructure along strategic industrial corridors is currently under implementation.** In the Interim Budget Estimates for 2021-22 a total amount of Rs.871.31 crore has been provided for this project. **The Integrated Storm Water Drain Network in the Kosasthalaiyar river basin assisted by the Asian Development Bank has been taken up for implementation in the current year at a total cost of Rs.3,220 crore.** In the Interim Budget Estimates 2021-22, a sum of Rs.287 crore has been provided for this project.

Drinking Water Supply

77) During 2020-21, 21 water supply schemes covering 3 Corporations, 6 Municipalities, 11 Town Panchayats and 1,311 rural habitations benefitting

40.85 lakh population have been completed at a cost of Rs.1,690.67 crore, supplying a total of 271 MLD. 56 Water Supply schemes covering 5 Corporations, 22 Municipalities, 57 Town Panchayats and 12,346 rural habitations are at various stages of implementation at a total estimated cost of Rs.12,013.79 crore, which will supply a designed quantity of 1,223.35 MLD of potable water benefitting a population of 185.58 lakh. During 2020-21, 5 Under Ground Sewerage Schemes (UGSS) in Thiruppathur, Nagapattinam, Kallakurichi, Erode and Namakkal Districts have been completed at a total cost of Rs.285.87 crore. 19 UGSS covering 3 Corporations, 9 Municipalities and 7 Town Panchayats at a total estimated cost of Rs.2,391.39 crore are currently under implementation.

Housing and Urban Development

78) This Government is working hard towards achieving the late Hon'ble Chief Minister Puratchi Thalaivi Amma's vision of slum free cities. **In the period from 2011 to 2020, 1.09 lakh multi storeyed tenements and 2.27 lakh individual houses at a total cost of Rs.12,248 crore have been completed under various programmes and handed over to the beneficiaries. 1.25 lakh tenements and houses are currently under**

construction and will be completed shortly. **A sum of Rs.3,700 crore has been provided in the Interim Budget Estimates 2021-22 for the Pradhan Mantri Awaas Yojana-Urban (PMAY-U).**

79) The First Tamil Nadu Housing Sector Strengthening Programme with a Development Policy Financing loan of USD 200 million is under implementation. **During 2020-21 we have received a total amount of Rs.1,492.40 crore from the World Bank as financial support for the housing sector.** The Tamil Nadu Housing and Habitat Development Programme is also under implementation and a sum of Rs.50 crore has been released towards the Tamil Nadu Shelter Fund Tier II to promote private sector participation in affordable housing on a Public Private Partnership basis.

80) **The first phase of the Inclusive Resilient and Sustainable Housing for the Urban Poor with Asian Development Bank assistance is at an advanced stage of approval.** Under this project, bids have been invited for 3 sub projects at Kalanivasal in Sivaganga, Reddiyarpatti in Tirunelveli and Vallam in Thanjavur district.

Chennai City Partnership

81) **The Chennai City Partnership has been formulated as a unique model of development co-operation after detailed discussions with the World Bank.** The experiences of the COVID-19 pandemic have enriched the project content with greater focus on resilient services delivery in areas such as public health, transportation, water and sanitation. **Government of India's approval has been secured for the programme and loan negotiations with the World Bank will be held shortly.** In the first phase, the focus is on strengthening governance, policies and institutions. Accordingly, Chennai Urban Metropolitan Transport Authority (CUMTA) has been revamped and the necessary amendments to the Act carried out. A Water Authority to co-ordinate water resource planning and improve water security will be established. Enhancing quality and access to primary health services in Greater Chennai Corporation (GCC), expansion and improvement of bus services by the Metropolitan Transport Corporation (MTC) and of water supply by the Chennai Metropolitan Water Supply and Sewerage Board (CMWSSB), strengthening the financial resources base of GCC, MTC and CMWSSB and strengthening Solid Waste Management in GCC are the

other key initiatives. **The programme will be implemented in 3 phases over 7 years. In the 1st phase, the programme will be implemented with an outlay of Rs.3,140 crore of which the World Bank funding assistance will be USD 300 million.**

Highways

82) The Comprehensive Road Infrastructure Development Programme (CRIDP) has ensured that the quality of the road network in Tamil Nadu has been upgraded and maintained at high standards since the programme was introduced in 2004-05. **In 2020-21, widening, strengthening and upgradation of 3,167.28 km of roads, improving riding quality of 3,220.60 km of roads and construction of 706 bridges and culverts has been sanctioned at a total cost of Rs.5,300 crore.** Under CRIDP, so far since 2011-12, the Government has sanctioned schemes worth Rs.34,013.60 crore for widening, strengthening and upgrading 43,688.67 km of roads, improving the riding quality on 10,643.38 km and construction of 3,768 bridges and other works. **In the Revised Estimates 2020-21, the provision for CRIDP has been enhanced to Rs.6,023.11 crore.**

83) In order to meet the aspirations of the people and to improve road connectivity, this Government made a commitment in 2017-18 to upgrade 7,964 km of Panchayat and Panchayat Union roads to the standards of Other District Roads (ODR) in five years. To further step up investment on capital works in rural areas as recommended by the Dr. C.Rangarajan Committee, **in 2020-21 the target for two years has been approved at one go and 1,430 Panchayat / Panchayat Union Roads of a total length of 3,063.66 km at a total cost of Rs.2,503.80 crore have been taken up. With this, the commitment made to upgrade Panchayat / Panchayat Union roads to ODR standards is being fulfilled within 4 years as against the originally promised 5 years.** In the Revised Estimates 2020-21, an enhanced provision of Rs.1,250 crore has been made for this project.

84) **The Tamil Nadu Road Sector Project (TNRSP) Phase II at a total cost of Rs.5,171 crore is under implementation with assistance from the World Bank.** In view of the COVID-19 pandemic, the World Bank has agreed to front load its financing share for the works already under execution and permitted the State Government to take up two sub-projects additionally at a cost of Rs.906.25 crore under State Government

counterpart financing. **The Chennai Kanyakumari Industrial Corridor project is being implemented at a total cost of Rs.6,448 crore with ADB assistance.** Bids have been invited for 16 packages and 4 packages have been awarded and the rest will be approved shortly. The loan agreement will be signed with the ADB shortly. In the Interim Budget Estimates 2021-22, a sum of Rs.1,274.09 crore has been provided for this project.

85) **The Chennai Peripheral Ring Road project with 5 sections for a total length of 133.87 km at a total cost of Rs.12,301 crore has been taken up for implementation.** The Government has sanctioned Rs.2,673.42 crore for the implementation of Section I with JICA's assistance. The loan agreement for the execution of Sections II and III of the project at a total cost of Rs.4,899 crore, with AIIB and OPEC Fund for International Development will be signed shortly. Bids have been invited for two EPC packages of Section II and will be awarded shortly. Rs.2,248.62 crore has been provided in the Interim Budget Estimates 2021-22 for this project.

86) **In the Revised Estimates Rs.16,316.47 crore has been provided and in the Interim Budget Estimates 2021-22,**

Rs.18,750.96 crore has been provided for the Highways Department.

Transport:

87) This Government has accorded the highest importance to providing quality and affordable bus transport services. Since 2011, 14,489 new buses have been procured and the average age of the fleet has been brought down to 6.38 years. Fuel efficiency has been enhanced from 5.25 KMPL in 2010-11 to 5.40 KMPL in January, 2021. Accidents per lakh km have been reduced to 0.09 for State Transport Undertakings.

88) 2020-21 has been a very difficult year for Bus Transport Corporations in view of the COVID-19 pandemic, and STUs have incurred revenue losses of Rs.3,717.36 crore upto January, 2021. **The Government permitted the Transport Corporations to obtain loans based on government guarantee of Rs.3,739 crore to meet their ongoing commitments. In addition, Rs.2,914.44 crore has been released towards students' and other concessions subsidy and Rs.526.47 crore as short term loan and Rs.135.87 crore as diesel subsidy to enable the STUs to meet their salary, pension and operational commitments.**

89) Tamil Nadu is the first State in India to sign the Global C40 Clean Bus Declaration indicating its strong commitment to migrate to clean and green fuel. **Over the next few years, 12,000 buses will be procured, of which 2,000 would be electric buses. In the first instance, with KfW financial assistance, 2,200 BS VI buses and 500 electric buses at a cost of Rs.1,580 crore will be procured.** In the Interim Budget Estimates for 2021-22, an amount of Rs.623.59 crore has been provided for the implementation of this project.

Chennai Metro Rail Project

90) The Hon'ble Prime Minister inaugurated the 9 km Chennai Metro Rail Phase I Extension Project and with this the entire 54.1 km of the Chennai Metro Rail Phase I project is fully operational. The work on Phase-II project comprising three Metro Rail Corridors of a total length of 118.90 km at an estimated cost of Rs.61,843 crore has been commenced. I am happy to note that in the **Budget Speech of the Union Finance Minister, a commitment has been made for counterpart funding for Phase II of the Chennai Metro Rail Project. With this, the entire financing of the project is tied up.** The Detailed Project Report (DPR) for extension of Metro Rail from Airport to Kilambakkam bus terminus via Tambaram and the Detailed

Feasibility Report (DFR) for the line from Tambaram to Velachery are under preparation. **The DFR for establishing a Metro Rail in Coimbatore with 44 km in the first phase at a cost of Rs.6,683 crore has been prepared and is under examination.**

Energy

91) **The aggregate installed power generation capacity of Tamil Nadu is 32,149 MW including renewable energy capacity of 16,167 MW.** 15,745 MW has been added to the grid since 2011 through State and Central sector projects, power purchase agreements and renewable energy projects. As on date, projects are under execution for 6,220 MW at an estimated cost of Rs.50,582 crore. In addition, various projects totalling 11,510 MW at a total estimated cost of Rs.62,365 crore are under consideration. **Hence, this Government has not only ensured that Tamil Nadu turned a power surplus State, but will remain so in the foreseeable future as well.**

92) This Government has consistently invested in transmission infrastructure including for evacuation of renewable energy. Since 2011-12, 701 new sub stations of 110 KV or more have been established and 14,664 circuit

km of Extra High Tension lines have been energized. 128 sub-stations of 110 KV level and above are currently under construction. Tamil Nadu TRANSCO is also implementing the Chennai Kanyakumari Industrial Corridor transmission project at a cost of Rs.4,333 crore. Upgrading distribution infrastructure is essential to provide uninterrupted and reliable supply. Since 2011, 34,088 km of High Tension lines, 90,368 km of Low Tension Lines and 1,37,579 Distribution Transformers have been energized. In addition, 89.09 lakh new service connections have been effected in various categories which includes 1.99 lakh new agriculture service connections.

93) **Given the difficult financial situation of TANGEDCO, the Government continues to provide financial support. Rs.8,413.98 crore has been provided towards tariff subsidy in the Revised Estimates 2020-21. A sum of Rs.8,834.68 crore has been provided in the Interim Budget Estimates 2021-22 for subsidy payment.** A sum of Rs.4,563 crore has been provided towards the fifth and final instalment of converting TANGEDCO's debt into grant over a 5 year period under the UDAY scheme in the Interim Budget Estimates 2021-22. **To fund the losses incurred by TANGEDCO, as per the UDAY commitments,**

a provision of Rs.7,217.40 crore has been made in the Interim Budget Estimates 2021-22. The Government has also provided a guarantee of Rs.37,130.30 crore to TANGEDCO to avail loans from financial institutions and banks during the financial year 2020-21 to tide over the financial crisis.

School Education

94) Providing high quality education to children continues to be the highest priority of this Government and hence **the largest allocation of Rs.34,181.73 crore has been made for School Education in the Budget Estimates for 2020-21.** Since 2011-12, 273 new primary schools have been opened, 127 primary schools upgraded to middle schools, 1,115 middle schools upgraded to high schools and 644 high schools have been upgraded to higher secondary schools. The net enrolment ratio has gone up to 99.90 per cent at the primary level and drop outs have come down to 0.75 per cent. Provision of nutritious noon meals, textbooks, notebooks, laptops, uniforms, footwear, school bags, crayons, colour pencils, geometry boxes and atlases, the free bus pass scheme and the provision of bicycles to students will continue to be implemented. A total amount of Rs.3,703.35 crore has been provided in the Revised Estimates 2020-21 for the continuance of

these schemes. As per section 12(1)(c) of Right of Children to Free and Compulsory Education Act, 2009, so far 5,61,111 children have been admitted to private schools and a total amount of Rs.1,324.28 crore has been reimbursed to the schools by the State Government.

95) To ensure that during the COVID-19 pandemic period the learning process of children does not get interrupted, the Government distributed free text books to all students from classes 1 to 12. 1,912 video lessons have been prepared for Class 12 and have been uploaded on the free laptops issued to students through Hi-Tech laboratory facilities, benefitting 4,20,624 students. 5,522 video lessons have been prepared and are being telecast through Kalvi TV. 10 other private channels are also telecasting educational programmes on behalf of the Government. Lessons for students have been uploaded as digital content on different internet platforms.

96) The Government is committed to provide quality education by leveraging Information and Communication Technology (ICT) in schools. Government has also taken the initiative to integrate ICT education into the science curriculum for Classes 6 to 10. Further, Hi-Tech labs have been established in 6,029 Government High and Higher

Secondary schools at a cost of Rs.520.13 crore. **Computer Science which so far is being taught as a separate subject only in Classes 11 and 12, will now be introduced for Classes 6 to 10 in all Government High and Higher Secondary Schools.**

Higher Education

97) The Government through the Higher Education Department has made strategic interventions to translate the demographic dividend of Tamil Nadu and the potential of youth into a wealth of human resource. The gross enrolment ratio in Tamil Nadu is currently at 49 per cent and almost twice the national average. The Gender Parity Index of 0.97 in 2018-19 also shows that equitable access of women has been ensured. Since 2011-12, the Government has established 37 co-education Government Arts and Science Colleges, 3 Government Arts and Science College for women, 21 Polytechnics and 4 Government Engineering Colleges. 1,577 new courses have been started in Government Arts and Science Colleges to enhance employability. The first generation graduate tuition fee concession is being extended to nearly 2 lakh students every year and a provision of Rs.391.50 crore has been made in the Revised Estimates 2020-21. A total sum

of Rs.5,478.19 crore has been provided in the Interim Budget Estimates 2021-22 for Higher Education.

Health and Family Welfare

98) This Government's investments in the Health sector have resulted in a substantial improvement in vital health indicators over the last 10 years. The Infant Mortality Rate has been brought down from 24 in 2010 to 15 in 2018 and the Maternal Mortality Rate (MMR) from 90 in 2010 to 57 in 2019. Tamil Nadu has already achieved the national and the Sustainable Development Goals target well ahead of the deadline.

99) The integrated strategy of the Government to provide quality health care at the primary and secondary levels through the public health care system has received a substantial boost through two recent initiatives of the Hon'ble Chief Minister. The first is the initiative to reserve 7.5 per cent of State Government seats in admission to MBBS, BDS, Indian Medicine and Homoeopathy courses for students who studied from classes 6 to 12 in Government schools and have qualified in the National Eligibility cum Entrance Test (NEET). The Government has created a revolving fund of Rs.16 crore for payment of all essential fees and hostel fees for such students who get admission in

MBBS / BDS courses. The phased opening of 2,000 Amma Mini clinics in rural and urban areas to provide essential primary health care services will also substantially boost health out reach. **An allocation of Rs.144 crore has been made for Amma Mini Clinics in the Interim Budget Estimates 2021-22.**

100) The Government has already opened 6 new medical colleges and added seats to existing colleges enhancing the total number of MBBS seats available in Tamil Nadu from 1940 in 2011 to 3,650 as on date. **With the sanction and construction of 11 new Government Medical Colleges at a total cost of Rs.3,995 crore, an additional 1,650 MBBS seats are expected to be available in 2021-22 academic year.** In the Interim Budget Estimates 2021-22, Rs.2,470.93 crore has been provided for establishment of the new medical colleges.

101) The Tamil Nadu Health System Reforms Project supported by the World Bank is being implemented at a cost of Rs.2,857 crore to further strengthen the quality of care in Government hospitals, particularly the management of non-communicable diseases and to reduce the inequities in reproductive and child health services. A provision of Rs.291.50 crore has been made in 2021-22 for the project.

The Tamil Nadu Urban Health Care Project at a cost of Rs.1,634 crore is being implemented with JICA assistance. In the Interim Budget Estimates for 2021-22, a sum of Rs.815.70 crore has been provided for this project.

102) Under the Chief Minister's Comprehensive Health Insurance Scheme (CMCHIS) since January 2012, 54.99 lakh persons have availed treatment with an insurance pay out of Rs.7,473.52 crore. Out of this, Government hospitals received Rs.2,779 crore. 9,727 persons have undergone high end procedures at a cost of Rs.753.76 crore from out of the corpus fund created under this scheme. Under the Dr.Muthulakshmi Reddy Maternity Benefit Scheme, the Government provides enhanced financial assistance of Rs.18,000 per beneficiary. Since May, 2011, financial assistance of Rs.6,929.07 crore has been disbursed to 68.91 lakh pregnant mothers. Tamil Nadu has bagged the Best State Award for the last six years consecutively in the implementation of the Deceased Organ Transplantation Programme.

103) The number of ambulances in the 108 Ambulance Services has been enhanced from 415 in 2011 to 1,303 as on date. Since May, 2011, 94.84 lakh people availed this service including 23.22 lakh pregnant

mothers. Response time has been reduced to 8 minutes and 7 seconds in all Metros and 13 minutes and 42 seconds in other areas. **The provision for Health and Family Welfare Department has been stepped up from Rs.15,863.37 crore in Budget Estimates 2020-21 to Rs.18,458.27 crore in the Revised Estimates 2020-21. The allocation has been further stepped up to Rs.19,420.54 crore in the Interim Budget Estimates 2021-22.**

Labour Welfare

104) With the establishment of the Fire Workers and Match Workers Welfare Board, there are currently 18 unorganised Workers Welfare Boards in Tamil Nadu. **At present 26,67,355 workers are registered in these Boards and from 2011 till date, Rs.2,219.70 crore has been disbursed to 84,32,473 beneficiaries, including migrant workers, as welfare assistance.** In the Revised Estimates for 2020-21, an enhanced allocation of Rs.149.86 crore has been made towards grants to unorganised Workers Welfare Boards. **Since March 2020, 1,20,309 registered construction workers employed in Chennai district have partaken food, free of cost, at Amma Unavagams.** During the lockdown period, dry ration kits were distributed to 22.75 lakh

unorganised workers including inter-state migrant workers at a cost of Rs.143.52 crore. A total of Rs.475.13 crore was disbursed as financial assistance of Rs.1,000 each in three spells to registered unorganised workers.

Employment and Skill Training

105) The monthly stipend for trainees in Government ITIs, has been enhanced from Rs.500 to Rs.750. **The Tamil Nadu Private Job Portal has been developed and launched which job seekers and private sector employers can access. As on date 1,12,194 job seekers and 3,360 employers have registered on this portal, and 18,147 job seekers have already secured placements.** The upgraded portal of the Tamil Nadu Skill Development Corporation (TNSDC) has been launched in September, 2020 to act as a centralised skill registry for the entire State. TNSDC also developed portals for registration of returnees from different countries and States in the wake of the COVID-19 pandemic. A provision of Rs.200.00 crore has been provided for TNSDC in the Interim Budget Estimates 2021-22.

Industries

106) **Developments in 2020-21 have reaffirmed Tamil Nadu as the most preferred investment**

destination in India. Of the 304 Memoranda of Understanding (MoUs) signed in the Global Investors Meet, 2019 (GIM), till date 81 projects have commenced commercial production and 191 projects are at various stages of implementation, accounting for a very high 89 per cent project implementation.

Subsequent to the GIM, Tamil Nadu has attracted a further 166 projects with a cumulative investment of Rs.1,08,913 crore and employment for 2,55,633 persons. During the COVID-19 period, Tamil Nadu attracted the largest number of investments at the all India level. 101 MoUs were signed with an investment commitment of Rs.88,727 crore and employment potential of 1,69,496 persons. The High Powered Committee under the chairmanship of the Hon'ble Chief Minister has facilitated clearance of 62 investment proposals with a cumulative investment of Rs.39,941 crore and employment potential upto 71,766 persons.

107) The industrialisation of Tamil Nadu will be further advanced by the New Industrial Policy launched by the Hon'ble Chief Minister recently. This policy finalized based on stakeholder inputs and some of the recommendations of the Dr. C.Rangarajan Committee, contains transparent options and mechanisms to support

industries. The policy incentivises location of industries in the Southern districts and other less industrialised areas of the State. GUIDANCE has been substantially strengthened and country specific desks have been established for USA, France, Germany, UK, China, Republic of Korea, Japan, UAE, Indonesia, Singapore and Taiwan.

108) SIPCOT has so far allotted 21,912 acres of land to 2,674 industrial units. An extent of 3,000 acres of land is readily available for immediate allotment. SIPCOT is now promoting establishment of industrial parks on the joint venture mode. Industrial housing facilities are being established at Vallam Vadagal through an SPV formed with Tamil Nadu Infrastructure Fund Management Corporation Limited (TNIFMC). Dormitory facility for the workers of M/s Foxconn is also being established at a cost of Rs.680 crore. A similar facility will be established for the new TATA Electronics Project near Krishnagiri.

109) TIDCO is developing a Fin Tech City at Kavanoor near Chennai to attract domestic and overseas financial institutions and fin tech companies, over an extent of 260 acres. A new Fin Tech Policy is being finalized which will enable Chennai to develop as a global hub for fin tech enterprises.

Micro, Small and Medium Enterprises

110) To maintain Tamil Nadu's leading position in the Micro, Small and Medium Enterprises sector, the Government of Tamil Nadu has released a New MSME Policy on 16th February, 2021. The Government of India has recently changed the definition of MSMEs with the investment limits having been substantially raised and a new turnover criteria introduced. The new Policy will leverage the changed definition to enable MSME units to expand and grow.

111) The MSME sector in Tamil Nadu was worst hit in the COVID-19 pandemic. The Dr. C Rangarajan Committee has made detailed recommendations to revive and support MSMEs, which are being acted upon. **The Government will infuse Rs.1,000 crore as fresh additional capital to TIIC to strengthen and expand its role as a term lending institution accepting the recommendations of the Dr. C.Rangarajan Committee. A provision of Rs.300 crore has been made in the Interim Budget Estimates 2021-22 for this.**

112) In the period from 2011-12 to 2020-21, 43,041 MSME entrepreneurs have availed various subsidy schemes amounting to a total of Rs.1,517.78 crore. In the

current year, disbursement of subsidies was front loaded to help the units during the COVID-19 pandemic period. As on date, Rs.191 crore subsidy has been released out of the budgeted amount of Rs.210 crore.

113) Under the Prime Minister's Employment Generation Programme, 16,239 beneficiaries have been disbursed margin money of Rs.355.94 crore from 2011 onwards. Under the Unemployed Youth Employment Generation Programme 42,238 beneficiaries have been disbursed subsidy of Rs.230.78 crore since 2011-12. Under the New Entrepreneur cum Enterprise Development Scheme, since inception, Rs.407.96 crore have been disbursed towards individual based capital subsidy to 4,178 beneficiaries and Rs.37.05 crore as interest subvention.

114) SIDCO, in addition to the ongoing programmes of establishing industrial estates has launched a special scheme to encourage private industrial estates. Under this scheme, CODISSIA Industrial Park Ltd., Mopiripalayam in Coimbatore district has been completed and Madurai Engineering Cluster, Madurai, is under implementation. The establishment of an industrial park at Kallapalayam, Coimbatore District has also been approved. Under the

special incentive scheme to shift industrial units out of urban areas, a Tea Cluster at Mettupalayam and the Southern District Textile Processing Cluster at Virudhunagar have been approved.

Handloom, Handicraft, Textiles and Khadi

115) The Handloom and Textiles Sector has a very large employment potential in Tamil Nadu. The scheme of supply of free sarees and dhoties to the poor continues to be implemented to provide continuous employment to handloom and powerloom weavers in the State. During the lockdown period, a financial assistance of Rs.2,000 was provided to 1.58 lakh registered and unregistered weavers at a total cost of Rs.31.60 crore. In the Interim Budget Estimates for 2021-22, Rs.1,224.26 crore has been provided for the Handloom and Textile sector.

Hindu Religious and Charitable Endowments

116) The Annadhanam Scheme is being implemented in 754 temples from May, 2011. Since May 2011, Kumbabishekams have been completed for 11,454 temples at a cost of Rs.550.60 crore. Financial assistance of Rs.53.39 crore has been provided for renovation of 7,159 temples situated in Adi Dravidar habitations. Totally 12,959 temples currently benefit under the Oru Kala Pooja

Scheme. 1,409 temples have been provided with Rs.109.65 crore for renovation work from the HR&CE Common Good Fund. 8,163.26 acres of land belonging to 1,234 temples has been recovered from encroachers and the pattas transferred to the names of the respective temples. Government grants are being provided for pilgrimage to Manasarovar and Muktinath.

Social Welfare

117) The late Hon'ble Chief Minister Puratchi Thalaivi J Jayalalithaa was an embodiment of the empowerment of women. This Government is implementing a number of schemes to empower women. **Under the various marriage assistance schemes from the year 2011-12 to date, 12,50,705 beneficiaries have been provided with 6,099.08 Kg of gold worth Rs.1,791.05 crore and Rs.4,371.22 crore as financial assistance.** Under the Chief Minister's Girl Child Protection Scheme, 4,56,115 girl children have benefitted since the year 2011-12. Under the Cradle Baby Scheme, 1,186 male babies and 4,359 female babies have received a new lease of life since 2011-12. 24th February, the birth day of late Hon'ble Chief Minister Puratchi Thalaivi Amma, is now being celebrated as the State Girl Child Protection Day.

118) **Puratchi Thalaivar Dr. MGR Noon Meal Scheme continues to be implemented even through the lockdown period. At present, 40.09 lakh school children are benefitting under the programme through 43,246 Noon Meal Centres. In the Interim Budget Estimates for 2021-22, a sum of Rs.1,953.98 crore has been provided.** The Integrated Child Development Services (ICDS) continues to be implemented through 54,439 Anganwadi Centres. Weaning food is provided to 33 lakh beneficiaries in the age group of 6 months to 6 years. Adolescent girls are also given complementary food to support their growth spurt. Hot cooked variety meals are provided to 11.33 lakh children in the age group of 2 to 5 years. **In the Interim Budget Estimates for 2021-22, an amount of Rs.2,634 crore has been provided for ICDS.**

Adi Dravidar and Tribal Welfare

119) This Government is fully committed to ensure the sustained socio economic development of Scheduled Castes and Scheduled Tribes. **A total amount of Rs.13,967.58 crore has been provided for the Scheduled Caste Special Component Plan and Rs.1,276.24 crore for the Tribal Sub Plan in the Interim Budget Estimates 2021-22.** This Government

continues to accord high priority to education as a means to empower Adi Dravidars and Scheduled Tribes. **Out of the total allocation of Rs.4,109.53 crore in the Budget Estimates 2020-21, Rs.3,457.56 crore, or 84.14 per cent, is earmarked for education and allied schemes. Under the Post Matric scholarship scheme, a sum of Rs.1,932.19 crore has been provided in the Interim Budget Estimates for 2021-22.** The Government is running 1,681 hostels to accommodate 1,25,154 students. Feeding charges have been revised from Rs.900 to Rs.1,000 per student in school hostels and from Rs.1,000 to Rs.1,100 in college hostels. 1,48,812 bicycles were supplied to Adi Dravidar and Scheduled Tribe students in Class XI and XII.

120) For 2020-21, the Government has approved TAHDCO's action plan with a financial assistance of Rs.150 crore to benefit 25,725 persons. To improve basic amenities in Scheduled Caste habitations a sum of Rs.100 crore has been provided in the Interim Budget Estimates, 2021-22. The scheme for extending financial support to NGOs for opening schools in interior tribal areas is being continued with a provision of Rs.4.07 crore in the Interim Budget Estimates 2021-22.

Welfare of Backward Classes, Most Backward Classes and Denotified Communities

121) **More than 7.40 lakh students belonging to Backward Classes, Most Backward Classes and De-notified Communities are receiving educational scholarships.** The total budgetary allocation for these scholarships is Rs.374.88 crore. In 2020-21, 3,77,286 bicycles are being distributed to students from Backward Classes, Most Backward Classes and Denotified Communities. 1,354 hostels are currently functioning benefitting 85,914 students. The feeding charges have been enhanced to Rs.1,000 per student for school hostels and Rs.1,100 for college hostels.

122) **Welfare Boards are functioning for the benefit of Denotified Communities and Narikuravars. In addition, the Tamil Nadu Vanniyakula Kshatriya Public Charitable Trusts and Endowments (Protection and Maintenance) Act 2018 has been enacted and a Board formed under the Act to protect the properties of trusts and endowments** created by individuals or organisations belonging to the community and it is functioning effectively. The Tamil Nadu Backward Classes

Economic Development Corporation will provide loans to 19,855 beneficiaries in the year 2021-22.

Minorities Welfare

123) **During 2020-21, Rs.110 crore is being disbursed as scholarships for the benefit of students belonging to minorities.** The Government introduced the scheme of financial assistance to Jerusalem pilgrims in 2011-12 and so far 4,128 persons have performed this pilgrimage. The Government introduced the scheme of providing financial assistance to Hajj pilgrims from 2018-19. So far 8,166 Hajj pilgrims have been supported. In 2020-21, the Tamil Nadu Minorities Economic Development Corporation has provided loans to 5,111 beneficiaries amounting to Rs.30.49 crore. **This Government has recently established the Tamil Nadu Linguistic Minorities Social and Economic Development Corporation for the welfare of linguistic minorities in Tamil Nadu with an authorised share capital of Rs.9 crore.**

Welfare of Differently Abled

124) The Department for the Welfare of the Differently Abled is in the forefront of securing the rights of persons with disabilities. **This Government launched a**

drive to fill vacancies identified for the differently abled. 1,510 differently abled persons have been recruited. 559 posts in Group A and B have also been identified. In addition, placements in the private sector have also been taken up through a specialised agency and during 2020-21, so far 248 differently abled persons have been placed in the private sector. A Composite Rehabilitation Centre will be established to provide comprehensive rehabilitation services with technical support from the National Institute of Empowerment of Persons with Multiple Disabilities. Therapeutic treatment and services will be provided for persons with intellectual disability, cerebral palsy, muscular dystrophy, multiple disabilities and hearing disability under the Chief Minister's Comprehensive Health Insurance Scheme.

125) **In order to enable an integrated approach to the prevention and management of disabilities and to ensure greater inclusion, accessibility and opportunities for the differently abled, this Government has prepared a special project – RIGHTS – with a total outlay of Rs.1,700 crore. This project has been approved by the Screening Committee of the Department of Economic Affairs, Government of India and is currently under the consideration of the World**

Bank. In the Interim Budget Estimates for 2021-22, a sum of Rs.688.48 crore has been allocated for the Welfare of the Differently Abled.

Youth Welfare and Development of Sports

126) This Government has continuously promoted sports and sporting activity. The Amma Youth Sports Scheme launched by the Hon'ble Chief Minister will continue to be implemented in 2021-22 with a budgetary provision of Rs.38.85 crore. Rs.9 crore has been sanctioned for the construction of an Open Air Stadium at Chikkanna Arts and Science College in Tiruppur District. Rs.4.92 crore has been sanctioned for the construction of an indoor stadium in Yelagiri Hills.

127) The State Level Training Centre for Carrom, Taekwondo, Judo, Fencing, Bridge and other Indoor Games at a total cost of Rs.17.47 crore is being established. A Centre for Traditional and Adventure Sports in the Tamil Nadu Physical Education and Sport University is being established. A sum of Rs.229.37 crore has been allocated in the Interim Budget Estimates 2021-22 for Youth Welfare and Sports Development.

Welfare of Government Servants

128) **I am duty bound to thank all the Government employees who bore the brunt of the frontline responsibility for tackling the COVID-19 pandemic.** Many of them returned to duty even during the most intense phase of the lockdown, risking infection. **The largest contribution to the Chief Minister's Public Relief Fund during this year was made by Government employees, as a group.** The State Government recognises the efforts made by the Government employees.

129) The present extended Tamil Nadu Government Employees New Health Insurance Scheme is coming to an end in June, 2021. The scheme will be extended with enhanced benefits. The overall coverage will be increased from the present level of Rs.4 lakh to Rs.5 lakh. Coverage in the case of selected treatments will be increased from Rs.7.5 lakh to Rs.10 lakh and a special provision will be made for coverage for rare diseases and exceptional circumstances with a total benefit of Rs.20 lakh. Processes for availing cashless treatment will be further streamlined.

PART B**Resources for Financing the Budget****Hon'ble Speaker Sir,**

130) I shall now turn to the aggregate fiscal position. The impact of the COVID-19 pandemic was felt in the last quarter of the fiscal year 2019-20 itself. The nation went into a lockdown from 24th March, 2020. As you are aware, substantial revenues are deposited in the final week of the fiscal year. Due to the lockdown, revenue to the State Government could not meet the anticipated target of the Revised Estimates 2019-20. As a result, the fiscal deficit for 2019-20 which was targeted at Rs.55,058.39 crore or 2.97 per cent of GSDP in the Revised Estimates 2019-20 expanded to Rs.60,178.63 crore or 3.24 percent in the Accounts for 2019-20. As the Members of the House are aware, the Tamil Nadu Fiscal Responsibility Act, 2003 has already been amended to accommodate this increase in the overall deficit.

131) With the COVID-19 pandemic, the State Own Tax Revenue (SOTR) collapsed in the first four months of the current financial year due to the lockdown and the additional time provided for remittance of tax dues. The

collection of State GST and Value Added Tax (VAT) started to pick up from August, 2020. The collection of Stamp Duty and Registration Fees has also revived. However, Motor Vehicle Tax collection is yet to fully recover. Due to the continuous follow up by the Government of Tamil Nadu's representatives in the GST Council, a long pending issue of IGST arrears relating to the year 2017-18 has been settled and an amount of Rs.4,321 crore was released to the Government of Tamil Nadu in November, 2020. **In the aggregate, the State Own Tax Revenue is expected to be Rs.1,09,968.97 crore in the Revised Estimates 2020-21 which represents a drop of 17.64 per cent against Rs.1,33,530.30 crore anticipated as revenue in the Budget Estimates 2020-21.**

132) **The share of Central taxes for Tamil Nadu which had been indicated in the Union Budget at Rs.32,849.34 crore in their Budget Estimates 2020-21, has been reduced to Rs.23,039.46 crore in the Revised Estimates 2020-21.** While some part of this reduction is attributable to the overall fall in Central tax revenue collection due to the COVID-19 pandemic, the shrinking of the divisible pool of Central taxes due to the increase in the share of cesses and surcharges is also a significant factor. I have already spoken about this issue

earlier in my speech. **I reiterate my call to the Government of India to merge cesses and surcharges with the basic rate of tax so that the States receive their legitimate share of the revenue.**

133) During 2020-21, Non Tax Revenue which was estimated at Rs.15,898.81 crore in Budget Estimates is also likely to be lower, primarily due to the effect of the COVID-19 pandemic at Rs.12,682.79 crore in the Revised Estimates. Grants in aid from the Central Government have also not kept in line with original projections as scheme related allocations have been reduced. A part of the GST compensation this year is also being shown as a loan which is to be repaid from the GST compensation cess fund. As against Rs.37,096.69 crore projected as Grants in Aid in the Budget Estimates 2020-21, only Rs.35,009.40 crore is expected to be realised in the Revised Estimates 2020-21. **The aggregate revenue receipts in the Revised Estimates 2020-21 are estimated to be Rs.1,80,700.62 crore which represents a decline of 17.63 per cent from the Budget Estimates 2020-21.**

134) The total expenditure on the revenue account in the Budget Estimates 2020-21 was estimated at Rs.2,40,992.78 crore. A supplementary estimate has

already been presented before this House seeking additional revenue expenditure of Rs.11,642.35 crore. **The COVID-19 pandemic has necessitated additional expenditure on the revenue account of Rs.12,917.85 crore primarily for health and relief related expenditure. The Government was also very conscious about ensuring that expenditure on ongoing welfare schemes is protected. We were one of the few States in India that did not defer payment of any part of the salaries to the employees or of pension to pensioners during 2020-21. Due to the economy measures announced by the Government, approximately Rs.13,250 crore was saved. As a result, the aggregate revenue expenditure in the Revised Estimates 2020-21 is estimated at Rs.2,46,694.69 crore.**

135) Primarily as a result of the sharp deterioration of the revenue receipts and the increase in expenditure in the Revised Estimates 2020-21, **the total revenue deficit in 2020-21 is estimated to be Rs.65,994.06 crore which is a large increase over the Rs.21,617.64 crore projected in the Budget Estimates 2020-21.**

136) In line with the recommendations of the High Level Committee headed by Dr.C.Rangarajan that an additional capital expenditure of Rs.10,000 crore should be undertaken, capital works worth Rs.20,013 crore have been accorded approval by the Government in irrigation, flood control, water supply and sanitation, rural development, housing and other infrastructure sectors. **Despite the difficulties faced in implementing projects during the COVID-19 pandemic period, capital expenditure is expected to increase to Rs.37,734.42 crore in the Revised Estimates 2020-21 which is Rs.12,102.84 crore higher than the capital expenditure of Rs.25,631.58 crore actually incurred in 2019-20.**

137) Abnormal times call for exceptional measures. **The COVID-19 pandemic has caused a sharp drop of revenue, but the expenditure levels had to be enhanced to protect people's welfare. Hence, it is completely unavoidable that the Government had to resort to borrowings resulting in a higher fiscal deficit.** The Government judiciously borrowed based on the Government of India authorisation for enhanced borrowings of upto 2 per cent of GSDP. Tamil Nadu fulfilled two reform measures linked to ease of doing business and the

One Nation One Ration Card scheme and was authorized 0.5 per cent of GSDP additional borrowing by Government of India. The reforms relating to Urban Local Body finances have also been completed and we are awaiting the approval of the Government of India for additional borrowing on that account. Tamil Nadu is to receive Rs.7,608.38 crore as loan in lieu of compensation for GST losses under the special scheme approved by the GST Council. This loan will not form part of the fiscal deficit of the State as it is to be serviced out of the GST compensation cess by the Government of India. **On the whole, the fiscal deficit in the Revised Estimates 2020-21 is expected to widen to Rs.96,889.97 crore which is 4.99 per cent of the GSDP. This is within the limits recommended by the 15th Finance Commission and is in accordance with the amended Tamil Nadu Fiscal Responsibility Act, 2003.**

138) **Coming to the Interim Budget Estimates for 2021-22, given that revenue receipts have dropped considerably in 2020-21, a rebound is expected in 2021-22.** SGST revenues are expected to be Rs.45,395.50 crore, VAT revenue is expected to be Rs.56,413.19 crore and overall Commercial Taxes revenue is expected to be Rs.1,02,477.14 crore in the Interim

Budget Estimates 2021-22. The receipts from State Excise Duty are estimated at Rs.9,613.91 crore. Motor Vehicles Tax collection is expected at Rs.6,581.75 crore. Stamp Duty and Registration Fees receipts have been targeted at Rs.14,879.37 crore.

139) The total receipts on account of States Own Tax Revenue in the Interim Budget Estimates 2021-22 is estimated at Rs.1,35,641.78 crore. The receipts on account of Non Tax Revenue are expected to be Rs.15,648.42 crore.

140) Tamil Nadu's share in devolution based on the recommendations of the 15th Finance Commission has decreased marginally in 2021-22 and the actual share of Tamil Nadu in Central Taxes is estimated to be Rs.27,148.31 crore. Grants in Aid from the Central Government have been projected at Rs.40,553.45 crore including the revenue deficit grant for 2021-22 of Rs.2,204 crore. **The total revenue receipts in the Interim Budget Estimates 2021-22 are estimated at Rs.2,18,991.96 crore.**

141) All ongoing salary, pension, interest and scheme related expenditure have been fully budgeted

for in the Interim Budget Estimates 2021-22. Revenue expenditure has been projected on a realistic basis for the year 2021-22 at an aggregate level of Rs.2,60,409.26 crore. On this basis, the overall revenue deficit for 2021-22 is estimated to be Rs.41,417.30 crore.

142) The capital expenditure estimated in 2021-22 will accommodate the provisions required to complete the works sanctioned this year. **Accordingly capital expenditure in 2021-22 is expected to increase by 14.41 per cent to Rs.43,170.61 crore.**

143) **The elevated level of the fiscal deficit in the current financial year was unavoidable and this deficit has to be brought down gradually to ensure there is no adverse impact on the economy. Even the 15th Finance Commission has recommended that a higher fiscal deficit of 4 per cent of GSDP should be permitted to States in 2021-22. Accordingly the fiscal deficit in 2021-22 has been contained to Rs.84,202.39 crore which is 3.94 per cent of GSDP.**

144) In order to finance the overall fiscal deficit during 2021-22, it is estimated that Rs.84,686.75 crore

will be raised as net debt against the overall permissible limit of Rs.85,454 crore. **The overall debt outstanding as on 31st March 2021 is estimated to be Rs.4,85,502.54 crore and as on 31st March 2022, it is estimated to be Rs.5,70,189.29 crore. The 15th Finance Commission has reset the Debt-GSDP norms recognising that increased borrowings will be required in 2020-21 and 2021-22 to sustain the levels of expenditure.** According to the debt path indicated by the 15th Finance Commission, the debt to GSDP ratio can be upto 28.90 per cent in 2020-21, 28.70 per cent in 2021-22, 29.30 per cent in 2022-23 and 29.10 per cent in 2023-24. **The Debt-GSDP ratio of Tamil Nadu as on 31st March 2021 will be 24.98 per cent and as on 31st March 2022 will be 26.69 per cent of GSDP, which is well within the norms prescribed by the 15th Finance Commission.**

145) We are all aware that due to the impact of the COVID-19 pandemic in 2020-21, the fiscal position of the State has deteriorated. With deft fiscal management we have contained the extent of deterioration. I expect that with normal growth trends returning there would be automatic improvement in 2021-22. The reform agenda which we had taken up to improve the Tax:GSDP ratio, to

find ways to raise additional revenues, to contain losses of large PSUs and to find adequate resources for growth enhancing expenditure will need to continue. The people of Tamil Nadu trust no one more than Dr.Puratchi Thalaivi Amma's Government led by Hon'ble Chief Minister Thiru Edappadi K. Palaniswami to deliver good governance and to resume the task of fiscal consolidation. I am confident that we will return to complete this task.

ஆக்கம் அதர்வினாய்ச் செல்லும் அசைவிலா
ஊக்க முடையா னுழை.

(குறள் 594)

Success and wealth will seek their way to
the one with inflexible will and unfailing
energy

(Kural 594)

146) I am grateful for the guidance provided to me by the spirit of the late Hon'ble Chief Minister Dr.Puratchi Thalaivi Amma whose blessings have been bedrock of the success of this Government. Hon'ble Puratchi Thalaivi Amma remains our guiding force and will inspire us to secure the confidence and the mandate of the people of Tamil Nadu yet again.

147) I thank the Hon'ble Chief Minister Thiru Edappadi K. Palaniswami for his unstinted support and guidance which enabled me to prepare this Budget.

148) I convey my gratitude and appreciation to Thiru S.Krishnan, I.A.S. Additional Chief Secretary, Finance Department who assisted me tirelessly and all the other officials of the department who have worked hard on the preparation of the Budget.

149) Hon'ble Speaker Sir, I commend the Interim Budget Estimates for the year 2021-2022 for the approval of this August House.

Nanri

Vanakkam

O.PANNEERSELVAM

Deputy Chief Minister

Chennai,

23rd February 2021,

Sarvari, Maasi-11

Thiruvalluvar Aandu 2052

APPENDIX**MEDIUM TERM FISCAL PLAN**

The State Government is required to lay a Medium Term Fiscal Plan (MTFP) before the Legislative Assembly along with the Budget in accordance with section 3(1) of the Tamil Nadu Fiscal Responsibility Act, 2003 (TNFRA). As per Section 3(2) of the said Act, the MTFP shall also set forth a multi-year rolling target for the prescribed fiscal indicators like Revenue Deficit, Fiscal Deficit and Debt to GSDP ratio, specifying the underlying assumptions made to arrive at those projections. Complying with the said provisions under the Tamil Nadu Fiscal Responsibility Act, 2003, a Medium Term Fiscal Plan for the period from 2021-22 to 2023-24 is hereby placed before the Legislative Assembly.

Objectives

This MTFP outlines the fiscal road map, aiming at progressive fiscal consolidation and debt sustainability which will be achieved by adherence to the following fiscal norms:

- Fiscal Deficit to Gross State Domestic Product (GSDP) within 4 per cent in 2021-22, 3.5 per cent in 2022-23 and 3 per cent from 2023-24
- Outstanding Debt to GSDP within 28.7 per cent in 2021-22, 29.3 per cent in 2022-23 and 29.1 per cent in 2023-24 as prescribed by 15th Finance Commission.
- The State Government proposed to amend the Tamil Nadu Fiscal Responsibility Act (TNFRA), 2003 based on the norms prescribed by the Central Finance Commission.

- A fiscal path is also being laid to reduce the Revenue deficit in a phased manner and thereby enhance the allocation for creation of productive assets.

This objective is intended to be achieved by:

- Prioritizing focus on resource availability, including exploring resource augmentation measures.
- Improving efficiency in expenditure and accounting for probable fiscal contingencies without compromising on growth creating expenditure and at the same time meeting committed expenditure needs.
- Maintaining the balance between receipts and expenditure within the overall framework of debt sustainability.

Economic scenario

The Indian economy is presently facing a slowdown with the growth estimates projected at negative growth rate of 7.7 per cent in 2020-21 in constant price terms. This slowdown is however expected to make way for good growth in the coming years. Tamil Nadu's GSDP has been projected at 2.02 per cent for 2020-21 at constant prices, which shows the resilience of the State economy to shocks. This resilience has been enabled by the diversification of the economy and sustainable policy initiatives of the Government. We expect better growth in the ensuing years compared to the current year projections. The GSDP growth of Tamil Nadu is estimated to be 11.5 per cent in 2022-23 and 12.0 per cent in 2023-24 as recommended by 15th Finance Commission.

I. Revenue Receipts

The Total Revenue Receipts of the State Government, including the Central Transfers, are estimated to be Rs.2,18,991.96 crore in Budget Estimate 2021-22 as against the Revised Estimates of Rs.1,80,700.62 crore in 2020-21. The estimates for 2022-23 is estimated to be Rs.2,41,922.83 crore and Rs.2,70,073.86 crore in 2023-24 which indicates a growth of 10.47 per cent and 11.64 per cent respectively. The important components are discussed below:

1. State's Own Tax Revenue

The State's Own Tax Revenue (SOTR) is estimated to be Rs.1,09,968.97 crore in the Revised Estimates 2020-21. There is a decrease of Rs.23,561.33 crore compared to Budget Estimates 2020-21. SOTR is estimated to increase to Rs.1,35,641.78 crore in the Budget Estimates for 2021-22. The SOTR is estimated to be

Rs.1,53,926.56 crore in 2022-23 and Rs.1,74,688.26 crore in 2023-24.

Salient features of the major components of the State's Own Tax Revenue and related assumptions are discussed below:-

- In the case of receipts related to Goods and Services Tax, an assured growth of 14 per cent relative to 2015-16 is expected till 2021-22. Tamil Nadu is performing relatively well in terms of GST collection and we expect the Government of India will settle the arrears pertaining to GST in time, the Budget Estimates 2021-22 is estimated at Rs.45,395.50 crore. The receipt from Sales tax especially from petroleum products is expected to witness a significant growth in the next two years while the Sales Tax from liquor is expected to grow steadily.

- The growth rates for Commercial tax is estimated to be 14.0 per cent in 2022-23 and in

2023-24 based on the present trends of tax collection.

- The growth rates for State Excise is estimated to be 12.0 per cent in 2022-23 and in 2023-24 based on the present trends of tax collection.

- The collection from Stamp Duty and Registration fees in Revised Estimates 2020-21 is expected to be reduced by Rs.3,654.13 crore as compared to Budget Estimates 2020-21. The Estimates for Budget Estimates 2021-22 is Rs.14,879.37 crore and the growth is expected to be about 12.0 per cent in the coming years driven by general economic growth expectations and improvement in tax collection efficiency.

- The collections from the Taxes on Motor Vehicles has dipped to Rs.4,566.46 crore in Revised Estimates 2020-21 compared to Budget Estimates 2020-21 due to general economic slowdown. Since

motor vehicles tax is primarily levied on registration of vehicles, the tax collections in the coming years is expected to be in accordance with improved economic growth prospects. The impact of the exemption for Electric Vehicles, more of which are expected to be registered, has also been factored in. The growth rate of 12.0 per cent is expected for the years 2022-23 and 2023-24.

2. Non-Tax Revenue

The State's Own Non-Tax Revenue has been estimated at Rs.15,648.42 crore in the Budget Estimates for 2021-22. This is a growth of 23.38 per cent over Revised Estimates 2020-21. Based on the various resource augmentation measures and improvements in non-tax collection being undertaken by the Government, the Non-tax revenue is estimated to be Rs.17,213.27 crore in 2022-23 and Rs.18,934.60 crore in 2023-24.

3. Share in Central Taxes

Tamil Nadu has faced a serious setback in the Revised Estimates 2020-21 due to the unprecedented reduction in the Share in Central Taxes which stands at Rs.23,039.46 crore as against Rs.32,849.34 crore in the Budget Estimates 2020-21, based on the estimates in the Union Budget 2021-22. The 15th Finance Commission has come up with its recommendations, wherein it has reduced the vertical devolution to States from 42 per cent to 41 per cent but has marginally increased the horizontal inter-se share of Tamil Nadu from 4.023 per cent to 4.189 per cent in 2020-21 and 4.079 per cent from 2021-22. Considering that the Indian economy will also see a positive reversal in terms of real growth in the coming years, the Share in Central Taxes collection of Tamil Nadu is estimated to be Rs.30,406.00 crore in 2022-23 and Rs.34,055.00 crore in 2023-24.

4. Grants-in-Aid from the Union Government

For the year 2021-22, the Grants-in-Aid from the Government of India have been estimated at Rs.40,553.45 crore based on the existing trends and provisions in the Union Budget 2021-22. The State is also hopeful of Government of India releasing the arrears due to Tamil Nadu in a time bound manner in 2021-22. For the financial years of 2022-23 and 2023-24, the estimated receipts in the form of Grants-in-aid is Rs.40,377.00 crore and Rs.42,396.00 crore respectively. These estimates are based on the commitments towards on-going Centrally sponsored schemes as well as other transfers to States such as local body grants recommended by the Union Finance Commission.

II. Revenue Expenditure

■ Revenue expenditure is estimated to be Rs.2,46,694.69 crore in Revised Estimates 2020-21

as against Rs.2,40,992.78 crore in the Budget Estimates 2020-21. The increase is mainly due to sanction of expenditures during the course of the year. In 2021-22, the Budget Estimates is Rs.2,60,409.26 crore. In the year 2022-23, the Revenue expenditure is estimated to be Rs.2,75,433.14 crore and Rs.2,94,557.79 crore in 2023-24.

The important components are discussed below:

- The expenditure on account of Salaries is a committed expenditure and has been estimated to be Rs.69,978.54 crore in the Budget Estimates 2021-22. It is expected to be Rs.76,276.61 crore in 2022-23 and Rs.83,141.50 crore in 2023-24. The estimates for 2022-23 and 2023-24 are based on trends as well as probable hike in components like Dearness allowance in the coming years which

in turn depends on the current trends as well as general economic conditions.

- The Non-wage Operations and Maintenance is estimated to be Rs.14,083.71 crore in the Budget Estimates 2021-22. The forecast is Rs.14,647.06 crore in 2022-23 and Rs.15,232.94 crore in 2023-24 based on trends and probable economic conditions in the coming years.
- The expenditure outlay on account of the committed expenditure of Pensions and Retirement benefits is estimated to be Rs.32,071.50 crore in 2021-22 and is expected an additional expenditure at 7.0 per cent in 2022-23 and 2023-24 based on trends as well as the nature of pension obligations of the State.
- The expenditure on account of Subsidies and Transfer is estimated to be

Rs.1,11,228.73 crore in the Revised Estimates 2020-21 which is higher than the Budget Estimates 2020-21 in which the amount is Rs.94,099.94 crore. There is significant increase in Revised Estimates 2020-21 over Budget Estimates 2020-21 due to in-year additional sanctions towards Disaster preparedness / preventive measures to contain the outbreak of Covid-19 and significant cash support measures to family ration cardholders during the COVID-19 lockdown. The estimate for Subsidies and Transfers is fixed at Rs.1,01,180.45 crore in Budget Estimates 2021-22. The expenditure is estimated to increase to Rs.1,01,676.47 crore in 2022-23 based on the commitment towards on-going schemes as well as for new schemes to be implemented. The ongoing commitments also include those related to State Public Undertakings, mainly the Power and Transport sectors. These fiscal contingencies have also

been assessed and incorporated in the preparation and forecast of estimates in MTFP. Based on the above, the estimate on account of Subsidies and Grants is estimated to be Rs.1,05,743.53 crore in 2023-24.

III. Capital Account

Recognising the need to create capital infrastructure for furthering economic development, Rs.43,170.61 crore has been provided in the Budget Estimates for 2021-22 as against Rs.37,734.42 crore in the Revised Estimates 2020-21 towards Capital expenditure. The capital expenditure is expected to grow further at 13.0 per cent in 2022-23 and 12.0 per cent in 2023-24. The Capital account outlay including Capital expenditure and Loans and Advances (Net) is expected to be Rs.49,582.79 crore in 2022-23 and Rs.55,236.72 crore in 2023-24. This shows the commitment of the State to constantly

improve the allocation for growth oriented expenditure while maintaining fiscal discipline.

IV Revenue Deficit and Fiscal Deficit

The Revenue Deficit in Revised Estimates 2020-21 is estimated to rise to Rs.65,994.06 crore compared to Rs.21,617.64 crore in Budget Estimates 2020-21. This is mainly on account of shortfall in Total Revenue receipts of Rs.38,674.52 crore and Rs.5,701.91 crore increase in revenue expenditure. Towards reducing Revenue Deficit systematically and eventually achieving NIL revenue deficit, this Medium Term Fiscal Plan has been devised within an overall framework of adherence to TNFRA norms to ensure fiscal consolidation and debt sustainability. This is intended to be achieved by striking a balance between revenues and expenditure. Towards this, priority will be for revenue resources and exploring possible measures to improve it. Secondly, improving the expenditure profile by enhanced

allocation to growth-oriented expenditure and rationalise revenue expenditure. The Revenue Deficit is expected to reduce to Rs.33,510.30 crore in 2022-23 compared to Rs.41,417.30 crore in Budget Estimates 2021-22 and subsequently reduce to Rs.24,483.92 crore in 2023-24. This creates additional space for capital spending.

The 15th Finance Commission has permitted the states to maintain the ratio of Fiscal Deficit to GSDP as 3.5 per cent 2022-23 and 3.0 per cent in 2023-24. In the forthcoming years, Fiscal Deficit to GSDP ratio is estimated to be 3.49 per cent in 2022-23 and 2.99 per cent in 2023-24 which is within the norms prescribed by 15th Finance Commission.

V Borrowings

The estimates for receipt and repayment of borrowings have been finalised on the basis of overall borrowing ceiling fixed by the Government

of India. The Government plans to borrow a net amount of Rs.84,686.75 crore against the estimated Net Borrowing Ceiling of Rs.85,454.04 crore in 2021-22. The outstanding debt will be Rs.5,70,189.29 crore after excluding Rs.7,608.38 crore to be released by Government of India as Back to Back loan for GST Compensation shortfall during 2020-21. This constituting 26.69 per cent of GSDP in 2021-22. The Outstanding Debt as a percentage of GSDP is expected to be 27.44 per cent in 2022-23 and 27.50 per cent in 2023-24, which are well within the norms prescribed by 15th Finance Commission. Thus the State aims to maintain debt sustainability as part of its fiscal consolidation roadmap.

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 31st March, 2020 was 27.24 per cent of Total Revenue Receipts in the preceding year and 2.55 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 of the preceding year or 7.5 per cent of GSDP whichever is lower. The outstanding risk weighted guarantees as on 31st March, 2020 stood at 7.85 per cent of Total Revenue Receipts of preceding year and 0.74 per cent of GSDP.

Conclusion

Though there is slowdown at present, the Indian economy is expected to gain momentum in the coming years. Despite the current economic downturn, Tamil Nadu's growth is higher than that of national GDP, which is a positive sign. This growth is expected to further strengthen in the coming years.

Various steps like resource augmentation measures and improvement of resource collection efficiency is bound to help maintain a healthy growth in Revenue Receipts of the State. With the fiscal consolidation as the fundamental principle ensured through debt sustainability and fiscal balance between receipts and expenditure, the State will continue to adhere to TNFRA norms and expects to bring down revenue deficit in the coming years, while continuing to invest in growth-oriented expenditure.
