

PRESS RELEASE

Text of the D.O. letter dated 3.12.2020 of Thiru. Edappadi K. Palaniswami, Hon'ble Chief Minister of Tamil Nadu, addressed to Shri. Narendra Modi, Hon'ble Prime Minister of India

I would like to bring to your kind attention an urgent and vital issue concerning the State of Tamil Nadu; namely, the concept of application of Committed Liability in releasing funds under the Post Matric Scholarship Scheme to the State.

Earlier the expenditure under the scheme at the end of each five year plan period was taken as the committed liability of the State for the next five year plan period. Although the practice of 5 year planning was given up after the end of the Twelfth Five Year Plan (2012-2017), the earlier practice of re-fixing the State's Committed Liability at the end of five years has been continued. As a result, the committed liability of Tamil Nadu which was Rs.353.55 crore in 2012-13, with effect from 2017-18, has risen to Rs.1526.46 crore. As a result, although the State spent Rs.1689.34 Crore on the scheme in 2017-18, Rs. 1910.19 crore in 2018-19 and Rs. 2005.70 crore in 2019-20, it received only Rs. 162.88 crore, Rs. 383.73 crore and Rs. 479.24 crore respectively as the Central share for these years. In this year (2020-21), for a total expected expenditure of Rs.2110.90 Crore, Tamil Nadu will be eligible to receive only Rs. 584.44 as Central share. This has placed an extremely high burden on the State Government's finances. It also results in a situation, where what is really a Central Sector scheme will be largely funded by the State's from their own resources.

Therefore, it is requested that in line with other Centrally Sponsored Schemes, the Post Matric Scholarship scheme may be funded with a sharing pattern of 60:40 between the Centre and the States. Sir, I had already addressed this issue to you in my earlier letters dated 30.5.2018, 14.6.2018 and 27.1.2019.

I request the Hon'ble Prime Minister to kindly issue suitable directions to the Ministry of Social Justice to restructure the Post Matric Scholarship scheme with a sharing pattern of 60:40 basis between the Centre and the States.

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