

## HIGHLIGHTS OF THE BUDGET OF THE GOVERNMENT OF TAMIL NADU FOR 2015-2016

**“Courage, a liberal hand, wisdom and energy: these four**

**Are qualities a King adorn for evermore”**

### ECONOMIC DEVELOPMENT

- ✓ The growth rate of the Gross State Domestic Product (GSDP) in real terms is 3.39 per cent, during 2012-2013. GSDP growth rate for the year 2014-2015 is estimated to be 7.25 per cent.
- ✓ With the Economic Survey 2014-2015 projecting national growth at 8 to 8.5 per cent, our GSDP is expected to grow by over 9 per cent during 2015-2016.

### RECOMMENDATIONS OF THE FOURTEENTH FINANCE COMMISSION

- ✓ The vertical tax devolution to the States has been enhanced from 32 per cent to 42 per cent of the divisible pool. In spite of this increase in vertical tax devolution, the overall gross transfers to States as a proportion of the Centre's gross revenues, which is expected to continue at 49 per cent, a large decline from 53 per cent in 2011-2012.
- ✓ Eight Centrally Sponsored Schemes have been discontinued. Normal Central Assistance and Special Central Assistance for the State Plan will not be available in future. The revenue impact of these schemes on the State is Rs.1,137 crores per annum as per 2014-2015 allocations.
- ✓ The 14<sup>th</sup> Commission has also recommended to discontinue the state specific grants and grants for maintenance of roads and bridges under which

we were receiving Rs.4,669 crores over the previous Finance Commission period.

- ✓ In respect of 24 Centrally Sponsored Schemes, the allocations have been slashed by Rs.21,116 crores in the Union Budget 2015-2016, compared to 2014-2015 allocations.
- ✓ The horizontal share of Tamil Nadu has reduced from 4.969 per cent to 4.023 per cent of the general shareable tax pool and from 5.047 per cent to 4.104 per cent of the service tax pool.
- ✓ The criteria adopted by the Commission are neither fair nor progressive as efficiency and fiscal discipline have been totally ignored to the detriment of well administered States like Tamil Nadu which are known for their prudent fiscal management.

### ANNUAL PLAN

- ✓ On the Government of India's decision to channelise the Central share for 66 Centrally Sponsored Schemes through the State Budget from 2014-2015 onwards, the State Plan was substantially enhanced for the current year to Rs.50,660 crores, as against the initial allocation of Rs.42,185 crores.
- ✓ During 2015-2016, the State Plan outlay will be further increased to Rs.55,100 crores.
- ✓ Under the State Balanced Growth Fund (SBGF), the State Planning Commission has approved 322 projects worth Rs.181.53 crores under SBGF programme for 105 blocks in 24 districts. This programme will be continued in 2015-2016 with an allocation of Rs.100 crores.
- ✓ To provide special attention to hill areas, including areas prone to left wing extremism, a

Special Area Development Programme will be launched with an outlay of Rs.75 crores.

### **POVERTY REDUCTION**

- ✓ A sum of Rs.369 crores was released to the Panchayat Level Federations (PLFs) as livelihood support up to 2014-2015. A sum of Rs.255.04 crores is allocated for the Pudhu Vaazhvu Project in the Budget Estimates 2015-2016.
- ✓ State Government has decided to implement TNULM to complement and supplement the resources made available under National Urban Livelihood Mission (NULM). A sum of Rs.250 crores is provided under NULM and Rs.107 crores is provided under TNULM in the Budget Estimates 2015-2016.

### **GOVERNANCE**

- ✓ Under the National Population Registry (NPR) project, the highest bio-metric coverage amongst all the States in the country has been achieved in Tamil Nadu for Aadhaar linkage.
- ✓ The State is poised to use the NPR data to build the State Resident Data Hub (SRDH), a dynamic database and link it with the database of eligible beneficiaries, for correct targeting and plugging leakages.
- ✓ The Tamil Nadu Innovation Initiatives (TANII) has been taken up by the State Planning Commission with an annual allocation of Rs.150 crores.
- ✓ The first tranche of 32 projects with an outlay of Rs.84.85 crores has been approved. This Government also proposes to establish a Data Analytics Unit to analyse, in real time, and enable improved policy making for better service delivery.

Tamil Nadu will be the first State to establish such a unit.

### **LAW AND ORDER**

- ✓ In the Budget Estimates 2015-2016, an unprecedented allocation of Rs.5,568.81 crores is made for the Police Department, and Rs.538.49 crores has been provided for taking up building works.

### **FIRE AND RESCUE SERVICES**

- ✓ A sum of Rs.198.96 crores has been allocated to this department in the Budget Estimates 2015-2016.

### **PRISONS**

- ✓ In the Budget Estimates 2015-2016, an amount of Rs.227.03 crores has been allocated for the Prison Department.

### **ADMINISTRATION OF JUSTICE**

- ✓ Judicial infrastructure, in the form of new court buildings and residential quarters, has been sanctioned to the extent of Rs.375 crores.
- ✓ In order to reduce the pendency of cases, State Government has sanctioned the constitution of 169 new courts at a cost of Rs.134 crores. This Government has also allowed the continuance of the e-Court project through State funds.
- ✓ A total sum of Rs.809.70 crores is allocated for Administration of Justice in the Budget Estimates 2015-2016.

### **ROAD SAFETY**

- ✓ During 2014-2015, road safety works worth Rs.245.30 crores under the Comprehensive Road Infrastructure Development Programme and

another Rs.200 crores under the Road Safety component have been taken up. In the coming financial year, another Rs.165 crores is allocated towards the Road Safety component.

### **TAMIL DEVELOPMENT**

- ✓ A massive project for digitization and online uploading of the Tamil Etymological Dictionary containing 13,327 pages has been undertaken.
- ✓ 170 valuable books of the 17<sup>th</sup>, 18<sup>th</sup> and 19<sup>th</sup> centuries have been digitized and published by the International Institute of Tamil Studies.

### **REVENUE ADMINISTRATION**

- ✓ Since May 2011, new taluks and revenue divisions were created besides taking up the construction of new buildings at a cost of Rs.338.73 crores.
- ✓ Under the Chief Minister's Uzhavar Pathukaappu Thittam (CMUPT), Rs.2,829.19 crores of financial assistance has been provided to 33.65 lakh beneficiaries from 10-9-2011 till date.
- ✓ A sum of Rs.662.36 crores is provided for the CMUPT programme, and a total allocation of Rs.6,126.03 crores is provided for Revenue administration in the Budget Estimates 2015-2016.

### **AGRICULTURE**

- ✓ The allocation for agriculture, which was Rs.2,072.43 crores in 2010-2011 has been stepped up substantially and in the coming financial year, an unprecedented allocation of Rs.6,613.68 crores is provided for the Agriculture Sector.

- ✓ This Government will vigorously promote efficient use of water by bringing an additional area of 1.2 lakh acres under micro-irrigation with an outlay of Rs.200 crores in the coming financial year.
- ✓ The area under horticultural crops in the State has been increased from 23.25 lakh acres in 2010-2011 to 25.95 lakh acres in 2014-2015. This area will be further expanded to 27.18 lakh acres in 2015-2016 using funds available under the Mission for Integrated Development of Horticulture (MIDH) and other schemes. These high technology initiatives will be implemented during 2015-2016 with an estimated total outlay of Rs.111.97 crores.
- ✓ To ensure smooth supply of quality seeds to farmers, the Tamil Nadu Seed Development Agency (TANSEDA), a specialized seed development agency, is being set up with an initial financial support of Rs.25 crores.
- ✓ A sum of Rs.150 crores is being provided to TANFED in this Budget to ensure the timely availability of fertilizers to the farmers.
- ✓ In the coming financial year, the Co-operative Sector will aim at disbursing an unprecedented amount of Rs.5,500 crores as crop loans. For interest subvention, an amount of Rs.200 crores is provided in this Budget Estimates as subsidy.
- ✓ To take up agricultural mechanization in a significant way, an amount of Rs.100 crores has been provided in the Budget Estimates 2015-2016.
- ✓ Steps will be taken for establishing integrated production cum cold chain infrastructure facilities for banana in Tirunelveli and Tiruchirappalli,

mango in Krishnagiri and Theni, tomato in Dharmapuri and Krishnagiri, onion in Dindigul and Tiruchirappalli, chillies in Ramanathapuram and Thoothukudi.

- ✓ A sum of Rs.200 crores is allocated in this Budget as the State Government's production incentive for paddy.

#### **ANIMAL HUSBANDRY**

- ✓ For flagship schemes of distribution of Milch Cows and of Goats or Sheep without any cost, an allocation of Rs.241.90 crores have been made to distribute 12,000 milch cows and six lakh goats or sheep to poor families.
- ✓ To promote poultry in non-traditional areas and backyard poultry, particularly in tribal areas, an allocation of Rs.25 crores is made for the year 2015-2016.
- ✓ In the coming financial year, 25 sub-centres will be upgraded as veterinary dispensaries.
- ✓ 185 fodder depots have also been established at a total cost of Rs.18.50 crores to manage fodder shortage during drought. In the Budget Estimates 2015-2016, Rs.25 crores is allocated for fodder development.
- ✓ The average procurement of milk by primary dairy co-operatives has gone up to 30 lakh litres per day providing better income to farmers. A sum of Rs.100.68 crores is allocated for the Dairy Sector in this Budget Estimates.

#### **FISHERIES**

- ✓ The Government has sanctioned a total sum of Rs.180.54 crores towards relief assistance during the fishing ban period and lean season for fisher-

folk in the current year. An allocation of Rs.183 crores is provided for these purposes in the Budget Estimates 2015-2016.

- ✓ The Fisheries Sector is provided with Rs.728.68 crores in the Budget Estimates 2015-2016.

#### **PUBLIC DISTRIBUTION SYSTEM**

- ✓ The State will continue to implement the universal PDS and an allocation of Rs.5,300 crores has been made as food subsidy for the coming financial year.
- ✓ The corpus of Price Stabilization Fund has been increased from Rs.50 crores to Rs.100 crores for effective implementation. The Special PDS is causing a subsidy burden of Rs.1,230 crores per annum.
- ✓ The TNCSC is in the process of vastly expanding its network of Amudham stores with an initial investment of Rs.20 crores to make groceries available at reasonable prices.
- ✓ AMMA Unavagam, AMMA Drinking Water, AMMA Cement and AMMA Salt are some of the other noteworthy initiatives to control prices.

#### **WATER RESOURCES AND IRRIGATION**

- ✓ All efforts will be taken including legal measures to thwart any attempt made by the Government of Karnataka to construct a reservoir across Cauvery near Mekedatu. Steps will also be taken to ensure the formation of the Cauvery Management Board and Cauvery Water Regulation Committee.
- ✓ The construction of the Kattalai Barrage has been completed at a cost of Rs.254.45 crores as a part of the Cauvery-Gundar river linkage project. A

sum of Rs.253.50 crores is provided in this Budget for river linkage projects.

- ✓ The Dam Rehabilitation and Improvement Project (DRIP) with World Bank Assistance is being implemented to rehabilitate 113 dams, at a cost of Rs.745.49 crores. In the Budget Estimates 2015-2016, an amount of Rs.450.13 crores has been allocated for this purpose.
- ✓ The World Bank assisted Irrigated Agriculture Modernisation and Water-Bodies Restoration and Management (IAMWARM) project, is getting completed in June 2015. Under this scheme, so far Rs.2,544.15 crores has been spent. The State Government will propose to the Government of India for seeking World Bank assistance of Rs.2,950 crores for Phase II of the project.
- ✓ The Climate Change Adaptation Programme in Cauvery Delta at an outlay of Rs.1,560 crores with the assistance of Asian Development Bank (ADB) will commence during 2015-2016. It is proposed to take up works in the Vennar sub-basin and an amount of Rs.200 crores has been provided in the Budget Estimates 2015-2016.
- ✓ In the Budget Estimates 2015-2016, Rs.334.57 crores has been allocated for works under NABARD. The overall allocation to the Irrigation Sector has been increased from Rs.1,954.97 crores in 2010-2011 to Rs.3,727.37 crores in the Budget Estimates 2015-2016.

#### **ENVIRONMENT AND FORESTS**

- ✓ The Tamil Nadu Biodiversity Conservation and Greening Project will be continued during 2015-2016 with an allocation of Rs.122.68 crores.

- ✓ 195 lakh saplings have been planted at a cost of Rs.122.17 crores since February 2012 under the Massive Tree Plantation Programme. Sanction has been accorded to take up planting of another 67 lakh saplings with an outlay of Rs.53.72 crores.
- ✓ Rs.142.48 crores of 13<sup>th</sup> Finance Commission grants has been utilised for forest development.
- ✓ Special attention has been paid to reduce instances of man-animal conflict and towards this end, 54.5 km of solar powered fences and 168.19 km of elephant proof trenches have been created at an outlay of Rs.51.65 crores.
- ✓ During 2015-2016, eco-restoration activities will be taken up in Madhavaram, Ambattur and Korattur lakes in Chennai.
- ✓ In the coming financial year, an overall allocation of Rs.754.19 crores is provided for the Environment and Forest Department.

#### **ENERGY**

- ✓ The State also met an all time peak demand of 13,775 MW on 24.06.2014.
- ✓ The Tamil Nadu Transmission Corporation (TANTRANSCO) has taken up the establishment of a vast network of high capacity transmission lines in the State at a cost of Rs.6,000 crores.
- ✓ Funding of Rs.1,593 crores for creating a portion of this transmission network infrastructure, with 40 per cent grant from the National Clean Energy Fund and 40 per cent loan assistance from the KfW German Fund, is expected in the coming year.

- ✓ Since May 2011, 115 MW of solar power capacity has been added and thirteen developers have signed Power Purchase Agreements for 156 MW.
- ✓ The Government of India has provided an incentive of Rs.1,015.13 crores for achievements in New and Renewable Energy Sector under the 13<sup>th</sup> Finance Commission grants.
- ✓ Under the Financial Restructuring Plan (FRP), this Government had agreed to take over Rs.6,353 crores of TANGEDCO debt bonds floated in the year 2013-2014. Already an amount of Rs.1,000 crores of TANGEDCO bonds has been taken over and also repaid the same during the current financial year.
- ✓ Rs.11,748 crores of support has been extended to the TANGEDCO in the form of subsidy, share capital, cash loss financing, debt servicing and debt takeover during 2014-2015.
- ✓ The budgetary allocation of power subsidy for 2015-2016 has been enhanced to Rs.7,136 crores. A sum of Rs.2,000 crores is provided in this Budget Estimates as share capital support to TANGEDCO. A total financial support of Rs.13,586 crores is provided for the Power Sector in the Budget Estimates 2015-2016.

## HIGHWAYS

- ✓ During 2015-2016, widening of 1,000 km of roads and improvements of 4,000 km of roads will be taken up to facilitate unhindered movement of freight and passengers. An allocation of Rs.2,800 crores is made for CRIDP in this Budget Estimates. An overall allocation of Rs.8,228.24 crores is made in the Budget Estimates for the Highways Department.

- ✓ With a view to strengthen rural roads, 7,964 km of bus plying rural local body roads have been identified for upgradation to Other District Road standards and improvements of these roads will be taken up in a phased manner.
- ✓ The World Bank funded Tamil Nadu Road Sector Project II will be taken up with an ambitious outlay of Rs.5,171 crores. In the first phase, works for the upgradation of 427 km of roads to two lane with paved shoulders at an estimated cost of Rs.2,414 crores will be taken up during 2015-2016.
- ✓ Upgradation of another 145 km to four lane standards will be taken up in due course under Public-Private-Partnership mode. In the Budget Estimates 2015-2016, a sum of Rs.1,261.95 crores has been provided for these works.

## TRANSPORT

- ✓ The State Transport Undertakings (STUs) have increased their scheduled services from 19,167 in June 2011 to 20,684 in November 2014.
- ✓ With the addition of 7,561 new buses at a cost of Rs.1,421.16 crores in the last four years, the average age of STU buses has decreased to 5.67 years and many of their performance and safety parameters have improved.
- ✓ The State Government has stepped in with a liberal financial support by sufficiently compensating the STUs for the diesel price hike by sanctioning Rs.200 crores during 2012-2013; Rs.500 crores during 2013-2014 and Rs.600 crores during 2014-2015.
- ✓ To meet the increase in working capital needs of the STUs, the Government has sanctioned

Rs.350 crores during 2013-2014 and Rs.353 crores during 2014-2015 as share capital assistance.

- ✓ For the year 2015-2016, Rs.500 crores has been provided for diesel subsidy and Rs.480 crores as subsidy for free bus passes to students.

## **INDUSTRIES**

- ✓ The Tamil Nadu Industrial Policy, 2014 and industry-specific policies like Tamil Nadu Bio-Technology Policy and Tamil Nadu Automobile and Auto Components Policy, 2014, will attract substantial investments.
- ✓ Investments to the extent of Rs.17,134 crores for seven more projects have been finalized and MoUs will be signed soon.
- ✓ This Government is organising the Global Investors Meet (GIM) on 23<sup>rd</sup> and 24<sup>th</sup> May, 2015 in Chennai.
- ✓ As a measure to improve the ease of doing business, an Industry Investment Portal as a single window mechanism for facilitating investors to obtain all requisite licenses and permissions from various departments will be launched during 2015-2016.
- ✓ Tamil Nadu Infrastructure Development Board (TNIDB) has approved the formation of the Madurai-Thoothukudi Industrial Corridor. A special package of assistance has been announced for the Southern Districts.
- ✓ The TNIDB is also spearheading the establishment of the Tamil Nadu Infrastructure Fund Management Company Limited (TNIFMCL).

## **MICRO, SMALL AND MEDIUM ENTERPRISES**

- ✓ Similar to large industries, a common investment portal will be created during 2015-2016 for MSME investors to serve as single window clearance mechanism to improve the ease of doing business.
- ✓ A sum of Rs.80 crores as capital subsidy, Rs.42 crores as generator subsidy, Rs.12 crores as interest subvention and Rs.60 crores as infrastructure support for new industrial estates are provided for the year 2015-2016.
- ✓ During 2015-2016, an amount of Rs.100 crores will be provided for continuing the New Entrepreneur cum Enterprises Development Scheme (NEEDS). A sum of Rs.15 crores is also provided as subsidy under the Unemployed Youth Employment Generation Programme (UYEGP) in the Budget Estimates 2015-2016.
- ✓ A sum of Rs.365.91 crores is allocated for the MSME Sector in the Budget Estimates 2015-2016.

## **SKILL DEVELOPMENT**

- ✓ The allocation to TNSDC for the Skill Development Mission is enhanced from Rs.100 crores to Rs.150 crores in the Budget Estimates 2015-2016.

## **INFORMATION TECHNOLOGY**

- ✓ Software exports from Tamil Nadu have shown phenomenal growth from Rs.42,210 crores in 2010-2011 to Rs.82,445 crores in 2013-2014.
- ✓ Tamil Nadu is one of the few States in the country to have integrated IT infrastructure which include the Tamil Nadu State Wide Area Network, State

Data Centre, Disaster Data Recovery Centre and Cloud Computing Infrastructure.

- ✓ An allocation of Rs.82.94 crores is provided in this Budget Estimates for the Information Technology department.

#### **HANDLOOMS AND TEXTILES**

- ✓ Free distribution of sarees and dhoties scheme will be continued in 2015-2016 with a budgetary allocation of Rs.499.16 crores. In addition, the Rebate Subsidy Scheme for the promotion of sale of handloom cloth will also be continued and a sum of Rs.78.45 crores has been included in the Budget Estimates 2015-2016 for this purpose.
- ✓ The revival of the Spinning Mill at Achankulam near Paramakudi at a cost of Rs.28.02 crores has been taken. This unit benefiting Adi-Dravidar workers exclusively has been reopened for a trial run on 4-3-2015.
- ✓ Five functional co-operative spinning mills are being modernised at a cost of Rs.147.21 crores.
- ✓ Online marketing has been initiated by the Tamil Nadu Handicrafts Development Corporation and Co-optex. A sum of Rs.17 crores is provided as rebate subsidy to Khadi and Village Industries Board and Sarvodaya Sangams in the Budget Estimates 2015-2016.

#### **DEVOLUTION OF FUNDS TO LOCAL BODIES**

- ✓ During the current year, Rs.4,921.77 crores for rural local bodies and Rs.3,564.04 crores for urban local bodies is being devolved. This has been increased to Rs.5,422.07 crores and Rs.3,926.32 crores for rural and urban local bodies respectively in the Budget Estimates 2015-2016.

- ✓ Local bodies in the State will get grants amounting to Rs.1,737.69 crores in the year 2015-2016 and a total amount of Rs.17,009.74 crores as per Fourteenth Union Finance Commission recommendations.

#### **RURAL DEVELOPMENT**

- ✓ Tamil Nadu Village Habitations Improvement (THAI) Scheme, has been implemented in 71,126 habitations pertaining to 9,511 Village Panchayats at a cost of Rs. 2,930 crores. During 2015-2016, this scheme will be continued to cover another 8,268 habitations covering 3,013 Village Panchayats with an allocation of Rs.750 crores.
- ✓ Under the Chief Minister's Solar Powered Green House Scheme (CMSPGHS), works to the extent of Rs.4,680 crores have been sanctioned. An allocation of Rs.1,260 crores has been provided in the Budget Estimates 2015-2016 for taking up another 60,000 houses.
- ✓ For 2015-2016 also, an amount of Rs.656.10 crores has been provided for taking up houses under the Indira Awaas Yojana.
- ✓ During 2015-2016, 6,000 km of rural local body roads will be improved at a cost of Rs.1,400 crores, by dovetailing funds from various schemes.
- ✓ During 2014-2015, under the Member of Legislative Assembly Constituency Development Scheme (MLACDS), 12,017 works were taken up. A sum of Rs.470 crores is allocated under MLACDS for the year 2015-2016 also.
- ✓ In 2014-2015 also, Tamil Nadu continues to hold the first position in the implementation of MGNREGS by generating 25.15 crores person-

days till now, which is the highest in the country. Works amounting to Rs.5,155.46 crores have been taken up in the current year. A sum of Rs.5,248 crores is provided in the Budget Estimates 2015-2016 for this scheme.

- ✓ A comprehensive model clean village scheme will be launched in 2,000 village panchayats on a pilot basis during 2015-2016 for establishment of solid waste management with source segregation and recycling waste and composting as key components.
- ✓ During 2015-2016, it is proposed to take up 15 lakh household toilets under the Swachh Bharat Mission (Gramin) and the National Rural Employment Guarantee Scheme.
- ✓ In the coming financial year, Rs.200 crores is being set apart again for rural solid waste management and Rs.200 crores is being provided for the Swachh Bharat Mission (Gramin) in rural areas.

#### **MUNICIPAL ADMINISTRATION**

- ✓ Rs.500 crores and Rs.750 crores have been allocated for the Chennai Mega City Development Mission and the Integrated Urban Development Mission respectively for the year 2015-2016. Rs.420.05 crores has been allocated for the Tamil Nadu Urban Road Infrastructure Fund for the year 2015-2016.
- ✓ To further improve infrastructure in Town Panchayats, improvement of 272 roads in 234 Town Panchayats and 29 bridges in 26 Town Panchayats have been taken up with loan assistance from NABARD during 2014-2015 and

Rs.140.32 crores have been allocated for this purpose in the Budget Estimates 2015-2016.

- ✓ For Smart Cities Scheme, Rs.400 crores has been provided in the Budget Estimates 2015-2016. Further, for the Government of India's proposed National Urban Development Mission (NUDM), an allocation of Rs.500 crores has been made in the Budget for 2015-2016.
- ✓ Government of India has included Kancheepuram and Velankanni under Heritage City Development and Augmentation Yojana (HRIDAY). An allocation of Rs.46 crores is provided in the Budget Estimates 2015-2016 for successful implementation of Heritage City Management Plans.
- ✓ Sanction has been accorded for the implementation of the Tamil Nadu Sustainable Urban Development Project (TNSUDP) at a total cost of Rs.2,212.89 crores including a massive storm water drain project for a part of Chennai City at a cost of Rs.1,101.43 crores. A sum of Rs.152 crores has been allocated in the Budget Estimates 2015-2016 for this project.
- ✓ An amount of Rs.133.33 crores has been allocated in the Budget Estimates 2015-2016 for solid waste management.
- ✓ An allocation of Rs.150 crores is provided in the Budget Estimates 2015-2016 for implementation of the Swachh Bharat Mission in urban areas.

#### **WATER SUPPLY**

- ✓ A total allocation of Rs.1,803.30 crores has been made in the Budget Estimates 2015-2016 towards this end. At present, 1,604 projects worth Rs.7,428.27 crores are in progress.

- ✓ In anticipation of Government of India grant, a total of Rs. 343 crores has been allocated in the coming year for National Rural Drinking Water Scheme (NRDWS) including the State share. The Minimum Needs Programme (MNP) is a fully State funded scheme and Rs.186.35 crores has been allocated for it in the Budget Estimates 2015-2016.
- ✓ Two desalination plants of 60 MLD each will be taken up during 2015-2016 at Kuthiraivaimozhi in Ramanathapuram District and Alanthalai in Thoothukudi District at a total cost of Rs.1,947 crores. This will benefit 10.25 lakh people and the industries in those areas.
- ✓ Steps are being taken for establishing a desalination plant of 150 MLD at Nemmeli at a cost of Rs.1,371.86 crores during 2015-2016.

#### **URBAN HOUSING**

- ✓ In the last four years, the Tamil Nadu Housing Board has constructed 10,059 units at a cost of Rs.565.92 crores, including 2,293 houses for the low income group. Further, the Tamil Nadu Slum Clearance Board has completed the construction of 45,473 slum tenements at a cost of Rs.2,050.72 crores.
- ✓ Rs.289.16 crores has been provided in the Budget Estimates 2015-2016 for Sardar Patel Urban Housing Mission.

#### **CHENNAI METRO RAIL PROJECT**

- ✓ The State Government has released a sum of Rs.3,105.82 crores, both as loan and share capital, thereby fulfilling all its obligations as on date. In the Budget Estimates 2015-2016, a sum

of Rs.615.78 crores has been allocated for the project to ensure its timely completion.

- ✓ It is expected that the Government of India will also release the already overdue amount of Rs.1,498.74 crores of loan and share capital to this project at the earliest.

#### **HEALTH AND FAMILY WELFARE**

- ✓ The Government has substantially increased budgetary allocation for the Health and Family Welfare Department from Rs.4,395.31 crores in 2010-2011 to Rs.8,245.41 crores in the Budget Estimates 2015-2016. This is 4.52 per cent of the overall allocation of the State Government.
- ✓ The Infant Mortality Rate (IMR) which was 24 in 2010 has fallen to 21 in 2013. Based on these achievements, the State has received Rs.489.41 crores as incentive for reduction in IMR from the Government of India.
- ✓ In the Budget Estimates 2015-2016 also, an amount of Rs.781 crores is provided as premium for Chief Minister's Comprehensive Health Insurance Scheme. An allocation of Rs.668.32 crores has been made for the Dr. Muthulakshmi Reddy Maternity Benefit Scheme in the Budget Estimates 2015-2016.
- ✓ Similarly, an amount of Rs.50 crores has been allocated for Amma Baby care Kit Scheme and an amount of Rs.60.58 crores has been allocated for the Menstrual Hygiene Programme in this Budget.
- ✓ To augment the facilities in Medical Colleges and the hospitals attached to Medical Colleges, Rs.734.42 crores for infrastructure and Rs.360.51 crores for equipment have been sanctioned in addition to sanction of 3,290 additional posts to

ensure smooth delivery of services. During 2015-2016, the National Health Mission will be continued with an outlay of Rs.1,342.67 crores.

- ✓ During the last three years, the Government has recruited 5,544 doctors and 1,374 paramedical personnel. Further, 610 MBBS seats have been added in the Government Medical Colleges.
- ✓ Disease surveillance system will be strengthened to control spread of swine flu, dengue and other epidemics with fully equipped diagnostic facilities in all districts.

### **SCHOOL EDUCATION**

- ✓ In the last four years 182 new Primary Schools have been opened, 107 Primary Schools to Middle Schools, 810 Middle Schools to High Schools and 401 High Schools to Higher Secondary Schools have been upgraded.
- ✓ Teacher-Pupil Ratio has improved from 1:29 and 1:35 at the primary and upper primary level in 2010-2011 to 1:25 and 1:22 respectively in the year 2014-2015.
- ✓ Under the special cash incentive scheme to reduce dropouts, 88.59 lakh students have benefited since 2011-2012 at a cost of Rs.1,429.09 crores. In the Budget Estimates Rs.381 crores has been allocated for this scheme.
- ✓ This Government has provided vital infrastructure facilities like additional classrooms, science laboratories, drinking water facilities, compound walls and toilets in schools at a cost of Rs.2,688.97 crores in the past four years.
- ✓ In the coming financial year also, strengthening of school infrastructure will continue at a cost of Rs.450.96 crores.

- ✓ A total amount of Rs.1,037.85 crores is provided for the supply of textbooks, notebooks, four sets of uniform, school bags, footwear, geometry box, atlas, crayons, colour pencils and woolen sweaters for the year 2015-2016. Further, Rs.219.50 crores is also provided for the supply of bicycles to 6.62 lakh students.
- ✓ The GER in the higher secondary level has also reached 75.87 per cent in 2013-2014 which is significantly higher than the national average of 52.21 per cent.
- ✓ In the Budget Estimates 2015-2016, a total amount of Rs.20,936.50 crores has been set apart for School Education. Allocation of Rs.2,090.09 crores under Sarva Shiksha Abhiyan (SSA) and Rs.816.19 crores under Rashtriya Madyamik Shiksha Abhiyan (RMSA) are also provided.

### **HIGHER EDUCATION**

- ✓ Under the scheme to reimburse tuition fees to first generation graduation students, 2,82,948 students have benefited in 2014-2015. For the year 2015-2016, an amount of Rs.569.25 crores has been provided for this scheme.
- ✓ A sum of Rs.110.57 crores is provided for the year 2015-2016 as financial support to Annamalai University. Similarly, Rs.868.40 crores has been set apart for sanctioning grants to various universities in the State during 2015-2016.
- ✓ A sum of Rs.3,696.82 crores has been allocated for the Higher Education Department in the Budget Estimates 2015-2016.

### **SPORTS AND YOUTH WELFARE**

- ✓ Amounts of Rs.4.80 crores and Rs.2.70 crores were sanctioned as cash incentives to the medal

winner in the 17<sup>th</sup> Asian Games held in South Korea and 20<sup>th</sup> Commonwealth Games held in United Kingdom respectively. In the Budget Estimates 2015-2016, an amount of Rs.149.70 crores has been allocated for the Sports and Youth Welfare Department.

### **TOURISM**

- ✓ In 2013, Tamil Nadu stood first in domestic tourist arrivals for the first time and second in foreign tourist arrivals in India.
- ✓ During 2015-2016, an amount of Rs.52.90 crores has been allocated for Integrated Development of Tourist Infrastructure Project works. Overall, Rs.183.14 crores has been provided for the Tourism Sector in the Budget Estimates 2015-2016.

### **HINDU RELIGIOUS AND CHARITABLE ENDOWMENTS**

- ✓ The laudable Annadhanam scheme is being implemented in 518 temples. This scheme will be extended to another 206 temples very soon.
- ✓ This Government has provided Rs.90 crores for renovating 250 ancient temples for renovation under the 13<sup>th</sup> Finance Commission grant.
- ✓ Using the Common Good Fund of temples and Temple Car Renovation Fund, 606 temples and 123 temple cars have been renovated.

### **SOCIAL WELFARE**

- ✓ Under the various Marriage Assistance Schemes, in the last four years, 5,65,800 poor girls have benefited at a cost of Rs.2,403.08 crores. In the Budget Estimates 2015-2016, Rs.703.16 crores have been allocated, out of which Rs.204 crores

has been apportioned for gold coins for making Thirumangalayam.

- ✓ In the Budget Estimates 2015-2016, Rs.140.12 crores have been allocated for the Girl Child Protection scheme.
- ✓ Rs.84.52 crores have been allocated for the benefit of 4.03 lakh adolescent girls through the Kishori Shakthi Yojana and the Scheme for Empowerment of Adolescent Girls (SABLA).
- ✓ Integrated Child Development Services (ICDS) Scheme is catering to the health and nutritional needs of 35.36 lakh women and children. An outlay of Rs.1,575.36 crores is provided for this scheme during 2015-2016.
- ✓ Nutritious Variety Meals are provided to 54.63 lakh school children under the Puratchi Thalaivar M.G.R. Nutritious Meal Programme. A sum of Rs.1,470.53 crores is provided for the Nutritious Meal Programme in the Budget Estimates 2015-2016.
- ✓ Anganwadi Centres and Noon Meal Centres across the State have been constructed, modernized, electrified and repaired at a cost of Rs.821.33 crores in the last four years.
- ✓ During 2015-2016, 12,609 Anganwadi Centres will be provided with gas connections to achieve 100 per cent coverage.

### **SPECIAL PROGRAMME IMPLEMENTATION**

- ✓ During 2014-2015 and 2015-2016, sanction has been accorded for distribution of 45 lakh packages of electric fans, mixies and grinders each year. Rs.2,000 crores has been allocated for this scheme in the Budget Estimates 2015-2016.

- ✓ So far, 21.65 lakh students have benefited under the scheme of distribution of laptops free of cost. For this flagship scheme, this Government has allocated Rs.1,100 crores in the Budget Estimates for 2015-2016.

#### **ADI-DRAVIDAR AND TRIBAL WELFARE**

- ✓ A sum of Rs.11,274.16 crores has been provided for Scheduled Caste Sub-Plan which is 20.46 per cent of the plan allocation for the year 2015-2016. Similarly, Rs.657.75 crores have been provided for Tribal Sub-Plan TSP which is 1.19 per cent of the plan allocation.
- ✓ The scheme to give incentive to girl children, to reduce dropouts up to 8<sup>th</sup> standard, will continue with an allocation of Rs.55.11 crores for 2015-2016.
- ✓ During 2014-2015, this Government has provided Rs.669.64 crores under post-matric scholarship, even though the Government of India did not fully reimburse its committed share of Rs.982.31 crores. To sustain these efforts, an amount of Rs.56.37 crores and Rs.674.98 crores has been provided for pre-matric and post-matric scholarships respectively in the Budget Estimates 2015-2016.
- ✓ An amount of Rs.162.91 crores has been provided for improving the infrastructure facilities in these schools and hostel maintenance in the Budget Estimates 2015-2016.
- ✓ For the coming financial year, an amount of Rs.20 crores has been provided as share capital support to TAHDCO. Further, a sum of Rs.130 crores has been allocated under Special Central Assistance (SCA) to fund economic development activities among schedule castes.

- ✓ The Comprehensive Tribal Development Programme for providing basic amenities to tribal habitations and for funding income generating activities will be continued in 2015-2016 also with an allocation of Rs.50 crores.

#### **WELFARE OF BACKWARD CLASSES, MOST BACKWARD CLASSES AND DENOTIFIED COMMUNITIES**

- ✓ For the year 2015-2016, Rs.250.49 crores has been allocated for various scholarship schemes and a sum of Rs.82.69 crores is provided for hostel maintenance and food charges. A sum of Rs.101.59 crores is also provided for Kallar reclamation schools.

#### **WELFARE OF MINORITIES**

- ✓ A sum of Rs.106.51 crores has been provided for various scholarship schemes in the Budget Estimates 2015-2016. In the Budget Estimates 2015-2016, Rs.115.80 crores has been provided for the welfare of minorities.

#### **WELFARE OF DIFFERENTLY ABLED**

- ✓ An Integrated Sports Complex for the physically challenged is being constructed in the Jawaharlal Nehru Stadium, Chennai at an estimated cost of Rs.12 crores. To further continue the welfare measures for the differently-abled, an amount of Rs.364.62 crores has been allocated in the Budget Estimates 2015-2016.

#### **LABOUR WELFARE**

- ✓ Construction of dormitories to accommodate about 7,000 construction workers in nine locations across the State and setting up of 50 mobile health clinics and 50 anganwadi centres for the children of the construction workers at

construction sites at a total cost of Rs.124.71 crores.

- ✓ An amount of Rs.70 crores has been provided as grants to Unorganised Workers Welfare Boards in the Budget Estimates 2015-2016. Overall, Rs.139.26 crores have been allocated to the Labour Welfare Department.

#### **WELFARE OF SRI LANKAN TAMIL REFUGEES**

- ✓ An amount of Rs.108.46 crores has been allocated for the welfare of Sri Lankan Tamil refugees in the Budget Estimates 2015-2016.

#### **WELFARE OF GOVERNMENT EMPLOYEES AND PENSIONERS**

- ✓ Since 2012, under the New Health Insurance Scheme for Government employees, 1,26,462 employees have availed treatment to the extent of Rs.504.81 crores.
- ✓ In the Budget Estimates 2015-2016, a sum of Rs.18,668 crores has been provided for pensionary and other retirement benefits.

#### **RESOURCES FOR FINANCING THE BUDGET**

- ✓ The target for SOTR collection has been revised downward to Rs.85,772.71 crores in the Revised Estimates 2014-2015.
- ✓ The total central transfers will be reduced to Rs.37,526 crores during 2015-2016, as compared to Rs.39,057 crores received during 2014-2015.
- ✓ It is roughly estimated that Tamil Nadu will lose about Rs.35,485 crores in the next five years due to these changes.
- ✓ States like Tamil Nadu which have lost heavily in the present backwardness based devolution formula should be compensated to some extent

from out of the allocation of Rs.20,000 crores earmarked for the NITI Aayog.

- ✓ The share of State own resources in the revenue receipts, which is 71.06 per cent during 2014-2015 has gone up to 73.70 per cent in our Budget projections for 2015-2016.
- ✓ The certain critical concessions proposed to boost the Manufacturing Sector -
  - a) Electricity Tax on generating plants using Biomass (excluding bagasse) will be withdrawn to give a boost to green energy producers.
  - b) withdrawn of Input Tax Credit reversal imposed at the rate of 3 per cent on the inter-state sale of goods to make the manufacturing industries in Tamil Nadu more competitive.
  - c) Clause (c) under Section 19(5) of TNVAT Act, 2006 will henceforth be withdrawn to enable the dealers to claim Input Tax Credit on the inter-State sale of goods without 'C' form. This measure will eliminate additional burden on the dealers effecting inter-State sale of goods without 'C' form.
  - d) Fishing accessories like fishing ropes, fishing floats, fishnet twine, fishing lamps and fishing swivels will be exempted from the present levy of VAT.
  - e) Mosquito nets of all kinds will be exempted from the present levy of VAT at 5%.
  - f) Works contract relating to sizing of yarn will be exempted from the present levy of VAT.
  - g) VAT on cardamom will be reduced from the present levy of 5% to 2%.
  - h) VAT on LED lamps of all kinds will be reduced

from the present levy of 14.5% to 5% to encourage the use of energy saving devices.

- i) VAT on air compressors, pump sets up to 10 hp and their parts thereof will be reduced from the present levy of 14.5% to 5% to encourage MSME Sector and to benefit the agriculturists in the State.
- j) VAT on cellular telephones (mobile phones) will be reduced from the present levy of 14.5% to 5%.

The above tax concessions will result in loss to the exchequer to the extent of Rs.650 crores per annum.

- ✓ Commercial Taxes collection is projected at Rs.72,068.40 crores for the year 2015-2016. Similarly, Stamp Duty and Registration Charges are projected at Rs.10,385.29 crores;
- ✓ State Excise is projected at Rs.7,296.66 crores and Tax on Motor Vehicles is projected at Rs.4,882.53 crores.
- ✓ State's Own Tax Revenue is therefore projected at Rs.96,083.14 crores with a moderate growth of 12.02 per cent over 2014-2015. The share in Central Taxes devolution is projected at Rs.21,149.89 crores while the Grants-in-aid from the Central Government is projected at Rs.16,376.79 crores.
- ✓ Revenue Receipts for the year 2015-2016 is projected at Rs.1,42,681.33 crores.

## FISCAL INDICATORS

- ✓ Against the projected Revenue Receipts of Rs.1,42,681.33 crores, Revenue Expenditure is

estimated at Rs.1,47,297.35 crores. Thus the Revenue Deficit for the year 2015-2016 is estimated at Rs.4,616.02 crores.

- ✓ The capital expenditure for the year 2015-2016 is projected at Rs.27,213.16 crores. The Fiscal Deficit is estimated at Rs.31,829.18 crores. It is proposed to raise the net borrowings to Rs.30,446.68 crores against the permissible limit of Rs.32,990 crores and the overall outstanding debt will be Rs.2,11,483 crores by the end of March 2016.
- ✓ The Fiscal Deficit will remain at 2.89 per cent of Gross State Domestic Product (GSDP) as against the norm of 3 per cent and the Debt-GSDP ratio will be 19.23 per cent which is much below the norm of 25 per cent.

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