

**Speech of Prof. K. Anbazhagan, Minister for Finance,  
Government of Tamil Nadu, presenting the Budget for  
2010-2011 to the Legislative Assembly on 19<sup>th</sup> March,  
2010.**

**Hon'ble Speaker Sir,**

I am immensely pleased to place before you the Budget for the coming financial year 2010-2011 in this new Legislative Assembly which stands as the crowning glory of the unparalleled achievements of this Government in formulating and successfully implementing many great welfare schemes during the last four years, after assuming charge for the fifth time under the leadership of Hon'ble Chief Minister Kalaignar in the year 2006. This landmark building is unique in our country, having all facilities, incorporating the salient features of the Dravidian architectural style and constructed in a majestic manner that could elicit praise from the entire world becoming the first legislative Assembly in the world constructed as a green building and getting gold rating certification. The Hon'ble Chief Minister Kalaignar has involved himself in all stages of its creation - from concept to completion of its construction - by giving necessary advice on a daily basis at every stage; personally inspecting it once in the morning and once in the evening and giving necessary instructions. I commence my speech by conveying my gratitude to the Hon'ble Chief Minister Kalaignar for giving me the opportunity to find a place in history for delivering the first speech in this much-acclaimed new Legislative Assembly building, which has been inaugurated by the Hon'ble Prime Minister Dr.Manmohan Singh in the presence of Mrs.Sonia Gandhi, the

Chairperson of United Progressive Alliance and appreciated and praised by both.

There is no doubt that this sky high new Assembly complex, a great achievement of Hon'ble Chief Minister Kalaignar and which stands as an example of the Kural,

“அரியவென்று ஆகாத இல்லைபொச் சாவாக்  
கருவியால் போற்றிச் செயின்”

*“With constant watchfulness and full consideration given to the task on hand,*

*There is nothing difficult or impossible”*,

will stand tall for all times to come as long as the Tamil land and the three seas exist. I wish to convey the greetings of this Assembly to Kalaignar.

2. Ever since the assumption of charge under the leadership of Kalaignar, this Government has been implementing various schemes for the welfare of the people of Tamil Nadu in an exemplary manner over the last four years. The Budget for the year 2010-2011 is being placed before this Assembly. It has been prepared by keeping in mind the basic goals of social justice, growth of Tamil Nadu and improvement in the standard of living of the people of Tamil Nadu.

### **Agriculture and Co-operation**

3. With a view to ushering light in the lives of farmers of Tamil Nadu, this Government has been consistently according priority to the development of agriculture. As its first action

immediately after assuming charge in 2006, with a view to removing the farmers' burden of loan, this Government completely waived the co-operative farm loans to the tune of Rs.7,000 crores. By extending necessary financial assistance to the co-operative institutions, this Government ensured that the farmers continue to get the crop loans. As against the disbursement of co-operative crop loans worth Rs.1,097 crores in 2005-2006, a sum of Rs.1,250 crores has been disbursed as co-operative crop loans during 2006-2007, Rs.1360 crores in 2007-2008 and Rs.1,571 crores in 2008-2009. During 2009-2010, as against the target of Rs.2,000 crores, crop loans to the tune of Rs.2,013 crores have been disbursed so far. **In the coming financial year, this target will be enhanced to Rs.2,500 crores.**

4. In 2009-2010, for the first time in India, it is this Government which has been implementing the revolutionary scheme of waiving off the entire interest on co-operative crop loans to the farmers who repay their crop loans on time. The scheme of interest free co-operative crop loans to the farmers will continue to be implemented in the coming financial year as well. A sum of Rs.140 crores is provided for this purpose in this Budget.

5. Implementation of the scheme of government providing 50% of the insurance premium as subsidy under the crop insurance scheme to compensate farmers affected by natural calamities has enabled large number of farmers to avail benefits under this scheme. Consequently, the number of farmers availing crop insurance has gone up from about one lakh

in 2005-2006 to 7 lakh 80 thousands in 2009-2010. A sum of Rs.891 crores has been disbursed as compensation over the last four years. A sum of Rs.40 crores as insurance premium subsidy and another sum of Rs.200 crores as state's share towards compensation for crop loss have been provided in this Budget.

6. This Government has raised the procurement price for sugarcane to Rs.1,025 per tonne in the year 2006-2007, Rs.1,034 per tonne in the year 2007-2008 and Rs.1,100 per tonne in the year 2008-2009 and is paying Rs.1,550 per tonne inclusive of transport charges and recovery based incentive for the current crushing season. **With a view to further encouraging sugarcane farmers, this Government has decided to pay an additional price of Rs.100 per tonne for the current crushing season (2009-2010) and accordingly the sugarcane farmers will be paid an increased price of Rs.1,650 per tonne instead of Rs.1,550 per tonne. Considering the price of Rs.1,014 that the sugarcane farmers were getting in 2005-2006 before this DMK Government assumed charge, I am very happy to announce the sweet news that the sugarcane farmers will be given Rs.2,000 per tonne inclusive of transport charges and recovery based incentive for the coming crushing season(2010-2011).**

7. Accepting the long standing demand of farmers to raise the procurement price of paddy to Rs.1,000 per quintal, this Government has enhanced the procurement price for the common variety of paddy to Rs.1,050 per quintal and for the fine variety of paddy to Rs.1,100 per quintal by giving additional incentive over and above the price fixed by the

Union Government. A sum of Rs.200 crores has been allocated in this Budget for providing this incentive intended for paddy procurement.

8. The System of Rice Intensification (SRI) that leads to significant increase in productivity and substantial reduction in the quantum of use of water is being implemented effectively in Tamil Nadu. 15 lakh acres land has been brought under SRI so far up to the financial year 2009-2010. This scheme will be implemented in an additional extent of 6 lakh 25 thousand acres in the ensuing financial year.

9. This Government has enabled farmers engaged in horticulture to get higher income by way of enhanced productivity by the method of precision farming. This method has been extended to all districts and has been implemented in an area of 57,500 acres so far. This method of farming will be extended to an additional extent of 35,000 acres in the coming financial year.

10. The method of drip Irrigation enabling economical use of water is greatly beneficial to the sugarcane and horticulture farmers. This method of irrigation will be implemented to benefit an additional area of 75,000 acres in the coming financial year.

11. This Government is implementing many schemes to encourage environment friendly organic farming that makes use of natural fertilizers alone instead of using artificial products like chemical fertilizers and pesticides since 2006-2007. The Department of Organic Certification has been established for the purpose of issuing essential quality certificates to the farmers

intending to practise organic farming. Due to this, organic farming products are fetching good prices within the country and abroad. By setting up model farms, the Agriculture Department has imparted training in organic farming to the farmers. 10,000 farmers have registered to take up organic farming in the last three years to cultivate 56 categories of crops in an area of about 28,000 acres. The farmers achieving record production of paddy under organic farming are given awards.

12. With a view to continuing to implement the scheme of providing free electricity to farmers, a sum of Rs.295 crores has been provided as subsidy to Tamil Nadu Electricity Board.

13. Under the scheme for providing various welfare benefits to poor landless agricultural labourers and small and marginal farmers through Tamil Nadu Farmers and Agricultural Labourers Welfare Board, 1.73 crore persons belonging to 76 lakh families have enrolled so far. Welfare assistance to the tune of Rs.415 crores has been provided to 5.10 lakh beneficiaries so far. A sum of Rs.152 crores has been allocated for implementing this scheme in the coming financial year.

14. The scheme of organising farmers into self help groups and providing these groups revolving fund is being effectively implemented for the last two years. 20,000 Self Help Groups consisting of 2.07 lakh farmers have been formed so far and revolving fund to the tune of Rs.20 crores has been provided to them. A sum of Rs.243 crores has been provided to these groups as crop loan. **10,000 more groups will be formed during the coming financial year.** While forming such groups, priority

will be given to small and marginal farmers producing horticulture crops like vegetables, flowers, fruits, coconuts and such groups will be aggregated at the village level and provided with necessary storage and transportation facilities through co-operative banks to enable them to sell their produce directly in Government Uzhavar Sandhais as well as other markets. A sum of Rs.10 crores has been allocated for providing revolving fund to these new groups.

15. Based on the recommendations of the committee under the chairmanship of Prof. Vaidyanathan constituted for the purpose of rejuvenating the weak cooperative credit institutions, the scheme of providing financial assistance to these institutions jointly by the State and Union Governments is being implemented effectively and accordingly, these institutions have received Rs.1,008 crores as assistance from the Union Government and Rs.207 crores from the State Government. It is worth mentioning that as a result of this financial assistance as well as on account of compensation given by the Government of Tamil Nadu in lieu of waiving of farmers' loans, primary agricultural co-operative banks had improved their lending capacity and disbursed Rs.8,534 crores at the end of year 2009.

### **Animal Husbandry**

16. Under Livestock Protection Scheme, 2.14 crore cattle have been provided with health care by way of 17,367 veterinary camps over the last four years. 493 veterinary surgeons, 386 livestock inspectors and 848 animal husbandry assistants have been appointed in this department. In addition to

this, 444 veterinary sub-centres have been upgraded. **With a view to pasteurizing milk in a faster and more hygienic way using modern technology and to producing value added milk products, Coimbatore Aavin will be modernised at an estimated cost of Rs.27 crores with assistance from National Cooperative Development Corporation.** A sum of Rs.351 crores has been allocated for Animal Husbandry and Dairy Development Department.

### **Irrigation and Flood Control**

17. The project for interlinking rivers flowing within the state for the purpose of diverting the surplus flood water discharging into the sea thereby being wasted, to the water deficit districts is a brain child of Hon'ble Chief Minister Kalaignar. Under this scheme, the works for construction of Kattalai Barrage across Cauvery at an estimated cost of Rs.189 crores and the works for interlinking Tamirabarani- Karumeniyar- Nambiar Rivers at an estimated cost of Rs.369 crores are under execution. According priority to flood protection works, Cauvery Flood Protection project in Trichy, Perambalur and Ariyalur districts taken up at an estimated cost of Rs.254 crores is nearing completion. **On similar lines, new flood protection works to the tune of Rs.609 crores, which include Coleroon Flood Protection Project beneficial to Thanjavur, Nagapattinam and Cuddalore districts at an estimated cost of Rs.376 crores, Vellar Flood Protection Project in Cuddalore and Viluppuram districts at an estimated cost of Rs.164 crores and Pennaiyar Flood Protection Project in Cuddalore district at an estimated**

**cost of Rs.69 crores, will be taken up in the coming financial year.**

18. A major scheme for construction of check dams across rivers and rivulets for augmenting the ground water resources in various areas is being implemented at an estimated cost of Rs.550 crores from the financial year 2008-2009. As a result of constructing 4,079 works including 1,859 check dams and 1,369 percolation ponds, the ground water level in these areas has increased significantly. A sum of Rs.100 crores has been provided for this scheme in the coming financial year.

19. With a view to benefiting about 16 lakh acres of agricultural land, the World Bank aided Irrigated Agriculture Modernization and Water-Bodies Restoration and Management (IAMWARM) project is being implemented at an estimated cost of Rs.2,547 crores through PWD and allied departments. Works benefiting 5.9 lakh acres of agricultural land have been taken up in 25 sub basins so far. With the objective of benefiting an additional 4.55 lakh acres of land, works will be undertaken in 30 more sub basins in the coming financial year. Under this project, 1,128 tanks have been renovated so far. Additional 1,674 tanks will be renovated in the coming financial year. A sum of Rs.439 crores has been allocated for this project in this Budget.

**20. Works for de-silting irrigation canals in Cauvery delta region of Thanjavur, Thiruvarur, Nagapattinam and Cuddalore districts will be taken up by the end of March and completed before the end of May this year.**

21. **A scheme for constructing a dam across Kanjampatti Odai in Kadaladi Taluk of Ramanathapuram district and forming a 20 Km long feeder channel for 43 tanks including Sayalkudi Tank will be taken up under Accelerated Irrigation Benefits Programme (AIBP) at a cost of Rs.18 crores. This will benefit an extent of 4,200 acres.**

22. The Contour Canal, which carries water from the Parambikulam Dam to Thirumurthi Dam, serves as the lifeline of the Parambikulam-Aliyar Project. This canal, constructed 45 years ago, provides irrigation to an extent of 3,77,000 acres consisting of 2,97,000 acres in Tiruppur district and 80,000 acres in Coimbatore district. Considering the facts that the carrying capacity of this old canal has been coming down and that frequent breaches have been affecting water distribution and power generation, the farmers of the Coimbatore and Tiruppur districts have been consistently requesting for the complete rehabilitation of this canal. **Accepting their fair request, I am happy to announce that the Government has decided to implement a major scheme to completely rehabilitate the Contour Canal at a cost of Rs.127.5 crores. This scheme will be implemented expeditiously after securing all necessary clearances. About two lakh farmers belonging to Coimbatore and Tiruppur districts will benefit very much from this scheme.**

23. The Hon'ble Supreme Court, in its judgment delivered on 27.2.2006, had held that the Mullai Periyar Dam is safe for raising the water level from 136 feet to 142 feet. With a view to preventing the implementation of this judgement, the

Government of Kerala resorted to a legislative amendment. After hearing the petition filed by the Government of Tamil Nadu to declare this legislative amendment unconstitutional, the Constitutional Bench of the Supreme Court on 18.2.2010 ordered constitution of an Empowered Committee under the Chairmanship of Dr.A.S.Anand, former Chief Justice of India.

24. The State Government is of the view that when the Hon'ble Supreme Court had earlier considered all the important issues involved and delivered the judgment, the power now given to the Empowered Committee to hear the parties to the suit on all issues that may be raised before it, without being limited to the issues that have been raised before the Hon'ble Supreme Court, amounts to delegation of the exclusive judicial power of the Supreme Court and considering the fact that the evidence already adduced by the parties has been recorded and trial of the suit is over and the hearing before the constitutional bench is nearing completion, the ruling that the parties may present further evidence is not acceptable. Considering these grounds, along with the fact that the Hon'ble Supreme Court's judgement dated 27.2.2006 was delivered after considering all relevant aspects, the State Government is of the view that the order of the Hon'ble Supreme Court dated 18.2.2010 constituting the Empowered Committee requires to be recalled. Hence, an interlocutory petition has been filed in the Hon'ble Supreme Court on 8.3.2010 praying for the recall of its order dated 18.2.2010 and that the Hon'ble Supreme Court may pass appropriate orders to continue its hearing in this case.

## **Price Rise and Public Distribution System**

25. Ever since this Government assumed charge, it has been continuously ensuring that the general public and the middle class do not get affected by the rise in prices of food items. After providing rice at two rupees a kilogram in accordance with electoral promise, further reducing it, this Government is providing rice at one rupee a kilogram under public distribution system since 15.9.2008 which is the lowest in the country. Discerning the rising trend in prices of pulses and cooking oil, this Government has been providing essential food items like toor dhal, urad dhal and palm oil at subsidised prices through fair price shops since May 2007. For this purpose, toor dhal and palm oil are being imported from abroad as well as procured from other states to ensure smooth supply of these commodities. Pulses and cooking oil are being continuously exempted from value added tax. Moreover, under the scheme of 'Condiments at affordable prices', ten cooking condiments are being provided at Rs.50.

26. It is a matter of great satisfaction that this Government is providing food items at subsidised rates to all family card holders under public distribution system through fair price shops by allocating Rs.4,000 crores in the financial year 2009-2010 which remains unmatched by any other state of India. In view of declining prices of pulses and sugar, a sum of Rs.3,750 crores has been allocated as food subsidy in this Budget.

## **State Autonomy**

27. What Chief Minister Kalaingar said recently is worth recalling here - 'State autonomy is a call raised with determination and sincerity to expound the principle that in order to nurture and protect our independence, India as a nation can remain strong, only if its states happen to be strong' just as 'the strength of a necklace - whether made of gold or emerald- depends on the links that hold each of the beads together. It is this strength which we call as state autonomy'. We have been consistently urging the Union Government to give their due rights to the State Governments which are serving the people by being closer to them and to refrain from the tendency of enacting laws that take away the powers of State Governments in respect of subjects in the Concurrent List such as Teacher Training, Higher education etc. We request the Government of India to drop the proposed move to centralise all the powers relating to higher education by establishing a unitary body of the National Commission for Higher Education. We have clarified that devolution of powers in this manner is only one aspect of state autonomy, but that in itself can not be equated with state autonomy. Having regard to the fact that different states in our country are at different stages of development with varied needs and special circumstances, we request the Union Government to formulate schemes after consultation with the State Governments and to provide for flexibility by which the State Governments can modify the schemes according to need and suitability for the respective states.

28. The report of the Thirteenth Finance Commission and the Action Taken Report of the Union Government after examining this report were placed before the Parliament on 25.2.2010. The share of the States in the shareable net tax revenue of the Union Government has been increased from 30.5% to 32%. It is a welcome step that the states collectively will now receive a higher share of the tax revenue of the Union Government. At the same time, the inter-se share of Tamil Nadu in the total devolution has been reduced from 5.305% to 4.969%. The shares of the other southern states, namely, Andhra Pradesh, Karnataka and Kerala have also been reduced. It is a matter of regret that the shares of the southern states which have successfully been implementing many welfare schemes and infrastructure projects have been reduced as if it is a punishment for performance. At the same time, acceding to the demands of this Government, grants-in-aid amounting to Rs.11,367 crores for various items of expenditure have been recommended for the period 2010-2015. In comparison with the grants-in-aid amounting to Rs.4,135 crores recommended by the Twelfth Finance Commission, the grants-in-aid of Rs.11,367 crores recommended by the Thirteenth Finance Commission offers some solace. This amount includes grants to local bodies to the tune of Rs.5,456 crores, Rs.700 crores for primary education, Rs.252 crores for improving the administration of justice, Rs.1,865 crores for the maintenance of roads and Rs.1,300 crores as grants for state-specific schemes based on the needs highlighted this Government.

29. We convey our thanks to the Thirteenth Finance Commission and the Union Government for providing Rs.1,300 crores as grants for state-specific needs based on our request consisting of Rs.300 crores for replacing slums with tenements in urban areas, Rs.200 crores for anti-sea erosion works, Rs.200 crores for the marine discharge of the treated liquid effluents containing salt from the dyeing units in Tiruppur, Erode and Karur districts, Rs.200 crores for the restoration of traditional water bodies, Rs.100 crores for renovation of ancient temples of historical importance without impairing their antiquity, Rs.200 crores for improving the infrastructure of government hospitals and Rs.100 crores for improving the training infrastructure for the police force.

### **Sethusamudram Project**

30. We urge the Union Government that the Sethusamudram Project which would provide a new impetus to the economy of Tamil Nadu and has enormous potential to add to the prosperity of this state should be completed expeditiously by removing the hurdles that have come in the way of its execution.

### **Welfare of Sri Lankan Tamils**

31. We urge the Government of India to take more vigorous efforts in arriving at a speedy political solution to enable the Sri Lankan Tamils to live comfortably with equal rights. Sri Lankan Tamils, who have lost their livelihood during the war in Sri Lanka, have been able to return to their original places from the camps on account of the great efforts taken by the

Hon'ble Chief Minister Kalaingar. We urge the Union Government to impress upon the Sri Lankan Government to take necessary action for enabling the remaining Tamils still staying in the camps to return to their original places of residence. With a concern for the welfare of Sri Lankan Tamils living in the refugee camps for many years, besides doubling the quantum of financial assistance provided to them, a sum of Rs.100 crores has been announced for improving infrastructure facilities in these camps and provision of houses and works are under way. We have requested the Union Government to take necessary measures to grant these persons permanent residentship in our country itself.

### **Law and Order**

32. With a view to ensuring that terrorism and extremism do not rear their heads in our state, this Government has been maintaining utmost vigil. After this Government took charge, 15,021 policemen and 923 sub-inspectors have been recruited in the last four years. 18 new police stations have been established. This apart, 47 outposts have been upgraded as regular police stations. Schemes are being taken up according priority to modernize the police force. In the last four years, 7455 quarters have been constructed for police personnel at a cost of Rs.353 crores. 2,000 additional police quarters will be constructed at an estimated cost of Rs.120 crores in the coming financial year. The provision for police department will go up to Rs.2,962 crores in the year 2010-2011 as against an expenditure of Rs.1346 crores in 2005-2006.

## Courts

33. Like never before, this Government has accorded sanction for construction of court buildings and quarters for the presiding officers at an estimated cost Rs.254 crores so far drawing praise from the Judges of the Hon'ble Supreme Court of India as well as the Justices of the High Courts of other states. A sum of Rs.511 crores has been allocated for administration of justice in this Budget. In accordance with the recommendations of the 13<sup>th</sup> Finance Commission, Rs.252 crores will be provided for improvements in the judicial administration over the next five years.

## School Education

34. Soon after assuming charge, this Government granted time scale of pay to 42,924 teachers who were getting consolidated pay. 64,096 new teachers have been appointed in government schools in the last four years. 341 new primary schools have been opened. 2,408 primary schools have been upgraded as middle schools, 445 middle schools upgraded as high schools and 435 high schools upgraded as higher secondary schools. **Further, 200 middle schools will be upgraded as high schools and 125 high schools will be upgraded as higher secondary schools during the coming academic year.** Works for the infrastructure facilities have been taken up at an estimated cost of Rs.767 crores with the assistance from NABARD benefiting 850 government high schools and higher secondary schools. A sum of Rs.250 crores has been allocated for this purpose in this Budget. A sum of Rs.36 crores has been allocated

towards maintenance of schools. Maintenance works at an estimated cost of Rs.266 crores have been taken up in 19,043 primary and middle schools through Rural Development Department in the last four years. **In addition to this, renovation works will be taken up in 5,000 schools at an estimated cost of Rs.85 crores in the coming financial year.**

35. Recognising the role of computers in education, this Government has provided computers to 1,980 high schools and 2,131 higher secondary schools. The scheme for providing computers to middle schools has been implemented from in the year 2008-2009 and 4,700 middle schools have been provided with computers so far. **A sum of Rs.50 crores has been allocated for providing computers to remaining 2,000 middle schools in the coming financial year.** Thus, by the end of financial year 2010-2011, Tamil Nadu will achieve the distinction of all government middle, high and higher secondary schools having facilities for computer education.

36. Tamil Nadu is one of the well performing states in implementing Sarva Siksha Abhiyan (SSA). Government of Tamil Nadu will bear 45 percent of the expenditure under this scheme in the coming financial year. A sum of Rs.540 crores has been allocated for this purpose in this Budget. In addition to this, Government of Tamil Nadu is also bearing 25 percent of the expenditure under the National Scheme for Development of Secondary Education. A provision of Rs.150 crores has been made as State's share for this scheme. New high schools and model schools will be established under this scheme.

**37. Union Government has announced a new scheme called 'Saakshar Bharat' in the districts where literacy rate among women is less than 50 percent. This scheme will be implemented in the four districts of Viluppuram, Perambalur, Salem and Erode with the financial assistance from the Union Government and cost sharing by the State Government at an estimated cost of Rs.68 crores in the coming financial year.**

38. With a view to ensuring uniform and quality education to all students, this Government has enacted the Tamil Nadu Uniform System of Education Act. The common syllabus framed by the common Board established under this Act will be taught in the coming academic year. New text books under the common syllabus will be introduced in first and sixth standards. In the succeeding year, common syllabus will be extended to remaining standards also.

**39. With a view to enabling students improve their knowledge of English, about 10 lakh students studying in 9<sup>th</sup> standard in government and government aided schools will be provided each with an 'English-English-Tamil Dictionary' free of cost from the coming academic year at a cost of Rs.10 crores per annum through the Tamil Nadu Text Book Corporation.**

40. In commemoration of the birth centenary of Arignar Anna, a library of international standards is being established in Chennai at an estimated cost of Rs.172 crores. The construction work for this library will be completed by June this year and will be

put into use. Overall, a sum of Rs.10,148 crores has been allocated for school education in this Budget.

### **Higher Education**

41. After this Government assumed charge, 11 new engineering colleges through Anna Universities of Technology and 7 new government arts and science colleges have been started. New Anna Universities of Technology have been started with Trichy, Coimbatore and Tirunelveli as headquarters. **In the coming financial year, Anna University of Technology will be established with Madurai as headquarters for the engineering Colleges in Madurai, Dindigul, Theni, Ramanathapuram and Sivaganga Districts. A postgraduate extension centre of Thiruvalluvar University will be started at Viluppuram. This will offer an opportunity to the students in and around Viluppuram to pursue postgraduate studies in the University. Four new government arts and science colleges will be started in Pudukottai, Theni, Tiruvannamalai and Viluppuram districts with assistance from the Union Government. Seven new polytechnic colleges will be started with central assistance in the coming academic year. In addition to this, a government polytechnic college will be started at Melur in Madurai district in the coming academic year.**

42. After this Government assumed charge, 2,515 lecturers have been appointed in government arts and science colleges and 279 lecturers have been appointed in government engineering and polytechnic colleges so far. Shift system has

been introduced in government colleges and polytechnic colleges and self financing courses in government colleges have been converted into general courses without fees. The common entrance examination for admission to professional courses like engineering and medicine has been abolished. A sum of Rs.50 crores has been allocated for this purpose in this Budget for the scheme of enabling students who do not have any graduate in their families to pursue professional education without paying tuition fee.

43. It was this Government which had abolished the tuition fee for all students studying undergraduate courses in government arts and science colleges from the year 2007-2008. **We take great pleasure in announcing that tuition fee of all students pursuing postgraduate courses like M.A., M.Sc. in government arts and science colleges will be abolished from the ensuing academic year.** It is a matter of pride that on account of all these measures, students have been enabled to pursue higher education without incurring any cost.

44. **Necessary buildings will be constructed at a cost of Rs.93 crores for the new engineering colleges started in the last two years at Panruti, Thanjavur, Dindigul, Thoothukudi and Kanyakumari through Anna Universities of Technology. 50 classrooms will be constructed in government engineering and polytechnic colleges at an estimated cost of Rs.3 crores in the coming financial year. A sum of Rs.3.89 crores has been earmarked for construction of laboratories in 10 government arts and science colleges and development of infrastructural facilities**

**in 19 government arts and science colleges. A centre of excellence will be established in Manonmaniam Sundaranar University, Tirunelveli.** Government will provide financial assistance of Rs.one crore for this purpose. A sum of Rs.1,751 crores has been allocated to Higher Education Department in this Budget.

### **Health and Family Welfare**

45. It will not be an exaggeration to state that the Kalaingar Health Insurance Scheme is the jewel in the crown among all achievements of this Government under the leadership of Kalaingar. 1.44 crore poor families have been enrolled under this revolutionary scheme so far. 54,145 persons have so far undergone treatment for life threatening diseases at a cost of Rs.165 crores. A sum of Rs.750 crores has been allocated in this Budget for payment of insurance premium under this scheme by the Government itself.

46. The free emergency '108' ambulance service is another scheme which has been appreciated by one and all like the Kalaingar Health Insurance Scheme. Under this scheme, 385 ambulances are functioning very well in the entire state. As a result, a total number of 3,50,906 persons have been benefited so far including 16,620 persons in critical conditions saved because of immediate admission to hospitals. A sum of Rs.79 crores has been allocated for this scheme in this Budget.

47. After this Government assumed office, 6,118 doctors, 7,042 nurses and 2,980 hospital workers have been

newly appointed in government hospitals. 117 new primary health centers have been started. Under the 'Varumun Kaappom' Scheme, in the last four years, 14,184 camps have been conducted and 1.37 crore persons have benefited.

48. **With a view to alleviating the hardship faced by poor patients suffering from Haemophilia in buying costly drug on a continuous basis, this drug will be provided in government hospitals free of cost.**

49. Infrastructural facilities in government hospitals have been improved in the last four years. Taluk and District level government hospitals are being improved at an estimated cost of Rs.506 crores with the World Bank assistance. An additional assistance of Rs.627 crores is expected from the World Bank for this project soon.

50. New government medical college hospitals have been sanctioned at five district headquarters namely Dharmapuri, Viluppuram, Tiruvarur, Sivanganga and Perambalur. **In addition, a new medical college will be established at Tiruvannamalai in the coming financial year.** New buildings, equipments and hostels have been sanctioned for existing medical college hospitals at a cost of Rs.543 crores. To commemorate the completion of 175 years of Madras Medical College, Hon'ble Chief Minister has laid foundation stone for new buildings for the college on 28.2.2010 at a cost of Rs.70 crores on the land previously occupied by the Central Jail. **Necessary hostel and auditorium facility for the students of this college will be constructed at an estimated cost of Rs.20 crores.**

**Department of Oncology in Government Royapettah Hospital, Chennai will be upgraded as an Institute of Oncology. A Cancer block with 150 beds will be constructed at an estimated cost of Rs.17 crores for this purpose. The Department of Anaesthesia at Madurai Government Rajaji Hospital, the largest department of Anaesthesia in the country, will be upgraded as an Institute of Anaesthesia.**

51. A provision of Rs.80 crores for maintenance of government hospitals and another provision of Rs.236 crores for purchasing medicine have been allocated. Overall, a sum of Rs.3,889 crores has been allocated for Health and Family Welfare Department in this Budget.

### **Electricity**

52. After this Government assumed charge, priority has been accorded to execute power generation projects in public sector itself through Tamil Nadu Electricity Board rather than solely depending on the private sector. Accordingly, works for 1,200 MW capacity in North Chennai thermal power station expansion project and 600 MW capacity expansion project at Mettur are under way at a fast pace. First unit of Koodankulam Atomic Power Plant is expected to be commissioned in the coming financial year. By way of projects of Tamil Nadu Electricity Board, Central Public Sector Undertakings and joint ventures, additional power generation capacity of 1,400 MW will be installed in the coming financial year.

## Industries

53. Thanks to the transparent approach and speedy approvals of suitable incentives for attracting investments to Tamil Nadu by this Government, Tamil Nadu has emerged as a frontrunner among the states where large number of new industries are being established. The fact that the industrialists have come forward to set up 37 new industries with an investment of Rs.46,091 crores in the last four years demonstrates the success of the industrial policy of this Government. On account of this investment, 2.22 lakh persons will get employment. In continuation of the establishment of tyre manufacturing units by Apollo Tyres, MRF, ATC Tires Company and French tyre manufacturing company Michelin in the last four years, JK Tyres has come forward to establish a tyre manufacturing unit near Sriperumbudur with an investment of Rs.1,500 crores. These investments confirm the fact that Tamil Nadu has transformed into a leading state in tyre manufacturing industry. The Mahindra group has also proposed to establish an automobile plant near Cheyyar in Tiruvannamalai district with an investment of Rs.1,800 crores. A car manufacturing plant of Renault-Nissan at Oragadam in Kancheepuram district with a capacity to manufacture four lakh cars per annum at an investment of Rs.4,500 crores has been inaugurated by the Hon'ble Chief Minister on 17.3.2010. **An industrial park will be set up by the State Industries Promotion Corporation of Tamil Nadu (SIPCOT) in Viluppuram district.**

54. With a view to encouraging dispersal of new industries throughout Tamil Nadu, additional incentives are being extended for setting up industries in industrially backward districts and particularly in the southern districts. As a result of this, Videocon group has come forward to establish a plant for manufacturing colour television sets and other electronic consumer durables, at Manamadurai in Sivaganga district with an investment of Rs.1,600 crores. Sundareshwar Alloys based in Indonesia and Hong Kong has come forward to establish industries in Madurai and Sivaganga districts for manufacturing tractors, steel alloys etc., with an investment of Rs.2,200 crores. Similarly, Chettinad Cement Corporation Ltd. has come forward to execute its second expansion project for manufacture of cement with an investment of Rs.680 crores in Dindigul district. Apart from this, 'Coastal Energen' is establishing a 1,200 MW capacity thermal power station with an investment of Rs.5,000 crores in Thoothukudi district.

### **Small Industries**

55. This Government is implementing the new small industries policy that was announced extending a lot of incentives to small scale industries which have the potential to generate large scale employment opportunities. Schemes according priority for improvement of infrastructural facilities in industrial estates and provision of common infrastructure as well as technical facilities in industrial clusters having concentration of specific industries in large numbers are being implemented. A sum of

Rs.98 crores has been allocated to small industries department in this Budget.

### **Information Technology**

56. Exports from Information Technology industries in Tamil Nadu have shown upward trend even in the face of worldwide economic recession. The value of software exports from Tamil Nadu has increased from Rs.28,426 crores in the year 2007-2008 to Rs.36,680 crores in the year 2008-2009. Recommencement of large scale recruitment of engineers and graduates by IT industries will help the youth from Tamil Nadu to continue to get jobs in this industry. In conformity with the policy of this Government that the employment opportunities generated by IT sector should be dispersed to all parts of the state, IT parks are being established in Municipal corporations like Coimbatore, Madurai and Trichy. 'TIDEL' IT Park at Coimbatore being established at an estimated cost of Rs.380 crores will be completed by May this year.

**57. Tamil Nadu State Wide Area Network (TNSWAN) which connects headquarters of various departments of Government of Tamil Nadu with offices at district, divisional and block levels through internet will be expanded at a cost of Rs.22 crores.**

58. The scheme for providing free colour televisions to families having no colour television is being implemented in an exemplary manner. Under the five phases of this scheme, 1,52,80,000 colour television sets have been ordered to be

procured and 1.08 crore colour television sets have been distributed to families of beneficiaries so far. Remaining 44.8 lakh colour television sets will be distributed by the month of December this year. A sum of Rs.500 crores has been allocated for this scheme in this Budget.

### **Development of Roads**

59. This Government is giving high priority to the maintenance and development of roads. Road works for a length of 55,100 Km have been undertaken in the last four years. Having regard to increasing traffic, highways for a length of 10,488 Km have been widened. Like never before, 92 railway over bridges (ROBs) have been sanctioned at a cost of Rs.1,967 crores and works taken up. Works for development of 725 Km roads from Arcot to Thiruvarur and from Nagapattinam to Thoothukudi taken up at a cost of Rs.1,333 crores with World Bank assistance under Tamil Nadu Road Sector Project are in an advanced stage of completion.

60. Works will commence soon for the Outer Ring Road taken up at a cost of Rs.1,081 crores with a view to augmenting road facilities in the periphery of Chennai Metropolitan Area (CMA). This work will be completed by the month of September, 2012. This six lane road will pave the way for the development of periurban areas of Chennai Metropolitan Area and also serve as an alternative road for goods transport.

61. Works for development of Singaperumalkoil - Oragadam - Sriperumbudur road are being taken up at a cost of

Rs.300 crores. A sum of Rs.165 crores has been allocated for this project in this Budget. **After provision of six laning of Rajiv Gandhi Salai, works for construction of grade separators at its major junctions will be taken up at an estimated cost of Rs.171 crores.**

62. **With a view to reducing the traffic congestion as well as considering the future growth prospects of the city of Coimbatore which is developing at a very rapid pace next only to Chennai, this Government has decided to build Western Outer Ring Road for Coimbatore as in the case of Chennai. This mega project for building a new 26 Km four lane road at a cost of Rs.284 crores will be implemented through public sector.** Along with reducing the traffic congestion in the western parts of the city, this new road which links all important roads of Coimbatore City will also provide a good opportunity for the future development of the sub-urban areas like Kuniyamuthur, Perur, Vadavalli, Marudhamalai and Thudiyalur.

63. **With a view to fulfilling the long standing demand of the people of Coimbatore and the Nilgiris districts, Union Government has accorded sanction for upgrading a portion of Coimbatore- Mettupalayam-Udhagamandalam road as a four lane road based on the request of the Hon'ble Deputy Chief Minister made in person to the Hon'ble Union Minister for Road Transport and Highways. This widening work will be immediately taken up through the State Highways department at a cost of**

**Rs.50 crores.** We convey our gratitude to the Union Government for this on behalf of the Government of Tamil Nadu.

### **Road Safety**

64. With the objective of averting road accidents, accident prone spots are identified and necessary rectification works are being carried out. Road Accident Data Management System that registers and analyses data in the computer regarding road accidents has been implemented. Moreover, officials from related departments such as police, highways and transport departments inspect every accident spot and take appropriate measures to avert accidents. The World Bank Mission reviewing the Tamil Nadu Road Sector Project has commended the fact that, eventhough, the overall number of vehicles has increased by 78 percent during the period from 2002 to 2008 as per the available statistics, the number of fatal accidents has gone down from 19 per 10,000 registered vehicles to 12 per 10,000 registered vehicles. A sum of Rs.40 crores has been allocated for road safety fund in this Budget.

### **Transport**

65. After this Government assumed charge, 12,137 new buses have been procured for the State Transport Undertakings during the last four years. **In addition, 3,000 more new buses would be purchased in the coming financial year.** A sum of Rs.250 crores has been allocated in this Budget for this purpose.

## Housing

66. Even now, poor people in rural areas of Tamil Nadu are living in thatched roof huts without having any protection from natural calamities. With a view to completely changing this pathetic situation, the revolutionary scheme of 'Kalaighnar Veetu Vasadhi Thittam', envisaged to create hut free villages in Tamil Nadu by converting all thatched roof huts in rural areas to permanent concrete houses was launched by Hon'ble Chief Minister Kalaighnar in Trichy on 3.3.2010. Under this scheme, in the first phase, 21 lakh thatched roof huts in rural areas will be converted to permanent concrete houses within a period of six years, with Tamil Nadu poised to become the first hut free state in India. Three lakh houses will be built at a cost of Rs.1,800 crores during the coming financial year, the first year of the scheme. **The work of constructing permanent houses under this scheme for all families living in thatched roof huts irrespective of their caste will commence in all village panchayats from the coming financial year itself. A sum of Rs.1,800 crores has been provided for this scheme in this Budget.**

67. **As in the case of 'Kalaighnar Veetu Vasadhi Thittam', the unit cost for the houses to be constructed under the scheme of the Union Government - Indira Awaas Yojana will also be increased to Rs.60,000 from the coming financial year by the State Government. A sum of Rs.262.50 crores has been allocated as State Government's share for**

**building one lakh houses under this scheme also in the coming financial year.**

68. In the urban areas also, permanent houses are being constructed in lieu of huts under the Jawaharlal Nehru National Urban Renewal Mission. In the coming financial year, 60,000 houses will be completed under this scheme.

### **Municipal Administration**

69. Tamil Nadu is the most urbanized state in the country measured in terms of the percentage of urban population to the total population. Recognising the need for providing infrastructural facilities commensurate with the increasing population in urban areas, the Government of Tamil Nadu has been implementing various schemes. Under the Jawaharlal Nehru National Urban Renewal Mission, schemes for providing drinking water, sewerage facilities, storm water drains, solid waste management, housing etc., are being taken up at an estimated cost of Rs.9,271 crores. Urban infrastructural facilities are being created with financial assistance of Rs.2,728 crores from institutions like World Bank, Japan International Co-operation Agency, German funding agency KfW.

70. With a view to fulfilling drinking water needs of people of Chennai city, this Government is implementing two major desalination projects for converting sea water to drinking water. A desalination plant at Minjur with a capacity of 100 Million litres per day is in its final stage of completion. Works for another desalination project at Nemmeli at a cost of Rs.669 crores have

commenced recently. **A sewage treatment plant with 120 million litres per day capacity will be constructed at Koyambedu at a cost of Rs.130 crores in the coming financial year.** Works for storm water drains and flood protection in Chennai Corporation sanctioned at a cost of Rs.1,447 crores will commence this month and would be completed in three years.

71. A comprehensive study conducted by The Chennai Metropolitan Development Authority regarding existing and future transport scenario in Chennai Metropolitan area has recommended provision of various transportation facilities with an investment of Rs.88,200 crores. In accordance with these recommendations, Government will consider augmenting the transport facilities in Chennai Metropolitan area in the coming years. **With the view of reducing the traffic congestion at intersections on Anna Salai, grade separators will be constructed at a cost Rs.500 crores utilising the resources of the Chennai Metropolitan Development Authority.**

72. The works of Chennai Metro Rail Project capable of fulfilling the transportation needs of Chennai City are underway. Works for the construction of the elevated viaduct from Koyambedu to Ashok Nagar are under progress. Contracts for the construction of the elevated viaduct from Ashok Nagar to St.Thomas Mount and Saidapet to Officers Training Academy have been awarded recently. As announced in the Governor's Address for the year 2009, investigation for including Thiruvottriyur in this project is under progress. A provision of Rs.600 crores has been made in this Budget as share of Tamil Nadu Government towards the Metro Rail Project.

## **Drinking Water**

73. Works have commenced for the Hogenakkal Combined Water Supply Scheme sanctioned at a revised estimate of Rs.1,929 crores with financial assistance from the Japan International Co-operation Agency. This project will be completed in December 2012. A sum of Rs.400 crores has been allocated for this scheme in this Budget. Further, a scheme for providing drinking water to the urban areas of Vellore district will be taken up in the coming financial year at an estimated cost of Rs.1,800 crores.

74. 7,000 rural habitations will be provided with protected drinking water supply in the coming financial year. Further, combined water supply schemes benefiting 5 municipalities and 45 town panchayats will be completed and put into beneficial use. A sum of Rs.1,183 crores has been provided for drinking water supply schemes in this Budget.

## **Rural Development**

75. Under Anaithu Grama Anna Marumalarchi Thittam envisaged and implemented for providing basic amenities to all the village panchayats in Tamil Nadu within a period of 5 years, basic amenities have been provided in 10,104 village panchayats at a cost of Rs.2,041 crores over the last four years. After taking up this scheme in remaining 2,514 village panchayats in the coming financial year, Tamil Nadu will achieve the distinction of being the first state in the country that has provided a library and a sports centre to all its village panchayats by the end of year

2010-2011. A sum of Rs.508 crores has been allocated for this scheme in the coming financial year.

76. Works for 22,758 Km rural roads have been completed at a cost of Rs.3,089 crores utilizing financial assistance from NABARD and grants under Pradhan Mantri Gram Sadak Yojana and 12<sup>th</sup> Finance Commission during the last four years.

77. Under the Mahatma Gandhi National Rural Employment Guarantee Scheme, daily wages have been disbursed for works taken up at an estimated cost of Rs.3,002 crores over the last four years. Villupuram and Nagapattinam districts have been selected for receiving awards for exemplary implementation of this scheme for the year 2008-2009 from Union Government. Further, Tamil Nadu continues to be one of the leading states in implementation of this scheme. This scheme will be implemented at an outlay of Rs.2,500 crores in the coming financial year. A sum of Rs.250 crores has been provided in this Budget as State Government's share in this scheme.

78. Under the scheme for establishing Periyar Memorial Samathuvapurams, 29 Samathuvapurams have been constructed in the last two years and works for another 30 Samathuvapurams are under progress. **Remaining 36 Samathuvapurams will be established in the coming financial year.** A sum of Rs.75 crores has been provided for this purpose.

79. 'Vazhnthu Kaattuvom' Project with the financial assistance from World Bank is being implemented successfully.

Under this project, income generating schemes for removing poverty of the poorest of the poor families are being implemented in 2,515 village panchayats of 15 districts at a cost of Rs.717 crores. A sum Rs.184 crores has been provided for this scheme.

80. There are over 20,000 community centres in rural areas of Tamil Nadu at present. Nevertheless, there has been a demand for constructing community halls for poor people in rural areas for the purpose of family functions and public functions. **With a view to fulfilling this need, all village Panchayats that do not have either a community hall or a marriage hall will be provided with a community hall, based on need, utilizing 13<sup>th</sup> Finance Commission grants for local bodies. On similar lines, in urban areas also, this facility will be provided in municipal corporations, municipalities and town panchayats after identifying suitable sites.**

81. **The devolution of funds to local bodies from state's own tax revenue would be increased from the present 9.5 percent to 10 percent in the coming financial year.** A sum of Rs.7,701 crores will be provided to local bodies in the form of devolution, assigned revenue and assistance for schemes in the coming financial year. Apart from this, I would like to mention that including expenditure incurred by the Government for providing basic services relating to primary education, water supply and public health on behalf of the local bodies, the total amount incurred by the State Government as direct financial assistance to local bodies and towards expenditure incurred by the State Government for the functions to be discharged by these bodies account for about 33% of the State's own tax revenue.

## Welfare of Women

82. This Government, after implementing reservation of seats to women in local bodies in Tamil Nadu, has been demanding for a long time for due representation to women in the Parliament and the Legislative Assemblies. We commend the Union Government for its determined act of getting the constitutional amendment passed in the Rajya Sabha in fulfillment of our long standing request. Recently, the United Progressive Alliance Chairperson Mrs. Sonia Gandhi has thanked our Hon'ble Chief Minister by saying that, "it would not have been possible to get this bill passed without the support and advice of the Hon'ble Chief Minister of Tamil Nadu Kalaignar." We firmly believe that this constitutional amendment bill will very soon be passed in Lok Sabha also.

83. Under the Moovalur Ramamirtham Ammaiyar Memorial Marriage assistance scheme for providing marriage assistance to women belonging to poor families, 2.92 lakh women have received financial assistance to the tune of Rs.520 crores over the last four years. The assistance amount under this scheme was increased from Rs.10,000/- to Rs.15,000/- in 2006-2007 and to Rs.20,000 in 2008-2009 by this Government. **I am glad to announce that, assistance amount under this scheme which brings light to the lives of poor women, will be further increased to Rs.25,000 from the coming financial year. A sum of Rs.300 crores has been provided for this scheme in the coming financial year.** Under the Dr. Muthulakshmi Reddy Memorial Maternity Assistance scheme

providing financial assistance to pregnant women, 19 lakh women have received financial assistance to the tune of nearly Rs.1,000 crores at the rate of Rs.6,000 each over the last four years. A sum of Rs.360 crores has been provided for this scheme in the coming financial year. **Further, with a view to enabling pregnant women getting iodine which is very essential for the development of the foetal brain, iodised salt will be provided to them free of cost in all fair price shops through Tamil Nadu Salt Corporation.**

84. Under the scheme for distribution of free gas stove and connection to those families who do not have the same, 17 lakh families have benefited at a cost Rs.381 crores so far. A sum of Rs.140 crores has been allocated to benefit additional six lakh families in the coming financial year under this scheme.

85. 1,11,728 new women self help groups comprising of 17.12 lakh women have been started over the last four years. A sum of Rs.229 crores has been disbursed to 2.29 lakh of self help groups as revolving fund. Moreover, as a result of the tremendous efforts taken by this Government, self help groups in Tamil Nadu were able to receive Rs.5,990 crores as bank loan. **In addition, 50,000 new self help groups will be formed in the coming financial year.** In view of the fact that only a small number of women self help groups have been formed particularly in urban slum areas, **priority will be given for formation of self Help groups consisting of women from the urban slum areas in the coming financial year. Similarly, in rural areas, self help groups will be formed from amongst the poor women participating in the Mahatma Gandhi National Rural**

**Employment Guarantee Scheme.** A sum of Rs.124 crores has been allocated for Tamil Nadu Corporation for Development of Women for providing various supportive measures to the women self help groups.

### **Welfare of Children**

86. After this Government assumed office, 6,822 new children centres and 4940 children mini-centres have been started over the past four years. With this addition, 18 lakh children and 5 lakh pregnant women and lactating mothers benefit through 54,439 children Centres in Tamil Nadu. **9,045 Nutritious Meal Centres will be provided with kitchen sheds for at an estimated cost of Rs. 200 crores in the coming financial year. A sum of Rs.178 crores has been allocated for providing three eggs per week to 69 lakh children and students having nutritious food.** A sum of Rs.891 crores for the Integrated Child Development Scheme and a sum of Rs.924 crores have been provided for the M.G.R. Nutritious Meal Programme.

### **Welfare of Differently Abled Persons**

87. List of physically disabled persons includes all those human beings who suffer from hearing impairment, loss of vision, speech disorder and loss of limbs. Instead of ignoring these persons as being incapable of using a particular organ or without putting them in some special list; without calling them by the existing categorisation like blind, deaf, lame, dumb, crippled, mentally ill which sound derogatory; and instead of using the

general term 'physically handicapped', based on the scientific fact that if the functioning of one organ of the body diminishes, then the capacity of some other organ of the body naturally improves to an extent, referring them as 'differently abled' was discussed a few years back in 2007 in the United Nations and a convention was adopted and ratified.

88. India is seventh amongst the countries which have adopted and signed this convention. **This Government will take all necessary steps for enabling the differently abled persons to lead their lives getting their due share in all livelihood rights such as education, health facilities, employment and with equal rights and opportunities in the society, in accordance with this convention. Further, we urge the Union Government to expeditiously amend the Persons with Disabilities (Equal opportunities, protection of Rights and Full Participation) Act, 1995 in consonance with this Convention.**

89. **The upper income limit prescribed for 'differently abled persons' availing assistance under various welfare schemes of Government will be completely removed. After having exempted the differently abled persons from the payment of the tuition fee enabling them to pursue higher education, this Government will also exempt them from paying special fees from the coming academic year. Monthly assistance of Rs.200 towards food charges to the students staying in the homes for the 'differently abled persons' run by the Government and voluntary organizations will be enhanced to Rs.450 henceforth.**

90. Presently only Chennai in our state has an exclusive government hospital for mental health with inpatient facilities. Having regard to the fact that mentally ill patients from southern districts also have to come to this hospital for treatment, **an Institute of Mental Health will be established at Theni for southern districts at an estimated cost of Rs.10 crores.** This Government will provide financial support to voluntary organisations running rehabilitation homes for the mentally ill providing them accommodation and medical counselling. **Under this scheme, financial assistance will be provided to 10 rehabilitation homes for mentally ill at the rate of one home for every three districts in our state.** Government will provide Rs.one crore every year for this purpose.

91. For the first time in India, a separate welfare board was formed for extending social security and giving assistance under welfare schemes to the differently abled persons in Tamil Nadu. This Government has introduced a scheme for providing maintenance allowance of Rs.500 per month without income ceiling to mentally retarded persons who are not even able to take care of themselves. About 50,000 persons are benefited every year. Various scholarships to visually impaired persons and other differently abled persons have been doubled. Special employment opportunities have been created for them to work as teachers. Special schools have been established in every district for identifying hearing impairment in early stages of the childhood and giving specialised education to the affected ones. Besides providing travel concessions, the persons suffering from the disabilities of limbs have been provided with various forms of

assistance such as motorised tricycles for the first time in India. As a result of extending the scheme for providing monthly assistance to the unemployed visually impaired persons to all the differently abled persons, 60,000 persons have been benefited under this scheme. With a view to providing assistance to the persons affected with Muscular Dystrophy, for the first time in India, monthly assistance of Rs.500 is being provided to around 1,000 persons from the year 2008-2009.

92. A scheme for providing treatment to the persons affected with elephantiasis is under implementation through Health and Family Welfare Department. **Nevertheless, the severely affected patients coming under Grade IV category of this disease, who are not able to use their limbs, will be provided with monthly assistance of Rs.400 starting from the coming financial year.**

93. With a view to bringing light to the lives of differently abled persons, this Government is implementing various welfare schemes by allocating funds unmatched before. Besides increasing the expenditure on the welfare of differently abled persons from Rs.49 crores in the year 2005-2006 to Rs.176 crores in the coming financial year, **I am glad to announce that a separate department for differently abled persons will function under the direct supervision of the Hon'ble Chief Minister.**

### **Welfare of Old and Destitute**

94. Under the Indira Gandhi National Old Age Pension Scheme, over 9 lakh old persons are receiving a monthly assistance of Rs.400. Union Government and State Government are contributing equal amount for this scheme. With this, 1 lakh differently abled destitute persons, 6 lakh widow destitutes, 1.69 lakh agricultural labourers and 1 lakh destitute women receiving monthly pension, a total number of 19 lakh old age and destitute persons are receiving monthly pension in Tamil Nadu. In this Budget, a sum of Rs.1,002 crores has been allocated for giving monthly pension to the old and destitutes.

### **Welfare of Fishermen**

95. This Government is implementing various welfare schemes for the fishermen such as waiving the loans taken by them, providing financial assistance during the period of ban on fishing, establishing Fishermen Welfare Board, providing nets, bicycles, torches, life saving jackets, first aid boxes to Tsunami affected fishermen and providing infrastructural facilities like development of Fishing Harbours and Fish Landing Centres. A sum of Rs.193 crores has been allocated to the Fisheries Department in this Budget.

### **Welfare of Backward Classes, Most Backward classes and Denotified Communities**

96. This Government has been instrumental in allowing additional 4,000 students to stay and study in the Backward

Classes, Most Backward Classes and Denotified Communities hostels, providing colour television sets in these hostels, increasing the income ceiling for availing scholarship to Rs.one lakh and providing entirely free education to the students from Backward Classes studying in government and aided colleges. **Own buildings will be constructed for 25 hostels presently functioning in private buildings at a cost of Rs.12.5 crores.** A sum of Rs.10 crores has been allocated to impart employment oriented training to 10,000 youth belonging to Backward Classes, Most Backward Classes and Denotified Communities in the coming financial year. **Business loans to the tune of Rs.35 crores will be provided to the entrepreneurs belonging to Backward Classes, Most Backward Classes and Denotified Communities through the Tamil Nadu Backward Classes Economic Development Corporation.** A sum of Rs.459 crores has been provided in this Budget for the welfare of the Backward Classes, Most Backward Classes and Denotified Communities.

### **Minorities Welfare**

97. This Government established a separate Directorate for the welfare of the minorities in 2007. In addition to this, 3.5 percent special reservation has been implemented by this Government for Backwards Class Muslims. 1.5 lakh students belonging to minority communities are pursuing education in schools, colleges and technical education institutions availing financial assistance of Rs.40 crores under the scheme of scholarship of the Union Government. With a view to enabling Muslim girls to pursue their education without any break,

5 new girls' hostels have been established in 2008-2009. Training programs are being implemented for enabling youth belonging to minority communities to equip them to avail employment opportunities. A sum of Rs.2.5 crores has been allocated for imparting skill development training to 8,000 youth belonging to minority communities in the coming financial year also. Loans are being sanctioned by the Tamil Nadu Minorities Economic Development Corporation for self employment of minorities. **Business loans to the tune of Rs.25 crores will be sanctioned to 12,500 entrepreneurs belonging to Minority Communities in the coming financial year.**

98. Adi Dravidar Christians have been demanding for a long time that they should be included in the list of Scheduled Castes and should be given all concessions including reservation granted to Scheduled Castes. Having regard to the fairness in that demand, the Government of Tamil Nadu urges the Union Government to bring necessary constitutional amendment in fulfillment of the demand.

### **Adi Dravidar and Tribal Welfare**

99. This Government is implementing various schemes for the educational and economic development of the Adi Dravidars and Tribals. 51 new hostels have been established over the last four years. Own buildings have been sanctioned for 99 hostels. Moreover, all these hostels have been provided with colour television sets and computers. **Own buildings will be constructed for additional 25 hostels at a cost of Rs.12.5 crores in the coming financial year.** From the year 2008-2009,

this Government is implementing the scheme of selecting outstanding students from Adi Dravidar and Tribal communities with a view to enabling them to pursue studies in the best schools from sixth and eleventh standards onwards. A sum of Rs.198 crores has been allocated in this Budget for providing scholarships to the students belonging to Adi Dravidar and Tribal communities.

100. As a result of provision of special reservation to Arundhatiars within the overall reservation by this Government with a view to ushering a new beginning in the lives of Arundhatiars living in the lowest strata of the society, more number of Arundhatiar students are able to pursue higher education and secure government jobs. Hon'ble Members of this Assembly are aware that this Government has endeavored to lit light in their lives abolishing the abhorrent practice of manual scavenging with determination; by providing financial assistance and training to the people previously engaged in this work enabling them to take up alternative employment; by constituting a welfare board for sanitary workers and by using desilting machines to clean sewer lines.

101. The scheme for imparting vocational training to youth belonging to Adi Dravidar and Tribal communities will continue to be implemented in the coming financial year also. 20,000 youth will be benefited by utilising the allocation of Rs.25 crores as the special state assistance along with the special central assistance. **With a view to enabling Adi Dravidar students pursuing degree in engineering secure employment in Information Technology sector, 1,200 of them will be given**

**training in computer software, spoken English etc., through Finishing Schools.** Overall, a sum of Rs.894 crores has been allocated to Adi Dravidar and Tribal Welfare Department. **I am glad to inform that, the allocation for Scheduled Castes Sub-Plan has been increased from Rs.567 crores in 2005-2006 to Rs.3,828 crores in this Budget and this allocation is 19 percent of the total plan outlay.**

### **Welfare of Weavers**

102. With a view to providing employment opportunities to handloom weavers, a sum of Rs.256 crores has been allocated in this Budget for implementing the scheme for distribution of dhotis and sarees to the poor people on the occasion of the Pongal, the festival of Tamils, in the coming year also. In order to promote the sales of handloom cloth, a sum of Rs.118 crores has been allocated in this Budget for the scheme of providing rebate subsidy. It is this Government which is providing power supply free as well as at subsidized rates to handloom and power loom weavers. A sum of Rs.78 crores has been allocated for this scheme.

103. Hosiery industry in the town of Tiruppur is providing jobs to lakhs of workers and has acquired a special place in Indian exports by way of exporting goods worth over Rs.10,000 crores every year. **Besides expressing our gratitude to the Union Government for accepting the request of this Government and announcing a financial assistance of Rs.200 crores in this year's Union Budget for the effluent treatment plants being established by the dyeing units which are**

**very essential for this industry, I would like to inform that this Government will also provide a financial assistance of Rs.120 crores as its share as already promised. A sum of Rs.320 crores has been provided in this Budget for this purpose. Besides this, necessary steps are being taken for implementation of the project for marine discharge of treated liquid effluents containing salt by availing the financial assistance of Rs.200 crores provided by the Thirteenth Finance Commission for this purpose.**

### **Welfare of Palm Workers**

104. Palm Workers Welfare Board was constituted by this Government and 31,000 palm workers have registered so far with the Board and have received welfare assistance of over Rs.80 lakhs. They have also been given free tools. **I am glad to inform that, accepting the demand of the palm workers for enhancing the price of Rs.7 per litre given by the Palm Board for procuring Neera from them, henceforth, the procurement price for Neera will be increased to Rs.10 per litre. In addition to this, the Tamil Nadu Palm Board will be given Rs.one crore as grant from the Government of Tamil Nadu to install chilling facilities to store Neera procured by it, acquiring necessary transport facilities and supplementing working capital required for procuring jaggery and Neera.**

### **Welfare of Khadi Workers**

105. **24,000 workers are engaged in khadi spinning and weaving industry. A Khadi Spinners and Weavers Welfare Board will be established for their welfare.**

### **Welfare of Labourers**

106. This Government is providing various forms of welfare assistance to the unorganised labourers and their families by establishing various welfare boards for them. 25.9 lakh persons have been registered in these welfare boards since this Government assumed office. 8.33 lakh persons have received welfare assistance valued Rs.208 crores. Over the last four years, Government has granted assistance of Rs.128 crores to these welfare boards. A sum of Rs.50 crores has been allocated in this Budget for this purpose.

### **Welfare of Potters**

107. **This Government is providing various welfare benefits to potters by forming a welfare board for them. With a view to helping them, 500 electrically operated potter's wheels will be provided free of cost.**

### **Welfare of unemployed**

108. 3.53 lakh unemployed persons have been provided with financial assistance of Rs.52 crores during the financial year 2009–2010. A sum of Rs.60 crores has been allocated for this scheme in the coming financial year.

## Government Employment

109. This Government has lit light in the lives of youth who were waiting to secure government jobs for a period of five years by taking a number of effective measures to fill up the vacancies in government departments, local bodies, boards and public sector enterprises by appointing 4,65,748 persons in the time scale of pay in the last four years.

## Vocational Training

110. In order to produce students with technical skills as expected by the industry, 22 government industrial training institutes are being upgraded as centres of excellence at a cost of Rs.63 crores. In addition to this, another 24 government industrial training institutes are being developed under Public – Private Partnership. **In the coming financial year, vocational training will be imparted to 1,27,000 persons comprising of 50,000 youth through government industrial training institutes, 42,000 youth and women through Rural Development Department and 35,000 youth through Polytechnic colleges.**

## Forests

111. For the first time in the country, this Government is implementing the scheme for growing trees on private farm lands since 2007-2008. In view of the good response to this scheme from the farmers, the provision for this scheme will be raised to Rs.15 crores in the coming financial year. The scheme for

growing teak trees for preventing soil erosion on river banks will be continued in the coming financial year also with an allocation of Rs.10 crores. As announced in the Governor's address, 'Environment Protection and Renewable Energy Development Fund' has been established. A sum of Rs.10 crores is allocated for this fund in the coming financial year. National Bamboo Mission is being implemented since 2007 for growing thornless Bamboo trees that absorb green house gas emissions, on the lands not used for growing food crops. Training and subsidy have been provided to farmers under this scheme for planting bamboo over an extent of 3,250 acres. This scheme will continue to be implemented in the coming financial year also and more area will be covered. Overall, a sum of Rs.385 crores has been allocated to Forest Department in this Budget.

### **Nationalisation of Books of Tamil Scholars**

112. The Government of Tamil Nadu has been implementing the scheme of nationalisation of books of Tamil scholars who have rendered great service to the Tamil language and Tamil society by way of their creations with a view to ensuring their works benefit not only the present but also the future generations. Government of Tamil Nadu has nationalised works of 117 Tamil Scholars so far. The credit for nationalising the works of 110 of these scholars goes to DMK Government alone. In that, books of 87 Tamil scholars such as Parithimarkalaignar who was the first to give a call that Tamil meets the criteria of a classical language, Pulavar Kuzhanthai, Muttamil Kavalar K. A. P. Visvanatham, Sollin Selvar

R.P.Sethupillai have been nationalised after this Government assumed office since 2006 paying a solatium of Rs.5.70 crores to their legal heirs. **In continuation of this exemplary service to Tamil, works of 22 Tamil Scholars, namely, Prof.A.M. Paramasivanandam, Prof. A. Krishnamurthi, Dr. S.M. Kamal, P.Ramasami, Prof. R.Seenivasan, V.S.Sengalvaraya Pillai, Kavignar Velliyangattan, N.D.Sundaravadivelu, Dr.C. Balasubramanian, Mayilai Sivamuthu, Kazhi Siv. Kannusami Pillai, K.P.Neelamani, Kaviraj Pandit Jagaveerpandiyar, A.Thirumlaimuthusami, Navraj Chellayya, Thirukudasundharam, Prof. Sundara Sanmuganar, Thanjai Ramayyadas, Kavignar Tharabharathi, Aruthanakutti Adigalar, Saroja Ramamurthi and A.Seenivasan will be nationalised in the year 2010-2011.** The solatium to be paid to the legal heirs of these scholars will be decided on the basis of the number of books written by these scholars, their impact on the society and their significance.

### **Tamil Development**

113. It was this DMK government, which after forming the Government under Perarignar Anna in 1967 renamed the Madras State as 'Tamil Nadu'; conducted the Second World Tamil Conference in 1968 proclaiming the principle "Tamil everywhere, Tamil in everything"; installed the statues of ten Tamil savants on the Chennai Beach Kamarajar Road; displayed Thirukkural along with the picture of Saint Thiruvalluvar on government buses; established the system of commencing the daily business of the Legislative Assembly after reciting

Thirukkural; started mentioning the Thiruvalluvar Year in the Diary of the State Government from January 1971 and the Gazette of the State Government from the January 1972 based on the opinion of the scholars that Saint Thiruvalluvar was born in 31 B.C.; erected the world famous 133 feet high statue of Saint Thiruvalluvar at the Cape in Kanyakumari in addition to establishing the Valluvar Kottam in Chennai; introduced the practice of celebrating the next day after Pongal as Thiruvalluvar Day; added to the glory of Tamil culture by enacting a law and declaring that the first day of Thai will be the Tamil New Year day; established the Silappadikaram Art Gallery in Poompuhar; erected memorials, statues and memorial halls in the memory of Tamil kings, poets and great men; created a separate department for Tamil development; along with the teaching of Tamil as first language in schools and colleges, enacted the law that learning of Tamil language will be compulsory in schools till Class X with a view to further improving the situation that about 75% of the 1.49 crore students studying in the 53,548 schools, that is, 1.10 crore students are studying in Tamil medium; honoured Tamil scholars by instituting government awards in the names of Tamil scholars; nationalised the works of 110 Tamil scholars including Parithimar Kalaigal, Devaneyya Pavanar, Thiru.Vi.Ka, Maraimalai Adigal and Pulavar Kuzhanthai; conducted the World Internet Tamil Conference in 1999; established the Tamil Virtual University to promote the growth of Tamil in computing; secured the status of Classical Language for Tamil from the Union Government, a landmark achievement in the development of Tamil; took efforts to establish the Central Institute of Classical Tamil in Chennai and succeeding in it; facilitated the award of the

President's "Kuralpeeda Award" and "Tholkappiar Award" on nationally and internationally renowned Tamil Scholars and is now going to conduct the World Classical Tamil Conference in June 2010 in a grand manner astonishing the entire world, thus establishing the greatness of Classical Tamil. The credit for the most of these achievements goes to the Hon'ble Chief Minister Muthamil Arignar Kalaignar. All these have been possible due to the good fortune of having the scholar Kalaignar in power who has been working faster than the wheels of time, day and night without rest and sleep, and with a zeal that even if seasons fail, he shall not fail in his duty.

It is for this reason that, the Union Government and the media compliment the State Government and commend that in terms of achievements in various sectors, the Tamil Nadu Government stands first in the country and in some sectors it is a role model for other states. I am very happy to see the entire country being amazed at the welfare promoting achievements of Hon'ble Chief Minister Kalaignar who has been working in accordance with the truths in the Kurals,

‘ஒளியொருவற்கு உள்ள வெறுக்கை;

*'Greatness consists in aspiration for noble achievement',* and

‘கடனென்ப நல்லவை எல்லாம்’

*'For those pursuing the path of rectitude and perfection, whatever is good.*

*Will become a bounden duty to be performed'.*

114. This Government will continue to strive for making Tamil one of the official languages of the Union Government and

a language of transaction in the Madras High Court. **The facility for pursuing engineering degree in Tamil medium will be introduced in Anna University engineering colleges from the coming academic year.**

115. **This Government has decided to establish 'Tolkappiar World Tamil Sangam' on an extent of 14.15 acres of levelled land in Tallakulam area in Madurai ordered earlier to be earmarked for establishing World Tamil Sangam in 1982. A museum depicting the pinnacle of arts, literature and culture of Tamil Nadu and a convention centre for Tamils all over the world which will also facilitate research in Tamil with the statues of poets of Sangam age and Tamil Scholars in chronological order duly installed therein.**

### **World Classical Tamil Conference**

116. The World Classical Tamil Conference will be held in Coimbatore from 23<sup>rd</sup> June to 27<sup>th</sup> June, 2010 in a grand manner. In this connection, 21 committees consisting of Hon'ble Ministers, Tamil scholars and eminent persons have been constituted and the Hon'ble Chief Minister has been providing necessary guidance and leadership to them for identifying the necessary tasks and executing them well. Under his leadership, preparations are being made to conduct this conference in a manner which would find a permanent place in the hearts of Tamils all over the world. Works amounting to Rs.300 crores have been approved by various departments for this purpose and they are under different stages of execution.

117. This is the first World Classical Tamil Conference being held after the Union Government honoured our mother tongue Tamil by declaring it as a classical language. Opportunities have been provided for all Tamil scholars to participate in this conference and for presenting papers on their views regarding literary heritage and greatness of Tamil and evidence thereof, present trends and its future needs under 56 broad subjects. As never before, 6,086 scholars proposing to present research papers and 1,270 delegates belonging to 50 countries including India have registered their participation signifying the tremendous response accorded by the Tamil speaking world to this historic event being held under the leadership of the Hon'ble Chief Minister Kalaignar. Several seminar halls will be erected in the CODISSIA complex at Coimbatore where research papers, selected by committees of experts, will be presented by their authors. A Tamil Internet Conference will also be held as a part of this conference.

118. In connection with the World Classical Tamil Conference being held with the motto 'All beings are born equal', it is proposed to establish a large botanical garden named 'Garden of Classical Tamil' on the 165 acres of land presently occupied by the Coimbatore Central Prison. In the first phase, works will be commenced soon on 49.4 acres of land at this site. In consultation with reputed landscape architects, this garden will be established at a cost of Rs.20 crores in a manner that would allow the general public to see and enjoy all plant species at a single place.

## Tourism

119. A number of new initiatives have been undertaken such as development of lesser known tourist destinations, eco-tourism, adventure tourism, rural tourism, inculcating the culture of hospitality among those employed in tourism related industry under the 'Virunthinar Potruthum, Virunthinar Potruthum' (care for the guest) scheme.

120. Various tourist destinations have been developed at a cost of Rs.219 crores over the last four years. Significant development works have been undertaken at the tourist places like Yelagiri, Kollimalai, Tharangambadi, Mamallapuram, Puliancholai, Valparai, Hogenakal, Courtallam, Tirukkadaiyur, Pazhaverkadu, Tirparappu, Suruli falls, Kovai Courtallam, Madurai Meenakshi Amman temple complex, Marina Beach, Chettinad, Kancheepuram, Arupadai Veedugal, Chozhanadu thirupathigal, Kodaikanal, Udthagamandalam, Mudumalai, Anaimalai, Rameswaram, Tiruvannamalai, Thanjavur, Tiruvarangam, Kumbakonam, Sappthavidanga thalangal and Tiruchendur. **An Eco-Park will be established at Tirupparankunram in Madurai district at an estimated cost of Rs.4 crores.**

121. **The scheme for providing financial assistance to the entrepreneurs who undertake hotel and tourism projects in lesser known tourist destinations will be extended to Kalvarayan hills, Thali, Parali, Kodiveri, Pollachi, Pachaimalai, Koothanur, Pichhavaram, Kurangani, Vaigai dam, Srivilliputhur, Kattabomman fort, Tiruchengode, Sikkal.**

## Memorials

122. It has been brought to the notice of the Government that memorial of martyr Vanchinathan - who shot dead Mr.Ashe, the then British District Collector of Tirunelveli, at Maniyachi Railway station and killed himself - for which the foundation stone was laid on 8.8.1957 still remains unbuilt. **This Government has decided to build a memorial in Shenkottai the birth place of this martyr.**

123. Virupatchi Gopal Naicker fought from the frontline in the battle against the British in Dindigul area. He provided military assistance and protection to Rani Velu Nachiyar of Sivaganga and Umaidurai of Panchalankurichi. He had established contact with the ruler of Mysore Tipu Sultan and was of great support to him in the battle against British. Gopal Naicker was the one who brought together Marudu brothers, Kannada chieftain Tundajiwagh, Keralavarma and Haji Khan of Kovai to fight the South Indian war of independence against the British. Finally, he and his son Muthuvellaia Naicker were hanged by the British. **A memorial will be constructed at Virupatchi in memory of Gopal Naicker who sacrificed his life for the independence of the country.**

124. If one facet of history is that of Sundaralingam- one of the illustrious generals of Veerapandiya Kattabomman in his fight against the British- who belonged to Adi Dravidar community and finally ending his own life, the other facet of history is that of the great warrior Nelkatumseval Pooli Thevan who fought against the British in Nellai region even prior to Veerapandiya

Kattabomman. 'Ondiveeran' belonging to Arundhatiar community, was commander-in-chief of Pooli Thevan's army in various fights against the British. Having erected the memorials for Kattabomman, Pooli Thevan and Sundaralingam, **this Government which provided three percent reservation within the overall reservation to Arundhatiars, will build a befitting memorial for Ondiveeran- freedom fighter belonging to Arundhatiar community- in Tirunelveli region.**

125. Everyone is well aware of the fact that it was this Government which named the Government Estate on the Anna Salai at Chennai as Omandurar Government Estate in 1998. **As an everlasting tribute to Omandur Ramasami Reddiar, who was the Chief Minister of Tamil Nadu from 1947 to 1949, this Government will construct a memorial at Omandur, his native village.**

### **Welfare of Transgenders**

126. Having constituted a welfare board for the Transgenders living on the margins of the society, welfare benefits such as family cards, house site pattas, housing, job training and financial assistance to start a business either individually or through self help groups are provided to them. Further, a sum of Rs.one crore is provided in this Budget for their welfare.

## **Sports and Youth Welfare**

127. The scheme for establishing playgrounds and supplying sports material to village panchayats is being implemented through the Rural Development Department. By the end of the coming financial year, all the village panchayats will have this facility. In addition to this, sports stadiums and swimming pools have been built in many towns of Tamil Nadu over the last four years. **Further, two swimming pools and two sports stadiums and sports grounds at five Taluk headquarters will be established in the coming financial year.**

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

128. Since this Government assumed office, 4,020 temples have been renovated at a cost Rs.387 crores in the last four years and Kudamuzhukku has been performed. **In the coming financial year, 1,100 temples will be renovated at a cost Rs.100 crores and Kudamuzhukku will be performed.**

## **Welfare of Journalists**

129. This Government is implementing welfare schemes for journalists by increasing their pension to Rs.4,000 and their family pension to Rs.2,000; establishing a Journalists Welfare Fund with a corpus of Rs.one crore and providing house site pattas to 203 journalists at concessional prices. These welfare schemes will continue to be implemented in the coming financial year. After this Government assumed charge, journalists have

been given house site pattas in cities like Chennai, Tirunelveli, Dindigul, Trichy, Thanjavur, Vellore and Salem. On similar lines, **eligible journalists in Coimbatore also will be provided house site pattas in the coming financial year.**

### **Welfare of Advocates**

130. **Accepting the demand of the Bar Council of Tamil Nadu, Government of Tamil Nadu will provide an one time grant of Rs.two crores to enable disbursement of financial assistance to the family members of deceased advocates from Advocates Welfare Fund administered by this council.**

### **Film and Television Industry**

131. This Government has provided 90 acres of land near Chennai for constructing multistoried residential apartments for those engaged in film and television industry including workers. A welfare fund for television artists with a corpus of Rs.one crore and a welfare board for artists from film and television industries have been established. With a view to encouraging film industry which generates thousands of jobs, films having title in Tamil will continue to be exempted from the entertainment tax.

132. **This Government has decided that the birth centenary of M. K. Thyagaraja Bhagavathar who was a master of the seven notes of music and an outstanding actor**

**of Tamil film industry of yesteryears, will be celebrated in a grand manner.**

### **Welfare of Government Employees and Pensioners**

133. This Government has not only restored the benefits withdrawn from government employees, but has also implemented the revised pay scales based on the recommendations of the central 6<sup>th</sup> pay commission. Services of about three lakh employees who were on consolidated pay have been regularised by granting time scale of pay. 10,413 legal heirs of deceased government employees have been provided with government jobs. Maximum amount provided to government employees as house building advance has been increased from Rs.6 lakhs to Rs.15 lakhs. Noon Meal Workers who were getting consolidated pay have been given special time scale of pay and retired Noon Meal Workers have been provided with special pension. I would like to inform that, the report of the one man commission constituted to examine anomalies, if any, in the revised pay scales and make suitable recommendations to the Government is expected to be received by the end of this month and appropriate orders will be passed shortly. Tamil Nadu is the first state in India where a health insurance scheme has been started for government employees. Under this scheme, 12 lakh employees have enrolled and so far 73,648 employees have benefited with medical treatment worth Rs.227 crores.

134. Besides sanctioning revised pension to the pensioners, this Government has been showing its concern for the welfare of pensioners by various measures like increasing the

ceiling on financial assistance from Rs.50,000 to Rs.one lakh under the Pensioners Health Fund scheme for medical treatment, declaring the spouse of the pensioner also eligible for assistance under this scheme, extending this scheme to the family pensioners as well and providing Rs.27 crores to make good the shortfall in this scheme.

### **Annual Plan**

135. With the objectives of ensuring social justice and inclusive growth, the Eleventh Five Year Plan is being implemented with an outlay of Rs.85,344 crores from the year 2007-2008. Annual Plans have been implemented at an outlay of Rs.14,000 crores in the year 2007-2008, Rs.16,000 crores in the year 2008-2009 and Rs.17,500 crores in the year 2009-2010. **It is proposed to enhance the annual plan outlay further and implement the Annual Plan for 2010-2011 with an outlay of Rs.20,000 crores.**

### **Taxes**

136. Value Added Tax (VAT) was introduced in our state with effect from 1.1.2007. In the last four Budgets, this Government has announced exemptions from and reductions of tax on several commodities, giving priority to essential food items to contain the rise in price. Considering various representations, the Government has granted exemption on major food items like Pulses and Grams, Flour of Pulses and Grams, Edible oil, Tamarind, Chillies, Coriander, Turmeric, Asafoetida, Mustard and Spices. Jaggery and Gur (including Nattu sakkarai) were fully

exempted from tax. The small manufacturers of other goods like Flour were also granted exemption in respect of the tax payable on the purchase of Pulses and Grams, Peas and Peas Dhall.

137. Further the standard rate of 12.5% applicable to the following commodities was reduced to 4%.

- (1) Unbranded Coffee
- (2) Masala Powder with Brand Name
- (3) Bajji Flour
- (4) Energy Flour (Sathu Mavu)
- (5) Ghee
- (6) Vanaspathi
- (7) Unbranded Bakery Products.
- (8) Branded Pickles
- (9) Dry Grapes.

138. To benefit the small manufacturers, the rate of tax was also reduced to 4% on sale of Wet Grinders, unbranded Steel Furniture, All Plastic Goods (Other than Doors, Windows, Frames, Profiles, Automobile, Industrial and Sanitary Items), Mop made of Cotton Yarn, Fasteners, including Nails, Bushes, Washers and Rivets, unbranded Footwear (exceeding sale value of Rs.200/-), Mosaic Chips, Files and Plastic Photo Frames.

139. Ever since this Government has assumed office, Pre-Budget meeting is convened every year with representatives of the trade and industry. Taking into consideration the requests made during the Pre-Budget meeting on 1.3.2010, the following tax concessions are announced for the benefit of the consumers:-

- The exemption granted to pepper, cumin seed and aniseed with some condition in the previous Budgets is now extended to the powders of these items. Besides,

there will be no levy of purchase tax on the inputs (raw materials).

- Aloe Vera, an agricultural product with medicinal properties is used for manufacturing of juices, cosmetics and laxatives. To encourage small manufacturers of these products, exemption from tax will be granted to dealers of Aloe Vera products whose aggregate annual turnover does not exceed Rs.one crore in a year.
- Considering the demand for sugar, exemption will be granted on imported sugar for a period of one year from tax to contain the open market price.
- To encourage use of non-conventional energy and facilitate pollution-free atmosphere, fuel manufactured out of municipal solid dry waste will be granted exemption from tax.
- To encourage use of bio-degradable goods, exemption from tax will be granted on plates, cups, including thonnai manufactured out of areca palm leaf.
- To benefit poor people, Palmyra rafters used as beams in huts and small houses will be granted exemption from tax.
- To benefit fishermen, exemption from tax will be granted on Ice bars/blocks.
- To benefit weavers and also to promote handloom textiles, exemption will be granted from levy of tax on sale or purchase of Zari excluding polyester film yarn and radiant yarn.

Further, I am glad to announce that the existing rate of 12.5% will be reduced to 4% in respect of the following commodities:-

- (1) Branded coffee powder (other than instant coffee).
- (2) Paint brush
- (3) Branded sweets and savouries
- (4) Knives, scissors and tailoring items such as hand needles, hooks and buttons.
- (5) Branded ready mix food products ( in the form of flour, powder or wet dough)

The announcement of tax exemptions and reductions made now, will take effect from 1.4.2010.

140. As announced in the Budget for the year 2008-09, the Tamil Nadu Sales Tax (Settlement of Arrears) Act was enacted. This Act was in force from 1.11.2008 to 31.3.2009 and was extended further from 3.8.2009 to 2.11.2009 based on the requests made by the trading community. Under this scheme, 10,250 applications for settlement of arrears were received and an amount of Rs.85.39 crores was collected. This is the highest collection made under such similar schemes introduced in the past. Now, representations have been received for introduction of a similar scheme to settle the arrears for further period. Considering the introduction of TNVAT Act from 1.1.2007 and also the representations from the associations of trade and industry, a scheme for settlement of arrears under the Tamil Nadu General Sales Tax Act and Central Sales Tax Act will be introduced during this session.

141. Necessary amendments will be brought relating to the provisions of Tamil Nadu Value Added Tax Act, 2006 and its

rules in order to further simplify and fine-tune the procedures. The details of such amendments will be announced when the Demand for Grant of the Commercial Taxes Department is taken up.

### **Overall Financial Position**

142. Hon'ble Speaker Sir, I am now presenting the fiscal projections for the Budget Estimates for the year 2010-2011. The total revenue receipts of the Government for 2010-2011 are estimated at Rs.63,091.74 crores and the total revenue expenditure is estimated at Rs.66,488.19 crores. Accordingly, revenue deficit is estimated at Rs.3,396.45 crores. Implementation of recommendations of Sixth Pay Commission is the main reason for this deficit.

143. The total capital expenditure of the Government, including loans and advances (net) in 2010-2011 is projected at Rs.12,825.68 crores. The projected fiscal deficit for the coming financial year will be Rs.16,222.13 crores. This would constitute 3.7 per cent of the Gross State Domestic Product. Taking into account the net Public Account, the overall deficit will be Rs.8 crores. This deficit will be made good by economy in expenditure and better tax administration.

144. I wish to inform the Hon'ble Members that this Government has achieved all the targets set by the Union Government regarding revenue deficit and fiscal deficit in the last four years. The fiscal deficit for the year 2010-2011 is permissible as per the recommendations of the Thirteenth Finance

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

145. The new schemes announced in this Budget will not be applicable to the Dharmapuri district where model code of conduct for elections is in force.

146. Treating those who appreciate us from their hearts as well as those who criticise alike and availing their advice, we assure that we will continue to implement schemes benefiting the people and the state in such a manner that the people of Tamil Nadu feel proud that this Government elected by them exists for ordinary people like them and common man only and works and serves for them alone and this Government under the leadership of Hon'ble Chief Minister Kalaignar considers the service to people as a sacred duty, I place the Budget for the year 2010-2011 before this House, conveying my heartfelt thanks to Thiru K. Gnanadesikan, IAS, Principal Secretary, Finance Department and other officials of all Government Departments including Finance Department who have worked tirelessly and assisted me in preparing this Budget.

**Vanakkam**

**K. Anbazhagan**  
Minister for Finance

Chennai,  
19<sup>th</sup> March 2010  
Panguni-5,  
Thiruvalluvar Aandu 2041.

## **APPENDIX**

### **MEDIUM TERM FISCAL PLAN**

1. The State has enacted Tamil Nadu Fiscal Responsibility Act, 2003 which was subsequently amended to bring it in line with the requirements prescribed by the Twelfth Finance Commission. According to Section 3 (1) of this Act, the Government is required to place before the Legislative Assembly a Medium Term Fiscal Plan (MTFP) along with the Budget. Section 3 (2) of this Act requires that the MTFP shall set forth a multi-year rolling target for the fiscal indicators like Revenue Deficit and Fiscal Deficit while clearly indicating the underlying assumptions made to arrive at those projections. In compliance of this Act, a Medium Term Fiscal Plan based on current fiscal trends and policy initiatives undertaken by the Government has been prepared with the projections for the period 2010-2013 and it is being placed before the Legislative Assembly. The Table which is appended sets out the Medium Term Fiscal Plan for the period 2010-2013.

#### ***Objectives***

2. The MTFP has been formulated by placing equal emphasis on economic growth, social welfare and fiscal sustainability. The outlay on important sectors like agriculture and infrastructure will continue to be increased and the Eleventh Five Year Plan targets will be achieved. At the same time, as recommended by the Thirteenth Finance Commission, it is proposed to eliminate revenue

deficit and contain fiscal deficit as a percentage of Gross State Domestic Product (GSDP) within 3% by 2011-2012.

### **Present Situation**

3. As a result of the implementation of the Sixth Pay Commission recommendations, the increasing expenditure on the various existing and new welfare schemes implemented by this Government, and the slow down in revenue growth due to global economic slowdown, the State will have a revenue deficit of Rs.5019.54 crores and fiscal deficit of Rs.12,860.45 crores in 2009-2010. In the coming financial year also, the Pay Commission arrears have to be paid and hence the State is again expected to be in a revenue deficit of Rs.3,396.45 crores. Further, due to the high level of capital expenditure planned by the Government, the fiscal deficit will be Rs.16,222.13 crores and fiscal deficit- GSDP ratio is expected to be 3.72%. This is as per the recommendations of the Thirteenth Finance Commission.
4. The State has been very careful in managing its debt. The outstanding debt of the State Government as on 31.3.2009, which includes liabilities like the provident fund, has been Rs.74,858 crores. The increase in debt in the three year period from 2006-2007 to 2008-2009 has been Rs.17,401 crores. The total capital expenditure during the same period has been Rs.22,519 crores showing that the whole of mobilized debt has been utilized for productive purposes. The debt-GSDP ratio of the State Government at the end of 2009-2010 will be 23%.

5. The State is prudently managing its contingent liabilities. The outstanding guarantees for each year have to be restricted at a level below 100% of the Total Revenue Receipts in the preceding year or below 10% of the GSDP whichever is lower. The outstanding guarantee as on 31.3.2009 was 10% of Total Revenue Receipts and 1.5% of GSDP. The outstanding risk weighted guarantee for each year has also to be kept at a level below 75% of the Total Revenue Receipts in the preceding year or 7.5% of GSDP whichever is lower. The outstanding risk weighted guarantee as on 31.3.2009 stood at 2.5% of Total Revenue Receipts and 0.4% of GSDP. It is proposed to restrict the issue of new guarantees and it will be ensured that the new guarantees are given only to productive projects.

## **Future Prospects**

### **Revenue Receipts**

#### **Share in Central Taxes**

6. The Thirteenth Finance Commission has reduced the share of Tamil Nadu in the devolvable net tax revenue of the Union Government from 5.305% to 4.969%. Share in Central Taxes for the State has been estimated at Rs.10401.69 crores during 2010-2011 based on the projections in the Union Budget. A growth rate of 15% is projected for 2011-2012 and 2012-2013

#### **State's Own Tax Revenues**

7. The Tax-GSDP ratio of the State is 9.5%. State's Own Tax Revenue is estimated at Rs.41438.32 crores for 2010-

2011. The salient features of the major components of the State's Own Tax Revenue are discussed below.

8. The receipts under Commercial Taxes is estimated at Rs.26851.17 crores in the Budget Estimates 2010-2011. This takes into consideration a growth of 15% over the Revised Estimates 2009-2010. Growth rates of 20% and 15% has been projected for 2011-2012 and 2012-2013 respectively.
9. State Excise Receipts has been estimated at Rs.7508.18 crores during 2010-2011. This is 15% higher than the Revised Estimates 2009-2010. For the future years, 15% growth rate has been assumed.
10. The receipts from Stamp Duty have witnessed a sharp fall in 2009-2010 as a result of the economic slowdown. However it is expected to have a good growth in future. The Budget Estimate for 2010-2011 is Rs.4,096.18 crores which assumes 20% growth over the Revised Estimate for 2009-2010. In the future years, receipts under this head have been projected with a growth rate of 15%.
11. The receipts from Taxes on Vehicles has been projected at Rs.2396.42 crores for the next year. For the future years, growth of 15% has been assumed.

### ***Non-Tax Revenue***

12. Non-Tax Revenue is estimated at Rs.4,101.28 crores in the Budget Estimates 2010-2011. The State's Own Non Tax Revenue contributes only 6.5% of Total Revenue Receipts and there is not much potential to increase this component. Also, with a view to benefiting students, this

Government has waived tuition and examination fees. Taking all these factors into consideration, Non-Tax Revenue has been projected to grow at only 3% in the future years.

### **Grants-in- Aid from the Union Government**

13. This Grants-in-Aid from the Government of India has been estimated at Rs.7,150.45 crores in the Budget Estimates 2010-2011. This takes into account the various plan grants and the grants recommended by the Thirteenth Finance Commission.

### **Revenue Expenditure**

14. The revenue expenditure during 2010-2011 is estimated at Rs.66,488.19 crores which shows a growth of 12% over Revised Estimates 2009-2010. This is mainly on account of filling up of vacant posts in various departments, additional expenditure for the implementation of new schemes of the Government and on account of higher expenditure on salaries and pensions due to Sixth Pay Commission Recommendations. Revenue expenditure is expected to grow at 10% in 2011-2012 and 9% in 2012-2013. The growth rate is assumed to be low in 2012-2013 because the pay commission arrear payments will be over by 2011-2012.
15. Salary and pension as a percentage of State's Own Tax Revenue will be 78% and the same as a percentage of State's Total Revenue Receipts will be 51%.
16. The ratio of interest payments to Total Revenue Receipts is 12%.

**Conclusion**

17. The State has achieved all the targets set by the Union Government regarding revenue deficit and fiscal deficit in the last four years.
18. The State is in a position to comply with the fiscal correction path laid down by the Thirteenth Finance Commission. By 2011-2012, revenue deficit can be eliminated and fiscal deficit can be limited within 3% of the GSDP.
19. The Government will continuously monitor the sustainability of the debt stock and Medium Term Fiscal Plan envisages to keep the Debt-GSDP ratio around 24% as projected by the Thirteenth Finance Commission.
20. Fiscal prudence will be maintained without compromising on expenditure on developmental and welfare schemes. This is illustrated by the fact the all time high outlays of Rs.17,858 crores for social safety net and Rs.12,285 crores for capital expenditure have been made in the Budget Estimates for 2010-2011.

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Table - Medium Term Fiscal Plan #

Rupees Crores in current prices

March 2010	2008-2009 Projection	2008- 2009 Accounts	2009-2010 Projection	2009-2010 Revised Estimates	2010-2011 Projection	2010-2011 Budget Estimates	2011-2012 Projection	2012-2013 Projection
<b>Revenue</b>	<b>49288.85</b>	<b>54653.69</b>	<b>57316.66</b>	<b>53860.72</b>	<b>63419.01</b>	<b>62515.92</b>	<b>72770.26</b>	<b>82856.78</b>
<b>State's Own Revenues</b>	<b>37494.75</b>	<b>39007.87</b>	<b>41377.15</b>	<b>39366.84</b>	<b>46639.21</b>	<b>44963.78</b>	<b>52942.82</b>	<b>60448.50</b>
Tax	34706.77	33684.37	38129.51	35396.33	43400.25	41438.32	49311.60	56708.34
Non- Tax	2787.98	5323.50	3247.64	3970.51	3238.96	3525.46	3631.22	3740.16
<b>Central Transfer</b>	<b>11794.10</b>	<b>15645.81</b>	<b>15939.51</b>	<b>14493.88</b>	<b>16779.80</b>	<b>17552.14</b>	<b>19827.44</b>	<b>22408.28</b>
Shared Taxes	8475.31	8510.80	10921.14	8757.78	10233.24	10401.69	11961.94	13756.24
Grants	3318.79	7135.01	5018.37	5736.10	6546.56	7150.45	7865.50	8652.05
<b>Non- Interest Expenditures</b>	<b>51502.11</b>	<b>57249.88</b>	<b>62047.64</b>	<b>60016.83</b>	<b>69056.76</b>	<b>71091.30</b>	<b>78825.12</b>	<b>86556.47</b>
Salaries (including Grants-in-Aid for education)	17655.15	15995.26	19741.26	19143.81	21623.95	22305.00	24535.50	25589.05
Pensions & Retirement Benefits	7114.76	7719.19	9137.34	7988.69	10107.62	9894.38	10883.82	11372.20
Non- Wage O & M	4717.10	4567.56	5005.60	4981.18	4510.80	4400.15	4840.17	5324.18
Other Revenue Expenditures	9.31	11.19	8.27	6.89	7.13	7.21	7.57	8.02
Subsidies and Transfers	13892.75	18956.67	17103.71	20055.34	20482.63	21658.87	23824.76	27398.47
Capital Outlay	8333.04	9104.30	10497.67	8609.12	11582.67	12284.69	14127.39	16246.50
Net Lending	-220.00	895.70	553.79	-768.21	741.96	540.99	605.91	618.03
<b>Fiscal Indicators</b>								
Primary Surplus (+)/ Deficit (-)	<b>-2213.26</b>	<b>-2596.20</b>	<b>-4730.98</b>	<b>-6156.10</b>	<b>-5637.75</b>	<b>-8575.38</b>	<b>-6054.86</b>	<b>-3699.69</b>
Interest Payments	5800.89	5951.56	6255.35	6704.34	6651.19	7646.75	8411.42	9252.56
Total Revenue /Interest Payments Receipts	11.77%	10.89%	10.91%	12.45%	10.49%	12.23%	11.56%	11.17%
Revenue Surplus (+)/Deficit(-)	<b>98.89</b>	<b>1452.25</b>	<b>65.12</b>	<b>-5019.54</b>	<b>35.68</b>	<b>-3396.45</b>	<b>267.02</b>	<b>3912.28</b>
Revenue Surplus(+) / Deficit(-) Over TRR %	0.20%	2.66%	0.11%	-9.32%	0.06%	-5.43%	0.37%	4.72%
Revenue Surplus(+) / Deficit(-) Over Fiscal Surplus(+)/Deficit(-)	-1.23%	-16.99%	-0.59%	39.03%	-0.29%	20.94%	-1.85%	-30.21%
Fiscal Surplus (+) / Deficit(-)	<b>-8014.15</b>	<b>-8547.75</b>	<b>-10986.33</b>	<b>-12860.45</b>	<b>-12288.95</b>	<b>16222.13</b>	<b>14466.28</b>	<b>-12952.25</b>
Fiscal Surplus (+) / Deficit(-) over GSDP%	-2.58%	-2.42%	-2.96%	-3.23%	-2.73%	-3.72%	-2.96%	-2.37%
<b>Gross State Domestic Product (GSDP)</b>	<b>310757</b>	<b>353432</b>	<b>370943</b>	<b>397964</b>	<b>450474</b>	<b>436646</b>	<b>487996</b>	<b>547336</b>

# These Estimates and Actuals will not tally with the Finance Accounts and the Annual Financial Statement as they are adjusted numbers.