

Speech of Dr. Palanivel Thiaga Rajan, Minister for Finance and Human Resources Management, Government of Tamil Nadu, presenting the Budget Estimates for the year 2022-2023 to the Legislative Assembly on 18th March 2022.

Hon'ble Speaker Sir,

I rise to present to this August House the Budget Estimates for the year 2022-2023. Let me commence this address with the immortal words of Saint Thiruvalluvar which encapsulates the vision of this Government for the State:

*பிணியின்மை செல்வம் விளைவின்பம் ஏமம்
அணியென்ப நாட்டிற்கிவ் வைந்து.*

(குறள் - 738)

*Absence of disease, plenty in harvest,
wealth, general happiness and security,
these five are the jewels of a country.*

(Kural-738)

2) In my budget speech last year, I had highlighted several new schemes, announcements and reforms. I present my second budget before this House with the satisfaction that most of them have been implemented. In keeping with our Tamil customs and

traditions, I start by paying my respects to both my ancestral & political forefathers, and to the senior DMK leaders who preceded me in this role. I would not be here today but for their contributions and service to the Dravidian Ideal and Tamil society.

3) At the outset, I convey my gratitude to the Hon'ble Chief Minister, who has been a source of immense strength and inspiration and has guided me throughout my career in public life. All we have been able to achieve in fiscal management since we assumed office last May is the direct result of his guidance and unstinting support. He has asked me to **prepare the budget keeping in mind not just the present, but the future, including generations of Tamils yet unborn.** This budget has been prepared with this vision.

4) The people of Tamil Nadu voted this Government to power with an overwhelming majority last year. We assumed office just as the second wave of the Covid pandemic was surging, with a magnitude five times that of the first wave. Yet the Hon'ble Chief Minister fulfilled five major poll promises on his first day in office, and subsequently formulated a vision document for this Government which intends to fulfil the remaining commitments in the manifesto. This Government **continues to fulfil its poll promises at a**

historically unprecedented pace, including many major announcements made in the Budget session last year.

5) This Government has faced natural disasters such as the Covid pandemic and unprecedented rainfall and floods since it assumed office. In many places, the total rainfall in 2021 was even higher than that of 2015, the year Chennai was devastated by floods. However, due to the constant hands-on efforts and pro-active approach of the Hon'ble Chief Minister, the loss of life and livelihoods were minimized. This was followed by the third (Omicron) wave of the Pandemic. Owing to the additional medical infrastructure put in place during the second wave, and the administrative lessons learnt and applied by this Government, the third wave was effectively and efficiently contained. However, these unforeseen events have further strained the State finances, which were already in distress.

6) Despite massive expenditure commitments, this Government has shown unparalleled fiscal discipline and management, **asking the Legislature for an increase of only 1% of the Budget Estimates in the First Supplementary Estimates to the Budget.**

7) This year, Tamil Nadu will see a reduction in the absolute level of the **Revenue Deficit by over**

Rs.7,000 crore, reversing an alarming trend of increasing deficits every year since 2014. Further, we are poised to see a significant reduction of the Fiscal Deficit, from 4.61% down to 3.80% even during such a challenging year. This has been possible only by the application of political will and administrative skill by the Government.

8) The political will comes from the Hon'ble Chief Minister, who is the embodiment of the Dravidian Ideal. In his every thought and deed, he illustrates the Dravidian Ideals of Self-Respect, Social Justice, Communal Harmony & Inclusive Growth. This Government's political philosophy is rooted in the Dravidian Movement. The thoughts, writings, and deeds of Thanthai Periyar, Perarignar Anna and Muthamizharignar Kalaaignar are the lodestars that help this Government chart its course. Despite significant advances, the battle for social justice is still only half-won. Hence, we will continue to remain steadfast in our determination to achieve social justice in all walks of life.

9) Recent archaeological findings in the Thamirabarani region have established **the antiquity of ancient Tamil civilization as at least 3,200 years old, making it one of the oldest civilizations in**

the World. This Government, headed by the Hon'ble Chief Minister, views itself as an inheritor of this long heritage, vested with the historic duty to lead the Tamil civilisation at a critical point in time when the forces of cultural fascism are trying to destroy the cultural diversity of our country.

10) In the last budget, we laid out our five key initiatives for systemic improvements to enhance Administrative Skill as: Union-States Fiscal Relations, Data-Centric Governance, Government Assets & Risk Management, Increased Accountability & Productivity, and fortifying the role of the Legislature. We have taken many steps on each one of these dimensions including formation of a Special Advisory Committee on Federal Fiscal Relations, significant progress on the Tamil Nadu Data Purity Project and reforming the Internal Audit system in the State.

11) The historic victory for the DMK and its allies in the recent urban local body elections shows the extent to which people approve of the performance and leadership of the Hon'ble Chief Minister and their faith in him. It inspires us to redouble our efforts.

12) **It is a basic tenet of our Constitution that 'India is a Union of States'.** The makers of our Constitution envisaged a harmonious relationship

between the Union and States, built on the foundations of state autonomy and true Federalism. Thus, we are deeply concerned at the persistent attempts to erode the federal architecture of our polity. Following the path shown by Muthamizharignar Kalaignar, who was a great votary for state autonomy, this Government will continue to fight for the legitimate rights of all States.

13) The coming financial year is likely to be challenging and replete with uncertainties. The ongoing war in Ukraine can disrupt the global economic recovery. Global supply disruptions and demand shocks, including those triggered by the war, can adversely impact the State's Tax Revenue. There is a prevailing consensus among economists that both inflation and interest rates may rise. It is premature to conclude that COVID has been eliminated. The full impact of dearness allowance revision, and the phased impact of loan waiver will be experienced next year. In addition, the State will have to absorb the full losses of TANGEDCO.

14) Considering these developments, we are duty bound to present a budget which rebalances financial priorities this year. The **Scales of Justice** have been the symbol of the Dravidian Movement from the days of the Justice Party, our political ancestor. From an economic perspective, social welfare and inclusive economic

development are the two sides to be balanced. Last year, amidst the resurgence of the Pandemic, we consciously tilted the scales towards Social Welfare, with the goal of alleviating the pain among the weaker sections of society. **Now, as we see the economy bouncing back, we must rebalance our priorities and focus on social infrastructure and development without compromising on welfare schemes.**

15) Despite these difficulties, we have been able to design a budget that will ensure flow of adequate funds to our priority sectors, boost growth and fulfil the aspirations of all sections of Society, without deviating from the road to fiscal consolidation. The broad focus areas of this budget are the following:

- Enhance the growth rate of the Primary sector.
- Strengthen the Social Safety Net.
- Make our youth employable by specific interventions at the school and college level.
- Create large number of job opportunities by attracting new investments and encouraging existing entrepreneurs.
- Empower Women through education and better livelihood opportunities.
- Socio-economic development of the marginalized.

- Elimination of poverty through inclusive growth.
- Achieve social justice in all walks of life.
- Use data driven governance to eliminate leakages and give focussed delivery of funds and services.
- Find innovative ways for infrastructure financing.
- Promote environmental sustainability and inter-generational equity.

Mudalvarin Mugavari

16) This Government is functioning as a people's welfare-oriented government by promptly resolving public grievances and fulfilling their needs. It was with this purpose that a new department named "Mudalvarin Mugavari" was created by integrating Ungal Thoguthiyil Mudhalamaichar Department with CM Cell. **So far, 10,01,883 grievances have been resolved by this Department.**

Union-State Fiscal Relations

17) The revenue growth which Tamil Nadu witnessed during the Value Added Tax regime has not

been achieved since the implementation of the Goods and Services Tax (GST) Act. Moreover, the Covid pandemic has severely affected the finances of all States. At this juncture, **the GST compensation period is coming to end on 30.6.2022. Consequently, in the coming financial year, Tamil Nadu will face a revenue loss of approximately Rs 20,000 crore.** Since the revenues of States are yet to recover from the impact of the pandemic, the Hon'ble Chief Minister has requested the Union Government to extend this compensation for two more years. I hope the Union Government will heed this legitimate request.

18) Though the share of Tamil Nadu in the country's population is 6.12% and our share of the National Economy is close to 10%, yet successive Central Finance Commissions have failed to award a commensurate share in the divisible pool of taxes. The 15th Central Finance Commission has recommended a meagre 4.079% to the State. It has allocated Rs.21,246 crore as the local body grant for a period of five years, which represents a modest increase over the Rs.17,010 crore earmarked by the 14th Central Finance Commission. The 15th Central Finance Commission has recommended certain sector specific and state specific grants. We urge the Union Government to provide these

grants untied, instead of tying them to ongoing centrally sponsored and central sector schemes.

State Finance Commission

19) This Government extended the term of the Sixth State Finance Commission by 9 months due to the COVID pandemic, and it has now submitted its report. The Government will soon place the **Action Taken Report** on its recommendations before this August House.

Tamil Development and Culture

20) The immortal Tamil language is the lifeblood of our existence and prosperity. It is the mission of this Government to preserve and propagate its greatness across the world. In order to establish the antiquity and classical status of the Tamil language, it is necessary to carry out scientific and etymological studies on the relationship of Tamil with other languages of the World. **With a view to establishing the relationship between the Tamil language and the Indo-European language family, a committee of Tamil etymologists will be formed to prepare an etymological dictionary.** For this project, an amount of two crore rupees has been allocated in this Budget.

21) Thanthai Periyar worked tirelessly till his last breath to achieve social justice, spread rationalism and eliminate the subjugation of women. His thoughts and writings have transcended the test of time. It is the duty of this Government to spread his message and writings across the world so that the whole of humanity can benefit from his progressive ideas. To achieve this, guided by a panel of scholars, **a collection of Periyar's written works will be published in print and digital editions in 21 Indian and World languages** at a cost of five crore rupees.

22) It has been scientifically established that education through mother tongue is the most effective form of education. In order to promote education in Tamil medium, school kits including textbooks and notebooks, which are being provided to students studying in Government schools will be extended to students of Classes 1 to 10 in private unaided schools which teach exclusively in Tamil medium, from this year onwards, at an estimated cost of Rs.15 crore.

23) Following the excavations carried out in the previous year by the State Archaeological Department in several places including Keezhadi in Sivagangai district, Sivakalai in Thoothukudi district, Gangaikondacholapuram in Ariyalur district,

Mayiladumparai in Krishnagiri district, excavations will be carried out in seven more places including three sites at Thoolookarpatti in Tirunelveli district, Vembakottai in Virudhunagar district and Perumbalai in Dharmapuri district during this year. Further, **archaeological explorations are being carried out in order to find new Stone Age sites in five districts and archaeological sites along the Porunai river.**

24) During this year, a preliminary reconnaissance will be done in collaboration with the Indian Maritime University and National Institute of Ocean Technology to identify a suitable location for deep-sea excavation at Korkai, a Sangam era port of the Pandya Kings. The works for excavation in seven sites, archaeological exploration in two sites and for preliminary works in Korkai will be undertaken at a cost of Rs. 5 crore.

25) In order to generate interest among the people, especially students, about Tamil archaeological heritage and about preservation of relics in our State, on-site museums near excavation sites and other museums need to be developed. **This year, new museums will be built in Villupuram and Ramanathapuram districts at an estimated cost of Rs.10 crore. In addition, the tribal on-site museum**

at Courtallam in Tenkasi district, the pre-historic on-site museum at Poondi in Tiruvallur district and the Hero-Stone on-site museum in Dharmapuri district will be upgraded at an estimated cost of Rs.10 crore.

26) To preserve heritage public buildings in the State, a special allocation of Rs.50 crore has been made this year to carry out renovation works without compromising on their innate heritage value.

27) Rs.82.86 crore has been allocated to the Tamil Development Department in this Budget.

Revenue and Disaster Management

28) In order to facilitate the speedy and accurate survey of Government lands, the system of Continuously Operating Reference Stations (CORS) will be strengthened. The surveyors will be provided with 'Rover' machines to undertake land survey through modern techniques. A sum of Rs.15 crore has been provided in this Budget for this project.

29) Government lands should be used in a manner that engenders equitable social and economic development. In order to address the challenges faced in leasing Government lands and to put in place a fair and

transparent manner for leasing of government lands, a comprehensive policy on land leases will be developed.

30) The Government is taking every effort **to retrieve and protect Government lands, including water bodies from encroachments. An amount of Rs.50 crore is provided in this Budget as a special fund for this purpose.**

31) An Advisory Committee had been set up to make suitable recommendations to prevent damages caused by floods in Chennai city. Based on the recommendations of this Committee, the Hon'ble Chief Minister had announced that the first phase for the flood prevention works will be taken up at a cost of Rs.1,000 crore. An amount of Rs.500 crore has been allocated in this year's Budget for this purpose.

32) The sudden floods which happened in Chennai recently have underscored the need to upgrade 'Disaster Early Warning Systems' to accurately predict the weather. In order to receive timely warning before a disaster strikes, the Government will establish an advanced early warning system with super computers, a system of weather balloons, two weather radars, 100 automatic weather stations, 400 automatic rain gauges and 11 automatic water level instruments. For

this, an allocation of Rs.10 crore has been made in this Budget.

33) An amount of Rs.4,816 crore has been provided in the Budget for the various social security pension schemes such as Old Age Pension, Destitute Widow Pension and Pension for Differently Abled implemented by the Government, that are implemented for the benefit of vulnerable sections of the society.

34) An allocation of Rs.7,474.94 has been made to the Revenue and Disaster Management Department in this Budget.

Police

35) Tamil Nadu has become a haven of peace by effectively maintaining law and order. The Government is taking serious efforts to curb violence against women and children and prevent drug abuse. To ensure effective policing of the sub-urban areas, the Chennai Police Commissionerate has been trifurcated and two new Commissionerates have been formed at Avadi and Tambaram. Further, the Government will provide all necessary infrastructure for the Police department. In this regard, a new 'Special Social Media Centre' will be established to prevent the increasing crimes resulting out of fake news.

36) The Police Department has been provided an allocation of Rs.10,285.22 crore in this Budget.

Fire and Rescue Services Department

37) The Government is taking steps to modernize the Fire and Rescue Services department with the aim of preventing fire accidents. In the year 2021, the Department of Fire and Rescue Services has responded to 57,451 rescue mission calls and 16,809 fire accident calls, saving countless lives, livestock and property.

38) Rs.496.52 crore has been provided for the Fire and Rescue Services Department in this Budget.

Administration of Justice

39) The Government is rendering all necessary support to help in the early disposal of cases and speedy delivery of Justice. The Government has sanctioned the constitution of seven commercial courts exclusively for settlement of commercial disputes in the current financial year.

40) Rs.1,461.97 crore has been provided for Administration of Justice in this Budget.

Co-operation, Food and Consumer Protection

41) A sum of Rs.2,531 crore for the waiver of agricultural loans, a sum of Rs.1,000 crore for the waiver of jewel loans and a sum of Rs.600 crore for waiving self-help group loans, totalling an amount of Rs.4,131 crore has been allotted for loan waiver in this year's Budget.

42) In this financial year, till now 14,15,916 farmers have received fresh crop loans to the tune of Rs.9,773 crore. This includes 10,76,096 small and marginal farmers who have benefitted to the tune of Rs.7,428 crore.

43) A sum of Rs.200 crore has been allocated for providing interest-free crop loan, which was pioneered in the country by Muthamizharignar Kalaignar. An amount of Rs.7,500 crore has been provided in this Budget towards Food Subsidy in the Public Distribution System.

44) An allocation of Rs.13,176.34 crore has been made to the Co-operation, Food and Consumer Protection Department in this Budget.

Irrigation

45) In the current year, an amount of Rs.2,787 crore has been provided for ongoing works such as rehabilitation of water bodies like canals and tanks, and construction of groundwater recharge structures like check dams, barrages and sub-surface dykes.

46) To achieve better efficiency in utilization and management of water resources and to provide assured access to irrigation, works of Extension, Renovation and Modernization (ERM) in irrigation system of the Cauvery Basin Delta at an estimated cost of Rs. 3,384 crore will be commenced soon.

47) The Government has sanctioned the Second Dam Rehabilitation and Improvement Project (DRIP-II) for rehabilitation of 64 major dams including Sathanur, Sholaiyar, Mettur and Papanasam with a view to ensuring their safety and improving operational efficiency. This scheme is being implemented with the assistance of World Bank and Asian Infrastructure Investment Bank (AIIB) at an estimated cost of Rs.1,064 crore. An amount of Rs.300 crore has been provided for this scheme in this year's Budget.

48) For the coming Kuruvai harvest, to ensure that Cauvery water reaches the tail end regions, **the Government has sanctioned a special desilting**

scheme for 4,964 km of canals at a cost of Rs.80 crore in 10 districts in the delta region. By advance planning this year, these works will be executed well before the opening of the Mettur Dam for irrigation.

49) An allocation of Rs.7,338.36 crore has been made to the Water Resources Department in this Budget.

Animal Husbandry

50) In the coming year, to commemorate the 200th birth anniversary of Vallalar, who epitomised compassion for all living beings and stated that "வாடிய பயிரை கண்டபோதெல்லாம் நான் வாடினேன்" (whenever I see a wilted plant, I too wilt), a new scheme "**Vallalar Palluyir Kappagangal**" will be launched to support NGOs which take care of abandoned and injured pet animals and strays. For this scheme, Rs.20 crore will be provided in this Budget.

51) An allocation of Rs.1,314.84 crore has been made to the Animal Husbandry Department in this Budget.

Environment, Climate Change and Forests

52) Botanical gardens serve as bio-diversity hubs and as recreational spots for the public. Taking this into consideration, **the Government will set up a botanical garden at a cost of Rs.300 crore near Chennai in partnership with Kew Gardens of London.** For this, a detailed project report will be prepared.

53) To fund climate change initiatives, mitigation and greening projects, the Government will set up the **“Tamil Nadu Green Climate Change Fund”**. The Fund will mobilise necessary resources from various sources including development finance institutions and international climate funds.

54) For the conservation of Tamil Nadu’s State animal, expansion of its habitat and to spread awareness among the public, the Government will implement **“Project Nilgiri Tahr”** with an initial allocation of Rs.10 crore.

55) To generate awareness about forests and wildlife among children from a young age, **the Government has decided to set up a Children’s Nature Park at an estimated cost of Rs.20 crore which will house birds, butterflies and animals by remodelling the Guindy Children’s Park.** In this year, a detailed project report will be prepared.

56) The Government shall set up a Forest Commission to recommend policy changes needed in forest conservation, expansion of green cover, involvement of tribals in forest management, prevention of man-animal conflict, capacity building and modernization initiatives in the Forest Department.

57) Tamil Nadu is blessed with evergreen forests and scenic tourist destinations. It is the policy of the Government to promote eco-tourism without harming the forests. Based on this, Sethumadai (Coimbatore district), Manavanur and Thadiyan Kudisai (Dindigul district) and Yelagiri (Tirupattur district) will be developed as eco-tourism sites in public-private partnership mode. Many amenities such as accommodation and forest awareness centres will be set up at these locations. The proceeds from these projects will be used for the development of the surrounding areas.

58) An allocation of Rs.849.21 crore has been made to the Environment, Climate Change and Forests Department in this Budget.

School Education

59) The flagship remedial education programme of this Government "Ilam Thedi Kalvi", launched to

bridge the learning losses among children due to closure of schools for the last two years because of the pandemic, is being implemented by 1.8 lakh volunteers in 38 districts across the State. This is a pioneering project in the country, which benefits 30 lakh students. Considering the substantial learning loss in the last two years, the programme will be continued in the next year with a budgetary allocation of Rs.200 crore.

60) The Government has established 10 model schools in educationally backward districts this year. The primary focus of these residential schools is to ensure that students from Government schools get admission in reputed academic institutions to pursue courses in STEAM fields - Science, Technology, Engineering, Arts and Medicine. In the coming financial year, **model schools will be established in another 15 districts** and an amount of Rs.125 crore is being allocated for this purpose in this Budget.

61) The Government will launch a massive scheme called the '**Perasiriyar Anbazhagan School Development Scheme**' to modernize Government schools (including Adi Dravidar, Tribal and Kallar Reclamation Schools) over the next five years. **Along with necessary infrastructure in Government schools, 18,000 new classrooms will be**

constructed. Further, as per the strength of students, smart classrooms in primary schools and state-of-the-art computer labs in other schools will be set up. **An amount of Rs.7,000 crore will be allocated for the phased implementation of this scheme** over the next five years. The works for this will be undertaken at a cost of Rs.1,300 crore in the coming financial year.

62) The Government has set up a high-level committee to assess the functioning of public libraries in the State and make recommendations for their improvement. **In the next two years, the Government will establish District Central Libraries with modern infrastructure in the newly created 6 districts at an estimated cost of Rs.36 crore.** These library buildings will be named after Tamil scholars.

63) Book reading plays an important role in raising the collective intellectual level of the society. To make book reading a people's movement, **book fairs will be organized in all the districts of Tamil Nadu** akin to the Chennai Book Fair. In addition, four literary festivals will be held annually to celebrate the literary traditions of the rich Tamil language. **The book fairs and literary festivals will be held next year at a cost of Rs.5.6 crore.**

64) An allocation of Rs.36,895.89 crore has been made to the School Education Department in this Budget.

Higher Education

65) This Government has a vision to create a knowledge economy by further developing the skilled human resources of the State. As part of this vision, **A Knowledge City will be developed through international collaboration. This city will have branches of world-renowned universities with research and development hubs, skill training centres and knowledge-based enterprises.** Further, universities in the state will be encouraged to set up research parks on their campuses in collaboration with public sector entities like TIDCO, SIPCOT and TANSIDCO.

66) The enrolment rate in higher education institutions in Tamil Nadu is increasing. Accordingly, it is necessary to improve the infrastructure in Government colleges and polytechnics. **Over the next 5 years, a special scheme will be implemented to create new classrooms, hostels, laboratories and smart classrooms at a total cost of Rs.1,000 crore.** For this purpose, Rs.250 crore has been provided in this Budget.

67) An amount of Rs.204 crore has been allocated towards the reimbursement of fees for the Government school students who join professional courses under 7.5% preferential allotment.

68) An allocation of Rs.5,668.89 crore has been made to the Higher Education Department in this Budget.

Naan Mudhalvan

69) The primary objective of the 'Naan Mudhalvan' programme, the dream project of the Hon'ble Chief Minister is to produce five lakh accomplished youth every year by enhancing their level of education, knowledge, intellect, motivation and skill. Under this programme, the unique talents of students of Government and Government-aided schools, colleges and universities will be identified and promoted. Further, special training will be conducted for students to acquire skill sets as per the requirements of the industry thus enhancing their employability. To implement this programme, Rs.50 crore has been allocated this year.

70) Tamils excel in their respective fields as scientists, academicians and professionals all over the world. A new programme will be introduced in order to collaborate with them in areas like enhancing research capabilities of colleges and universities, mentoring

students, conducting research in emerging fields, and revising our curriculum.

71) In order to motivate Government school students to aspire **to join premier higher education institutions like Indian Institute of Technology, Indian Institute of Science and All India Institute of Medical Sciences, the Government will bear the full cost of their undergraduate education.** The students who have studied in Government schools from classes 6th to 12th will be eligible to avail this assistance.

Youth Welfare

72) **"Olympic Gold Quest"** programme has been successful in mentoring Olympic medalists in our country. A similar programme to **develop world class athletes and Olympic medalists from Tamil Nadu will be implemented by providing Rs. 25 crore.**

73) North Chennai region is renowned for its sporting talent. With the objective of promoting the youth from this area, the Government will create a modern sports complex with state-of-the-art sporting facilities and infrastructure. This facility will be established in Radhakrishnan Nagar in Chennai with facilities for volleyball, badminton, basketball, boxing,

kabaddi, indoor games and a modern gymnasium at an initial estimated cost of Rs.10 crore.

Chess Olympiad

74) The chess Olympiad is the most prestigious competition in the field of chess. Generally many countries compete among each other to host this competition. So far, India has not got an opportunity to host this event. Due to the intense efforts of this Government, I am delighted to inform that this year the competition will be held in Chennai for the first time. 2000 top players from 150 countries are set to participate in this event. This event will be a turning point for the sports sector in Tamil Nadu. This Government will offer complete support for the successful conduct of this event.

75) An allocation of Rs.293.26 crore has been made to the Youth Welfare and Sports Development Department in this Budget.

Public Health

76) To provide quality medical facilities at the district level and to ensure integrated implementation of important schemes, the Government has decided to **upgrade 19 Government hospitals into new District Headquarter Hospitals. This will include the six**

newly created districts and these hospitals will be upgraded at a cost of Rs. 1,019 crore.

77) According to the Global Burden of Disease Study, the incidence of depression, anxiety disorders and schizophrenia is on the rise. It is essential to strengthen infrastructure as well as create trained human resources for treatment of mental health issues in Tamil Nadu. To provide quality mental health services, the Government has planned **to establish Tamil Nadu Institute of Mental Health & Neuro Sciences (TNIMHANS), by upgrading the Institute of Mental Health (IMH), Kilpauk.** A provision of Rs.40 crore has been made for the first phase of this Project.

78) The Government **Arignar Anna Memorial Cancer Hospital and Research Centre** was established in 1969 in Kanchipuram district and has been operating as a 290 bed facility. The hospital is currently being expanded to 500 beds at a cost of Rs.120 crore. **This hospital will further be upgraded to a 750 bed autonomous institution of excellence.** This will be implemented at a cost of Rs. 100 crore with financial assistance from the World Bank and the National Health Mission.

79) As a result of the ongoing war in Ukraine, our students had to return after disruption of their medical

education. The Hon'ble Chief Minister has already written to the Hon'ble Prime Minister urging immediate action to help them continue their education. The Union Government is in the process of devising a plan of action to enable the students to continue their studies either in India or abroad. Based on the guidelines issued, the State Government will extend all assistance for continuation of their medical education.

80) An amount of Rs.1,906 crore has been provided for National Rural Health Mission, an amount of Rs.304 crore has been provided for Ambulance Services, an amount of Rs.817 crore has been provided for Dr.Muthulakshmi Reddy Maternity Benefit Scheme and an amount of Rs.1,547 crore has been provided for Chief Minister's Comprehensive Health Insurance Scheme in this Budget.

81) A sum of Rs.17,901.73 crore has been allocated to the Health and Family Welfare Department in this Budget.

Social Welfare

- 82) "பட்டங்கள் ஆள்வதும் சட்டங்கள் செய்வதும்
பாரினில் பெண்கள் நடத்த வந்தோம்"
(“The time has dawned for women to
earn degrees and make laws”)

said Mahakavi Bharathiyar.

The Moovalur Ramamirtham Ammaiyar Marriage Assistance scheme was started in 1989 by Muthamizharignar Kalaiginar to promote education and to support marriage of girls from poor families. In line with the changing times, it is necessary to remould this scheme to promote higher education among girls belonging to the economically weaker families.

83) Recognizing that the enrolment ratio of girl students from Government schools in higher education is very low, **the Moovalur Ramamirtham Ammaiyar Memorial Marriage Assistance Scheme is being transformed as the Moovalur Ramamirtham Ammaiyar Higher Education Assurance Scheme.** All girl students who studied from Classes 6 to 12 in Government schools will be paid **Rs.1,000/- per month directly into their bank account** till the uninterrupted completion of their undergraduate degree, diploma and ITI courses. The students will be eligible for this in addition to other scholarships. Through this programme, approximately 6,00,000 girl students can potentially benefit each year. For this new scheme, an amount of Rs.698 crore has been allotted in this Budget. The existing schemes of EVR Maniammaiyar Memorial Widow's Daughter Marriage Assistance Scheme, Dr. Muthulakshmi Reddy Memorial Inter-Caste Marriage

Assistance Scheme, Annai Teresa Orphan Girls Marriage Assistance Scheme and Dr.Dharmambal Ammaiyar Memorial Widow Remarriage Assistance Scheme will continue to be implemented without any change.

84) An 'Integrated Training Centre for Social Empowerment' will be constructed in Athur, Chengalpattu district at a cost of Rs.27 crore. This Centre will be utilised to provide training to all Government officials, including those from Social Welfare Department, on welfare, rights, development and empowerment of women and children.

85) An amount of Rs.2,542 crore has been provided towards Integrated Child Development Services (ICDS) and Rs.1,949 crore towards Puratchi Thalaivar MGR Nutritious Meal Programme in this Budget.

86) A sum of Rs.5,922.40 crore has been allocated to the Social Welfare and Women Empowerment Department in this Budget.

Adi Dravidar and Tribal Welfare

87) **A corpus of Rs.30 crore will be provided to Tamil Nadu Startup and Innovation Mission (TANSIM) to support startups by Scheduled Caste and Scheduled Tribe (SC and ST) entrepreneurs. In**

order to encourage entrepreneurs from SC and ST communities, 5% of all divisible procurement by Government and Governmental agencies shall be reserved for products manufactured by Tamil Nadu based SC and ST entrepreneurs.

88) The Government has sanctioned construction of 443 houses this year at a cost of Rs.20.7 crore for **Particularly Vulnerable Tribal Groups (PVTG) such as Irulars**. In the coming year, **an additional 1,000 new houses will be built for PVTGs at an estimated cost of Rs.50 crore.**

89) An amount of Rs.1,963 crore has been provided towards post-matric scholarship for Scheduled Caste and Scheduled Tribe students and Rs.512 crore has been provided towards feeding charges in this Budget.

90) A sum of Rs.4,281.76 crore has been allocated to the Adi Dravidar and Tribal Welfare Department in this Budget.

Student Hostels

91) A high-level committee will be constituted to do a comprehensive review of the functioning of Government hostels and suggest suitable measures to improve infrastructural facilities, sanitation, learning environment, quality of food, safety and related aspects.

Welfare of Backward Classes, Most Backward Classes and Denotified Communities

92) To promote social and economic progress of the people belonging to backward, most backward classes and denotified communities, the existing livelihood schemes will be studied and restructured to suit the changing economic environment.

93) An amount of Rs.322 crore has been provided towards post-matric scholarship for Backward Classes, Most Backward Classes and Denotified Communities students and an amount of Rs.162 crore towards supply of free bicycles, in this Budget.

Minorities Welfare

94) The Government is providing funds for the **repair and reconstruction of places of worship of minorities** including churches, mosques and dargahs. This year, old places of worship such as Wesley Church and St. Thomas Mount Church in Chennai, Caldwell Church in Tirunelveli, St. Xavier Church in Nagercoil,

Nawab Wallajah Mosque in Chennai, Ervadi Dargah and Nagore Dargah will be renovated at a cost of Rs. 12 crore in the coming financial year.

95) In the Budget, a sum of Rs.1,230.37 crore has been allocated to the Backward Classes, Most Backward Classes and Minorities Welfare Department.

Welfare of Differently Abled

96) It is essential to diagnose and treat disabilities at an early stage to ensure that every child with special needs has the opportunity to grow well. At present, the Health and Family Welfare Department, Social Welfare and Women Empowerment Department, School Education Department and the Welfare of Differently Abled Persons Department are performing these tasks in silos. **The Government will take steps to coordinate the activities of these departments, facilitate the exchange of information and provide all services to children born with special needs through treatment centres at various levels.**

97) The Government has been supporting educational institutions for differently abled run by Non-Governmental Organizations by providing salary grants to ensure quality early intervention and education services. The monthly honorarium for physiotherapists

and special educators in these institutions will be increased from Rs.14,000 to Rs.18,000.

98) An amount of Rs.450 crore has been provided towards maintenance allowance of severely affected persons with disabilities.

99) In the Budget, a sum of Rs.838.01 crore has been allocated to the Department for the Welfare of Differently Abled Persons.

Rural Development Department

100) In order to expedite the completion of 1,77,922 houses sanctioned during 2016-20 under the Pradhan Mantri Awas Yojana (Rural), the State Government is providing a total amount of Rs.1,68,000 per house including Rs.70,000 as additional roofing cost. In addition, 2,30,788 new houses have been sanctioned during the current year. For this, Rs. 4,848 crore has been allocated in this Budget.

101) The objective of **Anaithu Grama Anna Marumalarchi Thittam-II** is to bridge the infrastructural deficit in villages and to usher a multi-faceted development. **In the coming year, this scheme will be implemented in 2,657 village panchayats at a cost of Rs.1,455 crore.** This scheme

will be implemented in coordination with various other Government schemes including this Government's flagship scheme – Kalaingar All Villages Integrated Agricultural Development Programme.

102) Muthamizharignar Kalaingar established Periyar Memorial Samuthuvapurams with the aim of creating a discrimination-free egalitarian Tamil society. **149 Samathuvapurams, which have been neglected without maintenance for the last ten years, will be renovated in the first phase at a cost of Rs.190 crore.**

103) Under Pradhan Mantri Grameen Sadak Yojana (PMGSY) -III, 280 roads with a length of 1280 km, at an estimated cost of Rs.791 crore, and 54 bridges at an estimated cost of Rs.221 crore will be taken up in the coming year.

104) A pilot training programme to develop Self-Help Groups into Smart SHGs in tune with current technological and economic needs will be launched in Madurai. The training will not only enable their development, but also enable them to contribute to the betterment of the society.

105) An amount of Rs.2,800 crore has been provided for Mahatma Gandhi National Rural Employment

Guarantee Scheme, Rs.705 crore for Member of Legislative Assembly Constituency Development Scheme and Rs.636 crore for National Rural Livelihood Mission in this Budget.

106) In the Budget, Rs.26,647.19 crore has been allocated for the Rural Development and Panchayat Raj Department.

Municipal Administration

107) The Government will implement Swachh Bharat Mission 2.0 (SBM-2.0) with the assistance from Union Government to ensure total sanitation including solid waste management. An amount of Rs.5,465 crore has been provided for this purpose which includes the State share of Rs 2,169 crore. The project for bio-mining of legacy waste at Kodungaiyur will be taken up for implementation in the coming year.

108) The total fund outlay for AMRUT 2.0 has been fixed at approximately Rs.13,000 crore. Under this scheme, several projects for water supply and sewage management will be taken up with the financial assistance of State Government, local bodies, multi-lateral funding agencies and the Union Government. In this Budget, an allocation of Rs.2,130 crore has been made for the AMRUT Scheme.

109) A special fund of Rs.60 crore will be provided to create basic infrastructure in the six newly formed corporations of Tambaram, Kanchipuram, Kumbakonam, Karur, Cuddalore and Sivakasi at Rs.10 crore each. Further, for 28 newly created municipalities Rs.2 crore each will be provided with a total allocation of Rs.56 crore.

110) Two hundred years ago, in June 1822, Udthagamandalam, the headquarters of the present day 'The Nilgiris' district, was first discovered and built by an English officer named John Sullivan. To commemorate this, a special fund of Rs. 10 crore is being provided for implementation of special projects and conduct of programmes.

111) The Government will develop 500 parks to create public recreational spaces and enhance the quality of life in urban areas.

112) The elected representatives have assumed office post the recently conducted urban local body elections. In order to fulfil the basic needs in urban local bodies, Kalaignar Nagarpura Membattu Thittam and Singara Chennai 2.0 have been allocated Rs. 1000 crore and Rs.500 crore respectively in the Budget. Further, Rs.1,875 crore has been allocated for the Smart Cities Programme in the Budget.

113) In this Budget, Rs.20,400.24 crore has been allocated for the Municipal Administration and Water Supply Department.

Water Supply

114) The Government accords high priority for the provision of adequate and safe drinking water to all. Currently, there are 542 Combined Water Supply Schemes (CWSS) being maintained by Tamil Nadu Water Supply and Drainage Board (TWAD) and potable water is being supplied. Further, six new CWSS schemes, which were sanctioned by the Government at a cost of Rs.2,208 crore for the benefit of 5.64 lakh people, will be implemented in the coming financial year. An amount of Rs.3,000 crore has been provided towards Jal Jeevan Mission in the Budget.

Housing and Urban Development

115) In order to encourage transit-oriented development (TOD) in certain corridors such as metro rail, suburban rail, national highways and bye pass roads, **the Government has decided to raise the existing Floor Space Index (FSI) in adjoining areas.** Along with this, the necessary infrastructural facilities will also be developed for these corridors.

116) The Government will release a 'Redevelopment Policy' this year to redevelop old and dilapidated residential tenements constructed by the Tamil Nadu Housing Board. So far, 60 such schemes have been identified and preliminary activities have been initiated. The project will envisage to achieve maximum FSI in partnership with private enterprises.

117) **The 50-metre wide stretch of land adjoining the eastern side of the Outer Ring Road (ORR) from Minjur to Vandalur with a length of 62 kms will be developed as a Development Corridor.** A comprehensive exercise is underway to plan the establishment of large-scale residential complexes, SIPCOT industrial parks, recreational spots, warehouses, horticulture parks, organic food processing zones, and plug-and-play facilities for industrial development along this corridor. To ensure accelerated development, Floor Space Index (FSI) will be increased in this corridor.

118) **In order to expedite the issue of planning permissions and approvals for construction of buildings, a single-window system will be implemented** by Chennai Metropolitan Development Authority (CMDA), Directorate of Town and Country Planning, Greater Chennai Corporation, Local

Planning Authorities and other local bodies during this year.

119) An amount of Rs.3,700 crore has been allocated towards Pradhan Mantri Awas Yojana (Urban) in the Budget.

120) In the Budget, Rs.8,737.71 crore has been allocated for the Housing and Urban Development Department.

Highways

121) The Government is committed to revive and implement the **Maduravoyal - Chennai Port Elevated Corridor Project**, which is vital to the commercial development of Chennai. **A 20.6 km long double-decker elevated corridor at an estimated cost of Rs.5,770 crore will be constructed.** A detailed project report is under preparation by the National Highways Authority of India (NHAI). To implement this project, a Memorandum of Understanding (MoU) between the NHAI, Government of Tamil Nadu, the Navy and Chennai Port will be signed soon.

122) Kattupakkam junction is the meeting point of arterial roads like Chennai - Chittoor - Bengaluru Road, Mount - Poonamallee - Avadi Road and Poonamallee -

Kunrathur - Pallavaram Road. To alleviate the traffic congestion at this junction, grade separator with elevated rotary will be constructed at the Kattupakkam junction at an estimated cost of Rs.322 crore. As the first step in this regard, a detailed project report will be prepared this year.

123) **To decongest the increasing traffic on the East Coast Road, it is necessary to widen the four-lane road up to Akkarai as a six-lane road.** The sanction for widening the Thiruvanmiyur, Kottivakkam and Palavakkam stretches has already been granted. **The remaining stretches covering Neelangarai, Injambakkam and Sholinganallur villages will be widened to six-lane at a cost of Rs.135 crore.** The bottlenecks in hand over the East Coast Road beyond Mamallapuram to NHAI have been addressed and the work of widening the road into a four lane road will begin soon.

124) During Monsoons, causeways get inundated and this leads to disruption of traffic for many days. Considering this, **it is planned to convert such causeways, which affect people during flood, into high-level bridges by 2026. Based on this, high-level bridge works to the tune of Rs.1,000 crore will be taken up in the coming year.**

125) An amount of Rs.2,250 crore has been allotted towards Chennai Peripheral Ring Road Project, Rs.1,200 crore towards Chennai-Kanniyakumari Industrial Corridor Project with Asian Development Bank assistance and Rs.628 crore towards Tamil Nadu Road Sector Project-II in the Budget Estimates.

126) In the Budget, Rs.18,218.91 crore has been allocated to the Highways and Minor Ports Department.

Transport

127) As a result of the announcement by the Hon'ble Chief Minister to provide free bus service to women, the share of women passengers has increased from 40 per cent to 61 per cent. The scheme has had a huge impact on the socio-economic status of women. In the Budget, Rs.1,520 crore will be provided as subsidies towards free bus travel for women, Rs.928 crore as subsidy for student concession in bus fare and Rs.1,300 crore as diesel subsidy.

128) Under the 'Climate-Friendly Modernisation of Buses in Major Cities of Tamil Nadu' Project being implemented with KfW assistance, **2,213 BS-VI new diesel buses and 500 new electric buses will be procured.**

129) In the Budget, Rs.5,375.51 crore has been allocated to the Transport Department.

Energy Department

130) The Hon'ble Chief Minister has announced that 1,00,000 agricultural electricity connections will be provided in one year by giving priority to free agricultural electricity connections. So far 75,825 connections have been provided and the remaining connections will be provided within this financial year. Through the 'Minnagam', a consumer grievance redressal centre inaugurated by the Hon'ble Chief Minister, petitions received from the public regarding electricity supply are being resolved immediately. So far, 6,77,838 complaints have been resolved.

131) The financial condition of Tamil Nadu Generation and Distribution Company (TANGEDCO) is a matter of grave concern as it continues to incur huge losses every year. An allocation of Rs. 13,108 crore has been provided in the Budget for the Government to take over 100 per cent of TANGEDCO's losses for the current year (2021-22). Further, an allocation of Rs.9,379 crore has been provided in the Budget to reimburse the tariff subsidies being provided by the Government.

132) In the Budget, Rs.19,297.52 crore has been allocated to the Energy Department.

Labour Welfare

133) The Government accords high priority to developing a skilled workforce to match the constantly evolving requirements of the industry. **A special scheme will be implemented in collaboration with reputed institutions for transforming 71 Government Industrial Training Institutes (ITIs) as Technology and Skilling Centres to meet industry 4.0 standards at a cost of Rs.2,877 crore.** The required training infrastructure to teach new technologies will be created and new courses will be introduced to bridge the skill gap.

134) Due to industrial and economic growth in Tamil Nadu, the demand for migrant workers is increasing. The lack of adequate information about these workers became apparent during the Covid pandemic. **Mobile Information-cum-Assistance centres for migrant workers will be introduced** through voluntary organizations to ensure reach of Government welfare schemes and to raise awareness about their legal rights. Initially, these mobile Information-cum-Assistance centres will be set up in the districts of Kanchipuram, Thiruvallur, Chengalpattu, Coimbatore and Tiruppur.

135) In the Budget, Rs.2,353.93 crore has been allocated to the Labour Welfare and Skill Development Department.

Micro, Small and Medium Enterprises (MSME)

136) There are numerous clusters of micro enterprises across the State. With a view to helping such clusters, **the Government will launch a new "Micro Cluster Development Programme"**. Cookware cluster in Tirunelveli district, artificial jewellery making by Narrikuruvars in Kancheepuram district, cashew processing cluster in Cuddalore district and toys cluster in Madurai district will be among the 20 micro clusters that will be taken up this year with an allocation of Rs.50 crore.

137) Tamil Nadu is the largest producer of coir in the country. The Coir manufacturing sector has immense potential for boosting the income of farmers and entrepreneurs. **Tamil Nadu Coir Business Development Corporation will be set up in Coimbatore** for developing the coir sector to popularize value added coir products made in Tamil Nadu like Geo Textiles and coir pith in the domestic and export markets and also to develop coir industry across the State. A sum of Rs.5 crore has been allocated as seed capital in

the first phase for the proposed Tamil Nadu Coir Business Development Corporation in this Budget.

138) In the Budget, an amount of Rs.300 crore has been provided as Capital Subsidy for MSMEs and an amount of Rs.100 crore has been provided for Tamil Nadu Credit Guarantee Scheme for MSMEs.

139) In the Budget, an amount of Rs.911.50 crore has been allocated to the Micro, Small and Medium Enterprises Department.

Industries

140) To achieve the export target of \$ 100 billion in Tamil Nadu by 2030, the Hon'ble Chief Minister unveiled the Tamil Nadu Export Promotion Strategy in September 2021. **A special fund of Rs. 100 crore will be created to build the required public infrastructure for export organizations in Tamil Nadu.** This fund will be used to set up skilling centres, testing centres, export warehouses, and inland container depots with contribution from industries and industry associations.

141) Non-leather footwear and leather related industries provide immense opportunities for employment. In order to promote these employment

intensive sectors, **a new Footwear and Leather Industry Development Policy will be released.**

142) The Government will set up new industrial parks in Coimbatore, Perambalur, Madurai, Vellore and Tiruvallur districts to promote widespread industrial development across the State. Through these industrial parks, investments worth Rs.50,000 crore will be attracted.

143) For the manufacturing of electronic products, two exclusive clusters will be established at Pillaipakkam and Manallur with the financial assistance of the Union Government. In order to ease traffic movement and to regulate parking of heavy vehicles, Truck Terminal Facilities at Cheyyar and Gummidipoondi will be constructed.

144) In the Budget, Rs.3,267.91 crore has been allocated to the Industries department.

Startups

145) The Government has formulated a comprehensive strategy to develop a conducive startup eco-system in the State. **The Government will contribute Rs.50 crore to the Emerging Sector Seed**

Fund for making equity investments in Tamil Nadu based startups. Further, this fund will be used to leverage capital from institutional investors.

146) **The Tamil Nadu Startup and Innovation Mission (TANSIM) will set up Regional Startup Hubs in Erode, Madurai and Tirunelveli** to ensure the development of startup eco-system in all regions across Tamil Nadu. **An iconic State Startup Hub Centre with all facilities will be established by the Tamil Nadu Industrial Development Corporation (TIDCO) at Nandambakkam, Chennai at an estimated cost of Rs. 75 crore.**

147) **In order to support the startups based in Tamil Nadu, Government departments and public sector undertakings will be allowed to do direct procurement of innovative manufactured products up to Rs. 50 lakhs.**

Information Technology

148) The Government recognizes the importance of emerging technologies like Artificial Intelligence, Machine Learning and Blockchain. **The Government will**

set up the i-Tamil Nadu Technology (iTNT) hub at a cost of Rs.54.61 crore in Chennai. This Centre will coordinate efforts to use these technologies to solve complex challenges in the State.

149) In the Budget, Rs.199.60 crore has been allocated to the Information Technology department.

Tourism

150) Tamil Nadu is the leading State in the country, in attracting foreign and domestic tourists. To facilitate tourists to experience the age-old Tamil culture and appreciate ancient temples and architecture, tourism services will be introduced. With private partnership, tourism packages will be rolled out in districts such as Kanchipuram, Tiruchirapalli, Thanjavur and Ramanathapuram.

151) There are several renowned sites of Jainism and Buddhism in Tamil Nadu. In order to explore these places, world-class tourism facilities will be created in collaboration with private players in districts like Kanchipuram, Tiruvannamalai, Nagapattinam, Karur and Madurai.

152) In the Budget, Rs.246.06 crore has been allocated to the Tourism- Art and Culture Department.

Hindu Religious and Charitable Endowments

153) The ancient temples of Tamil Nadu which enshrine the rich and glorious history, culture and architecture of Tamils are located across the State. **The Government will take steps to renovate and restore, ancient temples that are more than thousand years old without affecting their heritage.** The works will be carried out at a total cost of Rs.100 crore.

154) In the Budget, Rs.340.87 crore has been allocated to the Hindu Religious and Charitable Endowments Department.

Welfare of Government Employees

155) Under the Tamil Nadu Government Pensioners' Family Security Fund Scheme, a sum of Rs.50,000 is sanctioned to the family on the death of a pensioner. Post COVID, the number of claims has increased. **Considering the welfare of the families of the pensioners, the Government will provide a special allocation of Rs.50 crore to clear the backlog claims.**

156) The Government has sanctioned relief assistance from the Chief Minister's Public Relief Fund to

the tune of Rs.79.5 crore to the families of 327 frontline workers.

157) An additional expenditure of around Rs.19,000 crore will be incurred during the coming financial year as a result of increase in Dearness Allowance and delayed expenditure due to increase in retirement age.

Administrative Reforms

158) The financial achievements listed in this Budget are the result of prudent financial management and the reforms undertaken by this Government. Therefore I wish to talk about a few important reforms.

159) Human Resources are the most important asset of any organization. We are in a difficult situation where the expenditure on salaries and pensions is large even while the vacancy rate is high. The current model for recruitment and training needs urgent reform. The Pandemic has further exacerbated the situation. This year we started the process by amending some rules for both recruitment and training; **The Government will constitute a Human Resources Reforms Committee, which will be tasked with proposing a comprehensive roadmap for reforms in human resource management within a six-month period.**

160) With a view to account for all movable and immovable assets of the Government and to monitor their utilization, a new asset management system will be introduced and integrated with the Integrated Financial and Human Resources Management System (IFHRMS) from the coming year.

161) I had mentioned in my last Budget Speech that necessary reforms would be carried out in the system of internal audit in the Government. In this regard, a high-level committee, headed by a retired officer from the Indian Audit and Accounts Service, has been set up to review the audit departments and make necessary recommendations for reforms. This committee will submit its report to the Government in four months.

162) The main objective of this Government is to provide a transparent and an open governance. To ensure this, e-procurement system will be made mandatory for all procurements by Government and public sector entities from 01.04.2023 onwards. The Government will bring necessary amendments to the Tamil Nadu Transparency in Tenders Rules for this purpose.

163) In the current year, this Government has greatly strengthened the Department of Vigilance and Anti-Corruption (DVAC) with infrastructure such as office and vehicles, additional personnel and sanction to employ

experts, among other measures. In the coming year, we will continue to strengthen of the DVAC to hitherto unseen levels. These actions are driven by the Chief Minister's firm resolve to ensure clean governance.

PART- B

Finances of the State Government

164) I have thus far highlighted the major initiatives and schemes of this Government. I shall now elaborate on the aggregate fiscal position.

165) Despite financial strain faced due to the third wave of the pandemic and unprecedented floods, the Government has fulfilled many poll promises focused on improving the livelihood of the poor. This has resulted in an increase in expenditure on subsidies. However, the Government has managed to contain other expenditure through prudent fiscal management. Hence, the Total Revenue Expenditure in the Revised Estimates 2021-22 has been estimated at Rs.2,59,150.97 crore as against Budget Estimates 2021-22 of Rs.2,61,188.57 crore.

166) The pandemic and unprecedented floods have severely affected the State's Own Tax Revenues. As a result, the Commercial Taxes, State Excise and Motor

Vehicles Tax are projected to fall short of the Budgetary Estimates in the Revised Estimates. In the aggregate, the State's Own Tax Revenue is expected to be Rs.1,21,857.55 crore in the Revised Estimates as against Rs.1,26,644.15 crore in Budget Estimates.

167) There is an increase in the Share in Central Taxes component due to increased tax collection realized by the Union Government and **release of arrears** pending to the State. As a result, the Share in Central Taxes is estimated at Rs.33,580.22 crore in the Revised Estimates as against Rs.27,148.31 crore in Budget Estimates.

168) The Grants-in-Aid from the Union Government has been estimated at Rs.36,609.47 crore in Revised Estimates against Rs.34,564.42 crore in Budget Estimates. **This increase is due to arrears received for the previous years.**

169) Due to the present economic conditions, the estimated growth in the collection of State's Own Non-Tax Revenue has not been realized. Collections from the State's Own Non-Tax Revenue have been estimated at Rs.11,830.93 crore in Revised Estimates, which is lower than Rs.14,139.01 crore in Budget Estimates.

170) As a result, the State's Total Revenue Receipts have been estimated at Rs.2,03,878.17 crore in Revised Estimates, which is an increase from Rs.2,02,495.89 crore, compared to the Budget Estimates.

171) On account of prudent fiscal management of this Government, the overall Revenue Deficit has decreased to Rs.55,272.79 crore in Revised Estimates as against the budgeted amount of Rs.58,692.68 crore.

172) The unprecedented rainfall and floods, as well as the restrictions imposed to control the third (Omicron) wave of the Pandemic have resulted in delay in the execution of capital works and as a result, the Total Capital Expenditure in the Revised Estimates is Rs.37,936.23 crore as against Rs.42,180.97 crore in Budget Estimates.

173) The 15th Central Finance Commission has recommended a Fiscal Deficit upto 4.5 per cent of GSDP to States in 2021-22. However, **the Fiscal Deficit as a percentage of GSDP has reduced to 3.80% in the Revised Estimates from 4.33% in the Budget Estimates.**

174) In the Budget Estimates 2022-23, taking into account factors such as the growth in State's economy, ongoing measures to raise additional revenues and improved tax collection, the State's Own Tax Revenue is estimated with the components as follows:

- Commercial Taxes : Rs.1,06,765.22 crore
- State Excise : Rs.10,589.12 crore
- Stamps and Registration Fees : Rs.16,322.73 crore
- Motor Vehicles Tax : Rs.7,149.25 crore

Thus, the States' Own Tax Revenue is estimated to be Rs.1,42,799.93 crore in the Budget. The State's Own Non-Tax Revenue is projected to be Rs.15,537.24 crore.

175) The Share in Central Taxes component is estimated at Rs.33,311.14 crore. Considering that the pending GST compensation dues will be received from the Union Government in the coming year, the Grants-in-Aid have been projected at Rs.39,758.97 crore. In the Budget, the Total Revenue Receipts are expected to be Rs.2,31,407.28 crore.

176) In the Budget, the Total Revenue Expenditure is expected to be Rs.2,84,188.45 crore. This includes the expenditure due to increase in dearness allowance and

pension payments as a result of increase in retirement age. Adequate allotment has been made for the new and existing schemes.

177) This Government will take all necessary measures to increase the efficiency in Tax collection. Based on this, the Revenue Deficit is estimated at Rs.52,781.17 crore.

178) To increase employment opportunities and to promote growth, the Total Capital Expenditure including Net Loans and Advances in the Budget is estimated at Rs. 43,832.54 crore. This is 23.28% higher than the Revised Estimates 2021-22.

179) In the Budget, the Fiscal Deficit is estimated at Rs.90,113.71 crore. This Fiscal Deficit has been arrived at after considering the GST Compensation amount of Rs.6,500 crore expected to be received as a loan, which will be repaid from the GST Compensation Cess Fund of the Union Government instead of the Consolidated Fund of the State.

180) In the year 2022-23, the Net Public Debt is projected at Rs.90,116.52 crore. Therefore, on 31.03.2023, the Total Outstanding Debt will be Rs.6,53,348.73 crore and the Debt-GSDP ratio will be

26.29%. This is within the limits set by the 15th Central Finance Commission.

181) Hon'ble Speaker Sir, I am confident that this Budget will be the beginning of a great transformation. In the last regime since 2014, the State finances have been on a decline. This is clearly illustrated by the rising Revenue Deficit and increasing proportion of Interest Payments to Revenue Receipts, among other indicators. After this seven-year slump, the reduction in Revenue Deficit, even in such a challenging year is a testimony to this Government's prudent fiscal management.

182) The Medium-Term Fiscal Plan projects that we will soon achieve the targets set in the Tamil Nadu Fiscal Responsibility Act, 2003. The Medium-Term Fiscal Plan may be taken as having been read as part of the Speech.

183) The demonstration of such sound financial management increases Tamil Nadu's stature in both the financial markets and amongst global corporates. In conjunction with our natural strengths, this credibility will position our State as the premier investment destination in India at a very opportune time. Within a short span of time since this Government, led by the Hon'ble Chief Minister, assumed office, the choice of Chennai as the destination for Chess Olympiad,

the establishment of a world-class furniture park in Thoothukudi, and mega investments by large multinational companies in Tamil Nadu is evidence of this trend.

184) With the philosophy that the advancement of Women is the advancement of the State, the Hon'ble Chief Minister has already fulfilled many of the promises made in the manifesto for their benefit, such as reduction of price of Aavin milk, loan waiver for self-help groups and free travel for women in Government buses. He has instructed us to take all necessary steps to fulfil the next major commitment, which is to grant basic income to women. Due to the precarious financial position left by the previous regime, implementing this commitment was difficult in the first year of this Government. However, I would like to inform this August House that work is in full swing to identify the eligible beneficiaries from various databases and design the scheme in a manner that the benefits reach the deserving. Based on this, I assure you that this scheme will be implemented when the financial situation improves as a result of the various initiatives being taken by this Government.

185) The Economic Advisory Council to the Hon'ble Chief Minister, consisting of internationally acclaimed experts, continues to provide this Government with valuable advice to improve the finances of the State.

I express my heartfelt gratitude to them for taking out time for consultation and helping us in the preparation of this Budget. Considering their suggestions, this Government will take all necessary measures to further improve the State's financial position.

186) I convey my gratitude and appreciation to Thiru. N.Muruganandam, IAS, Additional Chief Secretary, Finance Department and all the other officials of the Department who have worked tirelessly for the preparation of this Budget.

187) Under the leadership of the Hon'ble Chief Minister, we will achieve inclusive growth and social justice and strive to make Tamil Nadu a model State in all of Asia. The Hon'ble Chief Minister has provided constant guidance and unstinting support in preparing this Budget.

**"அஞ்சாமை ஈகை அறிவூக்கம் இந்நான்கும்
எஞ்சாமை வேந்தர்க்க் கியல்பு."**

(குறள்-382)

*Courage, Generosity, Wisdom and Zeal are
the four qualities in abundance in a leader.*

(Kural-382)

I once again wholeheartedly thank the Hon'ble Chief Minister who is the embodiment of these words.

188) Hon'ble Speaker Sir, I commend the Budget Estimates for the year 2022-2023 for the approval of this August House.

Nanri
Vanakkam

Dr. Palanivel Thiaga Rajan
Minister for Finance and Human
Resources Management

Chennai,
18th March 2022,
Pilava, Panguni-04
Thiruvalluvar Aandu 2053

APPENDIX

MEDIUM TERM FISCAL PLAN

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

Objectives

The MTFP has been framed with the aim of facilitating higher economic growth which, in turn, will ensure enough fiscal space to create opportunities for the disadvantaged and the needy to participate in the growth process and thereby fulfilling the objective of inclusive growth with equity.

The State has been spending heavily on various welfare schemes, especially social security schemes, scholarships and capital expenditure on roads, bridges, irrigation and power projects.

This MTFP outlines the fiscal road map, aiming at progressive fiscal consolidation and debt sustainability which will be achieved by adherence to the following fiscal norms outlined by the 15th Finance Commission:

- Fiscal Deficit to Gross State Domestic Product (GSDP) within 3.5 per cent in 2022-23 and 3 per cent from 2023-24.
- An additional borrowing of 0.5 per cent of GSDP for a period of four years from 2021-22 to 2024-25 on fulfillment of Power Sector Reforms.
- Outstanding Debt to GSDP within 29.3 per cent in 2022-23, 29.1 per cent in 2023-24 and 28.9 per cent in 2024-25.
- A fiscal path is also being laid to reduce the Revenue deficit in a phased manner and thereby enhance the allocation for creation of productive assets.

This objective is intended to be achieved by:

- Prioritizing focus on resource availability, including exploring resource augmentation measures.
- Improving efficiency in expenditure and accounting for probable fiscal contingencies without compromising on investment to generate growth and at the same time meeting committed expenditure needs.

- Maintaining the balance between receipts and expenditure within the overall framework of debt sustainability.

Economic scenario

The Indian economy is on an upward trend after the lows caused by the Covid pandemic with the growth estimates projected at 8.95 per cent in 2021-22 in constant price terms. This upward trend in growth is expected to continue in the coming years. Tamil Nadu's GSDP has been projected at 7.85 per cent for 2021-22 at constant prices, which shows that the economy has bounced back after the Covid pandemic. This has been enabled by proactive initiatives taken by the Government to attract investment, generate employment and carry out sustainable policy initiatives. We expect better growth in the ensuing years compared to the current year projections. The nominal GSDP growth of Tamil Nadu is estimated to be 14.0 per cent in 2022-23 and 14.0 per cent in 2023-24.

I. Revenue Receipts

The Total Revenue Receipts of the State Government, including the Central Transfers, are estimated to be 2,31,407.28 crore in Budget Estimates 2022-23 as against the Revised Estimates of Rs.2,03,878.17 crore in 2021-22. The estimates for

2023-24 is estimated to be Rs.2,79,059.26 crore and Rs.3,19,298.09 crore in 2024-25 which indicates a growth of 20.59 per cent and 14.42 per cent respectively. The important components are discussed below:

1. State's Own Tax Revenue

The State's Own Tax Revenue (SOTR) is estimated to be Rs.1,21,857.55 crore in the Revised Estimates 2021-22. It is estimated to increase to Rs.1,42,799.93 crore in the Budget Estimates for 2022-23. The SOTR is estimated to be Rs.1,78,499.91 crore in 2023-24 and Rs.2,05,274.89 crore in 2024-25.

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

- In the case of receipts related to Goods and Services Tax, the GST compensation regime is coming to an end on 30.06.2022 and the State is expected to face a potential revenue shortfall of around Rs.20,000 crore. The State finances have just started to recover after the Covid pandemic and if the compensation is not extended, significant strain will be caused on the finances of the State. We expect that the Union

Government will settle the arrears pertaining to GST in time. The Budget Estimates 2022-23 is estimated at Rs.50,397.82 crore. The receipt from taxes especially from petroleum products is expected to witness a significant growth in the next two years.

- The receipts from Commercial Taxes are estimated to be Rs.1,06,765.22 crore in Budget Estimates 2022-23 as against Rs.91,840.45 crore in Revised Estimates 2021-22. The growth rates for Commercial tax are estimated to be 25.0 per cent in 2023-24 and 15.0 per cent in 2024-25 based on the present trends of tax collection.
- The State Excise collection has been estimated as Rs.10,589.12 crore in Budget Estimates 2022-23 as against Rs.8,167.28 crore in Revised Estimates 2021-22. The collection under State Excise is estimated to increase by 25.0 per cent in 2023-24 and 15.0 per cent in 2024-25 based on the present trends.
- Receipts from Stamp Duty and Registration Charges are expected to be Rs.16,322.73 crore in Budget Estimates 2022-23 against Rs.14,325.19 crore in Revised Estimates 2021-22. The growth is expected to be about

25.0 per cent in 2023-24 and 15.0 per cent in 2024-25 based on improved demand in real-estate sector due to the upward growth trends in the economy that is expected to continue.

- The collections from the Taxes on Motor Vehicles are estimated at Rs.7,149.25 crore in Budget Estimates 2022-23 against Rs.5,635.03 crore in Revised Estimates 2021-22. Since motor vehicles tax is primarily levied on registration of vehicles, the tax collections in the coming years is expected to be in accordance with improved economic growth prospects. A growth rate of 25.0 per cent is expected for the year 2023-24 and 15.0 per cent for the year 2024-25.

2. Non-Tax Revenue

The State's Own Non-Tax Revenue has been estimated at Rs.15,537.24 crore in the Budget Estimates for 2022-23. This shows an increase of 31.33 per cent compared to Revised Estimates 2021-22. Based on the various resource augmentation measures and

improvements in non-tax collection being undertaken by the Government, the Non-Tax Revenue is estimated to grow at 15.0 per cent in 2023-24 and 7.0 per cent in 2024-25.

3. Share in Central Taxes

Tamil Nadu's share in Central Taxes is estimated at Rs.33,311.14 crore in Budget Estimates 2022-23 as against Rs.33,580.22 crore in the Revised Estimates 2021-22. This is based on the estimates in the Union Budget 2022-23. The 15th Finance Commission has come up with its recommendations, wherein it has reduced the vertical devolution to States from 42 per cent to 41 per cent but has marginally increased the horizontal inter-se share of Tamil Nadu from 4.023 per cent to 4.189 per cent in 2020-21 and 4.079 per cent from 2021-22. Considering that the Indian economy will also see a positive reversal in terms of real growth in the coming years, the Share in Central Taxes collection of Tamil Nadu is estimated to be Rs.37,571.11 crore in 2023-24 and Rs.41,404.95 crore in 2024-25 by assuming a growth rate of 12.79 percent for 2022-23 and 10.27 per cent in 2023-24.

4. Grants-in-Aid from the Union Government

The Grants-in-Aid from the Government of India have been estimated at Rs.39,758.97 crore in the Budget

Estimates 2022-23 by considering the existing trends and provisions in the Union Budget 2022-23. The State is also hopeful of Government of India releasing the arrears due to Tamil Nadu in a time bound manner in 2022-23. For the financial years of 2023-24 and 2024-25, a growth rate of 13.48 per cent and 18.57 per cent have been assumed. These estimates are based on the commitments towards on-going Centrally sponsored schemes as well as other transfers to States such as local body grants recommended by the Union Finance Commission.

II. Revenue Expenditure

The Revenue expenditure is estimated at Rs.2,84,188.45 crore in Budget Estimates 2022-23 which shows a significant increase in growth of 9.66 per cent over Revised Estimates 2021-22. In the year 2023-24, the Revenue expenditure is estimated to be Rs.3,05,372.41 crore and Rs.3,32,881.03 crore in 2024-25.

The important components are discussed below:

- The expenditure on account of Salaries is a committed expenditure and has been estimated to be Rs.71,566.81 crore in the Budget Estimates 2022-23. This shows an increase of 13.83 per cent over the Revised Estimates

2021-22. The expenditure under Salaries is expected to be Rs.78,064.83 in 2023-24 and Rs.85,871.32 crore in 2024-25. The estimates for 2023-24 and 2024-25 are based on past trends.

- The Non-wage Operations and Maintenance is estimated to be Rs.14,797.86 crore in the Budget Estimates 2022-23. This expenditure has been estimated at Rs.14,818.97 crore in 2023-24 and Rs.17,041.81 crore in 2024-25.
- The expenditure outlay on account of the committed expenditure of Pensions and Retirement benefits is estimated to be Rs.36,035.83 crore in Budget Estimates 2022-23. Considering the trends in retirement, the expenditure under Pension and Retirement benefits is estimated at a growth rate of 8.90 per cent in 2023-24 and 8.0 per cent in 2024-25.
- The expenditure on account of Subsidies and Transfer is estimated to at Rs.1,13,643.10 crore in the Budget Estimates 2022-23 which shows a negative growth rate of 3.01 per cent over Revised Estimates 2021-22. During the year 2021-22, a significant amount has been sanctioned towards distribution of grocery kits to people, Covid relief

assistance in the form of cash assistance, reimbursement of loss due to free bus pass for women and other welfare schemes. The State Government has to take over 100% of losses of TANGEDCO from 2022-23 onwards. The expenditure under Subsidies and Transfers is estimated at Rs.1,16,749.40 crore in 2023-24 and Rs.1,23,754.36 crore in 2024-25 based on the commitment towards on-going schemes and potential new schemes. The ongoing commitments also include those related to State Public Undertakings, mainly the Power and Transport sectors. These fiscal contingencies have also been assessed and incorporated in the preparation and forecast of estimates in MTFP.

III. Capital Account

In the Budget Estimates for 2022-23, an amount of Rs.43,043.38 crore has been provided as Capital Expenditure as against Rs.37,936.23 crore in the Revised Estimates 2021-22. This shows an increase of 13.46 per cent over Revised Estimates 2021-22. The capital expenditure is expected to grow further at 45.58 per cent in 2023-24 and 25.28 per cent in 2024-25. The Capital account outlay including Capital expenditure and Loans and Advances (Net) is expected to be Rs.63,570.88 crore in 2023-24 and

Rs.80,530.49 crore in 2024-25. This shows the commitment of the State to constantly improve the allocation for growth oriented expenditure while maintaining fiscal discipline.

IV. Revenue Deficit and Fiscal Deficit

The Revenue Deficit in Budget Estimates 2022-23 is estimated at Rs.52,781.17 crore which is lesser than the revenue deficit of Rs.55,272.79 crore projected in Revised Estimates 2021-22. Towards reducing Revenue Deficit systematically and eventually achieving NIL revenue deficits, this Medium Term Fiscal Plan has been devised within an overall framework of adherence to TNFRA norms to ensure fiscal consolidation and debt sustainability. This is intended to be achieved by striking a balance between revenues and expenditure. Towards this, priority will be for revenue resources and exploring possible measures to improve it. Secondly, improving the expenditure profile by enhanced allocation to growth-oriented expenditure and rationalise revenue expenditure. The Revenue Deficit is expected to reduce to Rs.26,313.15 crore in 2023-24 and subsequently reduce to Rs.13,582.94 crore in 2023-24. This creates additional space for capital spending.

The 15th Finance Commission has permitted the states to maintain the ratio of Fiscal Deficit to GSDP as

3.0 per cent in 2023-24 and 2024-25. In addition, the 15th Finance Commission has provided an additional space of 0.5% of GSDP during 2021-22 to 2024-25 on fulfilment of required Power Sector Reforms. In Budget Estimates 2022-23, the Fiscal Deficit is estimated at 3.63 per cent of GSDP. In the forthcoming years, Fiscal Deficit to GSDP ratio is estimated to be 3.17 per cent in 2023-24 and 2.91 per cent in 2024-25 which is within the norms prescribed by 15th Finance Commission.

V. Borrowings

The estimates for receipt and repayment of borrowings have been finalised on the basis of overall borrowing ceiling fixed by the Government of India. The Government plans to borrow a net amount of Rs.90,116.52 during 2022-23. This excludes an amount of Rs.6,500.00 crore anticipated from Government of India towards Back to Back Loan for GST Compensation shortfall. The outstanding debt as on 31st March 2023 will be Rs.6,53,348.73 crore after excluding Back to Back loan for GST Compensation shortfall released by Government of India. This constitutes 26.29 per cent of GSDP in 2022-23. The Outstanding Debt as a percentage of GSDP is expected to be 26.24 per cent in 2023-24 and 25.93 per cent in 2024-25, which are well within the norms prescribed by 15th Finance Commission.

Thus the State aims to maintain debt sustainability as part of its fiscal consolidation roadmap.

VI. Guarantees

The outstanding guarantees for each year have to be restricted at a level of 100 per cent of the Total Revenue Receipts in the preceding year or 10 per cent of the GSDP, whichever is lower. The outstanding guarantees as on 31st March, 2021 were 31.08 per cent of Total Revenue Receipts in the preceding year and 2.79 per cent of GSDP. The outstanding risk weighted guarantees for each year have to be kept at a level of 75 per cent of the Total Revenue Receipts of the preceding year or 7.5 per cent of GSDP whichever is lower. The outstanding risk weighted guarantees as on 31st March, 2021 stood at 11.83 per cent of Total Revenue Receipts of preceding year and 1.06 per cent of GSDP.

Conclusion

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

which is a positive sign. This growth is expected to further strengthen in the coming years.

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