

Speech of Dr. Palanivel Thiaga Rajan, Minister for Finance and Human Resources Management, Government of Tamil Nadu, presenting the Budget Estimates for the year 2023-24 to the Legislative Assembly on 20th March 2023.

Hon'ble Speaker,

I rise to present to this August House the Budget Estimates for the year 2023-24. I commence my address by recalling the immortal words of Saint Thiruvalluvar, which eloquently captures the people-oriented leadership of our Hon'ble Chief Minister, who is strongly committed to the well-being and welfare of the people of Tamil Nadu and is guiding the State with utmost feeling of responsibility and care, amidst various difficulties:

கொடையளி செங்கோல் குடியோம்பல் நான்கும்

உடையானாம் வேந்தர்க் கொளி

(குறள்-390)

Bounty, mercy, justice and love for the subjects, Who has all these is a light among rulers

(Kural-390)

2. In the last budget, the thrust was on social welfare and inclusive economic development by designing various schemes, even as this Government worked towards fiscal consolidation and administrative reforms. I present the budget speech today with the deep satisfaction that we have taken enormous strides towards fulfilling our vision. For the last two years, our Dravidian model of governance, inspired by the century old Dravidian Movement has been marching forward with the vision of ensuring social justice in all walks of life. I pay my respects and homage to our political forerunners who have always guided us in this path.

3. Tamil Nadu is a beacon for the entire Country for pursuing the principles of social justice, women empowerment, inclusive growth and rationalism, made possible by the fact that, we continue to follow the footsteps of the Justice Party that had planted the seeds of social reforms a century ago. The Dravidian movement led by the triumvirate of its political stalwarts Thanthai Periyar, Perarignar Anna and Muthamizharignar Kalaignar, has emblazoned the idea of self-respect into the body politic of Tamil society. It is this principle of self-respect which has made us the foremost State in advocating state autonomy, linguistic rights and true federalism. Our Hon'ble Chief Minister, who also has travelled along the same ideological path, is now the

bulwark and life breath of these ideals, which are the lynchpins of Tamil society.

4. At the outset, I thank the Hon'ble Chief Minister for his constant guidance and unstinting support. Only due to the confidence that he has reposed in me and the inspiration that he constantly provides, we have been able to embark upon widespread and pathbreaking reforms to promote the welfare of the people. In the last budget, we laid out our broad focus areas as follows:

- (i) enhancing economic growth,
- (ii) strengthening the social safety net,
- (iii) creating large number of job opportunities for youth,
- (iv) improving livelihood of women through education,
- (v) socio-economic development of the marginalized,
- (vi) elimination of poverty through inclusive growth,

- (vii) data-driven governance to ensure that full benefits of Government schemes reach the people, and
- (viii) promoting environmental sustainability and inter-generational equity.

We have achieved significant results in each of these areas during the current year.

5. Even as we rightly celebrate our accomplishments, we are bracing for challenging times ahead, due to unprecedented inflation, the continuing war in Ukraine and volatility in the Global Economy and Financial Markets. We have outperformed by growing faster than the national average in the previous year and by significantly lowering the Revenue Deficit and Fiscal Deficit when compared to that of the Union Government. This is a testimony to the quality of leadership and deft financial management by our Hon'ble Chief Minister.

6. Notwithstanding the several massive welfare schemes that are being implemented during the last two years, **owing to the unprecedented and difficult reforms undertaken, we have reduced the annual revenue deficit of around Rs.62,000 crore which we inherited on assuming office, to around Rs.30,000 crore in the Revised Estimates of the**

current year. It is noteworthy that this is approximately Rs.5,000 crore lower than the level of the pre-COVID year of 2019-20. In accordance with the mandate of the Fiscal Responsibility Act of achieving Zero-revenue deficit, the State will adopt a smooth glide path without compromising on our welfare initiatives and developmental priorities.

7. The main reason for the fiscal stress faced by the Government at the time of assuming office was the fall in tax revenue in the previous years. The State's own tax revenues which were at a healthy 8 per cent of the Gross State Domestic Product (GSDP) during 2006-11 have witnessed a precipitous fall in the last 10 years and reached 5.58 per cent in 2020-21. This is much lower when compared to other large States such as Maharashtra and Karnataka. Though the Tax-GSDP ratio has increased to 6.11 per cent in the current year due to the efforts of this Government in the last two years, concerted action is needed to raise it further to find financial resources for welfare schemes.

8. The Hon'ble Chief Minister adroitly handled the second wave of Covid, major floods in Chennai and severe financial stress. In spite of these constraints, he was able to fulfill the promises to the people and has several achievements to his credit. He has urged us to

strive to fulfill the expectations of the people in the coming years and I have prepared this budget keeping these instructions in mind. With these introductory remarks, let me now proceed to sector-wise view of the Budget 2023-24.

Tamil Development and Culture

9. **To honour the legacy of Tamil martyrs Thiruvalluvar, Thiruvalluvar and Natarajan**, who sacrificed their lives to protect Tamil in the struggle against Hindi imposition, **a memorial will be established at Chennai.**

10. In order to propagate the ideals of **Annal Ambedkar**, the father of the Indian Constitution and the architect of a progressive and egalitarian India, **the Government will provide a grant of Rs.5 crore to translate his works into Tamil language.**

11. To give an impetus to the growth of Tamil as a global language by promoting its usage in the technology sector, an **'International Conference on Tamil Computing'** will be held with the participation of renowned experts from across the world. This will greatly encourage development of software in Tamil language.

12. With a view to celebrating the glory of Tamils who have conquered many lands overseas, **efforts will**

be taken to promote and support sea cruises that will connect places of significance in Tamil culture.

These cruises will showcase the rich history, literature, art, culture, handicrafts and cuisine of Tamil people and will spread the State's glory across the seven seas.

13. The Government has been providing **free bus pass to elderly Tamil scholars** in recognition of their invaluable contribution to our language. In the coming year, the **Government will extend this benefit to 591 more Tamil scholars.**

14. To enable the younger generation to imbibe and appreciate our celebrated art heritage, the **Government will expand the widely popular Chennai Sangamam cultural programme to 8 major cities in the coming year.** It will provide a platform to nurture folk art and artists and celebrate the shared cultural ethos of the Tamil people. An amount of Rs.11 crore is provided in this Budget for this purpose.

15. To preserve folk arts and to ensure that these traditions continue to flourish in the future, 25 part time folk art training centres will be set up across the State.

16. The Cholas are one of the greatest dynasties who conquered seas and the lands beyond, and ruled vast stretches of India and South East Asia for many

centuries. Tamil art, music, architecture, sculpture, crafts and dance reached their pinnacle during the Chola period and their glory spread far and wide. **To highlight the contribution of the Cholas who ruled the world, and to preserve artefacts and relics of that age, a 'Grand Chola Museum' will be set up in Thanjavur.**

Welfare of Sri Lankan Tamils

17. The Hon'ble Chief Minister intervened on humanitarian grounds to send essential commodities to help the people affected by the severe economic crisis in Sri Lanka. After securing the consent of the Union Government, 40,000 MT of rice, 500 MT of milk powder and 102 MT of medical supplies, worth Rs.197 crore have been sent in three ships.

18. We have been continually requesting the Union Government to grant Indian citizenship to Sri Lankan Tamils residing in India. Pending this request, this Government had announced that 7,469 houses will be constructed in the rehabilitation camps for Sri Lankan Tamils, with the objective of providing safe and quality accommodation. In the first phase, 3,510 houses were taken up for construction at a cost of Rs.176 crore and the works are underway. **In the second phase, the Government will sanction Rs.223 crore towards**

construction of the remaining 3,959 houses in the coming financial year.

Welfare of Ex-Servicemen

19. Recognizing the valour and supreme sacrifice made by security forces in guarding our nation, the ex-gratia that is being offered by the State Government to the next of kin of armed forces personnel hailing from Tamil Nadu who are killed in war/ war-like operations will be doubled from Rs.20 lakh to Rs.40 lakh. Further, the monetary grants that are offered to gallantry awards/distinguished service medal winners in armed forces hailing from Tamil Nadu will be enhanced four times.

Health and Family Welfare

20. Ensuring quality education and medical facilities to all is the fundamental objective of this Government. It is in pursuance of this goal that the Government is implementing pioneering schemes like Makkalai Thedi Maruthuvam and Innuyir Kappom, besides taking several initiatives to strengthen the public health infrastructure in the State. The Government is implementing the novel Makkalai Thedi Maruthuvam scheme, where non-communicable diseases are identified and addressed at an early stage. This Government which is deeply concerned about the welfare

of workers, who are the bedrock of our economy, will launch a new initiative to address the issue of non-communicable diseases among workers in factories and in unorganised sectors like construction. **The Makkalai Thedi Maruthuvam scheme will be expanded to 711 factories covering 8.35 lakh workers in the first phase.** Health checkup camps will be held in these factories with specific emphasis on non-communicable diseases like high blood pressure and diabetes. Migrant labourers will also benefit under this scheme.

21. Under the Chief Minister's Comprehensive Health Insurance Scheme, insurance coverage of Rs.5 lakh is being given per year per family. During the current year, so far, 11.82 lakh patients have availed treatment worth Rs.993 crore, which is the highest since the inception of the scheme.

22. **The 1,000 bedded Kalaignar Memorial Multi Super Speciality Hospital in the premises of King Institute of Preventive Medicine and Research Centre, Guindy will be inaugurated this year.** New speciality hospital buildings are being constructed in three Government medical college hospitals at Madurai, Coimbatore and Kilpauk at a total cost of Rs.1,020 crore and they will be put to use shortly.

23. New buildings will be constructed at a cost of Rs.110 crore in the Mahatma Gandhi Memorial Hospital, which caters to the medical needs of people in Tiruchirappalli and its surrounding districts. In order to fulfil the medical needs of people in North Chennai, a new multi-speciality block, nurses training school and hostel will be constructed in Stanley Hospital at a cost of Rs.147 crore.

24. The first Government Siddha Medical College in the State was established in Palayamkottai in 1964. At present, there are 100 undergraduate and 60 post-graduate students in this institute. Further, treatment is also being provided to nearly 1,000 patients on a daily basis. The Government will undertake works to improve the infrastructure of the college and hospital at a cost of Rs.40 crore. Rs.18,661 crore has been allotted towards Health and Family Welfare Department in the Budget.

School Education

25. Due to the various initiatives launched by this Government in the last two years, the student enrolment in Government schools has increased significantly. Therefore, the Government had launched the **'Perasiriyar Anbazhagan School Development Scheme'** to modernize and upgrade physical

infrastructure at an outlay of Rs.7,000 crore over a period of five years. During the current year, works to the tune of Rs.2,000 crore have been taken up. **In the upcoming financial year, the Government will construct classrooms, laboratories and toilets at a cost of Rs.1,500 crore.**

26. The '**Ennum Ezhuthum**' Programme aims at achieving Universal Foundational Literacy and Numeracy for students in classes 1 – 3 by 2025. Owing to the positive response received, this programme **will be expanded to classes 4 and 5 with an outlay of Rs.110 crore in the upcoming financial year.**

27. The goal of social justice can be fulfilled only when knowledge is made widespread and accessible to people in the remotest of places. With this objective, moving beyond Chennai, book fairs were conducted in all districts and five literature festivals were successfully conducted during the current year. This great initiative will continue next year also, at a cost Rs.10 crore. The Government successfully organized the first edition of the Chennai International Book Fair in January 2023 with participation from 24 countries. An unprecedented number of 355 MoUs were signed between publishers from Tamil Nadu and various countries paving way for

knowledge and copyright exchange. **This international book fair will also be conducted next year.**

28. Educational institutions play a vital role in establishing social justice, equality and equity in all walks of life. Therefore, the Government has been taking multiple initiatives in the last two years to improve the quality of education through schemes such as Ennum Ezhuthum, Schools of Excellence, Hi-tech Labs, Model Schools, and Perasiriyar Anbazhagan School Development Scheme. It is essential that the benefits of these programmes reach all students. Requests have been received to operate and maintain Adi Dravidar Welfare Schools through the School Education department in the State High-Level Vigilance and Monitoring Committee meetings held under the chairmanship of the Hon'ble Chief Minister on 19.8.21 and 12.4.22. To achieve the goal of social justice in the field of education, to improve the quality of schools functioning under various departments and to ensure that all students are provided quality education, **all schools functioning under various departments like Adi-Dravidar and Tribal Welfare, Backward Class, Most Backward Class & Denotified Communities, Hindu Religious & Charitable Endowments and Forest will be brought under the School Education department.** It will be ensured that

the service conditions and benefits of teachers and staff presently working in these schools are protected.

29. The Government is using data based governance to remove various shortcomings in the implementation of schemes. In order to reduce the unnecessary delay in the disbursement of scholarships by various departments and to ensure that scholarship amount reaches eligible students in a timely manner, directly to their bank accounts, an integrated scholarship portal will be created.

30. An iconic eight-storeyed library in two lakh square feet, with all modern amenities is being constructed in Madurai, the seat of Tamil Sangam. This library will cater to all sections of the society including children, students, researchers, youth who are preparing for competitive exams, homemakers, senior citizens and the differently abled. The library will feature special facilities including children's section with colourful books, separate area with internet facility for those writing competitive exams, braille books for the visually impaired, air conditioned meeting halls, art gallery to exhibit the cultural heritage of Southern Tamil Nadu and an exquisite repository of the writings and speeches of Muthamizharignar Kalaignar.

31. In the first phase, this library will house 3.50 lakh books in Tamil and English relating to various subjects like literature, culture, science, engineering, law and medicine. This modern temple of knowledge in Southern Tamil Nadu will be named **Kalaignar Centenary Library** to mark the commencement of centenary celebrations of Muthamizharignar Kalaignar, in recognition of his immense contribution to the Tamil society. This library will welcome its first readers in June this year. Rs.40,299 crore has been allocated towards School Education Department in the Budget.

Higher Education and Skill Development

32. The Government is cognizant of the fact that human resource is the greatest wealth of the State and has been investing heavily in its development. We recognise that a highly skilled workforce is a unique competitive advantage to attract investments into the State. Therefore, to create a workforce suited for the rapidly changing industrial ecosystems, a scheme is underway to transform 71 Government ITIs to Centres of Excellence at a cost of Rs.2,877 crore. The works will be completed and students will be enrolled in new courses in the coming academic year itself.

33. In the next phase, the Government will launch a programme in the coming year to transform and

modernize the Government Polytechnic colleges into 'Centres of Excellence' in accordance with the Industry 4.0 standards in collaboration with industry partners. The programme will focus on infrastructure modernization, industry relevant course content creation, capacity building of faculty members and employment opportunities for the students. **54 Government polytechnics will be upgraded as 'Centres of Excellence' at a total cost of Rs.2,783 crore under this scheme.**

34. The Government proposes to establish a world class skill centre named **"Tamil Nadu World Innovation and Skill Training Hub" (TN-WISH) at Ambattur at a cost of Rs.120 crore** with the objective of providing skill training to trainers in ITIs and polytechnics and to create a highly skilled workforce. The hub will provide training in advanced technologies such as Mechatronics, Internet of Things, Advanced Automobile Technology, Precision Engineering and Advanced Welding.

35. The Hon'ble Chief Minister had launched the visionary programme **"Naan Mudhalvan"** last year to train 10 lakh students and youth in industry relevant skills and thus generate job opportunities for them. This programme is being implemented in all engineering

and arts and science colleges in collaboration with industry partners. Academic curriculum has been revised to include industry relevant courses to improve employability of students. Currently, about 12.7 lakh students from engineering and arts and science colleges are being trained under this programme. 12,582 engineering faculty and 7,797 arts & science faculty have also been trained. Rs.50 crore has been provided for this scheme in the budget.

36. To scale up skill training infrastructure in a massive way, factories will be used as Skill Development Centres. Industries will be incentivized to provide on-the-job-training to youth in factories. In this Budget, **an amount of Rs.25 crore has been allocated for this 'Factory Skill Schools' programme.** A state-of-the-art Skill Development Centre will be established, at an estimated cost of Rs.80 crore, in SIPCOT Industrial Park, Shoolagiri in Krishnagiri district, which is emerging as the third largest industrial cluster in the State.

37. The **Perunthalaivar Kamarajar College Development Scheme** was launched last year with an outlay of Rs.1,000 crore for improving infrastructure and basic amenities in Government colleges over a period of five years. In the current year, works such as

construction of new classrooms and additional laboratories have been taken up in 26 Government polytechnic colleges and 55 Government arts and science colleges. **These works will be carried out in the coming financial year also at an estimated cost of Rs.200 crore.**

38. It is seen that the number of students from Tamil Nadu clearing the Civil Services Examinations has been on the decline in the last few years. With the objective of reversing this trend, Tamil Nadu Skill Development Corporation (TNSDC) will implement a scheme in co-ordination with Anna Staff Administrative College to help **civil services aspirants** to access better coaching facilities and materials. Every year 1,000 civil services aspirants will be short listed through a screening test. **Each aspirant will be provided Rs.7,500 per month for 10 months to prepare for the preliminary examination. Those students who clear the preliminary examination will be provided a lumpsum amount of Rs.25,000.** For this programme, an amount of Rs.10 crore has been allocated to TNSDC in the Budget Estimates 2023-24. In aggregate, an allocation of Rs.6,967 crore has been made to the Higher Education Department in this Budget.

Youth Welfare and Sports

39. With the realization that tomorrow's society is the responsibility of today's youth, this Government is committed to making the youth strong and vibrant. With the successful conduct of International Chess Olympiad in Chennai and the competitions for Chief Minister's Trophy being held across the State, the sports sector has been given a new impetus. As the next step, **the Government through the Chennai Metropolitan Development Agency will set up a state-of-the-art Global Sports City in Chennai** which will promote the development of sports and emerge as a favoured destination for leading sports events. For this purpose, a detailed project report will be prepared by engaging international experts.

40. The Government will undertake a **comprehensive renovation of the iconic Jawaharlal Nehru Outdoor Stadium, Chennai and equip it with modern sports facilities at an estimated cost of Rs.25 crore.**

Adi-Dravidar and Tribal Welfare

41. This Government, which is founded on the principles of social justice and equitable growth, attaches highest priority to the development of Adi-Dravidars and Tribals. With the objective of increasing the Gross

Enrolment Ratio of Adi Dravidar and Tribal students in higher education and providing them safe and quality accommodation, **four new hostels will be constructed with modern facilities in Madurai, Coimbatore, Tiruchirappalli and Nilgiris at an estimated total cost of Rs.100 crore.** These hostels will be maintained and managed by engaging professional agencies.

42. It has been a long pending demand to enact a legislation to ensure effective implementation of the Scheduled Castes and Tribal Sub Plan. Heeding to this request, the **Government will bring a new legislation to ensure adequate allocation of funds and effective implementation of the Scheduled Castes and Tribal Sub Plans.** The draft bill will be introduced in the next session of the Assembly after due consultation with stakeholdeRs.

43. The practice of manual cleaning of sewers and septic tanks is a blot on humanity. In order to completely prevent deaths due to manual cleaning of sewers and septic tanks, a new scheme has been recently launched by this Government. By transforming sanitary workers into entrepreneurs and facilitating them to procure modern machinery, this scheme will enable them to undertake these works in a safe manner and generate income. In this scheme, priority will be given to

families of sanitary workers who died during manual cleaning and to persons currently engaged in sanitary work, on the basis of their willingness. In the first phase, the scheme will be implemented in the Chennai Metropolitan area. Based on this pilot exercise, the scheme will be expanded to the entire State.

44. It is seen that the share of persons from Scheduled Caste and Scheduled Tribe communities who avail various entrepreneurship promotion subsidies from the Government is very low. In order to **promote economic development of SC/ST entrepreneurs, a new scheme called 'Annal Ambedkar Business Champions Scheme' will be launched** in the coming financial year. The new scheme will provide 35 per cent capital subsidy and offer 6 per cent interest subvention for loans to procure machineries and equipment. A sum of Rs.100 crore is allocated for this scheme in the Budget Estimates 2023-24.

45. To revive the Welfare Board for Puthirai Vannars, Rs.10 crore will be provided to undertake livelihood development and welfare activities.

46. A new scheme named **'Iyothee Thass Pandithar Habitation Development Scheme'** will be launched to ensure basic amenities in Adi Dravidar habitations in both urban and rural areas and to bring

about comprehensive socio-economic development.

The scheme will be implemented at a cost of Rs.1,000 crore over a period of 5 years.

47. A sum of Rs.3,513 crore has been allocated to the Adi Dravidar and Tribal Welfare Department in this Budget.

Welfare of Differently Abled

48. It is well known that it was Muthamizharignar Kalaignar who coined the term 'Differently Abled'. Given the importance of this department, it is directly looked after and works are closely monitored by the Hon'ble Chief Minister. RIGHTS project is being implemented at a cost of Rs.1,763 crore with financial assistance from World Bank. The main objective of this project is to create an inclusive society by promoting accessibility through creation of barrier-free structures and employment opportunities through vocational training. The project will be implemented in 15 districts in 2023-24. At the divisional level, 39 One Stop social care service centres will be established to provide services including disability assessment, certification and early intervention. Further, 150 neighbourhood centres manned by volunteers will be set up to provide treatment at home and assistance in availing benefits under various welfare schemes.

49. For the benefit of the 6.84 lakh differently abled persons across the State, the Hon'ble Chief Minister has already issued orders to increase the pension from Rs.1,000 to Rs.1,500 and the maintenance allowance from Rs.1,500 to Rs.2,000 for severely affected persons with disabilities. Towards this, a sum of Rs.1,444 crore has been allotted in the Budget.

50. The State Government is providing guarantee and interest subsidy for the development of enterprises of differently abled persons. Through these initiatives, Tamil Nadu has facilitated loan assistance to 11,155 differently abled persons to the tune of Rs.50 crore through National Handicapped Finance Development Corporation this year, placing Tamil Nadu in the first place in the Country.

51. The Government is developing a comprehensive database of differently abled persons to ensure effective delivery of benefits under Government schemes. In the first phase, a database of 9,08,000 persons who are benefitting from various welfare schemes has been created.

Welfare of Backward Class, Most Backward class and Denotified Communities

52. The Government has been taking various steps to improve the functioning of Backward Class and Most Backward Class hostels by upgrading infrastructure, and providing nutritious food. In the last two years, works for the construction of 9 hostels at a cost of Rs.36.25 crore are being implemented. Further, based on the requirements of students, fifteen school hostels have been upgraded as college hostels.

53. In the Budget Estimates, a sum of Rs.252 crore has been allocated towards Pre-Matric and Post-Matric scholarship schemes. An amount of Rs.305 crore has been earmarked towards distribution of bicycles to students. A sum of Rs.1,580 crore has been allocated to the Backward Class, Most Backward Class, Denotified Communities and Minorities Department.

Women and Children

54. Following the ancient Tamil tradition, many leaders of the Tamil society have introduced pioneering schemes to eradicate poverty and promote the educational development of students. In 1920, Sir Pitti Theagarayar, the then chairman of the Chennai

Municipal Corporation introduced mid-day meal programme in Chennai for the first time in the Country. During Perunthalaivar Kamarajar's tenure as the Chief Minister, the mid-day meal scheme was expanded at the state level, marking a transformational change in the history of education in Tamil Nadu. This was followed by further efforts to eliminate hunger including the Nutritious Meal Programme by Puratchi Thalaivar MGR and the scheme to provide eggs along with nutritious meals by Muthamizharignar Kalaignar.

55. At this juncture, it has come to light that some children studying in Government schools are suffering from stunted growth and malnutrition. Recognizing that students may be unable to concentrate on studies as they come hungry to schools without eating breakfast, the Hon'ble Chief Minister launched the '**Chief Minister's Breakfast Scheme**' last year, which is the landmark scheme of this Dravidian Model Government founded on social justice. This historic scheme was inaugurated on September 15, the birth anniversary of Perarignar Anna.

56. The Chief Minister's Breakfast Scheme is being implemented in 1937 Government Primary Schools and it is benefitting 1,48,315 students studying from Class I to Class V. Out of the 1,543 Elementary schools,

where the scheme was implemented in the first phase, the attendance of students has increased in 1,319 schools. The attendance has increased by 10per cent in 624 schools, 20per cent in 462 schools and 30per cent in 193 schools. In Tiruppathur, Perambalur, Ariyalur and Tiruvarur districts, attendance of students has increased in all the schools where the Breakfast scheme was implemented. To translate the noble vision of the Hon'ble Chief Minister that we will make any sacrifice to ensure that no child remains hungry while learning and to make learning joyful and education universal, the **Chief Minister's Breakfast Scheme will be expanded to cover all the 30,122 Government primary schools in the State from the coming academic year. Rs.500 crore is allotted for this scheme in this Budget which will benefit 18 lakh students studying from Class I to Class V.**

57. Educated women are essential for a prosperous and self-sufficient society. Well aware of this, Muthamizharignar Kalaignar introduced the Moovalur Ramamirtham Ammaiyar Marriage Assistance Scheme in 1989 to promote women's education. Realizing that many girls from poor families in Tamil Nadu are unable to continue higher education after completing 12th standard, this Government has redesigned the scheme as Moovalur Ramamirtham Ammaiyar Pudhumai

Penn Scheme, under which all girl students studying from 6th to 12th standard in Government schools are provided Rs.1000 rupees per month for their higher education. At present, 2.20 lakh girl students are benefitting under this scheme every month. Compared to the year 2021-22, 29 per cent more girls have entered colleges this year, which is an addition of 20,477 girl students. The fact that the many girls who did not pursue higher education after completing their schooling have now enrolled in colleges is a testimony to the success of this scheme.

58. The self-help group movement, that was pioneered by Muthamizharignar Kalaignar in the country in 1989 at Dharmapuri, has today blossomed into a massive people's movement. This Government is undertaking several measures for capacity building and livelihood development of women self-help groups. In the current year, so far, women self-help groups have received bank loans of around Rs.24,712 crore. In the coming financial year, a target of Rs 30,000 crore has been set for credit linkage to SHGs.

59. Women entrepreneurs continue to face difficulties in accessing adequate, timely credit and marketing of products. To address these challenges, the Government will establish an exclusive **'Start-up**

Mission' for women. This mission will facilitate women entrepreneurs in all aspects of their business.

Co-operation, Food and Consumer Protection

60. Since 2021-22, a total of 213 godowns have been constructed with a storage capacity of 2.86 lakh MT at a combined cost of Rs.238 crore to augment storage capacity and minimize losses. Further, 12 godowns with a storage capacity of 28,000 MT are being constructed at a total cost of Rs.54 crore.

61. To meet the liabilities of the important poll promises fulfilled by this Government, a sum of Rs.2,393 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.3,993 crore has been allotted in the Budget.

62. The Government will frame a comprehensive long-term plan to carry out structural reforms in Tamil Nadu Civil Supplies Corporation to improve efficiency in operations and fiscal sustainability. An amount of Rs.10,500 crore has been provided in this Budget towards Food Subsidy in the Public Distribution System. An allocation of Rs.16,262 crore has been made to the

Co-operation, Food and Consumer Protection Department in this Budget.

Water Resources

63. The Government is taking several efforts to restore and rejuvenate the water bodies. Under Tamil Nadu Irrigated Agriculture Modernisation Project, the Government has sanctioned rehabilitation works in 341 tanks, 67 anicuts and 11 canals at an estimated cost of Rs.462 crore. Further, repair, renovation and restoration works are being undertaken in 309 tanks at an estimated cost of Rs.258 crore.

64. Long term flood mitigation works are being undertaken at a cost of Rs.184 crore in the districts of Chennai, Tiruvallur, Kanchipuram and Cuddalore. Of these, 9 works have been completed and 2 works are in progress. In the current year, 12 flood mitigation works have been undertaken in Chennai, Kanchipuram, Chengalpattu and Thiruvallur districts at a total cost of Rs.434 crore.

Animal Husbandry

65. The Tamil Nadu Animal Welfare Board, under the chairmanship of the Hon'ble Chief Minister, has been restructured to promote the welfare of animals in the State. In order to control the burgeoning street dog

population, it is necessary to set up Animal Breeding Control Centres. To strengthen and improve the effectiveness of the Animal Welfare Board, an amount of Rs.10 crore has been provided in the Budget. This fund will be used to carry out animal breeding control activities, provide training to local Government employees and implement animal welfare activities.

Welfare of Fishermen

66. This Government is empathetic to the welfare and special needs of fisher folk and has increased the special allowance during lean months to Rs.6,000 from Rs.5,000. An allocation of Rs.389 crore has been made to benefit 4.3 lakh beneficiaries for implementing the fishermen welfare schemes such as Lean period assistance, Ban period relief assistance and Savings cum Relief schemes.

67. Coral reefs provide shelter and food to fish and increase the probability of survival of fingerlings. To improve the livelihood of country craft fishermen, 217 units of artificial reefs will be established at a cost of Rs.79 crore in the 3 Palk Bay districts and 200 units will be set up at a cost of Rs.64 crore in other districts.

Environment, Climate Change and Forests

68. Due to increasing vagaries of climate change and pressure caused by the burgeoning population, the coastal ecosystem and the livelihood of coastal population are likely to be severely affected in the near future. The Government will implement the **'Tamil Nadu Coastal Restoration Mission'** with the objective of preventing sea erosion, reducing marine pollution and conserving marine biodiversity. **The mission will be implemented with World Bank assistance at an estimated cost of Rs.2,000 crore in the next 5 years.**

69. A contiguous stretch of protected forests is essential to protect endangered wildlife. The Government will notify a new wildlife sanctuary **'Thanthai Periyar Wildlife Sanctuary'**, with an extent of 80,567 hectares in the forest areas of Anthiyur and Gobichettipalayam Taluks in Erode district to link the Nilgiris Biosphere Reserve with Cauvery South Wildlife Sanctuary. **This will be the 18th wildlife sanctuary in the State.**

70. Tamil Nadu is located in the Central Asian Flyway and hosts a large number of migratory birds every year. In order to promote conservation of birds, encourage research in the field of ornithology and create awareness about the role of birds in nature, the

Government shall set up an '**International Bird Centre**' **at Marakkanam at an estimated cost of Rs.25 crore.**

71. Recognizing the importance of women's role in tackling climate change, the Government will launch the 'Climate Warriors', a climate literacy programme, led by women Self Help Groups in the State. In the first phase, 500 SHGs will lead this green campaign to spread awareness on environment and climate change. The SHGs will be provided with electric autos at a cost of Rs.20 crore towards this purpose. In the Budget, Rs.1,248 crore has been allocated to the Environment, Climate Change and Forests Department.

Rural Development

72. To upgrade 10,000 km rural roads over the next two years for ensuring better connectivity in rural areas and furthering economic development in villages, the Government launched the Mudhalvarin Graama Saalaigal Membattu Thittam this year. Under this scheme, important link roads and bus plying roads will be upgraded. **In the upcoming financial year, works for 5,145 km of roads will be undertaken at an estimated cost of Rs.2,000 crore.**

73. Restoration of 6,618 water bodies has been taken up in rural areas in the last two years at a cost of

Rs.638 crore. Further, **10,000 water bodies in rural areas consisting of minor irrigation tanks, ponds and ooranies will be renovated in the next two years at a cost of Rs.800 crore.**

74. An online portal has been created to help citizens pay House Tax, Professional Tax and Water charges to Village Panchayats. Further, the Building Plan and layout approval will also be made online.

75. Under the Mahatma Gandhi National Rural Employment Guarantee Scheme in the current year, 30.87 crore person days have been generated so far at an expenditure of Rs.10,914 crore. For 2023-24, 35 crore person days have been planned to be generated under the scheme. An allocation of Rs.22,562 crore has been made to the Rural Development and Panchayat Raj Department in these Budget Estimates.

Urban Development

76. The Government has been undertaking projects for improving water supply, upgrading sewage management infrastructure, rejuvenating water bodies and creating green urban spaces under the AMRUT 2.0 scheme. So far, projects worth Rs.9,378 crore have been sanctioned under the scheme, of which Rs.5,960 crore

will be met by the State Government and local bodies. Towards this scheme, Rs.612 crore has been allotted in the Budget Estimates.

77. To ensure drinking water supply to the people, the Government has undertaken 103 combined water supply schemes under the Jal Jeevan Mission at a cost of Rs.15,734 crore, of which the State will meet 54 per cent of the expenditure. Further, **the Phase II of Hogenakkal Combined Water Supply Scheme at a cost of Rs.7,145 crore will be posed for external funding assistance.** In the coming financial year, Rs.6,600 crore has been earmarked for implementation of the Jal Jeevan Mission.

78. During the World Classical Tamil Conference in 2010, Muthamizharignar Kalaignar announced setting up of the Semmozhi Poonga in Coimbatore. The scheme, which had been languishing for long, was revived by the Hon'ble Chief Minister who announced that the **world class 'Semmozhi Poonga' will be set up in Coimbatore in two phases.** In the first phase, a detailed project report has been prepared for development of a botanical garden and other facilities spanning 45 acres **at a total cost of Rs.172 crore and the works are expected to commence shortly.**

For this purpose, an amount of Rs.43 crore has been allocated in these Budget Estimates.

79. As part of its endeavour to realize the goal of Singara Chennai, the Government is committed to clean and restore waterways including Adyar and Cooum. As the first phase of these initiatives, **the restoration of Adyar river for a length of 44 km. will be taken up.** The project will include river cleaning activities such as prevention of sewage from entering the river and construction of Sewage Treatment Plants (STPs). Further, attractive recreational facilities such as aesthetic parks, green walkways, open air gymnasium and quality cafeteria will dot the banks of Adyar river. **This project will be implemented at an estimated cost of Rs.1,500 crore through PPP mode.**

80. While upgrading the urban local bodies, adjoining sub-urban areas were added and there is a felt need to improve earthen roads in these areas. In the last two years, out of the 4,540 km of earthen roads, 1,633 km have been taken up for improvement by the Local Bodies. In the coming year, 1,424 km of earthen roads will be upgraded at a total cost of Rs.1,211 crore.

81. The Government has been taking efforts to improve the operation and maintenance of public toilets in urban areas. As a pilot project, construction of new

public and community toilets, refurbishing of existing toilets and operation and maintenance have been taken up through PPP mode in Greater Chennai Corporation at a cost of Rs.430 crore. Based on the success of this project, this will be further expanded to other Corporations in the State.

82. The Government has been taking several initiatives to create vibrant public spaces in the city. **CMDA will develop 30 acres of land in Island Grounds with modern urban amenities** such as urban plaza, exhibition pavilions, landscaping, open air theatre and food courts **at a cost of Rs.50 crore.**

83. To improve the quality of living in the resettlement habitations constructed by Tamil Nadu Urban Habitat Development Board, **sports cum recreation centres will be developed.** These centres will contain sports facilities, modern gymnasium, multi-purpose community hall to conduct vocational training and a library. **Four such centres will be developed in the coming year at Kannagi Nagar, Perumbakkam, Navalur and Athipattu at a cost of Rs.20 crore.**

84. Coimbatore and Madurai are the largest cities in Tamil Nadu after Chennai. It is imperative that a **Comprehensive Development Plan** be prepared for

the integrated, holistic and planned development of these two cities and their suburban areas with the active participation of stakeholders. These plans, **“Ezhilmigu Kovai”** and **“Ma-Madurai”** will aim to develop highly livable urban agglomerations with green parks, clean streets, clean drinking water, safe mobility, industrial estates and quality housing among others. For preparation of these plans, Rs.1 crore each will be provided.

85. An allocation of Rs.24,476 crore has been made for Municipal Administration and Water Supply Department and an allocation of Rs.13,969 crore has been made to the Housing and Urban Development Department in the Budget Estimates.

Flood Management

86. The Government's proactive planning and execution of flood prevention works were appreciated by all during the recent heavy rains. Completion of flood mitigation works worth Rs.1,355 crore on a war footing greatly reduced the impact of floods. To further control the impact of floods and heavy rains in future by strengthening infrastructure, works for flood mitigation and desilting waterways to the tune of Rs.320 crore will be undertaken in the coming year.

Balanced Growth

87. Though Tamil Nadu has achieved high levels of growth and development, there are still some blocks which are backward in terms of socio-economic indicators. To ensure growth and development in these blocks in a time-bound and targeted manner through convergence of schemes, the Government will launch a new **'Focus Blocks Programme'**. Under this scheme, **the most backward 50 blocks in the State, including those in hilly regions, will be identified and projects to the tune of Rs.5 crore will be taken up in each block.**

88. Chennai is one of the fastest growing cities in the Country and ranks high in the 'Ease of Living Index' published by various agencies. However, there are some pockets in the city, particularly in the North Chennai region, which are deficient in infrastructure and basic amenities. To ensure balanced and equitable development of the city, **the Government will implement the 'Vada Chennai Valarchi Thittam' at a cost of Rs.1,000 crore over the next three years.** Under this scheme, action will be taken to identify and address the infrastructure deficit and gaps in development. The scheme will be implemented by converging the funds of Chennai Metropolitan Development Agency with the ongoing schemes.

Highways

89. The Government accords high priority to develop road infrastructure to propel economic growth in the State. Under the Chief Minister's Road Development Programme, widening of 148 km of roads to four lanes at a cost of Rs.1,407 crore and 524 km to two lanes at a cost of Rs.803 crore have been taken up.

90. **A four-lane elevated flyover on Anna Salai from Teynampet to Saidapet will be taken up for construction at an estimated cost of Rs.621 crore in the coming year.** The flyover constructed over the Chennai Metro Rail tunnels, in consultation with international engineering experts, will be a modern engineering marvel. On completion, it will improve road safety and ease out traffic congestion in several major junctions.

91. To ensure all-weather connectivity, particularly during monsoon and floods, construction of High-level bridges in lieu of 215 causeways has been taken up at a cost of Rs.996 crore.

92. Allocations of Rs.1,847 crore towards Chennai Peripheral Ring Road Project, Rs.1,500 crore for the Chennai-Kanniyakumari Industrial Corridor Project

and Rs.645 crore towards Tamil Nadu Road Sector Project-II have been made in the Budget Estimates.

93. In the Budget Estimates, Rs.19,465 crore has been allocated to the Highways and Minor Ports Department.

Transport

94. Though the existing bus depots in the city are located in prime locations, their full potential for development remains untapped. It is proposed to develop these bus depots as modern transit junctions to improve passenger experience. In the first phase, **bus depots at Vadapalani, Thiruvannamiyur and Vyasarpadi will be developed with an investment of Rs.1,600 crore.** In the second phase, three more bus depots at Tambaram, Tiruvottriyur and Saidapet will be upgraded with an investment of Rs.1,347 crore.

95. There is a need to continuously renew the fleet of buses to provide quality and comfortable transport services to the people. **The Government will procure 1,000 new buses and renovate 500 old buses at a cost of Rs.500 crore.**

96. In the Budget Estimates, allocation of Rs.2,800 crore as subsidies towards free bus travel for women, Rs.1,500 crore as subsidy for student concession

in bus fare and Rs.2,000 crore as diesel subsidy has been made.

97. Compared to many other States, the share of Railways in the modal mix of the transportation system in our State is very low. Addressing this situation, the Government will create a Special Purpose Vehicle, collaborating with Indian Railways, through TIDCO to identify and undertake new railways projects in the State.

98. An allocation of Rs.8,056 crore has been made to the Transport Department in the Budget Estimates.

Metro Rail

99. Works of Phase-II of the Chennai Metro Rail Project for a length of 119 km in three corridors at a total cost of Rs.63,246 crore are in progress. The first stretch of elevated corridor from Poonamallee Depot to Kodambakkam Powerhouse section is expected to be ready for commissioning by December, 2025. A sum of Rs.10,000 crore has been allotted towards Chennai Metro Rail Project in this Budget.

100. Coimbatore City, known as the Manchester of South India, is one of the fastest growing Tier-II cities in India. It is home to a plethora of economic activities such

as textiles, trade, commerce, technology, medical facilities and manufacturing and is an embodiment of entrepreneurial spirit. Keeping in view of the future growth potential of the City, the **Government has decided to implement the Metro Rail project in Coimbatore city. The Metro Rail project will be implemented along Avinashi Road and Sathyamangalam Road at an estimated cost of Rs.9,000 crore.**

101. To transform the ever lively and vibrant **Madurai** as an engine of development for the southern region, **the Metro Rail project will be implemented in the city at an estimated cost of Rs.8,500 crore.** Constructed underground through the central parts of the town, the Metro Rail will connect Thirumangalam to Othakadai. After obtaining approval from Union Government, the Metro Rail projects in these two cities will be implemented with funding from external agencies.

Energy

102. With the objective of fulfilling the increasing demand for power in the State, the Government intends to double the installed capacity for power generation in the State by adding 33,000 MW by 2030, giving high priority to development of renewable energy sources. The

present contribution of green energy to the State grid at 20.88 per cent is proposed to be increased to 50 per cent by 2030 through additional capacity creation.

103. With solar energy potential of 20 GW, onshore wind energy potential of 70 GW and offshore wind energy potential of 30 GW, Tamil Nadu has immense renewable energy resources and opportunities. To transform Tamil Nadu into a green power house with more than 50 per cent of power generation from renewable sources by the year 2030, the Government will create a dedicated Special Purpose Vehicle. Further, a new policy on repowering windmills in the State will be evolved.

104. Pumped storage hydroelectric projects will be established under PPP mode to meet the peak hour power demand in the State. The 500 MW pumped hydroelectric storage project being constructed at Kundah will be operational by 2024-25. **Further, 15 more projects will be established under the PPP mode with a total capacity of 14,500 MW at an estimated cost of Rs.77,000 crore by 2030.** The Government will bring out a comprehensive policy to promote investment in pumped hydroelectric storage in the State. Further, on-going thermal

power projects of 4100 MW will be completed expeditiously.

105. To automate fetching of metered data, a smart metering system will be installed with prepaid functionality for all paid consumer connections under the RDSS scheme.

106. As a result of the structural and systemic reforms undertaken by the Government, the fiscal position of TANGEDCO has improved slightly and it is expected that the loss of TANGEDCO will be reduced to Rs.7,825 crore in 2022-23 from Rs.11,955 crore in 2021-22. An allocation of Rs.14,063 crore has been provided in the Budget Estimates towards various subsidies provided to TANGEDCO.

Handloom and Textiles

107. This Government accords high priority to the welfare of handloom and powerloom weavers. The free electricity units have been increased from 200 to 300 units benefitting 76,356 handloom weavers. Similarly, free electricity units have been increased from 750 to 1000 units, benefitting 1.64 lakh powerloom weavers. The Hon'ble Chief Minister had announced that **a new Textile Park** will be established in the Western region. Accordingly, this park **will be established in**

Salem at a cost of around Rs.880 crore in an area of 119 acres, with funding from Union and State Governments and participation of private sector.

108. Acquisition of 1,052 acres of land for setting up the Mega Textile Park at a cost of Rs.1,800 crore in Virudhunagar district has been completed by SIPCOT. This park which is being established with the support of the Union Government will provide employment to 2 lakh persons and the works are expected to commence shortly.

109. To upgrade the standard of handloom products, use latest technologies and create market linkages, **the Government will establish 10 Mini Handloom Parks at a total outlay of Rs.20 crore.**

110. Further, **a new Textile Policy** will be released with a focus on holistic development of the entire value chain, latest design development and textile machinery manufacturing.

Micro, Small and Medium Enterprises (MSMEs)

111. Registration and formalization of MSMEs is vital for these enterprises to avail benefits of various Government schemes. The Government will launch a special drive to identify and register these enterprises in

the State. This initiative would also lead to the creation of a comprehensive database of all industries in the State, including large industries. A sum of Rs.5 crore is provided for conducting the survey.

112. Tamil Nadu has one of the largest number of business incubators in the country. With a view to supporting business incubators who propose to specialise in areas like climate tech, rural tech, agri tech and marine tech, StartupTN will assist them in raising funds from various sources to set up Centres of Excellence and will also bear up to 40 per cent of the cost of such upgradation. A separate vertical will be created in StartupTN to further the incubator eco-system in the State.

113. In the current year, under the New Entrepreneur cum Enterprise Development Scheme (NEEDS), sanction has been given for subsidies worth Rs.144 crore. I am happy to inform this house that this is a new milestone in the implementation of the scheme so far. Tamil Nadu is the only State which has mandated that all Public Sector Enterprises be registered with the Trade Receivables Discounting System (TReDS) Platform assuring timely bill payment to Micro, Small and Medium Enterprises.

114. An allocation of Rs.1,509 crore has been made to the Micro, Small and Medium Enterprises Department in the Budget Estimates.

Industries

115. Tamil Nadu has been attracting substantial investments in the last two years. Since May 2021, 221 Memoranda of Understanding (MoU) have been inked for investment commitments worth Rs.2,70,020 crore with employment opportunities for 3,89,651 persons.

116. To consolidate the benefits from these investments, guided by the vision to steer Tamil Nadu towards a one trillion-dollar economy by 2030, **the next Global Investors Meet (GIM) will be organized in Chennai on 10th and 11th January 2024.** This will be a platform that will showcase the investment friendly climate prevailing in the State and also its immense strengths and attractiveness as an investment destination. It will also facilitate our industries, MSMEs and Startups to connect with the global markets and investors. An allocation of Rs.100 crore has been made for the Global Investors Meet.

117. This Government is committed to ensuring balanced industrialisation of all parts of the State. Among

the MoUs signed recently, 85 projects will be set up in industrially backward districts with an investment commitment of Rs.1,44,028 crore and employment potential for 2,14,478 persons.

118. This Government has announced 10 new sector-specific policies for planned industrial development in the following sectors :-

- (i) Fintech
- (ii) Research and Development
- (iii) Life Sciences
- (iv) Export Promotion
- (v) Aerospace and Defence Industries
- (vi) Footwear and Leather Products
- (vii) Electric Vehicles
- (viii) Logistics
- (ix) City Gas Distribution
- (x) Ethanol Blending

119. Tamil Nadu, especially Chennai – Sriperumbudur Corridor, occupies the pole position in automobile manufacturing in the entire Country. Tamil Nadu remains the forerunner in production of

electric vehicles, which are rapidly emerging as an alternative to the fossil fuel-based vehicles. I am proud to inform this August House that 46 per cent of the electric two-wheelers sold last year in India were manufactured in Tamil Nadu. The largest electric two-wheeler manufacturing factory in the world is established in the State. The recently launched Electric Vehicle Policy will ensure that Tamil Nadu remains as the leader in manufacturing of all types of automobiles.

120. Apart from attracting substantial industrial investments, the State is committed to creating more employment opportunities, particularly for women. The Government is according high priority to labour-intensive sectors like non-leather footwear which is ideally suited for this purpose. Two factories manufacturing non-leather footwear are already in operation in Bargur and Cheyyar. Hon'ble Chief Minister recently laid the foundation stone of two more industries, one at Tindivanam with employment potential for 5,400 women and another at Perambalur with employment potential for 31,600 women. Further, **two industries are proposed to be established in Ranipet and Kallakurichi districts with employment potential for 32000 women.** To provide further fillip to this sector, Government has unveiled the Footwear and Leather Policy and a memorandum of understanding has been signed by

Guidance Tamil Nadu with Taiwan Footwear Manufacturers Association.

121. The Government has recently launched the Ethanol Blending Policy with the objective of promoting ethanol production in the State. The policy aims to increase the income of farmers and improve financial health of sugar mills. The policy will facilitate in attracting investments of Rs.5,000 crore for ethanol production.

122. New industrial parks will be developed in Virudhunagar, Vellore, Kallakurichi, and Coimbatore at an estimated cost of Rs.410 crore for providing employment opportunities to nearly 22,000 persons. Further, an industrial housing facility will be established in the SIPCOT Industrial Park in Gangaikondan at an estimated cost of Rs.50 crore to accommodate 1,500 employees.

123. An allocation of Rs.3,268 crore has been made to the Industries Department in this Budget.

Information Technology

124. The Government is committed to provide all services digitally to citizens in an easy and transparent manner without human interface and will launch the 'Simple Gov' initiative to achieve this end. As part of this initiative, digitisation of various services and internal processes of Government departments are being taken

up expeditiously. To ensure compliance with standards and time-bound development of software, an e-Governance fund of Rs.100 crore will be created. The fund will be utilized to finance key e-Governance initiatives of Government departments.

125. To establish better connectivity and provide various digital services at an affordable cost, the Government will set up a **“Unified Digital Infrastructure”**, that will create high speed optical fibre network from the State Headquarters to all districts. This project will be implemented at an estimated cost of Rs.400 crore. This will not only facilitate delivery of tele-medicine, education, agriculture extension and other services to far flung villages of the State but also will ensure uninterrupted internet facilities.

126. In this internet age, information is the basis for power and productivity. To establish social justice and an inclusive society, it is vital that information and opportunities are made accessible to all. Hence, in the first phase, it is proposed to **provide free Wi-fi zones in popular public places in the cities of Chennai, Tambaram, Avadi, Coimbatore, Madurai, Tiruchirappalli and Salem.**

127. To promote Tamil Nadu as a global hub for IT/ITeS and to meet the increasing demand for quality

office space, **the Government will establish “Tamil Nadu Tech City (TNTech city)” at Chennai, Coimbatore and Hosur.** To facilitate functioning of IT/ITeS, GCC, FinTech and Startups, the TN Tech city will house centre of excellence, innovation plaza, convention centres, recreation facilities and other necessary infrastructure.

128. In the year 2000, Muthamizharignar Kalaignar ushered the IT revolution in the State by setting up the first TIDEL Park. To promote growth of IT and ITeS sectors in Tier II cities of the State, the Government is setting up 7 Neo-TIDEL parks across the State. Further, **IT Parks, each with an approximate built up area of one lakh sq.ft, will be set up at Erode, Tirunelveli and Chengalpattu.** These parks will provide employment opportunities for 4,000 persons.

Tourism

129. The tourism sector in Tamil Nadu has been a major contributor to the economic growth of the State. Tamil Nadu has been ranked first with the highest domestic tourist volume in the Country during the current year. Under the ‘Tourism Destination Development Scheme’, a sum of Rs.75 crore has been sanctioned in the current year towards infrastructure development at various tourist locations across the State.

Projects to upgrade amenities at Pitchavaram, Poompuhar and Hogenakkal have been sanctioned at an estimated cost of Rs.55 crore.

130. To give a fillip to the tourism sector, a Tourism policy has been formulated in consultation with stakeholders and will be released soon.

Minorities Welfare

131. The annual grant for repair and renovation of Mosques and Dargahs has been increased from Rs.6 crore to Rs.10 crore in the current year. Rs.2 crore has been sanctioned towards renovation of the famous Nagore Dargah. Similarly, the grant provided for repair and renovation of Churches will be increased from Rs.6 crore to Rs.10 crore. Many heritage shrines including St. George Church, Madurai, Schwartz Church, Thanjavur and Christ Church, Salem will be taken up for renovation.

132. The Government is taking effective measures to safeguard waqf properties. During the last year, properties worth Rs.52 crore have been retrieved. Further, steps are being taken to create a database of Waqf Board properties.

Hindu Religious & Charitable Endowments

133. The Government has been taking earnest and continuous efforts to protect and safeguard temples and their properties. **Since this Government assumed office, it has retrieved 4,491 acres of encroached Temple lands worth Rs.4,236 crore.** A massive exercise is underway to record the geo-coordinates of temple lands and prepare a digital land resources database. So far, this exercise has been completed for 1,08,000 acres.

134. In the current year, renovation works were completed and consecration ceremony conducted in 574 temples. Master Plan works are being undertaken in Tiruchendur Temple for Rs.305 crore, Periapalayam Bhavani Amman Temple for Rs.166 crore and Rameswaram Ramanathaswamy Temple at an estimated cost of Rs.146 crore. In the coming financial year, consecration ceremony will be conducted in 400 temples. In the coming year, master plan works at a total cost of Rs.485 crore will be taken up in Palani, Thiruthani and Samayapuram temples.

Grievance redressal

135. The Government attaches high priority for immediate and quality redressal of public grievances. During this year, out of the 17.7 lakh petitions received

under Mudhalvarin Mugavari, 17.3 lakh petitions have been disposed. A quality monitoring unit has been set up to receive feedback from applicants, based on which further action is taken.

136. This Government is committed to bringing administration closer to people instead of people approaching Government offices. A new scheme '**Kala Aayvil Muthalamaichar**' is launched by this Government in which Hon'ble Chief Minister personally visits districts and conducts review meetings and inspections. **In order to ensure that Government schemes and services reach the last mile, a new scheme will be launched in all village panchayats and wards in urban areas.** Under this scheme, outreach camps will be conducted with the participation of all departments. The entire administrative machinery will reach out to the people and provide the required Government services.

Land Administration

137. The Government is focussed on creating a credible and convenient system of land records which will be immensely useful to land owners. A seamless software is being created integrating Revenue, Registration, Town and Country Planning and CMDA to allow automatic patta transfer for every plot of an approved layout as soon as

the sale is registered. In this financial year, the land records pertaining to grama natham will be computerized, and the end to end process of patta transfer for natham lands will be made online.

Social Security

138. To ensure social safety net to the marginalized and disadvantaged, this Government has taken several measures. Since May 2021, 5,76,725 new beneficiaries have been sanctioned social security pensions such as old age pension and widow pension. In addition to this, one lakh eligible applicants will be given social security pensions. With this, the total number of beneficiaries availing social security pensions will be increased to 35.8 lakhs. A sum of Rs.5,346 crore has been allocated for social security pensions in this Budget.

Police

139. Tamil Nadu continues to be a haven of peace, tranquility and harmony owing to this Government's stellar management of law and order. The Government has been taking stringent measures to curb the menace of drug abuse and smuggling. Special operations were carried out and 13,491 peddlers were arrested and their bank accounts were frozen.

140. In a move to further increase transparency in administration, the CCTV system in all police stations across the State will be upgraded in two phases at a total cost of Rs.38.25 crore.

141. Recent attempts made by anti-social elements to create panic among migrant workers by circulating false videos through social media were thwarted by the swift and stringent actions taken by the Government. 11 cases have been filed against these anti-social elements and arrests have been made. The strict action taken by the Government is appreciated by everyone. Further, 4 lakh workers were personally visited by a team of district administration and police officials, to counter the fake videos and factual position was highlighted. Multiple confidence building measures were taken with the support of Governments of Bihar and Jharkhand to assure the workers about the safe working conditions and peaceful ambience in the State.

Welfare of Government Employees

142. This Government is committed towards the welfare of its employees and pensioners. Old quarters of Government employees will be rebuilt in a phased manner. In the upcoming financial year, Rs.100 crore worth of works will be taken up. Considering the rise in construction costs, the maximum ceiling for the house

building advance will be increased to Rs.50 lakh from Rs.40 lakh per employee from the upcoming financial year.

143. Under the Tamil Nadu Government Pensioners' Family Security Fund Scheme, a sum of Rs.50,000 is sanctioned to the family members on the death of a pensioner. Post COVID, the number of claims under this scheme has increased substantially. Considering the welfare of the families of pensioners, this Government had provided a special allocation of Rs.25 Crore in 2021-22 and Rs.50 crore in 2022-23. Further, the Government will provide a special allocation of Rs.25 crore to clear the backlog claims. Government has provided Rs.25 lakh each to the families of 401 frontline workers, who lost their lives due to COVID and Rs.100 crore has been disbursed from Chief Minister Public Relief Fund for this purpose.

Registration

144. Guideline value which was increased on 01-04-2012 was revised downwards uniformly by 33 per cent with effect from 09-06-2017 and simultaneously, the registration fee was increased from 1 per cent to 4 per cent for the deeds of sale, gift, exchange and non-family member settlement. There has been constant requests from various stakeholders to revise the

guideline value in tune with the market prices and to reduce registration fee. The Government has constituted a committee to suggest the revised guideline value. The survey number-wise revision is expected to take time. Since, the market value has risen steeply, as an interim measure, **the Government has decided to revise the guideline value to the rates prevailing till 8-6-2017 and to reduce the registration fee to 2 per cent.** Henceforth, for deeds of sale, gift, exchange, 5 per cent stamp duty, 2 per cent transfer duty and 2 per cent registration fee will be applicable. For non-family settlements, 7 per cent stamp duty and 2 per cent registration fee will be applicable. This measure will greatly benefit the poor and middle class especially those who avail bank loan to buy homes.

Magalir Urimai Thogai

145. This Dravidian Model Government has planned and taken many initiatives to promote equality of women, who form half of the population. The Dravida Munnetra Kazhagam Governments have always implemented schemes to improve the status of women in education, governance, positions of responsibility, economy and society at large. From giving equal rights in property and reservation in local bodies then, to free bus travel scheme for women now, we have always taken care to protect the rights of women and promote their

welfare. On the same lines, we had promised in the Election Manifesto that Rs.1,000 will be given every month to women heads of households. We not only follow the maxim: “we do what we say – we say what we will do”, but in addition we have also implemented many schemes which we have not promised. The Hon’ble Members of this House are aware of this. Schemes such as Makkalai Thedi Maruthuvam, Pudhumai Penn and Naan Mudhalvan did not find place in the Election Manifesto. The Hon’ble Chief Minister who has implemented such innovative schemes has been impressing upon us that the promise to provide ‘**Magalir Urimai Thogai**’ should also be implemented. Based on this, **I am very happy to announce that Rs.1,000 per month will be provided to women heads of eligible households from the upcoming financial year.** Women heads of families who have been affected adversely by the steep increase in cooking gas price by the Union Government and the overall price rise, will be greatly benefited by this scheme. The month of September has a special significance to the Dravidian movement. **The scheme will be launched by the Hon’ble Chief Minister on 15th September, the birth anniversary of Perarignar Anna, the great son of Tamil Nadu and a brilliant scholar.** It is also noteworthy that the scheme is being launched in the centenary year of Muthamizharignar Kalaigarnar.

The operational guidelines outlining the eligibility to avail the benefits under this scheme will be evolved and released soon. **Rs.7,000 crore has been allotted in the Budget for this scheme** which will be a game changer in the socio-economic life of women of the State.

Part - B

Finances of the State Government

Hon'ble Speaker,

146. Having highlighted the major reforms and initiatives of this Government, I turn now to the aggregate fiscal position of the State.

147. In order to arrest the declining trend of State's Own Tax Revenue as a percentage of GSDP, the Government has been undertaking several resource mobilization measures including rationalization of rates and improvement in collection efficiency. As a result, the State's Own Tax Revenue is estimated to increase to Rs.1,51,870.61 crore in the Revised Estimates, as compared to Rs.1,42,799.93 crore in the Budget Estimates 2022-23. In the coming year, it is estimated that the State's Own Tax Revenue will further increase to Rs.1,81,182.22 crore, which is a growth of 19.30 per cent over the Revised Estimates. The State's Own Non-Tax Revenue is estimated at Rs.15,309.40 crore in the Revised Estimates, similar to the projections in Budget Estimates 2022-23. In the coming year, it is estimated at Rs.20,223.51 crore, which is an increase of 32.10 per cent over the Revised Estimates.

148. The Share of Central taxes is estimated at Rs.38,731.24 crore in Revised Estimates and at Rs.41,664.86 crore in this Budget, in line with the projections in the Union Budget. While there is an increase, it continues to be far less than what should have been devolved to the states but for the indiscriminate levy of cesses and surcharges by the Union Government. The Grants-in-Aid from the Union Government is estimated at Rs.39,748.42 crore in the Revised Estimates (including the payment of GST Compensation arrears of Rs.16,214.83 crore) and at Rs.27,444.64 crore in this Budget, which includes a sum of Rs.4,572.82 crore that is expected as arrears in GST Compensation in the coming year.

149. Despite multiple representations from the States, the Union Government has refused to extend the original GST Compensation period (of Guaranteed 14 per cent Year-over-Year growth) beyond the 5 years that expired on June 30th, 2022 and hence States will be deprived of a vital source of Revenue from now on.

150. It should be noted that, excluding the settlement of GST Compensation arrears, the total funds received from the Union Government (the aggregate of both Share in Taxes and Grants-in-Aid) annually have dropped by roughly 1per cent of GSDP when compared to

2014-15, which translates to a reduction of about Rs.24,840 crore in 2022-2023 & Rs.28,327 crore in 2023-2024.

151. In aggregate, the Total Revenue Receipts are projected to be Rs.2,45,659.67 crore in the Revised Estimates, which is higher by 6.16 per cent over the Rs.2,31,407.28 crore estimated in Budget Estimates 2022-23. In the coming year, the Total Revenue Receipts are projected at Rs.2,70,515.23 crore, which is an increase of 10.12 per cent over the Revised Estimates.

152. On the expenditure front, the total Revenue Expenditure is estimated to reduce to Rs.2,76,135.68 crore in the Revised Estimates as compared to Rs.2,84,188.45 crore in the Budget Estimates 2022-23, on account of prudent fiscal management. The Government has ensured adequate allocation towards its developmental needs, as evidenced by the increase in estimates for subsidies and transfers to Rs.1,18,841.01 crore in the Revised Estimates against Rs.1,13,643.10 crore in the Budget Estimates 2022-23. In the coming year, the total Revenue Expenditure is expected to be Rs.3,08,055.68 crore.

153. As a result of the decline in Total Revenue Expenditure and the projected increase in Revenue Receipts, the Revenue Deficit is estimated to be

Rs.30,476.01 crore in the Revised Estimates, compared to Rs.52,781.17 crore in the Budget Estimates 2022-23. This is a reduction of around Rs.31,850 crore in the last two years, which is an unprecedented feat.

154. Since the year 2015-16, when the Revenue Deficit breached the 1per cent GSDP mark for the first time, the finances have deteriorated continuously with Revenue Deficit increasing in leaps and bounds to reach 3.28per cent in 2020-21. This Government, through reforms of unprecedented scale and scope, has not only managed to arrest, but actually reverse the declining trend by bringing down Revenue Deficit by record levels to 1.23 per cent of the GSDP, close to the ratio of 2015-16.

155. In the coming year, despite the inclusion of an amount of Rs. 7,000 crore for Magalir Urimai Thogai scheme, one of the biggest cash transfer schemes implemented by any State Government in the history of this country, the Revenue Deficit of the state has been contained at 1.32 per cent of the GSDP **much below the levels of 2017-18**. In the Budget Estimates 2023-24, the Revenue Deficit is estimated at Rs.37,540.45 crore.

156. In this Budget, the Government has given a further push to the capital expenditure in the State. An allocation of Rs.44,365.59 crore has been provided for capital expenditure, which is an increase of 15.69 per cent over the Revised Estimates. The total capital outlay of the State including Net Loans and Advances is estimated at Rs.54,534.46 crore in the Budget.

157. The Fiscal Deficit has been estimated at Rs.74,524.64 crore in the Revised Estimates, which is 3.00 per cent of the GSDP. This is a reduction of around Rs.15,589.07 crores as compared to the Budget Estimates 2022-23. The Government has managed to achieve the golden target of containing Fiscal Deficit at 3per cent of the GSDP, as required by the Tamil Nadu Fiscal Responsibility Act (2003). This has been a herculean task given the Fiscal Deficit of 4.61 percent that was inherited by this Government while assuming office. For the coming year, the Fiscal Deficit is estimated at Rs. 92,074.91 crore, which is 3.25 per cent of the GSDP.

158. It should be noted that for the first time since this Government assumed office, the budget calls for borrowings up to the full limit allowed by the Fifteenth Finance Commission for the year (3per cent of GSDP) as well as the additional 0.25per cent of GSDP that Tamil

Nadu is likely to qualify for with respect to Power Sector Reforms.

159. I am duty-bound to note that we face 3 structural problems that have increased since 2014, that we must correct as soon as possible:

- a. State's Own Revenues are still at roughly 7 per cent of GSDP, far below the almost 10 per cent level of 2006 – 2007, and this leads to repeated Revenue Deficits. We must find a way to raise revenues (as a percentage of GSDP) to eliminate the Revenue Deficit and create a surplus for more progressive schemes and investments
- b. We must use data to ensure that the State's revenue spending is targeted and does not lead to inflation, which is a hidden tax on the common person
- c. We must improve our ability for discretionary spending by reducing the proportion of non-discretionary spending which currently takes up almost 85per cent of the State's Own Revenue.

160. In the year 2023-24, the Net Borrowings are projected at Rs.91,866.14 crore, including

Rs.82,625.96 crore of Net Open Market Borrowings and Rs.9,240.18 crore from other sources. Therefore, on 31.03.2024, the Total Outstanding Debt will be Rs.7,26,028.83 crore and the Debt-GSDP ratio will be 25.63 per cent. This is well within the 29.1 per cent for 2023-24 limit set by the Fifteenth Finance Commission.

161. 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.

162. The stellar performance exhibited by the Government in the last two years in ensuring fiscal consolidation and debt sustainability has now allowed the state the much-needed fiscal space to embark on a path of expansion, high growth and development. In order to fulfill the promises to the people of Tamil Nadu and to usher the State in the path of one trillion-dollar economy, the Government will maximize the resource envelope by focusing on improvement in revenue receipts and optimal utilization of the fiscal space.

163. Hon'ble Speaker, this is the second full Budget presented by this Government, after it assumed office less than two years ago. The consistent improvement of the fiscal situation over the last two

years stands in stark contrast to the continuous decline experienced by our state since 2014. As indicated in the Medium-Term Fiscal Plan, we are well on our way to becoming a Revenue-neutral State again, which will form the ideal condition for investment and growth.

164. But the true measure of the great improvement in governance under the leadership of the Hon'ble Chief Minister is that we have achieved this improvement despite rapidly-increasing interest costs, and the increasingly stringent barriers imposed upon our fiscal administration by the Union Government.

165. In parallel to these fiscal improvements, the Hon'ble Chief Minister constantly urges us to fulfil the promises made to the people and to ensure that schemes are designed keeping in mind that people from all walks of society, especially women and the marginalised, should be able to access opportunities and support. I wish to point out that this Government has announced new projects and schemes involving Expenditure of over One lakh crore rupees since assuming office on May 7th, 2021.

166. As a result, the people of Tamil Nadu have great confidence and expectations in this government. In fact, we believe that people's expectations have further increased as a result of the prudent, effective

administrative measures undertaken by this Government in the last two years, and the several innovative schemes it has introduced. We have prepared this Budget trying to largely fulfil the objectives of the Hon'ble Chief Minister and the expectations of the people.

167. I would like to express my heartfelt gratitude to the Economic Advisory Council to the Hon'ble Chief Minister, consisting of internationally acclaimed experts, for taking out their time and offering their invaluable advice in the preparation of this Budget. Informed by their sound suggestions, the Government will continue to take all necessary measures for the growth and development of the State.

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

169. “ Kayal ezhudhiya imaya nettriyin

Ayal ezhudhiya puliyum villum”

The famous lines from the Silappathikaram above, refer to the greatness of the famous Pandya, Chola and Chera kings, and note that they wielded suzerainty and left their mark on the brow of the Himalayas, as well as

the world. Following the legacy of these great Tamil Empires, this Government continues to achieve in a manner that sets an example for the entire nation, and is making indelible imprints in the hearts of the people. I promise that this Government under the Hon'ble Chief Minister will fulfil its historic duty to the Tamil society with the fullest support of the people of the State. Once again, I express my heartfelt gratitude to the Hon'ble Chief Minister who constantly gave me guidance, advice and encouragement.

170. Hon'ble Speaker, I commend the Budget Estimates for the year 2023-2024 for the approval of this August House.

வாழ்க தமிழ்
வெல்க தமிழ்நாடு

Dr. Palanivel Thiaga Rajan

Minister for Finance and Human
Resources Management

Chennai,
20th March 2023,
Subakirudhu, Panguni-6
Thiruvalluvar Aandu 2054

APPENDIX

MEDIUM TERM FISCAL PLAN

The State Government is required to place 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 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 2023-24 to 2025-26 is hereby placed before the Legislative Assembly.

Objectives

This MTFP outlines the fiscal roadmap, aimed at fiscal consolidation and debt sustainability, which will be achieved by adherence to the following fiscal norms outlined by the Fifteenth Finance Commission:

- Fiscal Deficit to Gross State Domestic Product (GSDP) within 3 per cent from 2023-24 onwards.
- 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 29.1 per cent in 2023-24, 28.9 per cent in 2024-25 and 28.7 per cent in 2025-26.

Economic scenario

The Indian Economy has recovered to an extent from the pandemic-induced shock. The growth for the current year is estimated at 7 percent in constant terms. However, amidst a grim outlook with global uncertainties caused by the war in Ukraine, high inflation and fears of recession, the growth of the Indian economy for 2023-24 is pegged at 6.5%.

In comparison, Tamil Nadu is estimated to have grown at around 14 per cent in nominal terms in 2022-23. This has been enabled by proactive initiatives taken by the Government to attract investment, generate employment and carry out policy initiatives for comprehensive and sustainable growth. For the year 2023-24, it is projected that the nominal GSDP growth of the State will be sustained at the level of 14%, as projected for 2022-23. In the subsequent years, the nominal GSDP growth is estimated at 13% and 12% for 2024-25 and 2025-26 respectively.

I. Revenue Receipts

The Total Revenue Receipts of the State Government, including the Central Transfers, are

estimated to be Rs.2,70,515.23 crore in Budget Estimates 2023-24 as against the Revised Estimates of Rs.2,45,659.68 crore in 2022-23. The estimates for 2024-25 is estimated to be Rs.3,11,239.07 crore and Rs.3,59,395.72 crore in 2025-26 which indicates a growth of 15.05 per cent and 15.47 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.1,51,870.61 crore in the Revised Estimates 2022-23. It is estimated to increase to Rs.1,81,182.22 crore in the Budget Estimates for 2023-24. The SOTR is estimated to be Rs.2,13,795.02 crore in 2024-25 and Rs.2,50,140.17 crore in 2025-26. The growth rates of State's Own Tax Revenue are estimated to be 18 per cent in 2024-25 and 17 per cent in 2025-26 based on present trends in tax collection and economic outlook.

2. Non-Tax Revenue

The State's Own Non-Tax Revenue has been estimated at Rs. 20,223.51 crore in the Budget Estimates for 2023-24. This shows an increase of 32.10 per cent compared to Revised Estimates 2022-23. Based on various resource augmentation measures and improvements in collection efficiency being undertaken by the Government, the Non-Tax Revenue is estimated to

grow at 18 per cent in 2024-25 and 17 per cent in 2025-26.

3. Share in Central Taxes

Tamil Nadu's share in Central Taxes is estimated at Rs.41,664.86 crore in Budget Estimates 2023-24 as against Rs.38,731.24 crore in the Revised Estimates 2022-23. This is based on the estimates in the Union Budget 2023-24. Tamil Nadu's share of the Central Taxes collected is estimated to be Rs. 48,331.24 crore in 2024-25 and Rs. 55,580.92 crore in 2025-26 by assuming a growth rate of 16 percent in 2024-25 and 15 per cent in 2025 -26.

4. Grants-in-Aid from the Union Government

The Grants-in-Aid from the Government of India have been estimated at Rs.27,444.64 crore in the Budget Estimates 2023-24. The substantial reduction is owing to the stoppage of GST Compensation from 30.06.2022 onwards. This has resulted in a shortfall of around Rs.20,000 crores per annum. Further, from the current year onwards, funds for several centrally sponsored schemes are being directly released to the bank accounts of implementing agencies and local bodies or beneficiaries (in the case of scholarships), without being received into the Consolidated Fund of the State. For the financial years of 2024-25 and 2025-26, Grants-in-Aid

has been projected at Rs.25,249.07 crore and Rs.25,754.05 crore respectively.

II. Revenue Expenditure

The Revenue expenditure is estimated at Rs.3,08,055.68 crore in Budget Estimates 2023-24 which shows an increase of 11.56 per cent over Revised Estimates 2022-23. The Revenue expenditure is estimated to be Rs.3,29,822.18 crore in 2024-25 and Rs.3,58,177.64 crore in 2025-26.

The important components are discussed below:

- The expenditure on account of Salaries is a committed expenditure and has been estimated to be Rs.77,240.31 crore in the Budget Estimates 2023-24. This shows an increase of 14.14 per cent over the Revised Estimates 2022-23. The expenditure under Salaries is expected to be Rs.84,964.34 crore in 2024-25 and Rs.94,460.78 crore in 2025-26 based on hike in Dearness allowance and anticipated new recruitments.
- The Non-wage Operations and Maintenance is estimated to be Rs.16,272.49 crore in the Budget Estimates 2023-24. This expenditure has been estimated at Rs.17,574.29 crore in 2024-25 and Rs.20,331.72 crore in 2025-26.
- The expenditure outlay on account of committed expenditure on Pensions and Retirement benefits is estimated to be Rs.36,973.02 crore in Budget Estimates 2023-24. Considering the trends in

retirement, the expenditure under Pension and Retirement benefits is estimated at Rs.39,930.86 crore in 2024-25 and Rs.45,524.64 in 2025-26.

- The expenditure on account of Subsidies and Transfers is estimated to be at Rs.1,22,088.19 Crore in the Budget Estimates 2023-24. The expenditure under Subsidies and Transfers is estimated at Rs.1,25,426.34 crore in 2024-25 and Rs.1,29,204.59 crore in 2025-26. This takes into account expenditure for Magalir Urimai Thogai, increased subsidy to TANGEDCO due to tariff revision, and increased transport subsidies, among others.
- The interest payments for public debt raised in the previous years is a committed liability of the Government, and it continues to increase every year. The expenditure on account of interest payments is estimated at Rs.55,431.49 crore in the Budget Estimates 2023-24. This expenditure has been projected at Rs.61,876.73 crore in 2024-25 and Rs.68,598.91 crore in 2025-26.

III. Capital Account

In the Budget Estimates for 2023-24, an amount of Rs.44,365.59 crore has been provided as Capital Expenditure as against Rs.38,347.39 crore in the Revised Estimates 2022-23. This shows an increase of 15.69 per cent. The capital expenditure is estimated to be Rs.64,683.15 crore in 2024-25 and Rs.90,301.69 crore in 2025-26. This takes into account the increased capital spending due to sanctions of Combined Water Supply

Schemes under Jal Jeevan Mission and Metro rail projects in Chennai, Coimbatore and Madurai. This shows the commitment of the State to constantly improve the allocation for growth-oriented expenditure while maintaining fiscal discipline. The net loans and advances are estimated at Rs.10,168.87 crore in Budget Estimate 2023-24. This is estimated to increase to Rs.12,764.97 crore in 2024-25 and at Rs.18,481.84 crore in 2025-26.

IV. Revenue Deficit and Fiscal Deficit

The Revenue Deficit in the Budget Estimates for 2023-24 is estimated at Rs.37,540.45 crore. In view of the revenue augmentation measures including improvement in collection efficiencies and rate rationalization, the Revenue Deficit is expected to reduce to Rs.18,583.12 crore in 2024-25 and subsequently lead to a surplus of Rs.1,218.08 crore in 2025-26. This will create additional space for capital expenditure in the State.

The Fifteenth 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, it has provided an additional space of 0.5% of GSDP during 2021-22 to 2024-25 on fulfillment of required Power Sector Reforms. In the Budget Estimates for 2023-24, the Fiscal Deficit is estimated at 3.25 per cent of

GSDP. In the forthcoming years, Fiscal Deficit to GSDP ratio is estimated to be 3.0 per cent in 2024-25 and 3.0 per cent in 2025-26 which is within the norms prescribed by the Fifteenth Finance Commission.

V. Borrowings

The estimates for receipt and repayment of borrowings have been finalized on the basis of overall borrowing ceiling fixed by the Government of India. The Government plans to borrow a total amount of Rs.1,43,197.93 crore during 2023-24 and make repayment of Rs.51,331.79 Crores. As a result, the outstanding debt as on 31st March 2024 will be Rs.7,26,028.83 crore. This constitutes 25.63 per cent of GSDP in 2023-24. The Outstanding Debt as a percentage of GSDP is expected to be 25.63 per cent in 2024-25 and 25.82 per cent in 2025-26, which are well within the norms prescribed by the Fifteenth 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, 2022 were 44.33 per cent

of Total Revenue Receipts in the preceding year and 4.22 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, 2022 stood at 11.18 per cent of Total Revenue Receipts of the preceding year and 1.06 per cent of GSDP.

Conclusion

In the current economic scenario, Tamil Nadu's growth is higher than that of the national GDP, which is a positive sign. This growth advantage is expected to continue in the coming year, though a potential slow-down in the global economy, as many anticipate, could reduce all growth rates at the State and National level.

Through steps such as resource augmentation and improvement in revenue collection efficiency, the State will attempt to maintain a healthy growth in Revenue Receipts. With fiscal consolidation as the fundamental principle, the State will continue to adhere to TNFRA norms and eliminate its revenue deficit in the coming years, thereby enabling increasing investment and expenditure in growth and welfare-oriented areas.
