



Tamil Arasu
One Year Achievements Special

SELVI J JAYALALITHAA
FOR THE
INAUGURATION OF
WOMEN POLICE STATION
NANNAR CH

Under the Dynamic Leadership of
Hon'ble Chief Minister
Puratchi Thalaivi Selvi J JAYALALITHAA
A milestone in the march towards excellence

தேனி மாவட்டம்



மச்சர் செல்வ ஜெ ஜெயலலிதா அவர்கள் கலந்து கொள்ளும்
சேடபட்டி கூட்டுக் குடிநீர்த் திட்டத் துவக்க விழா
ஸ்ரீ உயர்நிலை அமைச்சுத் திட்டத் துவக்க விழா





PROMISES BECOME PROJECTS

The Hon'ble Chief Minister Selvi J JAYALALITHAA, elected as Member of Legislative Assembly from the Andipatti Constituency on 24-2-2002, visited Andipatti on 15-4-2002 for thanks giving and fulfilling her election promises.

On the occasion, the Hon'ble Chief Minister inaugurated various schemes, laid foundation stones for projects and distributed welfare assistances to the beneficiaries at a total cost of Rs. 140 crores.

Tamil Arasu

Magazine of the Government of Tamil Nadu

Thiruvalluvar year 2033

Panguni - Chithirai - Vaikasi - Aani

April - May - June 2002

Rs. 15

Editor and Publisher : K. Chellamuthu, I.A.S., Director of Information and Public Relations
Government of Tamil Nadu

Office : Tamil Arasu, Omandurar Govt. Estate, Anna Salai, Chennai - 600 002.

Phone : 5368926

Printed at : Tamil Arasu Press, Chennai - 600 002. Phone : 5364906

USA 11/10/02



People - Friendly Schemes for the people of Tamil Nadu

by
Hon'ble Chief Minister
Selvi J JAYALALITHAA

Tamil Nadu have been ruled by various leaders from the period of Sangam age to this millenium. But very few leaders have endeared themselves to the people of Tamil Nadu and abide in their hearts with their illustrious achievements and selfless service. Hon'ble Chief Minister of Tamil Nadu **Selvi J JAYALALITHAA** is assuredly one among them. She is the leader of the masses, with her people - friendly schemes.

During 1991-96 Hon'ble Chief Minister Selvi J Jayalalithaa implemented innovative schemes to uplift the poor, the down-trodden and women. After 1996, many of the schemes were discontinued as a result of which the beneficiaries suffered.



Puratchi Thalaivi Dr. J Jayalalithaa Scheme for the girl child

The Hon'ble Chief Minister had introduced the Girl Child Protection Scheme in 1992 called "Puratchi Thalaivi Dr.J Jayalalithaa scheme for the girl child" with a view to eradicate female infanticide and discourage preference for male child.

Again the people saw the ray of light in the tunnel and Hon'ble Selvi J Jayalalithaa has returned to power with tremendous support of people and sworn in as Chief Minister of Tamil Nadu on 14-5-2001.

During the last one year, various departments in the State were geared up and steered well to achieve the goal of the government.

Social Welfare

The care and well-being of children has been the prime concern of this Government which accords high priority to childhood development and nutrition, reducing gender discrimination and the well being of the women.

Now this scheme has been restructured to confer enhanced financial benefit to the girls of poor families. In cases of families with only one girl child and no other children and if either of the parents has undergone sterilisation, and aged below 35 years and their family income is below Rs.50,000 per annum, an initial deposit of Rs.22,200 will be made in the Tamil Nadu Power Finance Corporation by the Government in the name of the child. An amount of Rs.150



(Rupees One hundred and fifty only) as monthly incentive shall be given to the child on completion of 5th year and upto 20th year of deposit for her educational purposes. However, maturity value shall be payable only if the girl child studied upto 10th standard and appeared for the Public Examination. On completion of 20 years of deposit, the girl child will receive a lumpsum amount that actually accrues from the cumulative deposit.

For Families with two girl-children and no male child and if either of the parents has undergone sterilization and aged below 35 years and their family income is below Rs. 12,000 per annum, an initial deposit of Rs. 15,200 will be made in the Tamil Nadu Power Finance Corporation for each girl child by the Government. An amount of Rs. 150 as monthly incentive shall be given to the child on completion of 5th year and upto 20th year of deposit for her educational purposes. However, the maturity value shall be payable only if the girl child studies upto 10th standard and appeared for the Public Examination. If the children do not appear for the 10th standard Public Examination before the completion of 20 years of deposit such children are not eligible to receive the maturity value and it shall be forfeited to the Government Account. On completion of

20 years of deposit, the girl child shall receive a lumpsum amount that actually accrues from the cumulative deposit, provided she has appeared for the 10th standard Public Examination. A sum of Rs. 1270.75 lakhs has been provided to this scheme for the year 2002-2003.



Cradle Baby Scheme

To prevent female infanticide in certain parts of Tamil Nadu an unique scheme called the Cradle Baby Scheme was started by the Government of Tamil Nadu in 1992. Under this scheme cradles were placed in public places such as Hospitals, Primary Health Centres, Orphanages and Children Homes in order to enable the rescue of female children abandoned by their biological parents due to various social circumstances. A reception centre was started in Salem. The scheme has been revitalised by setting up fulfilled reception centres equipped to receive female babies at Madurai, Theni, Dindigul and Dharmapuri Districts prone to female infanticide.



Hon'ble Chief Minister Selvi J Jayalalithaa presented Shri Sakthi Puraskar Awards to women who rendered best services for the upliftment of women on 18-4-2002

Cradles totalling 188 are also placed in the District Social Welfare Offices, Primary Health Centres and Primary Health Sub Centres. The children received in the cradles will be handed over to the reception centres for rehabilitation. 223 babies were received so far. Wide publicity is being given by the Government against female infanticide.

18 Point Programme for Women and Children

The overall development of the children is the main concern of this Government which had the vision of drawing up a 15 point programme for child welfare during the year 1993 named as Dr.J Jayalalithaa 15 Point Programme for Child Welfare. Clear goals have been set for 2010 with interim goals for 2003 and 2006. State Level Committee, Head of Departments and District Level Committee have been formed for the effective implementation and monitoring of the 18 Point Programme.

Puratchi Thalaivar MGR nutritious Meal Programme

Puratchi Thalaivar MGR Nutritious Meal Programme was introduced with effect from 1.7.1982 in child welfare centres in rural areas for preschool children in the age group of 2-5 years and for primary school children in the age group of 5-9 years. Subsequently this scheme was extended to the Nutritious Meal Centres in urban areas from 15-9-1982 onwards. school students of 10-15 years of age group, old age pensioners and pregnant women are also benefitted under the scheme.

The Government have introduced a new scheme of boiled potato, whole green gram and whole black Bengal gram at one item per day for 3 days in a week to each beneficiary per day along with noon meal, 16 paise is given for the purchase of potato per beneficiary. By this scheme each beneficiary derives an additional

nutrition of 8.54 gms. of protein and 158.2 calories of energy per week.

Entrepreneurial skills for self employment

In the year 2001-02 the Government have formulated this new scheme for training 5 lakh women in Entrepreneurial Development skill for self-employment and is being implemented both in rural and urban areas.

During the year 2001-02, the Tamil Nadu Corporation for Development of Women Ltd., imparted EDP training to 20,000 women and for the year 2002-03 provision has been made for Rs.166.95 lakhs to train another 20,000 SHGs women under the scheme. The SC/ST beneficiaries will be around 4000 women.

The TNCDW Ltd has monitored the EDP programme implemented by the other

departments, which have imparted training to 1,04,484 women.

As envisaged in the programme 80% of the trainees belonged to SHGs, while 20% of them were non SHG trainees. The number of SHG members has grown rapidly as on 31-3-2002, the membership was 18,20,774 women in 1,05,826 SHGs. As on 31-5-2002, 5,54,909 SHG members have been linked with bank credit at a total outlay of Rs.26,210.26 lakhs for rural based activities such as Agriculture, Horticulture, Sericulture, Animal Husbandry, Cottage and Village Industries.

30% representation for women in committees and forums

The Government have issued order to provide 30% representation to women in all



Under the Presidentship of Dr.M.S. Swaminathan, 26 Women Scientists from Asia-Pacific Nations, and 7 officials of UNESCO called on the Hon'ble Chief Minister, Selvi J Jayalalithaa at the Secretariat on 22-3-2002.

statutory and non-statutory committees. The implementation of this order is closely monitored. Appointment of Tmt. Yasmin Ahmed, I.A.S., as the Chairperson of TNPSC and Ms. Syed as Chairperson of Wakf Board are important initiatives taken by the Hon'ble Chief Minister Selvi J Jayalalithaa.

Child Line

A novel scheme of a child accessing service deliveries through a telephone outreach programme has been launched. This project is known as "Child line" with a simple number 1098. Any child in distress or any person finding a child in difficult situation can dial this number which is a toll free number. The scheme was initiated by the Department of Social Defence and is funded by the Government of India.

Women Police Stations

Hon'ble Chief Minister Selvi J Jayalalithaa started all Women Police Station in Chennai during April 1992, when she was the Chief Minister of Tamil Nadu. Today 107 Women Police Stations are functioning in the State and more over 40 new Women Police Stations will be established this year (2002-2003). Government have sanctioned for opening of 126 Women Police Stations in three phases. 50 Women Police Stations have been opened.

Weapons to Women Police

Women Police are equally sanctioned weapons used by the Policemen. This is the first and bold step introduced by the Hon'ble Chief Minister. Facilities like jeep, communication equipments including VHF sets, mobile and hand hold sets to ninety new Women Police Stations sanctioned at a total cost of Rs.371.70 lakhs. 17 mobile counselling centres with VHF sets and other equipments sanctioned at a cost of Rs.107.78 lakhs. One motor cycle each to 287 circle headquarters for the use of Women Police sanctioned at a cost of Rs.91.84 lakhs.

The Government have ordered posting of 1 women Sub-Inspector and two women Police Constables to all regular Police Stations to attend to the complaints from women victims/ crimes against women. Accordingly 287 stations have been covered during 2001-02. Recruitment of 1119 women Sub-Inspectors and 1638 women Police Constables is in progress. This is the innovative and pioneer effort taken by the Hon'ble Chief Minister of Tamil Nadu in the sub-continent.

Women's Helpline

Helpline (1091) for helping women in distress have been set up in all districts. Councillors and NGO's are working in close coordination with the helpline cell to help the women who approach it.

Women in the Tamil Nadu Fire and Rescue Services Department

The Government of Tamil Nadu is the first State in the Country to issue orders for induction of women as fire fighters in Tamil Nadu Fire and Rescue Services Department.

Women Executive Officers in Temples

Men alone were appointed as Executive Officers in Temples so far. Now for the first time in the country, new orders have been issued, allowing women also to be appointed as Executive Officers in Temples. The rules were amended suitably to provide for this purpose.

Recently, a team under the presidentship of the renowned scientist Dr.M.S.Swaminathan, 26 women scientists from Asia-Pacific Countries and seven officials of UNESCO met the Hon'ble Chief Minister Selvi J Jayalalithaa and appreciated her efforts for implementing the schemes designed to uplift the welfare of the women in the rural areas of the State.

Old Age Pension Scheme

The scheme was introduced and functioning to grant pension to all old age persons, who have no means of subsistence or support them. The minimum age limit for the eligibility for old age pension is 60 years in the case of destitute who are incapacitated to earn their livelihood due to blindness, leprosy, insanity,

paralysis or loss of limb. For other persons the minimum age limit for eligibility is 65 years. Under the scheme 11,74,730 beneficiaries have benefitted till 31-3-2002.

The Annapurana Scheme

The Department of Social Welfare issued orders on 18-1-2002 to provide food grains to the destitutes/Senior citizens covered under National Old Age Pension Scheme called Annapurana Scheme. The beneficiaries will be supplied 10 kgs. of rice per month at free of cost. Under this scheme 71974 beneficiaries were covered. The Government of India have released a sum of Rs.6.03 crores for the year 2001-02 to our State.

Water Supply

The drinking water supply to the citizens of Chennai was mismanaged and artificial drought was created from 1996 to 2001. The scarcity was effectively tackled by the Hon'ble Chief Minister of Tamil Nadu by taking swift efforts to bring water from various sources to Chennai viz. through water tankers from suburban and from Neyveli, through trains from Erode and Mettur. The Hon'ble Chief Minister has taken efforts to get Krishna water from Andhra Pradesh.

Bore Wells in Urban Schemes

A new scheme comprising of digging borewells and storing and distributing water to the people in slum areas in Chennai Corporation limit is being introduced by the Government.

Reverse Osmosis Plants

Metro Water will set up a battery of Reverse Osmosis Plants in various locations in Chennai and the Metropolitan area so as to benefit economically weaker sections. 10 such Reverse Osmosis Plants with a total capacity of 100 MLD will be taken up on Build Own Operate and Transfer (BOOT) basis.



In 2001-02 two Reverse Osmosis Plants installed at Ayodhyakuppam and KasimeduKuppam proved to be a tremendous success and it will be extended to other areas also.

Chennai Water Supply Augmentation Project-1

As announced in the Budget Speech of 2001-02 the Chennai Water Supply Augmentation Project-1 for the drawal, treatment, conveyance and distribution of 180 MLD water from the Veeranam Lake to Chennai

City was approved by the Government for Rs.720 crores.

Chennai Water Supply Augmentation Project

This project is aimed at tapping sources of water proximate to Chennai City. It consists of the construction of 4 new reservoirs at Thirukkandalam, Zamin Korattur, Thiruneermalai and Pallikaranai and 4 check dams at rivers Koratalaiyar, Koom and Palar and envisages the deepening and desilting of Madhavaram, Retteri, Korattur and Ambattur lakes. The project cost of Rs.493 crores was approved by the Government.

Rural Water Supply

To mitigate the hardship of the women in rural areas, new scheme to convert hand pumps into mini power pumps, is implemented in 4917 places.

Sedapatti - Andipatti combined water supply scheme at an estimated cost of Rs.74 crores, Ramanathapuram combined water supply scheme at an estimated cost of Rs.850 crores, Avinasi - Alkikadaru Water Recharge Scheme at an estimated cost of Rs.270 crores and Hogenakkal Water Supply Scheme at an estimated cost of Rs.1008 crores is to be taken up for implementation.

Water supply schemes to provide protected water in 63 towns comprising 5 Municipalities and 58 Town Panchayats benefitting 11.27 lakh people have been completed at a cost of Rs.125.50 crores.

51 combined water supply schemes to benefit 1784 rural habitations have been taken up and implemented. By this 8.90 lakh people will be benefitted.

To provide mini power pump schemes with reservoirs replacing the existing hand pumps in rural areas, a target of 4000 has been fixed. But 4389 schemes have been completed.

2000 SC/ST habitations were provided protected drinking water supply at an expenditure of Rs.92.14 crores.

Rain water harvesting

Rain water harvesting has been taken up as a people's movement in Chennai city and district levels approximately 29 lakh rain water harvesting structures have been provided.

Rain water harvesting structures are not only a drought mitigation measure but also act as flood control scheme since water logging is considerably reduced whenever these structures are provided. Chennai Corporation would also modify its designs of storm water

drains to allow for Rain Water Harvesting by constructing recharge pits in various strategic areas. In the ensuing year, building plans would be approved only if adequate rainwater harvesting structures are in place. In case of already constructed buildings, assessment would be done only if they have rain harvesting structures in place.

During 2001 many districts have experienced scarcity of drinking water. To win over this problem the Government have sanctioned Rs.28.60 crores to the needy districts and tackled the problem.

Rain harvesting programme has been popularised among the general public by disseminating information through multi-media activities, exhibitions, seminar and symposia and displaying publicity boards in the buses.

Integrated Rural Sanitary Complex for Women

Poor village sanitation and lack of toilet facilities causes untold hardship and health hazards to the rural women and children. Providing such facilities in the rural areas will ensure privacy and safety besides improving general hygiene and health of rural women. Recognising that women are the major stakeholders in the water and sanitation sector, the Government have launched the Integrated Rural

Sanitary Complex for Women, to provide toilets and facilities for bathing and washing exclusively for women, under one roof.

The scheme started in the year 2001-2002 to cover all the 12619 village Panchayats in the State, in order to enable women to have access to sanitation facilities. Each complex is spread over approximately 750 Sq.ft. with 10 toilets and 3 cubicles for bathing. Each complex has an independent water connection to ensure that users have a steady and continuous supply of water. A pump room and water tank are also part of the complex. Unit cost is Rs.2 lakhs per complex. The operation and maintenance is the responsibility of the village panchayat and self help groups.

estimated cost of the building is Rs.60,000. During the year 2001-02, 4000 Village Administrative Officer's office buildings have been taken up at an estimated cost of Rs.24 crores.

Thanniraivu Thittam

The main objective of the scheme is to promote self reliance and self help attitude among the rural people. This scheme attempts



During 2001-02, 6,309 complexes were taken up and the remaining 6310 village panchayats will be covered during 2002-03 at a cost of Rs.110 crores.

Construction of Office building for Village Administrative Officers

The village administrative officer's office buildings are being constructed adjacent to every Panchayat Office building. The building includes a hall and a toilet measuring 180 sq.ft. The

to reverse the growing dependency syndrome, in the rural areas on Government and bring back the main stream of development process by inculcating community involvement and participating approach in development. Community needs are articulated by the public through Grama Sabha. After thorough deliberations, these needs are prioritised and converted as implementable projects where the public themselves actively contribute in cash, kind or through labour to supplement Government funds and execute the works. The

Government provide necessary technical support to execute the works. During the year 2001-2002 Rs.40 crores were allocated for the scheme and 2313 works have been taken up.

Member of Legislative Assembly (MLA) Constituency Development Scheme

MLA Constituency Scheme is fully funded by the State Government. The main objective of the scheme is to bridge the critical infrastructural gap in the Assembly Constituencies. Under this scheme each member of the Legislative Assembly should identify the works that should be executed in his constituency. Allocation for each Assembly Constituency was increased from Rs.77 lakhs to Rs.82 lakhs during 2001-02. This scheme will continue to be implemented in 2002-03 and Rs.192.70 crores has been provided in the Budget.

RURAL SHELTER SCHEME

Indira Aawazh Yojana

Under this scheme free houses are constructed for the houseless families living below poverty line in the rural areas. The Government of Tamil Nadu provides a sum of Rs.12,000 per house for RCC roof. Houses are allotted in the name of women head of the family. During 2001-02 a sum of Rs.63.18 crores was allotted, of which share of the Centre and State were Rs.47.38 crores and Rs.15.80 crores. Besides this, an additional sum of Rs.36.95 crores was released by the State Government

towards RCC roofing. Totally, 31,745 houses were taken up. 60% of the total allotment is earmarked for Adi-draavidar and tribal beneficiaries.

The credit cum subsidy scheme

The aim of the scheme is to provide subsidised credit assistance to rural households with an annual income upto Rs.32,000 for constructing dwelling units. A sum of Rs.10,000 is provided as subsidy and bank loan is provided upto Rs.40,000 per house. Subsidy is shared between the Centre and the State in ratio of 75:25. During 2001-02 an allotment Rs.1.83 crores was made and 1828 units were taken up. 60% of the total allotment is earmarked for Adi-draavidar and Tribal beneficiaries.

Release of Calamity Relief Fund

After the end of Northeast Monsoon as a rare phenomenon, a low pressure formed in the Bay of Bengal which resulted in an unusual, unseasonal rainfall between 31-1-2002 to 5-2-2002 causing extensive damages to paddy and other agricultural crops, irrigation sources and roads in the districts of Nagapattinam, Thiruvarur, Thanjavur, Cuddalore and Pudukottai to some extent. Due to this unprecedented continuous rainfall the agricultural crops especially ripened paddy, which were ready for harvest, submerged in rain water causing untold miseries and loss to the farmers in the above districts. Rs.49 crores

relief was granted to the affected farmers of the above districts and distributed.

Installation of VHF/HF

To enhance communication system in the coastal districts the Government have sanctioned a sum of Rs.99.25 lakhs for the purchase and installation of VHF/HF sets in 12 coastal districts of Tamil Nadu.

Earthquake Disaster Management

Due to frequent seismic disturbances in the Southern part of India especially Tamil Nadu, the Department of Science and Technology has set up an expert Committee to make specific recommendations including installations of new seismological observatories to establish a national network to detect all M3 and greater earthquakes. At present, there are only 3 seismic stations available at Chennai, Kodaikkanal and Salem under the control of IMD. Hence the balance 4 more new observatories at the logistic locations at Kavalur, Keeranur, Ramanathapuram and Tiruchi have to be established as identified in AL-1 to develop a National Network of Seismological observatories. The Government have approved the above seismological observatory projects.

ADI-DRAVIDAR AND TRIBAL WELFARE

Distribution of Free Bi-cycles to the poor Adi-dravida Girl Students

Hon'ble Chief Minister of Tamil Nadu has introduced this scheme on the birthday of

Perarignar Anna on 15-9-2001 at Chennai. Till 1-4-2002, 56,461 cycles were distributed to the SC/ST and SC convert girls at the cost of Rs.620.19 lakhs. This is the first and innovative scheme in the sub continent.

1. Free cycles were provided to all the Scheduled Castes/Scheduled Tribes and SC convert girls students studying in standard XI and XII from the academic year 2001-2002.



2. Government has accorded administrative sanction to TAHDCO for construction of 143 Adi-Dravidar Welfare Boys/Girls hostels by availing loan assistance of Rs.31.37 crores from HUDCO and also utilising the funds of MLA constituency fund.

Under the centrally sponsored scheme of construction of Adi-Dravidar Welfare Hostels for boys/girls, Government sanctioned a sum of Rs.315 lakhs for construction of 10 Adi-Dravidar

Welfare hostels. State Government's share has been released to TAHDCO. The balance will be met from the loan assistance from HUDCO.

Additional class rooms were constructed in 2 High Schools and 2 Higher Secondary Schools at a cost of Rs.39.60 lakhs. Science labs were constructed in 2 schools at a cost of Rs.18.20 lakhs. During 2002-2003 a sum of Rs.19.47 lakhs has been provided for taking up new construction of additional class rooms.

A sum of Rs.58.41 lakhs has been provided for maintenance of Adi-Dravidar Welfare Schools.

Under the Girl Children incentive scheme a sum of Rs.500 per annum is being given to 60,000 Scheduled Caste girl students studying in standard III-V in the educationally backward districts. A sum of Rs.191.46 lakhs has been spent upto 31-03-2002 under this scheme.

So also 30,000 Scheduled Caste girl students entering 6th standard are being given Rs.1000 per annum for continuing their education. A sum of Rs.211.02 lakhs has been spent under this scheme upto 31-03-2002.

A sum of Rs.72.04 lakhs has been spent upto 31-3-2002 for maintenance of 5 post graduate hostels.

130 vacant posts of secondary grade teachers are filled up.

Food charges of boarders of Adi-Dravidar and Tribal Welfare hostels has been raised from Rs.225 to Rs.300 with effect from 5-12-2001.

Free education programme has been extended upto post graduation level in the Government Colleges to the Scheduled Caste, Scheduled Tribe girl students.

A sum of Rs.4.20 crore has been provided and 11,733 bonded labourers were released and rehabilitated.

A sum of Rs.396.77 lakhs have been spent for issuing 17,240 pattas to Scheduled Castes/ Scheduled Tribes.

Under Hill Area Development Programme a sum of Rs.108.36 lakhs has been utilised for the welfare of Tribes in the Nilgiris District.

Four Tailoring Centres are being run for the benefit of 120 Tribal Women.

Healing touch of Hon'ble Chief Minister to the victims of Sankaralingapuram Communal Clash

Hon'ble Chief Minister of Tamil Nadu Selvi J Jayalalithaa has visited the victims affected at village Sankaralingapuram in Tuticorin District on 30-3-2002. There was a clash between two communities followed by local body elections on 16-11-2001 a number of local residents have lost their properties and other belongings. There was a continuous tension prevailed in that area and developed disturbances among the people. Visit of Hon'ble Chief Minister to the village and the healing touch of the leader, made sea change in the broken hearts of the victims. The Hon'ble Chief Minister



phase construction works have been started for 114 hostels during 2001-2002 at a cost of Rs.36.99 crores. The work will continue during 2002-2003 also. Infrastructure facilities have been completed in 94 hostels at a cost of Rs.36 lakhs.

The quality of food have been improved by

consoling and redressing the grievances of the people and instilling confidence in their minds. She assured that not to fear further and forget the past bitter events which hampered harmony among the communities. She also assured that the Government would protect always. The Government would stand with them. She distributed cash relief to the victims of the village sallichettipati to the sum of Rs.13,33,700.

enhancing monthly allotment from Rs.225 to 300 per student with effect from 1-10-2001. 49,000 students will be benefitted by the scheme at a cost of Rs.3.70 crores of additional expenditure to the Government.

1.5 lakhs of free house site pattas have been distributed to the Backward Class, Most Back Class, De-notified communities and other communities.

She also consoled the family members of the deceased constable Murugan and the injured constable Thiru P. Isakki, Thiru A. Srinivasan and Thiru Devaraj. The son of the deceased constable Murugan Balaji and his mother were given Rs.1.50 lakhs by the Hon'ble Chief Minister for continuing his education, on 22-4-2002 at Chennai.

Backward Classes and Most Backward Classes Welfare

New buildings will be constructed for 770 Hostels running in the private buildings. As a first



5000 women were trained in entrepreneurship by the Tamil Nadu Women Development Corporation Ltd. and the trainees were given Rs.5 crores of loan to start their ventures.

EDUCATION

Transfer of Teachers

In order to improve the quality of education the vacant posts of Teachers should be filled up then and there and transfer of needy teachers from one place to another to do better service to the student community. There were some problems in the transfer of Teachers during the past. The present Government initiated a bold step in the transfer policy. The transparent method of transferring Teachers through counselling adopted by the Government has eliminated all problems. Tamil Nadu is the first state to implement such a scheme, which has been well received by the teaching community and has won acclaim throughout the country. This policy will continue, redressing the defects

brought to notice while implementing the scheme during last years. During 2001-2002 the number of Teachers of all categories benefitted out of this scheme is about 20,452. Primary and middle school teachers - 11,940. High and Higher Secondary School Teachers - 8512.

Filling of vacant posts

Vacant posts are being filled up from the list obtained from Employment Exchange of the respective district by following communal rotation and Employment Exchange seniority. This method will be continued when Teachers belonging to a particular community are not available in a district, the list of such candidates are collected and consolidated from all other districts and Teachers are appointed through Employment Exchange on seniority basis. 3651 Teachers were appointed in the Panchayat Union Elementary Schools. Out of the surplus posts of 7987 Teachers found in Panchayat Union Schools, 1739 posts have been redeployed to needy schools during 2001-2002. Similarly 8811 posts of Teachers have been found as surplus

in aided Elementary, Middle Schools, out of which 849 posts have been redeployed.

Affected students of Teacher Training from the banned institutions will be given teachers post

About 28,000 students of Teacher Trainees were affected due to ban order by the High Court and





Supreme Court during 1992-93 The Chief Minister has given assurance during election campaigns in the year 2001 to provide opportunity to become teachers to the trainees.

By fulfilling the election promise, Hon'ble Chief Minister of Tamil Nadu created 15,670 vacant posts of Teachers for the affected students. This scheme was implemented by the Hon'ble Chief Minister on 10-4-2002.

Opening of new schools

The prime policy of the Government is to provide elementary schools in all hamlets where population is more than 300 within a radius of 1 km. Accordingly 452 elementary schools were opened during 2001-02 and 187 new elementary schools will be opened during 2002-03.

Similarly the policy of this Government on Middle schools that there should be one middle school for every 2 elementary schools.

Accordingly 197 elementary schools were upgraded as middle schools during 2001-02 and 1243 elementary schools will be upgraded into middle schools during 2002-03.

New High and Higher Secondary Schools

As per the 6th All India Educational Survey 1995 habitations within a radius of 5 km are to be provided with high school facilities. 382 high schools were opened and 347 high schools were upgraded as higher secondary schools.

Improvement of infrastructural facilities in High and Higher Secondary Schools

The basic needs such as class room, building, toilets and drinking water facilities are very essential for a school. These physical facilities will not only enhance the appearance of the school but also the image of the institution.

Many schools located in rural areas do not have adequate class room facilities since their inception. These infrastructural facilities have been taken up through Parent-Teacher Association, MLA and MPs Constituency Improvement Scheme. Apart from these a loan has been obtained from NABARD under the Rural Infrastructural Development fund for the purpose. In the first phase, a sum of Rs.14.92 crores has been obtained to provide all infrastructural facilities in 96 schools in 9 districts. In the second phase, 297 schools will be covered in 19 districts at a cost of Rs.41.80 crores.

A seperate Directorate for Matriculation Schools

There are about 952 Matriculation High Schools and 1012 Higher Secondary Schools in Tamil Nadu. These schools were, hitherto under the control of Director of School Education. The number of Matriculation Schools is increasing day-by-day. To supervise these schools effectively, a seperate Directorate for Matriculation Schools has been established by the Hon'ble Chief Minister of Tamil Nadu and it is functioning from 4-12-2001 onwards.

Considering the increase in number of schools and to have close monitoring and supervision, the new Directorate has been strengthened by establishing 7 Inspectorates of Matriculation Schools at field level, besides 3 Inspectors of Matriculation Schools in Madurai,

Coimbatore and Chennai, which were existing already.

Higher Education

Tamil nadu Government has the largest number of accredited colleges in the country. As a policy the Government encourages every higher education institution in the State who opted for accreditation either by National Assessment and Accreditation Council (NAAC). In the case of Arts and Science Colleges and Universities are by National Board of Accreditation (NBA) in the case of Technical Institution. In the sphere of Technical Education the Government is committed to improving the single window system of admission of students to Engineering colleges. This year, apart from facilitating counselling from additional centres, a web enabled system is being used for application processing and issue of hall tickets for the Tamil Nadu Professional course entrance examination.

Hon'ble Chief Minister of Tamil Nadu Selvi J Jayalalithaa on 12-3-2002 inaugurated the on-line system of issuing Hall tickets through computers at the Secretariat to the students appearing for the entrance examinations for TNPCEE. The students can get the hall tickets through 63 centres in Tamil Nadu and 12 centres in other states. Through this sytem filling up of the application and receiving the same gets only 5 minutes duration. Earlier this process involved 45 days. 1,43,000 students who have appeared

for the TNPCEE last year through 36 examination centres. Among them 1,38,000 students have received their hall tickets through the on-line system.

Engineering Colleges in the State have been affiliated to Anna University

The Government of Tamil Nadu, through the Anna University (Amendment) Bill Act, 2001 have brought all the 6 Government Engineering Colleges under the control of Anna University, as Constituent Institutions from January 2002 onwards. Since these colleges are expected to function as Regional Centres in providing academic and research inputs for the colleges in the regions at a higher level, it is proposed to provide/strengthen the infrastructural facilities in all the 6 institutions. Based on the above amendment, all the aided and self financing engineering colleges, in all totalling 219 Engineering colleges in the entire state, have been affiliated to the Anna University, with effect from 31-12-2001.

Counselling centres at Chennai and Tiruchi

So far Anna University has conducted counselling for admission to the engineering colleges through single window system at Chennai centre only. Now this facility is extended to the students by adding one more centre at Tiruchi.

Youth Welfare

Hon'ble Chief Minister of Tamil Nadu Selvi J Jayalalithaa shows keen interest on Youth welfare and sports activities of the younger generation. Number of stadia were constructed during VII SAF games 1995, to develop sports talent in Tamil Nadu.

Youth Olympiad

On 2-11-2001 and 3-11-2001 the Sports Development Authority of Tamil Nadu, in association with the Rotary Club, conducted athletic events for the school students studying

in schools in an around Chennai. "Marathan" a historic Marathon running race was organised in Chennai on 4-11-2001. About 1000 persons from all over India participated. It was a grand success and this was the first time that such a marathan was held in Chennai.





conducted every year by the Sports Development Authority of Tamil Nadu for boys and girls below 14 years of age in the following 6 disciplines.

1. Athletics
2. Basket Ball
3. Foot Ball
4. Hockey

Cash incentives to Olympians

The Government of Tamil Nadu announced the high cash incentives to the sports persons of Tamil Nadu, who win medals in olympics, asian games and common wealth games which are conducted once in four years duration for South Asia Federation Games and National Games which are conducted once in two years duration. The Olympians who win Gold will be honoured 1 crore rupees, silver will be Rs.50 lakhs and bronze Rs.25 lakhs. The coaches who trained the medal winners will be given 15% of prize money.

5. Swimming
6. Volley Ball

Soon after assuming office of Chief Minister of Tamil Nadu Selvi J Jayalalithaa recognised the sports talents of Tmt. Noyalin John and gave the post of first women football coach. Master Sri Praneswaran a little budding scattling player who successfully reached Pondicherry from Chennai (168 kms.) by scattling in 3 days was

Catch them Young (under 14 years of age)

With a view to identify young talents in sports and games at the school level, the state level catch them young tournaments, are



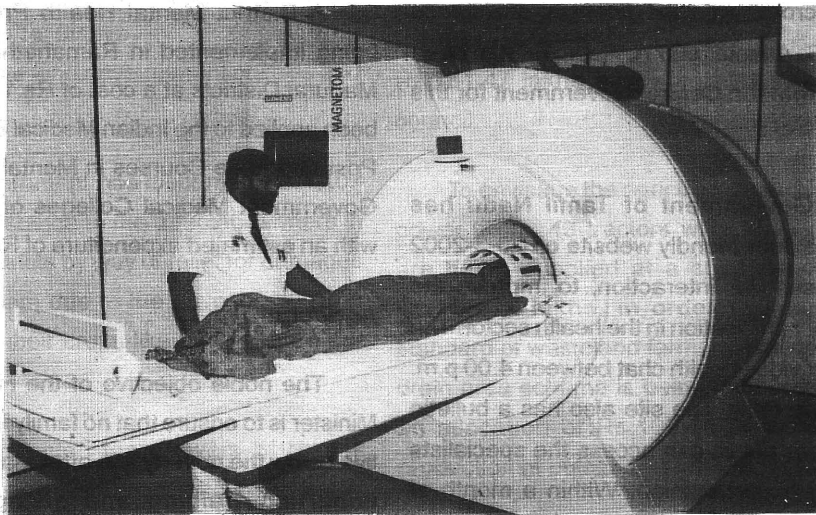
honoured by the Chief Minister of Tamil Nadu and given away prize and support to his talent.

Health and Family Welfare

The maternal and child health services constitute one of the most important services provided by the Public Health Department and towards improving the services, sanction was accorded for filling up of 350 posts of Medical Officers exclusively by women doctors through

In order to ensure that people living in tribal remote and inaccessible areas, get the medical facilities 25 mobile health dispensaries are being formed at a cost of Rs.193.75 lakhs.

Financial assistance has been obtained from HUDCO for the construction of new storeyed building in the Government General Hospital, Chennai at an expenditure of Rs.104 crores. Apart from this financial assistance from



special recruitment and 555 posts of Medical Officers through Employment Exchange. So far, 300 women doctors and 485 doctors have joined duty. Likewise, actions have been taken to fill up the vacant posts of 650 nurses and 1500 non-medical posts in the hospitals.

Actions are on to upgrade 20 primary health centres into Hospitals with 30 beds at an expenditure of Rs.1,288 lakhs.

HUDCO is being obtained for establishing Plastic Surgery Section in Stanley Government Hospital at a cost of Rs.10 crores.

Two MRI Scanners and 13 CT Scanners at a cost of Rs.22.14 crores have been installed. 6 more CT Scanners are under installation. With the installation of CT Scanners the Government will be providing CT Scan facility in all the districts in the State.

In the interest of the public health, the sale of chewing tobacco or any other ingredients injurious to health is banned in the State of Tamil Nadu.

The Government Hospital for Thoracic Medicine, Tambaram which has been the premier AIDS care Institution in the Country is admitting large number of AIDS patients and providing treatment for opportunistic infections. It is proposed to upgrade this hospital at a cost of Rs.47 crores with the financial assistance from C.T.C. Atlanta, U.S.A. Approval has been obtained from the Central Government for this scheme.

The Government of Tamil Nadu has launched a user friendly website on 20-3-2002 with provision for interaction, to improve the community participation in the health sector. The website provides health chat between 4.00 p.m. to 8.00 p.m. daily. The site also has a bulletin board where public can access the specialists for getting expert opinion. Within a month of launching, the site has received 24,000 hits.

Mental Health Care

Consequent to fire accident at Erwadi, several measures have been initiated to improve the mental health services in Tamil Nadu.

The mentally retarded persons chained and kept in Temples, Mosques and Churches were released and rehabilitated in Government hospitals and Nursing Homes.

All the mentally retarded homes which do not have rules and regulations were closed down.

Indian Law for Mental Health, 1987 is being implemented and 28 psychiatric nursing homes have so far been issued license.

14 psychiatrists posts for all District Headquarters Hospitals have been sanctioned and dispensary facilities are also being provided.

A District Mental Health Programme is being implemented in Ramanathapuram and Madurai Districts at a cost of Rs.1 crore. It has been applied to the Indian Medical Board to start Post Graduate Courses in Mental health in 69 Government Medical Colleges of Tamil Nadu with an estimated expenditure of Rs.34.5 lakhs.

Agriculture

The noble objective of the Hon'ble Chief Minister is to ensure that no family in Tamil Nadu live below the poverty line after March 2006. By imparting training and giving technical assistance to the farmers on methods of farming of highly remunerative commercial crops and by value addition of farm products, livelihood security to farmers could be ensured.

During the current year, the expected production of food grains is 88 lakh M.T. cotton 3.35 lakh lables, oil seeds 14.25 lakh M.T. and sugarcane 34.59 lakh M.T.

Hon'ble Chief Minister has announced that 20 lakhs hectares of wastelands in the State

would be developed over a period of five years. Currently, this programme is being implemented in 1,35,905 acres of wastelands spreadover 10 districts.

A wasteland development authority has been formed under the Chairmanship of Hon'ble Chief Minister to evolve and guide waste land development policies and action plans.

The Government has disbursed Rs.42.07 crores as assistance to the affected farmers in the coastal districts by way of relief for damages suffered by them due to the unseasonal rains and floods to their crops like paddy and other crops.

The 20 affected tea growers of Nilgiris districts has been disbursed Rs.33.3 lakhs as compensation. The Government ordered to redress the grievances of the tea growers. The green tea produced by them is being purchased and sold by the Government.

The State Cotton Council was constituted by the Government to carryout the function analogous to various product/commodity development council at the National level, encouraging the cultivation of cotton on commercial and/or contract farming basis and encouraging the planting of cotton in the non



traditional areas of the State. A sum of Rs.161.47 lakhs has been allocated for this council.

To envisage the agricultural machinery 569 power tillers, 43 tractors with 30 HP capacity are being supplied at a subsidised cost of Rs.183.72 lakhs. In order to improve the standard of wasteland farmers. National water drain area scheme is being implemented with an allocation of Rs.106.78 to increase the production of pulses.

Maize and oild seeds with Rs.602.02 allocation are being implemented.

Directorate of Agricultural Marketing and Agriculture Business

A seperate Department of Agricultural Marketing in Tamil Nadu was formed during the year 1977. Additional responsibilities have been attached and the Department has been renamed as Department of Agricultural Marketing and Agri-Business in 2001. Orders



An agreement has been signed in the presence of Hon'ble Chief Minister Selvi J Jayalithaa at Secretariat on 20-3-2002 to establish a Hi-tech Floriculture Zone in Hosur.

have been issued to prepare a report on the technical and economical know-how for the formation of 8 export zones. In the first phase an agreement has been signed in the presence of the Hon'ble Chief Minister between APEDA and TIDCO to establish a hi-tech floriculture zone in Hosur. Establishment and maintenance of regulated markets in order to facilitate buying and selling of produce for the benefit of farming community in 10 places are in progress.

- ★ Formation of two regulated markets with all infrastructural facilities at a cost of Rs.413 lakhs in Villupuram and Tiruppur are in progress to feed information and support to cotton growers.

- ★ For Training small and marginal farm women on the skills of latest Agriculture Technology a project is being implemented at a cost of Rs.511.57 lakhs to 8475 women beneficiaries.

Horticulture

Horticulture is slowly emerging as the growth engine of the agricultural sector in recent years. It is proposed to set up a Mission for horticulture development in Tamil Nadu to give an impetus to cultivation processing for value addition, and marketing of vegetables, fruits and flowers in the State. In order to implement this, schemes viz., Integrated Horticulture Development Scheme, special component plan, Integrated Tribal Development programme,

Western Ghat Development Programme, Hill Area Development Programme, rejuvenation of Hill Banana cultivation in Dindigul district. Integrated programme for Development of Cocoa, Scheme for Development of vegetables including root and tuber crops, development of medicinal and Aromatic plants, Development of Mushroom cultivation and the use of plastic in horticulture are being implemented with an allocation of Rs.2,178 lakhs.

3.20 lakhs hectare of lands of 4,46,936 farmers have been affected due to the failure of monsoon. Rs.42 crores had been allocated to the affected farmers as farm relief.

Orders has been issued enhancing the relief amount from Rs.1000/- to Rs.2500/- per hectare for the paddy affected due to natural calamities.

Rs.42 lakhs has been given as relief to 3,929 huts affected due to unseasonal rainfall and Rs.5 lakhs for the loss of 449 livestock.

Rs.5 crores has been granted by the Government for disilting the irrigation canals and drains in Thanjavur, Nagapattinam and Thiruvavur Districts.

Co-operation, Food and Consumer Protection

Under the Interest cum Penal interest waiving scheme 2001, 6,11,193 farmers were

benefited to a tune of Rs.226.56 crores. The Primary Agricultural Co-operative Banks have collected a principal amount of Rs.412.86 crores. The farmers apart from repaying the loan also got the opportunity of getting fresh loans. This year Rs.1,103.32 crores have been disbursed as crop loan through the Primary Agricultural Co-operative Banks.

Under the women Entrepreneur Development Scheme the District Co-operative Banks and Urban Co-operative Banks are providing loan upto Rs.5 lakhs repayable in 60 monthly instalments at 15% interest to women entrepreneurs to start small industries and service centres.

This loan scheme has been implemented with effect from 19.10.2001. Up to 28.2.2002, a sum of Rs.40.55 lakhs has been disbursed to 67 women entrepreneurs. The rate of interest for the loan under this scheme has been reduced from 15% to 14% in the year 2002.

- ★ The 100% levy system which was in existence for the past 25 years has been cancelled and the check posts have been closed.
- ★ This Government have issued all India Permit to move rice and paddy to any place without licence which resulted in the closure of 72 check posts.
- ★ To mitigate the hardships faced by the tea

growers of the Nilgiris district, the tea is being sold through Fair Price Shops under the brand name "Ooty Tea". 100 gms pack costs Rs.9 and approximately 300 ton of tea is being sold every month through co-operative outlets/PDS outlets.

In spite of the financial constraints prevailing in the state as per the orders issued by the Hon'ble Chief Minister Selvi J Jayalalithaa the retail selling price of rice in Public Distribution system outlets has been retained at Rs.3.50 per Kg without any increase.

Public Distribution System

Eversince its assumption of office the present Government under the dynamic leadership of Hon'ble Chief Minister Selvi J Jayalalithaa, has been paying uppermost attention to ensure food security for all. With a

view to ensure that the benefit given by the Government reaches the deserving sections, the Government are contemplating, streamlining the Public Distribution System.

As a first step towards weeding out bogus cards which is a real culprit, in siphoning of subsidy, introduction of coupon system has been announced in the Budget. Each card holder will be distributed with a rice coupon book at free of cost. Each coupon book will contain 2 inner sheets having 2 coupons in each inner sheet. The card holders can draw rice in the public Distribution system outlets by tendering coupons in one or two instalments in a month. The cost of rice will be collected at P.D.S. outlets only while actually drawing rice quota. This scheme will be put into operation with effect from 1.7.2002. It is expected that this system will weed out bogus billing as well as bogus cards in circulation.



New Industrial Policy

A software producing centre is being formed in Tamil Nadu by the SANSA Organisation with an investment of Rs.223 crores.

- ★ An agreement has been signed with Cornell University for establishing a Hi-tech park at a cost of Rs.65 crores in Chennai.
- ★ In order to create infrastructural facilities specially an infrastructure investment Board is being constituted. This could undertake raising of resources for projects and provide statutory backing to promote private-sector investment from NRIs living all over the world.
- ★ Marine Biotechnology park is being established in Muttukadu, Chengalpattu District.
- ★ Flower Export zone is being created in Dharmapuri District.
- ★ An Information Technology park is being created in Siruseri near Chennai and buildings for other infrastructural facilities are under progress.
- ★ The net profit earned by the Tamil Nadu minerals Ltd. (TAMIN) this year is increased to Rs.7.46 crores as almost double as against last year's profit of Rs.3.2 crores.
- ★ The production capacity of cement industries has been increased considerably this year and steps are being taken to sell cement at lower rate.
- ★ The Tamil Nadu Newsprint and Papers Limited has earned Rs.74 crores in foreign exchange.
- ★ Apart from the two Bio-Technology Industrial Sheds allotted for women last year. 12 more such sheds are being allotted for women this year.

Accounting Back office of World Bank

The Hon'ble Chief Minister inaugurated Accounting Back Office of the World Bank in Chennai on 15.3.2002. The inauguration of the Accounting Back Office of the World Bank in Chennai is a matter of great pride for the State of Tamil Nadu.

Along with the Hon'ble Chief Minister the senior Vice-President and CEO Thiru Gary Perlin, Charles Mekdona participated in the function.

- ★ The Hon'ble Minister of Malaysia Thiru Duttu Sri Samivelu along with other 15 members called on the Hon'ble Chief Minister on 18.3.2002 and had discussion on various projects.

There were discussions on improving Colechal port in Kanniyakumari District. NH 45 Road from Chennai port to Koyambedu and Multi storeyed Express roads in Karaiyankudi - Tambaram areas and converting sea water into potable water.

- ★ Ms.Susan Beresfod, President, Ford foundations New York, USA called on the Hon'ble Chief Minister Selvi J Jayalithaa and expressed their involvement in Government's endeavour in developing



Accounting Back Office of the World Bank inaugurated.

waste land, rain water harvesting and improving fisheries and forests.

- ★ The Chairman and Managing Director, Ford car Thiru David Friedman met the Hon'ble Chief Minister Selvi J Jayalalithaa, the prime person for the formation of Ford India car factory in Tamil Nadu and handed over the first copy of the book "Moving Forward" published by the Ford India Company.

In spite of the severe financial constraints, the Hon'ble Chief Minister cancelled the electricity tariff hike from 1.12.2001 for powerlooms costing Rs.9.06 crores to the Government exchequer.

Reduction in cement price

During the previous regime the price of cement was increased. In spite of opposition

from all groups the price was not reduced. More over the G.O. on purchasing cement from TANCEM, a Government Corporation, for works by Government departments, was cancelled by the previous regime, which resulted in price hike thereby affecting construction works. Due to the stringent action taken by the Hon'ble Chief Minister the price of cement has been regulated.

Small Industries

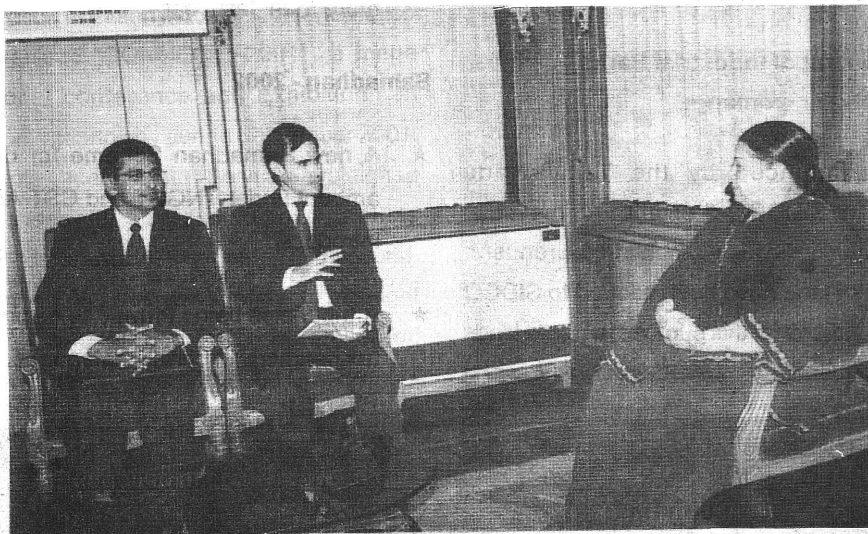
Various policy measures taken by the State Government to support the small scale and Tiny Industries have resulted in spectacular industrial growth in this state. Yet, there were some setbacks during the past five years. The effective growth rate in small scale sector was affected to a greater extent by the adverse impact of the cancellation of the time honoured price and

purchase preferences offered to the small scale industries in Tamil Nadu. This Government after assuming power, has cancelled the orders issued to restore price and purchase preferences to small scale industries of the State. The Government also cancelled the order that increased the Annual current consumption deposit for the Small Scale Industries. These two actions have had a telling effect on the morale of the small scale industries units.

has spent Rs.80 lakhs for training 20,000 women under this scheme through the District industries centres. This scheme will be continued during 2002-2003 also.

Impetus to sago industries

The sagoserve co-operative is a roll model in the State among all industrial co-operative societies. This co-operative is the biggest concern in Asia with a sales capacity of



Thiru David Friedman, Chairman & Managing Director, Ford Car, called on the Hon'ble Chief Minister Selvi J Jayalithaa at Secretariat on 18-4-2002.

Entrepreneurial training for women

Under the scheme of training five lakhs women in entrepreneurial skills in five years, the Industries and Commerce Department was allotted a target of 25,000 women for 2001-2002. Out of this 5000 women have been trained under Prime Minister's Rozgar Yojana. The department

Rs.184.14 crores upto 28.2.2002. This concern helps 800 to 1000 small and medium scale sago industries which fulfil 80% of the country's requirement. This sagoserve concern bears the burden of the additional sales tax of its member concerns. It is proposed to exempt from additional sales tax levied on sagoserve concern and adjust the 4% sales tax paid by it.

Industrial Estate at Thirumullaivoyil

During the Governor's address to the Tamil Nadu Legislative Assembly for the year 2001-2002, an announcement has been made to establish a new industrial estate in an area of 1000 acres at Thirumullaivoyil, Ambattur Taluk in Thiruvallur District and 290 acres of poramboke lands have been allotted to SIDCO. Works are going on for the formation of an industrial estate for women.

Establishment of Industrial Parks exclusively for women

As announced by the Tamil Nadu Government SIDCO will establish 5 Industrial Parks exclusively for women entrepreneurs. 290 acres of land have been allotted to SIDCO in Thirumullaivoyil for this purpose, suitable lands have been identified by SIDCO in Madurai and

Tiruchi for establishing industrial parks for women. Actions are being taken to acquire lands in Salem and Coimbatore for this purpose.

Concessions in commercial Taxes

- ★ In spite of the slackness in industrial growth and economic backwardness, Rs. 8,905 crores has been earned from commercial taxes during 2001-2002, ie Rs 241 crores more than last year.

Samadhan - 2002

- ★ A new Samadhan Scheme for disputed amount under TNGST and CST Acts was introduced.
- ★ A tribunal is being formed to minimise the tax pendings in certain categories.



Information Technology in the path of development

Tamil Nadu Information Technology Manram is being formed under the presidentship of the Hon'ble Chief Minister with Industrialists and educationists as representatives.

CONNECT -2001

The Government of Tamil Nadu and Confederation of Indian Industry Confederation have organised "CONNECT -2001" a mega International conference and Exhibition on Information Technology during September 2001. The Hon'ble Chief Minister Selvi J. Jayalithaa delivered special address to Industrialists participated from various countries in the world. Exhibition, conference and seminar to highlight growth of IT and Bio-technology in Tamil Nadu have been organised, for which the Government have contributed Rs.39 lakhs. The Government also approved for conducting such a International conference cum Exhibition in the month of September this Year also.

- ★ Order has been issued to merge the Tamil Nadu Information Technology centre with Anna University.

SANSA

SIPCOT is establishing an Information Technology Park in Siruseri near Chennai. SANSA of England is being allotted 27.38 acres of land to start software companies. Under the

presidentship of Hon'ble Chief Minister Selvi J. Jayalithaa a Memorandum of Understanding was signed on 19.4.2002 between the Government and SANSA.

TAMIL NILAM

Under the scheme of computerising the Revenue Department, Touch Screen Kiosk is being installed. All the records of land and important data particulars are being



computerised. The Honourable Chief Minister inaugurated the Touch Screen Kiosk in Andipatti Constituency on 15.4.2002.

The details such as land, birth, death and beneficiaries of old age pension are stored in

the computer. This scheme - Tamil Nilam (Tamil Nadu Infosystem on Land Administration and Management) is the outcome of the Hon'ble Chief minister's ambition so that the modern facilities would reach the villages.

- ★ All the Government orders issued by all the departments have been included in State Government Website.
- ★ ISDN website is being created and video conferencing facility between state head Quarters and District head quarters is provided.
- ★ To propagate Tamil through website the Tamil University is conducting various events. This year the University is granted Rs 50 Lakhs for this purpose.

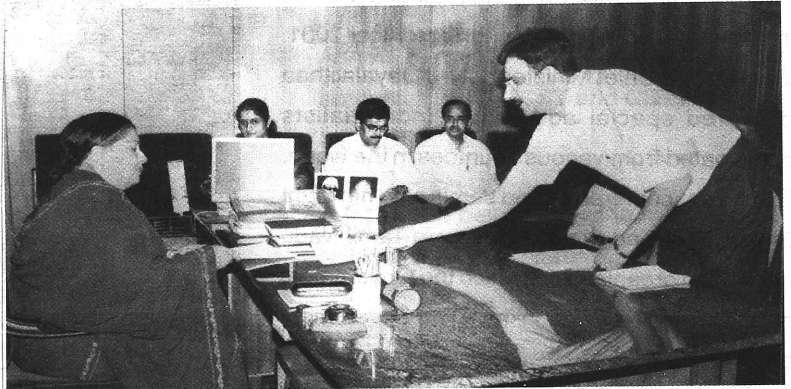
Tamil Nadu Information Technology appreciated

The Chairman, Prof. Nicholas Necropant Media Laboratory, Massachusetts Institute of Technology, USA appreciated the Hon'ble Chief Minister Selvi J Jayalalithaa for the speedy growth of Information Technology in Tamil Nadu

under her leadership. He also assured that his institute will cooperate in the sphere of Information Technology in Tamil Nadu.

Harvard India Scheme

Dr. Nirupam Bajpai, Director, International Development Centre, Harvard India Scheme of Harvard University, USA appreciated the Hon'ble Chief Minister for her endeavour in making Tamil Nadu as the first State in India in Information Technology.



Dr. Nirupam Bajpai, Director, International Development Centre, Harvard India Scheme of Harvard University, U.S.A. called on the Hon'ble Chief Minister Selvi J Jayalalithaa at Secretariat on 8-5-2002.

POLLUTION CONTROL

Common Effluent Treatment Plants

For clusters of polluting small industries, proposals for 52 common Effluent Treatment plants have been formulated. Of these, 32 common effluent Treatment plants are under operation and the remaining Common Effluent Treatment Plants are under various stages of

implementation. One Common Effluent Treatment Plant at Ranipet for tannery Industries and one for Textile bleaching and Dyeing at Perundurai have been completed and are ready for operation this year

Urbanisation and Industrialisation have resulted in increased vehicular traffic in cities, resulting in increase in automobile emissions and toxic smoke emissions. During 2001-2002, out of 43,305 vehicles tested, 13174 vehicles exceeded the limit during their first test. After rectification of defects 2319 vehicles still did not satisfy the standards. For controlling vehicular emission, cleaner fuels like unleaded petrol, 3% benzene level, low sulphur fuel have been introduced in Chennai. Passenger cars complying with Bharat stag-11 norms only are registered since 1.7.2001. Action is also being taken with the concerned agencies to introduce LPG as a cleaner fuel in Chennai.

Plastic Wastes Management

★ The Tamil Nadu pollution Control Board has been creating awareness to educate the people against the throw away plastics in their daily life. A mobile exhibition, exhibiting eco-friendly alternatives to such plastic materials was arranged in Chennai, which was inaugurated by the Hon'ble Chief Minister of Tamil Nadu on 3.8.2001.

★ A district level programme on "Children against plastics" was launched on 15.9.2001. Financial assistance of Rs 1.25

lakhs was given to each District Collector to conduct similar campaigns in the districts.

★ Awareness campaigns are being conducted in Chennai, Nilgiris, Kodaikkanal, Palani, Thiruvannamalai and Rameswaram. New Techniques such as placing advertisement boards at the rear side of the buses and conducting rallies and human chains are being followed.

★ Ooty, Kodaikanal and Yercaud have been declared as plastic prone hill stations.

Green Awards

To encourage District Collectors to play a proactive role in promoting sustainable development in their districts, the Government has instituted green awards for protection of the environment. This award will be given based on the assessment of the personal contributions of Collectors to the promotion of environmental protection and sustainable development.

Chennai City River Conservation Project

Over 400 sewage outfalls are joining the Chennai City water ways viz., Cooum, Adyar, Buckingham Canal, Otteri Nullah, Captain Cook Canal and Mambalam Canal. With a view to clear these water ways in 11 phases a sum of Rs 71.36 crores has been spent till 31st March, 2002. Once this project is completed it will certainly lead to eco restoration of the Chennai

city waterways and healthy environment to the people of Chennai.

- ★ An integrated proposal for cleaning the rivers Cauvery, Vaigai, Tamiraparani along with the seven towns namely Tiruchirappalli, Thanjavur, Kumbakonam, Karur, Mayiladuthurai, Madurai and Tirunelveli at a cost of Rs 575.30 crores is on the anvil. Detailed project reports for five towns have been approved. Approval of detailed project report for Karur and Tiruchy towns is under progress. Works have been commenced in Madurai and Kumbakonam towns and a sum of Rs. 12.11 crores has been spent till the end of March 2002.

Electricity

In the presence of Hon'ble Chief Minister Selvi J Jayalalithaa, an agreement has been signed between the National Thermal Power Corporation and Tamil Nadu Electricity Board for procuring 118 MW of Electricity by the Tamil Nadu Government.

- ★ Two electricity procurement agreements have been signed between Tamil Nadu Electricity Board and Neyveli Lignite Corporation in the presence of the Hon'ble Chief Minister for the procurement of 493 MW of electricity by the Tamil Nadu Government from Neyveli Lignite Corporation, a public sector undertaking of Central Government.

- ★ During November 1999, the previous

regime issued orders to collect Rs 800 per one horse power electricity consumed by low rate tariff industries. This Government had cancelled such orders and decided to collect Rs 300 per one horse power unit or the bill amount for 3 months, whichever is higher as deposit amount as was existing before 1.11.1999. Due to this announcement 3.38 lakh entrepreneurs of small scale industries will be benefitted.

Electricity requirement and consumption of Tamil Nadu Electricity Board has been increased.

- ★ Tuticorin, Mettur and North Chennai Thermal Power Stations won the Gold/ Cash prizes of Government of India at one time for their best performances during last year, first of its kind in the history of Electricity Board.
- ★ A private power production scheme with a capacity of 106 MW has been started in Samayanallur on 22.9.2001.
- ★ An Energy power scheme with a power capacity of 95 MW is nearing completion at Vazhudur. This station will generate its power production during May/June 2002.
- ★ No of Sub- stations started - 55
- ★ No of new connections to pumpsets - 40,307
- ★ Hamlets - 40,000

★ High power Tension Industries	- 241
★ Low Power Tension Industries	- 12,950
★ Over head tanks/ sumps	- 5,673
★ Street lights	- 8,745
★ Houses	- 5,75,939.

Transport

Due to low fare structure and increased cost of inputs, the losses of State Transport Undertakings stood at a higher level. Considering the above facts, the Government revised the bus fare from 1. 12.2001 and the same was reduced marginally from 6.12.2001. The State Transport undertakings met a loss of Rs 315 crores during 2001-2002 . Due to revision of bus fare, it is estimated that the loss will be reduced to Rs. 129 crores.

Incorporating Transport Corporations

The 21 Government Transport Corporations in Tamil Nadu has been incorporated into 7 Transport Corporations thereby regulating the operational system of buses and minimising the expenditure to some extent. As a first phase, City Transport Corporation (Division I and Division II) Government Express Transport Corporation (Division I & II) Tamil Nadu Transport Corporation Coimbatore and Udthagamandalam have been incorporated.

It has been proposed to buy 1,150 new buses at a cost of Rs 150 crores during 2001-2002 and 306 new buses have already been bought by 3 Transport Corporations. Purchase orders have been issued for buying the remaining buses.

FISHERMEN WELFARE

Fishermen Group Accident Insurance Scheme

Under this scheme, the State and Central Government will equally contribute the annual insurance premium of Rs14. No premium is collected from the fishermen. Under this Scheme the fishermen will be given Rs 50,000 for death/ permanent disablement and Rs. 25,000 for partial disablement. Besides this under the scheme implemented by the State Government Rs. 4, Rs. 3.95 per fisherman/ fisherwoman is paid as insurance premium by the Government. Accordingly for Rs 15,000 and Rs 7,500/- is being paid to fisherman and fisherwoman on death / disablement respectively. Under this scheme 286 persons have been benefitted at a cost of Rs 77.57 lakhs.

Fishermen Accident Insurance Scheme

Besides the above scheme, the following insurance schemes are also implemented by the Government for the welfare of the fishermen. The premium should be contributed by the fishermen/ fisherwomen.

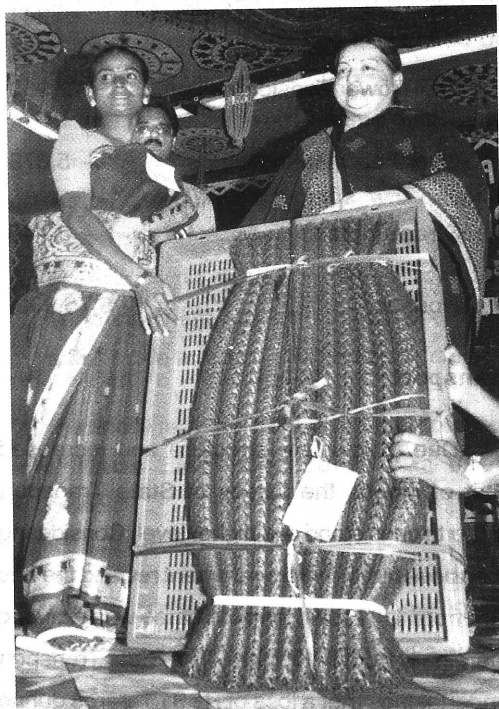
SI No	Premium to be remitted by the fishermen/ fisherwomen	Relief given for death/ disablement
1.	Fishermen- Rs24/- Fisherwomen Rs20/-	One Lakh
2.	Fishermen Rs 60/- Fisher women Rs 50/-	2.5 Lakhs

Under the above schemes Rs 56,47,500 has been disbursed to 58 beneficiaries as insurance amount during 2001-2002.

Training for fishermen

At present training centres for fishermen are functioning in the four places of Nagapattinam, Mandapam, Tuticorin and Kolechal. In these training centres students are trained with modern techniques in fishing and operating and maintaining fishing boats. Apart from this students are being trained for ten months in mechanism in the Centres.

During 2001-2002, 115 students in fishing and 94 students in mechanism have been trained. Trainees are being paid Rs 200 as monthly stipend and Rs 2.50 per day for ten days in a month while undergoing experimental training in sea. During 2001-2002, Rs 4.70 lakhs has been disbursed to the trainees as assistance.



Telescopic Observation

In order to provide information about aqua resources in the sea to seashore fishermen in villages 10 fax machines at a cost of Rs 5.20 lakhs have been installed in 10 sub division offices. Steps have been taken to get telephone connections and 40 information boards.

Fishing Boats painted with glittering paints

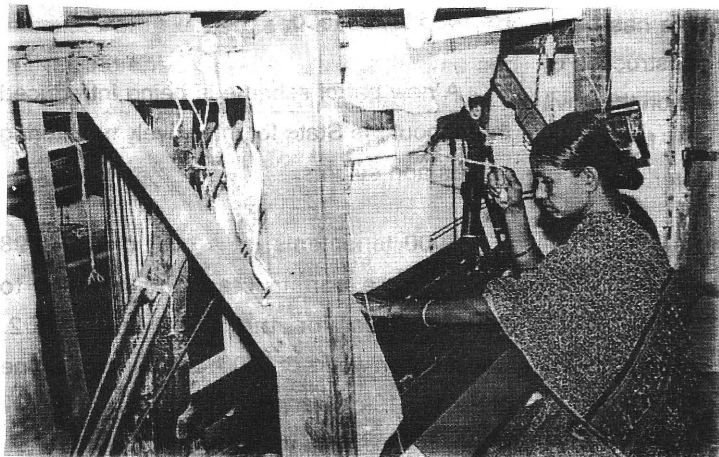
To protect the fishermen while fishing the machine room, upper portion and frontage of the motor boats are being painted with glittering paints. The Government has accorded sanction for a sum of Rs 42.50 lakhs ie Rs 500 per boat.

Integrated Marine Fisheries Development Project-Phase 11

The Phase -II programme was started from 1.4.98 in 13 coastal districts of Tamil Nadu. It has been planned to distribute 3565 inputs to 100 villages to the tune of Rs 4506 lakhs. Government have sanctioned a sum of Rs 801.62 lakhs. Out of this Rs 573.95 lakhs have been given as loan with 25% subsidy to 1308 fishermen of 59 Marine Fishermen Co-operative Societies. So far 562 fishing inputs were distributed to the fishermen.

Welfare Schemes for Handloom Weavers

The Scheme of distributing school uniforms at free of cost to those boy / girl students who are the beneficiares of Puratchi Thalaivar MGR



Nutritious Meal Programme is being decided to continue during the year 2001-2002. The work of producing uniforms has been entrusted with

co-optex and the Tamil Nadu Cotton Mill Corporation. The total requirement of 117.17 lakh metres cloth is under production and the uniforms will be distributed during the current year. Nearly 194 Weavers Co-operative societies covering 5000 Handloom Weavers are getting continuous employment through this scheme.

The Government of Tamil Nadu allowed 10% additional rebate from 15.9.2001 to 14.1.2002 to liquidate over 2 years stock held by weavers co-operative societies and co-optex. Handloom cloth worth Rs.2.62 crores was sold out during the above special rebate period.

Under the Tamil Nadu Co-operative Handloom Weavers Family Pension Scheme, the family pension amount per month has been enhanced from Rs.250 to Rs.350. At present 454 families of the deceased weavers are getting family pension.

HOUSING

The Tamil Nadu Slum Clearance Board has recovered from a severe financial constraints. By following proper financial management and sales

techniques, the board has repaid its loans and holds Rs.50 crores in its exchequer during the current year.

New construction strategies

So far the Tamil Nadu Housing Board has been adopting "Build and sell" policy. In this method, Tamil Nadu Housing Board has to borrow loan from Housing Financial Institutions and invest the same in the project. The interest on the loan is being charged to the house / flat which is to be borne by the allottee. In addition, selling of these constructed flats / houses become difficult since the demand is not scientifically assessed. In order to overcome the above situation, Tamil Nadu Housing Board is switching over to the policy of 'Sell and Build'. By this method, the capital required for the project is collected from the allottees by identifying the allottees even at the planning stage. This method relieves the allottee of the interest burden and the Tamil Nadu Housing Board is also relieved of the marketing burden. This type of self financing scheme has been taken up on a trial basis in the construction of 85 houses at Vellore and plans are on the anvil to construct houses under self financing scheme in Kancheepuram and other places.

Tamil Nadu Slum Clearance Board

The Tamil Nadu Slum Clearance Board from May 2001 to April 2002 constructed storeyed tenements and asbestos sheet roofed houses at a cost of Rs.31.26 crores which benefitted 38,940 families.

Welfare Schemes for Police Personnel

The Police Department is effectively performing its duties in detecting crimes such

as murder and robbery and awarding punishment to the culprits.

The Government have implemented various welfare schemes to the police personnel.

Relief Assistance

- A. On the death of a police personnel - from Rs.2 lakhs to Rs.5 lakhs
- B. Permanent disability - from Rs.50,000 to Rs.1 lakh
- C. Severe injury - from Rs.10,000 to Rs.20,000
- D. Minor injury - from Rs.5,000 to Rs.10,000

The consolidated pay given to Ex-servicemen, who are engaged in temple protection work has been enhanced from Rs.1435 to Rs.1500.

A new patrol scheme is being introduced throughout the State for intensively monitoring crimes and culprits.

3000 tenements, at a cost of Rs.99.98 crores were constructed and allotted to beneficiaries for the year 2001-2002. Construction works of 3000 tenements to a tune of Rs.115.19 crores are under progress.

Construction works for 180 Police Stations at a cost of Rs.16 crores are under progress.

It has been proposed to establish a State Police Training Corporation at Oonamanjeri in

Kancheepuram district at a cost of Rs.51 crores. Sanction has been accorded for Rs.19 crores for this at the first stage.

To prevent the crime of jewel snatching in Chennai city a yellow coloured flying squad with 10 motor cycles was introduced. This squad has been strengthened with 50 motor cycles and was inaugurated by the Hon'ble Chief Minister.

Forensic Sciences Department

Order has been issued to purchase equipments for gene testing for Chennai Central inspectorate and Forensic Sciences inspectorates and construction of buildings for libraries at an expenditure of Rs.537 lakhs.

Under the scheme of modernising the Police Department, it has been approved for the purchase of 14 jeeps to a tune of Rs.59.50 lakhs for the Forensic Sciences Inspectorates and other equipments at a cost of Rs.343 lakhs.

Sanction has been accorded for the purchase of Portable Spectral Compositor at a cost of Rs.10 lakhs for inspecting the records of the Divisional Forensic Sciences Inspectorates.

Fire and Rescue Service

Order has been issued for the purchase of 18 fire engines at an expenditure of Rs.2.43 crores.

Orders issued to purchase 233 high transmission wireless sets so as to fix in 263 vehicles as well as portables for the use of fire service stations.

1021 persons have been selected for appointing as fire service person.

Orders are being issued for the increase of weekly over time allowance paid to the fire rescue service employees from Rs.10 to Rs.50.



The relief amount paid to the deceased employees during duty has been enhanced from Rs.2 lakhs to Rs.5 lakhs, for permanently disabled from Rs.50,000 to Rs.1 lakh, for severely injured from Rs.10,000 to Rs.20,000 and for minor injury from Rs.5,000 to Rs.10,000.

The Hon'ble Chief Minister has given a cheque for Rs.50,000 to Thiru R.Velmurugan, Coimbatore District Reserve Police in appreciation of his services and achievements since 1996 with the aim of achieving a place in world record.

Speedy and Transparent administration

Order has been issued for the formation of 30 Fast Track Courts to dispose the long pending cases in the Sessions Court so as to prevent innocent persons suffering in prisons without any enquiry. It is proposed to form 19 more courts in the coming years.

A Tamil Nadu Judicial Training Centre is being established for training the judicial officials about the existing laws, the problems during their implementation, judgements issued in recent cases, etc. The construction works will be undertaken at an expenditure of Rs.6.70 crores.

In order to encourage to dispose the pending cases 19 District Magistrates posts have been upgraded to special grade.

The Tamil Nadu Registration Department, National Information Centre, Via Chennai has created its website in the address,

<http://igregn.tn.nic.in>. Full details about the services rendered to the public by the Registration Department have been given in this website.

As per the order issued by the Hon'ble Chief Minister, an Advisory Committee has been constituted with Members of Legislative Assembly as members for the proper implementation of the Public Distribution System.

The Government have decided to honour with 'Environment Awards' to those educational institutions, individuals and the Non-Government Organisations who involve themselves in the works of environmental education and awareness, environment management and protection etc and perform in a best manner.

Wearing of safety belts while travelling in car is being made compulsory.

Website for Pensioners

The Hon'ble Chief Minister Selvi J Jayalithaa inaugurated a website at Secretariat on 19.7.2001 to provide information on benefits and guidelines for the sake of Tamil Nadu Government Servants.

From the website www.in.gov.in/dop the retired Government servants and family pensioners can obtain various useful details.

Based on the recommendations of the XI Finance Commission, Rs.183.40 lakhs have been sanctioned to provide the required



infrastructural and EPABX facilities in the districts of Thiruvallur, Thiruvavur, Karur, Villupuram, Namakkal and Theni which were created after 1.4.1993.

Under the XI Finance Commission Schemes, the Government has allocated a sum of Rs.25 crores during 2002, for the construction of buildings for Revenue Department and other departments and tenements in 7 districts created before 1.4.1993.

Tourism

To accelerate the growth in Tourism the Government have allocated Rs.16.17 crores during 2001-2002, 150% more than last year's allocation. It is noteworthy that this year (2002-2003) the financial allocation is Rs.32 crores.

A sum of Rs.5 crores was sanctioned during 2001-2002 for provision of infrastructures at important tourist spots covering fifteen districts. This year Rs.12 crores has been allotted for this.

The Sound and light show at Tirumalai Naicker Mahal, Madurai which had remained suspended was resumed.

New Tourist Offices in Jaipur and Agra were opened.

Suitable sites have been identified in Nagore, Velankanni, Palani and Thiruvannamalai for the construction of 3 star hotels.

This department has formed a "Feasibility and private investment Guidance Cell" for attracting private investments and to guide them

on the feasibility of the projects and to extend other assistance.

The Tourism Department had participated at International Travel Mart , Berlin World Travel

special package tour. Tamil Nadu Tourism Development Corporation had earned additional revenue of Rs.35 lakhs during the year 2001-2002, because of the facility of special



Mart, London and Pacific Asia Travel Association Convention and published Tamil Nadu's cultures art and tourist resources.

First time in 30 years, due to special efforts, the Tamil Nadu Tourism Development Corporation has secured 100 Vaikunta Cellar Entry tickets (Rs.100 each) from Thirumala Thirupathi Devasthanam officials on daily basis. This has helped Tamil Nadu Tourism Development Corporation to operate daily Thirupathi tour with quick dharshan. There is overwhelming response from the tourists for this

dharshan. The additional revenue on this tour alone works out to Rs.112 lakhs per annum.

Tamil Nadu Tourism Development Corporation, at present, introduced 12 more new package tours apart from the 30 package tours already conducted.

Water game competitions have been introduced in Muttukadu.

Tamil Nadu Tourism Development Corporation has executed Memorandum of Understanding (MoU) with Karnataka Tourism

Development Corporation. This has resulted in additional revenue of Rs.10 lakhs per annum in accommodating the tourists of Karnataka State Tourism Development Corporation in Ooty and Kodaikanal. Similarly Memorandum of Understanding (MoU) have been executed with Andhra Pradesh Tourism Development Corporation and Uttar Pradesh Tourism Development Corporation.

Tamil Nadu Tourists sales agents have been appointed in London, Italy and Malaysia.

Annadanam in Temples

This Government is implementing from this year, a remarkable scheme of providing free mid-day meals to the poor and needy in 63 selected temples. This scheme was inaugurated by the Hon'ble Chief Minister at Arulmigu Kapaleeswarar Thirukoil, Mylapore, Chennai on 23.3.2002.

The Hon'ble Chief Minister Selvi J Jayalalithaa on 1.4.2002, announced in the Tamil Nadu Legislative Assembly that she will donate the pay drawn by her every month to anyone of the temples for providing free mid-day meal.



As per the announcement the Hon'ble Chief Minister donated the Pay for the month of March 2002 a sum of Rs.9677 through cheque, to the Arulmigu Aranganathaswamy Thirukkoil at Srirangam in Thiruchirappalli District on 23.4.2002.

Village Poosaris Pension Scheme

The Hon'ble Chief Minister Selvi J Jayalalithaa distributed cheques for a sum of Rs.500 to each village poosari as



monthly pension under the village poosaris Pension Scheme, benefitting 30 poosaris belonging to Vellore and Thiruvannamalai Districts.

Thiruppanigal

Temple renovation and kudamuzhuku works have been undertaken in 711 temples at a cost of Rs.40 crores upto 31-3-2002.

Preservation and maintenance of Temple Cars

There are 500 wooden temple cars owned by the temples. Out of this, 91 temple cars are

to be repaired. During the year 2001-2002, 29 temple cars were repaired and put in use.

Orukala Pooja Scheme

Orukala Pooja scheme was drawn up so as to ensure performance of atleast one pooja every day in temples which have no resources to perform such poojas. A sum of Rs.25,000 is deposited permanently in the name of the temple. Arrangement is made to perform orukala pooja daily from the interest accruing on the above corpus. Under this scheme 1000 temples have been benefitted during last year alone.

Electricity provided

According to the instructions of the Hon'ble Chief Minister that no temple should be left without power connection, 1000 temples were provided with electricity service.

TAMIL DEVELOPMENT

Every year, prizes are awarded for 30 best Tamil books in 30 headings at the rate of Rs.10,000 per book. Publishers of award winning books are also awarded with a cash prize of Rs.2000.

Centenary celebration of Mozhignayiru Devaneyya Pavanar

To felicitate the unique works of Devaneyya Pavanar and facilitate the continuance of those works relentlessly, this Government celebrated Centenary Celebrations of Pavanar at Sankarankoil on 5.2.2002 and at Gomathimuthupuram, Thirunelveli District on 6.2.2002, where he was born and spent his younger days and also at Chennai on 8.2.2002 where he carried out his Tamil Development works.

Seminar on Tamil for Science-Tamil Culture

In the Eighth World Tamil Conference conducted in Thanjavur during 1995, the Hon'ble Chief Minister has announced new slogans that 'Science Tamil', 'Tamil in all walks of life', Tamil Today and Ever Tamil. Through this she had

sowed the seed for the development of Tamil for Science as the Fourth Tamil along with the existing Muthamizh. This Government functioning under the best leadership of the Hon'ble Chief Minister has conducted a mega seminar on Tamil for Science and Tamil Culture on 5.1.2002 at the Centenary Auditorium of Madras University.

The Seminar on 'Medical Tamil', Seminar on Tamil in the fields of Legal Education, Art, Science and Engineering' and the Seminar on 'Tamil in the Administration' were conducted. This is the first time in the history of Tamil Nadu that such a mammoth seminar on



Tamil for Science as Fourth Dimension of Tamil was conducted.

Film industry

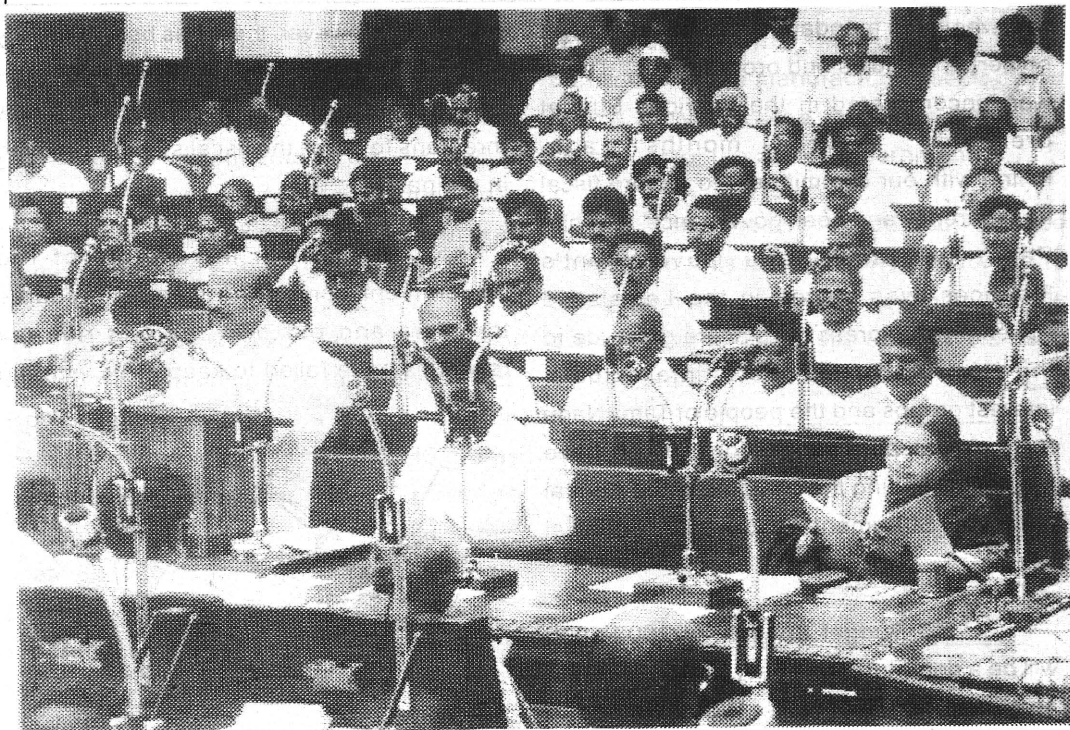
Since Film industry is one of the major industries in Tamil Nadu, this Government is encouraging the Film industry by granting various concessions. ★



Arch Bishops and Bishops of Tamil Nadu & Pondicherry called on the Hon'ble Chief Minister Selvi J Jayalalithaa under the leadership of Arul Das James, Arch Bishop of Chennai-Mylai on 21-6-2001 at Secretariat.



Dr. Hakkim, The Tamil Nadu General Secretary of Indian National League (Latheef), Thiru S.A. Syed Sathar and Thiru M.A. Abusali, the State Vice President called on the Hon'ble Chief Minister at the Secretariat on 10-5-2002.



TAMIL NADU ON THE ROAD TO DEVELOPMENT AND PROSPERITY

*Speech of Hon'ble Minister for
Finance and Information Technology
Thiru C. PONNAIYAN, presenting the
Revised Estimates for 2001-2002 and
the Budget for 2002-2003 to the
Tamil Nadu Legislative Assembly
on 27th March, 2002.*

Honourable Speaker Sir,

It is my privilege to present the Revised Estimates for the current year and the Budget proposals of the Government of Tamil Nadu for the year 2002-2003 before this august House. Our party, under the able and dynamic leadership of our visionary leader, Puratchi Thalaivi J. Jayalalithaa, obtained the

overwhelming mandate of the people based on certain policies and programmes. These were incorporated in the previous Budget presented seven months ago. In line with our commitment to ensure fiscal transparency and open governance, a 'White Paper on Tamil Nadu Government's Finances' was placed in the Legislative Assembly. I express my sincere gratitude to the Honourable Members, intellectuals, interest groups and the people of Tamil Nadu for their valuable suggestions, which have helped in shaping the contours of the Annual Financial Statement for the next financial year.

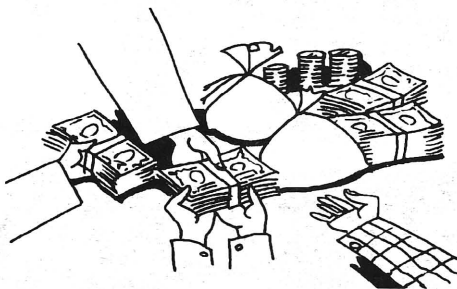
The Budget Speech for 2002-2003 will be a departure from past conventions and practices in certain ways. We have tried to improve the process of Budget formulation by inviting and incorporating responses to the White Paper from political parties, academics, experts, trade and industry and many others. I therefore propose to begin by delineating the fiscal position of the State Government, outline the reform programme to be followed in the next financial year and also build on the vision statement announced in the Governor's address a few days ago.

FISCAL POSITION

Tamil Nadu has enjoyed the distinction of being a financially well-managed State with a very impressive performance in the economic and social sectors when compared to the all-India

standards. However, there has been a steady deterioration in the finances of the Government in the last few years, which now threatens to derail the fiscal stability enjoyed in the past.

The growth in receipts of the Government comprising Central resource transfers and our own tax and non-tax revenues have failed to keep pace with the



unprecedented rise in revenue expenditure since 1998 mainly towards employee compensation (salary and pension), interest payments and subsidies. In order to cover this mismatch, the Government in the past resorted to heavy borrowing to finance the revenue gap. The net result is an alarmingly high and unsustainable revenue deficit and fiscal deficit.

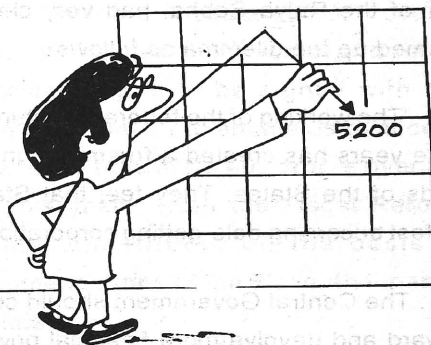
An analysis of the sectoral distribution of Government spending shows that over the years, there has been a perceptible decline in the shares of expenditure on social and economic services as against general services comprising basically interest payments and

administration. This skewed nature of resource allocation in favour of current expenditure has unwittingly crowded out Government investments in asset creating ventures. The poor performance of the Public Sector Undertakings has further compounded the problems.

The current year has posed one of the toughest challenges to the Government. Honourable Members are aware that the State is suffering a loss of Rs.2946 crores over the five-year period 2000-2005 because of the injustice meted out to the developed States, including Tamil Nadu, by the Eleventh Finance Commission. When we presented the Budget in August last year, we explained the state of Government finances through the White Paper and invited suggestions from the Honourable Members and the public. Based on the valuable input given by the Honourable Members during discussions within the House and outside and the suggestions given by innumerable members of the public and also taking into account the fast deteriorating state of finances, the Government announced a series of measures to augment revenues and cut non-plan expenditure. However, these efforts proved to be insufficient. The decision of the Union Government to reduce our share in central taxes in 2001-2002 by Rs.512 crores over and above the reduction already suffered on account of the implementation of the Eleventh Finance Commission's recommendations was an additional burden which could not be foreseen. The general

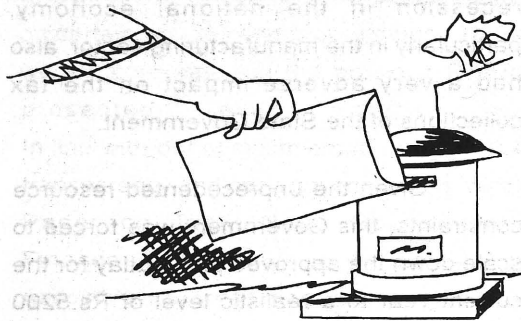
recession in the national economy, particularly in the manufacturing sector, also had a very adverse impact on the tax collections of the State Government.

Given the unprecedented resource constraints, this Government was forced to scale down the approved plan outlay for the current year to a realistic level of Rs.5200



crores. The details of the aggregate Plan outlay of Tamil Nadu for the Tenth Plan Period (2002-2007) and also for the next financial year will be announced after discussions with the Union Planning Commission.

Honourable Members are well aware that despite the federal nature of our Constitution, the powers of the State Government in raising resources are very limited and we have to always look to the Centre for financial support. But when the Union Government fails to maintain the committed budgetary devolutions to the State and also does not adequately compensate us for this loss, we have nobody to look up to. Perarignar Anna, while speaking on the



request for this assistance in the form of a grant to put Tamil Nadu back on the road for development will be considered favourably by the Government of India.

The Union Finance Minister, Thiru Yashwant Sinha, while presenting the Central Budget for 2002-2003, announced that the rate of interest at which the Government of India extends loans to the States would be reduced from the next financial year. We welcome this announcement. The decision to pass on the entire small savings collections to the States may not translate into real and tangible benefits because of a sharp reduction in the rate of interest on small savings instruments.

We strongly oppose the Union Government's decision to impose a 5 percent surcharge on all taxes for meeting the defence requirements. National defence is a core subject of the Central Government and has to be met from its revenue receipts. We hope that the Union Finance Minister will rescind the implementation of the surcharge as this would eat into the limited resources likely to be devolved to the States during the next financial year.

Without a visible improvement in the State's finances, no Government can honour its mandate and fulfil the aspirations of the people. The pace of fiscal recovery will depend on how fast we are able to restrict the alarming pace of growth of the revenue expenditure, without jeopardizing the

floor of the Rajya Sabha, had very clearly summed up the dilemma as follows:

“The working of the federal structure all these years has created a frustration in the minds of the States. They feel that States are fast becoming dole-getting corporations.”

The Central Government should come forward and devolve more financial powers and resources to the States. Almost all the States in the country are facing resource constraint of an unprecedented magnitude. Consequently many States have been forced to cut their plan outlay in the current year resulting in a slowdown in the pace of development. Only when the States are financially strong India, as a nation will prosper. **Given the serious situation, our Honourable Chief Minister has taken the lead and requested the Honourable Prime Minister to evolve a one-time assistance package for all the States to enable them to come out of this crisis. Tamil Nadu's requirement in this regard has been assessed at Rs.3000 crores and we hope that our Honourable Chief Minister's**

FISCAL AND BUDGETARY REFORM PROGRAMME



Medium Term Fiscal Reform Programme:

The State Government has prepared a Medium Term Fiscal Reform Programme, aimed at bringing down the revenue deficit to zero and fiscal deficit to 2 percent of the Gross State Domestic Product (GSDP) over a

period of five years. **A Memorandum of Understanding is to be signed with the Union Government to enable us to access funds to the tune of Rs.402 crores over the next five years, from the Fiscal Reform Facility, constituted on the basis of recommendations of the Eleventh Finance Commission.**

Administrative Reforms:

The salary and pension liabilities comprise a major component of the total revenue expenditure of the State Government. We have already announced our commitment to a need-based reduction in the staff strength in a phased manner. Guidelines for rationalization of the staffing pattern in the Government are being evolved to ensure optimal utilization and deployment of manpower.

Tamil Nadu has the highest pension-related commitments when compared to other States in the country. It is also one of the fastest growing components of the total revenue expenditure. It has

interests and welfare of the vulnerable sections of our society. I would like to begin by outlining the fiscal and budgetary reform programme to be pursued by the Government in the next financial year. The main objectives of these reforms include the following:

- **Slowing down the pace of growth in revenue expenditure.**
- **Enhancement of receipts to the Government.**
- **Reining in the unsustainable revenue deficit and fiscal deficit.**
- **Reprioritization of resource allocation in the State Budget from non-productive areas to production oriented sectors like agriculture, industry, infrastructure development, health, education etc., so that the Government's investments translate themselves into real benefits for the people.**

instructed to re-calibrate the existing schemes suitably to ensure that the intended benefits are targeted to the needy and most deserving sections of the population.

Block grants or grants-in-aid being given to various institutions are being reviewed. The financial support to private and aided institutions, receiving grants-in-aid from the School Education Department, will be frozen at current year levels. The financial support to Universities and aided colleges will be gradually phased out and they will be encouraged to focus on internal resource generation through consultancies, economizing expenditure and collection of nominal user charges, protecting the interests of poor students.

Reforms in the Public Distribution System: With a view to weeding out bogus family cards in circulation, it has been decided to introduce a "Coupon System" for drawal of rice under the Public Distribution System from 1st July, 2002

A black and white cartoon illustration. In the foreground, a woman wearing a sari with large black polka dots is smiling and holding out a rectangular document or certificate to a man sitting behind a desk. The man, who has a large nose and is wearing a simple shirt, is also smiling and looking at the document. Behind the woman, a line of three people is waiting. The first person in line is an elderly woman with a headscarf, followed by a younger woman, and then a man. In the background, to the left, a small figure of a clerk is visible, looking stressed and overwhelmed by a very tall, thick stack of papers on his desk. The scene is set in what appears to be an office or a government service center.

onwards. Under this coupon system, 'rice drawal coupons' for one year will be distributed to the rice cardholders. Payment for rice need not be made while collecting the coupons. These coupons will have to be presented together with the ration card while buying rice from the fair price shops. This system is expected to prevent bogus billing and consequent large-scale diversion.

Government Guarantees : The State Government has been providing guarantees to lending agencies for loans taken by statutory corporations, public sector institutions, co-operative institutions etc. This implies that in case the borrowing institutions fail to meet their repayment commitments, the Government will clear the guaranteed dues.

The Government is viewing the outstanding guarantee liabilities with concern and will be introducing legislation aimed at restricting the total guarantees authorized by the State Government to a specific percentage of its revenue receipts. The guarantees will be given based only on the viability and bankability of the projects, as per Reserve Bank guidelines. **We propose to constitute a Guarantee Redemption Fund to ensure prompt payment of the guaranteed liabilities in cases of invocation by lending agencies.** In cases of institutions, which fail to honour their repayment liabilities for loans taken against a State Government guarantee, renewal or issue of fresh guarantees will not be permitted.

Debt Management: Long-term loans such as those extended by the Central Government and other internal debt sources comprise nearly two-thirds of the fiscal deficit of the State Government. The rest is financed through public account balances, which include small savings and State Provident Funds. The Government is very concerned over the unprecedented growth in the outstanding public debt and interest payment liabilities over the last few years.

We welcome the announcement of the Union Finance Minister permitting the State Governments to go in for debt substitution so as to replace the high-interest outstanding loans from the Government of India and other financial institutions, with low-interest loans. The Union Planning Commission will also be requested to increase the annual allocation of open market loans for Tamil Nadu mobilized through the Reserve Bank of India so that the State can benefit from the currently prevailing low interest rate regime.

Reforms in the Public Sector and Co-operative institutions: The Government has announced its decision to disinvest its stake in profit making State PSUs and also go in for an outright sale of loss making units. **A Disinvestment Commission will be constituted to frame the guidelines for the disinvestment in the profit making and privatization of loss-making State PSUs and co-operative institutions.** A Public Sector Reform Programme, which

includes an attractive Voluntary Retirement Scheme (VRS) for Government employees and those in the PSUs and co-operative institutions, is being formulated and will be posed to external agencies for funding.

Reforms in the Transport

Sector: Honourable Members are well aware of the poor financial position of the State Transport Undertakings (STUs) in Tamil Nadu. This Government has decided to go

enterprise while protecting the interests of our people. The State Government has signed a Memorandum of Understanding (MoU) with the Government of India on 9.1.2002 that envisions far-reaching reforms in the power sector. The salient features of this MoU are as follows:

- It has been decided to securitise the outstanding dues of TNEB wherein the Government of Tamil Nadu will float tax-free bonds with an interest rate of 8.5 percent to fund a one-time settlement of dues with the Central utilities.
- The State Electricity Regulatory Commission (SERC) will be activated by the State Government.
- Comprehensive metering of all electricity connections provided by the TNEB in the State will be taken up and this exercise will enable the TNEB to check power theft and calculate transmission and distribution losses.

in for a phased privatization of select routes, services and operations currently under the control of STUs. A High Level Committee will be appointed to work out the modalities for phased privatization on the above lines and restructuring of STUs, which will be required to submit its report within three months.

Power Sector Reforms: The Government is committed to making the Tamil Nadu Electricity Board (TNEB) a self-supportive and commercially viable

In turn, the Government of India has promised us financial assistance to renovate, modernize and upgrade transmission and distribution networks and also the old thermal/ hydel power stations by making available funds under the Accelerated Power Development Programme.

Budgetary Reforms: The process



of fiscal reforms will be incomplete without adequate reforms in procedures relating to the process of Budget formulation and its execution. This Government will take necessary action to solicit views from all – experts, interest groups and the people – while taking budgetary decisions. **The official website of the Government of Tamil Nadu, www.tn.nic.in, will be upgraded and made interactive.**

The process of Budget formulation is being further streamlined in consultation with the Estimates Committee of the Legislative Assembly. We will be moving into a system of Heads of Department-wise Budgeting from this year. Necessary action is being taken to simplify the procedures, strengthen cash management and to ensure flexibility and dynamism in the implementation of the Budget.

We have a difficult task of blending hard decisions on account of economic compulsions with those necessary to protect vital interests of the vulnerable sections of society. There cannot be two opinions on the urgent need to rectify the fiscal imbalance before it completely paralyses the functioning of the Government. Fiscal recovery is in the best interests of the State and has to be above political differences, compulsions and expediency. We have tried to be as open as possible in this endeavour and would welcome constructive suggestions on other better ways of dealing with this serious problem.

STRENGTHENING LOCAL SELF GOVERNMENT

I take this opportunity to announce the devolution formula to be adopted by the Government for devolving resources to urban and rural local bodies based on the recommendations of the Second State Finance Commission for the award period 2002-2007. A detailed action taken report on the recommendations of the Second State Finance Commission will also be placed on the table of the House.

- **The rural and urban local bodies will receive 8 percent of the States Own Tax Revenues after excluding the Entertainment Tax receipts. The vertical sharing of resources between rural and urban local bodies will be in the ratio of 58:42.**
- **Of the total devolutions to the urban local bodies, the resources will be shared between the Corporations, Municipalities and Town Panchayats in the ratio 31:34:35. The devolution to rural local bodies will be shared among the Village Panchayats, Panchayat Unions and the District Panchayats in the ratio of 47:45:8.**

We are aware of the hardship being faced by the local bodies because of the inability of the Government to release the State Finance Commission grants on a regular basis in the current year.

A sum of Rs.1505 crores has been earmarked towards the State Finance Commission devolutions during the next financial year. I am happy to inform the Honourable Members that this Government has decided that the State Finance Commission grants will be released to the local bodies on a monthly basis during 2002-2003.

THE HONOURABLE CHIEF MINISTER'S 15-POINT PROGRAMME

Our Honourable Chief Minister Selvi J Jayalalithaa has announced her commitment to make Tamil Nadu the best State in the country in all spheres with socio-economic indicators comparable to the best in the world. The Honourable Chief Minister's 15-point programme announced by His Excellency the Governor, in his recent address to the Legislative Assembly, would be the guiding spirit and the road map for this Government during the next four years. The Budget for the next financial year incorporates programmes and policies necessary to achieve the goals enshrined in the Honourable Chief Minister's 15-point programme.

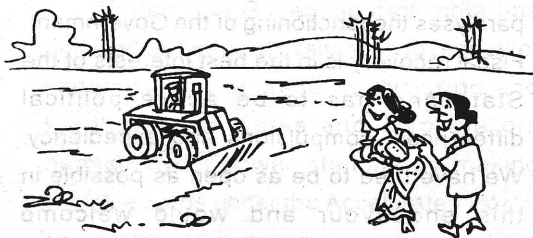
EVERGREEN REVOLUTION

During 1996-2001, the growth rate of the Gross Domestic Product of Tamil Nadu was only 6.22 percent mainly because of the poor performance of the agriculture sector where the growth was a

meagre 2.72 percent. Given the fact that this sector provides employment to a large portion of the total population of the State, this Government will endeavour to achieve a growth rate of at least 4 percent in the agricultural sector during the Tenth Plan Period (2002-2007). A broad-based agricultural policy involving small and medium farmers, which is driven by technological change and appropriate marketing facilities is a necessary precondition for an evergreen revolution.

Our approach, therefore, will entail increasing the area under cultivation through wasteland development, expanding and modernizing irrigation facilities and improving agricultural output. The necessary meteorological, marketing and management data to enable proper production planning and ensuring remunerative returns would be made available to the farmers.

Tamil Nadu has taken the lead in integrating wasteland reclamation with watershed development and rainwater harvesting. Our endeavour will be to maximize the land area under cultivation with



an appropriate cropping pattern with high market demand and increase water availability for cultivation purposes. A sum of Rs.40 crores has been allocated for the Wasteland Development Programme during the next financial year. **In order to encourage private sector participation for bringing wasteland to productive use, the Government will be prepared to lease out large tracts of fallow and degraded land on a long term basis.**

Given the fact that horticulture is becoming a growth engine for the agricultural sector, the Government has decided to set up a Mission for Horticulture Development to harness the comparative advantage of the State in the production of fruits, vegetables and floriculture. The Mission approach will pay attention not only to cultivation but also to post-harvest management and storage. The main aims of the Mission would be to achieve the following objectives:

- Improving production through balanced nutrition management.
- Evolving suitable mechanism for regulating quality planting material and giving impetus to need-based research.
- Providing adequate infrastructure for post-harvest management and marketing.
- Encouraging active involvement of farmers associations in adoption of modern technological practices.

A new scheme, Water Resources Consolidation Project-II, aimed at modernizing and upgrading irrigation systems in Tamil Nadu at an ultimate cost of Rs.2900 crores is being posed to the World Bank for



funding. Funds to the tune of Rs.250 crores for modernization and upgradation of minor and medium irrigation projects are likely to be sourced from NABARD in the next financial year.

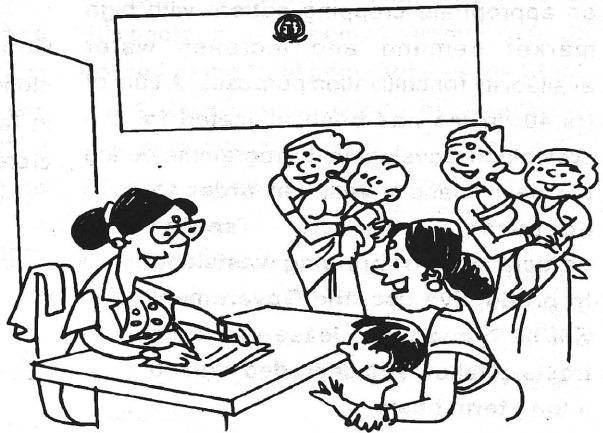
In the Budget last year, the Government announced the waiver of interest and penal interest amounting to Rs.310.50 crores on outstanding overdue loans given by co-operative banks to farmers. I am happy to inform the Honourable Members that 6,11,193 farmers have availed themselves of this facility amounting to Rs.226 crores. The Government has so far disbursed Rs.80 crores in the current year to the co-operative banks towards this scheme. An allocation of Rs.146 crores has been made in the Budget for 2002-2003 towards

reimbursement of the balance of the dues towards waiver of interest and penal interest from the Government to the co-operative banks.

The Government has received several representations that some relief should be provided to the farmers and other borrowers who were not covered by the above scheme. I am happy to announce that a one-time settlement scheme will be introduced to provide relief to the borrowers from the co-operative sector, both urban and rural, and to facilitate the recovery of long pending overdues. Under this scheme, waiver of penal interest and freezing of the outstanding balance in the account inclusive of interest as on 31st March, 1998, will form the basis of the settlement. The amount of settlement arrived at would preferably be recovered in one lumpsum or within a maximum period of 3 months. It is hoped that about 4.5 lakh borrowers would be benefited under this scheme and the relief would be to the tune of Rs.110 crores. The co-operative banks have agreed to bear this burden. The scheme will come into operation immediately and will be in force till 30th June, 2002.

FOOD SECURITY

Tamil Nadu has already established a lead in the country by taking laudable steps for improving access of



children and expectant mothers to nutrition. Our aim now is to consolidate this position and become the first State in the country to provide a 'Whole Life Cycle Nutrition Security Programme' for those below the poverty line with special focus on nutrition for expectant mothers, infants and the aged. A sum of Rs.286 crores has been earmarked for this purpose in the Budget.

I am happy to announce that the issue price of rice through the Public Distribution System would continue to be Rs.3.50 per Kg and an allocation of Rs.1240 crores has been made in the Budget towards food subsidy.

The objective of the Sampoorna Grameen Rozgar Yojana (SGRY) is to create durable community assets and provide essential infrastructure in rural areas. This scheme also focuses on providing food security, by distributing 5 kg of food grains per man-day to the workers as part wages.

During 2002-2003, the outlay for this programme will be Rs.292 crores out of which the State's share will be Rs.58 crores.

LIVESTOCK SECURITY AND FISHERIES DEVELOPMENT

We will encourage people in rural areas to take up additional avocations like cattle and poultry rearing and ostrich farming to increase their supplementary income. The Government is also exploring the possibilities of establishing community feed and fodder banks through local self-help groups to enable landless families and poor farmers to take to animal husbandry.

The Cattle Protection Scheme would be further strengthened and an allocation of Rs.2.31 crores has been made



in the Budget for this purpose. A new scheme for Cattle and Buffalo Breeding would be implemented during the Tenth Plan Period and an allocation of Rs.2 crores has been made for the next

financial year.

In order to improve the employment potential in the dairy sector, a new programme for the formation of 145 Milk Producers Co-operative Societies for 10,000 women in the districts of Dharmapuri, Salem, Erode, Coimbatore, Vellore, Villupuram and Trichy would be implemented during 2002-2003 and Rs. 6.50 crores has been earmarked for this purpose.

A Fisheries Development Mission is being constituted by the Government with the objectives of increasing employment potential in this sector and enhancing the returns to the fishing community. This Mission will seek to integrate various facets of fisheries development such as increasing marine and inland fish diversity and density, improving fishing technology and establishment of subsidiary industries for value addition. A provision of Rs.1 crore has been made in the Budget for the next year.

WATER SECURITY

Tamil Nadu has virtually exhausted its entire surface water and much of the ground water potential. It is necessary that we take urgent steps to augment and conserve the water resources in the State for domestic, agricultural and industrial use.

I am happy to announce that 4389 mini-pumps fitted with ground level service reservoir (GSLR) have been installed in water

deficient rural areas during 2001-2002 in accordance with the promise made in the Budget last year. **Given the enthusiastic response of the womenfolk in the rural areas to this scheme, 8000 hand pumps in the rural areas will be replaced with mini power pumps and 6500 rural habitations will be provided with protected drinking water during the next financial year.**

A major project aimed at establishing ground water recharge structures in over 13,000 locations in the State by employing remote sensing technology is being undertaken. Necessary work for setting up low cost on-site treatment plants at 50 locations in consultation with National Environment and Energy Research Institute (NEERI) and other technical institutions has been taken up.

The present availability of water in the reservoirs of Chennai city is about 45 percent of the total capacity. Though the

position has improved when compared to last year, there is need to utilize the available water carefully to prevent another crisis in the ensuing summer months. The preliminary investigations for construction of check dams, percolation tanks etc., under the Chennai Water Supply Augmentation Project-II have been taken up and desilting works commenced in Ambattur, Korattur, Erattai Eri and Madhavaram lakes.

A 50 mld Tertiary Treatment Reverse Osmosis Plant for supplying treated sewage water to industries is being set up and it is hoped that the future water requirements of industries in Chennai will be met entirely from this project. **Another 530 mld water treatment plant at Chembarambakkam will be taken up for execution and this is likely to improve the overall drinking water situation in the megapolis.**

An allocation of Rs.77.38 crores has been made for the equity contribution of the State Government to Metro Water for the Chennai Water Supply Augmentation Project-I (New Veeranam Project) in the next financial year.

The Avinashi-Athikadavu Drinking Water Project has been formulated at a cost of Rs.270 crores. The Government proposes to take up this project for implementation in phases by availing of assistance from financial



institutions.

I am happy to inform the Honourable Members that Coimbatore and Vellore districts have been rated as the best performing districts by the Government of India under the Sector Reforms Programme implemented at a cost of Rs.40 crores. The objective of this programme is to institutionalize community participation in rural water supply schemes. **Encouraged by this enthusiastic response, the Government proposes to extend this programme to the districts of Kancheepuram, Ramanathapuram and Karur in the next financial year.**

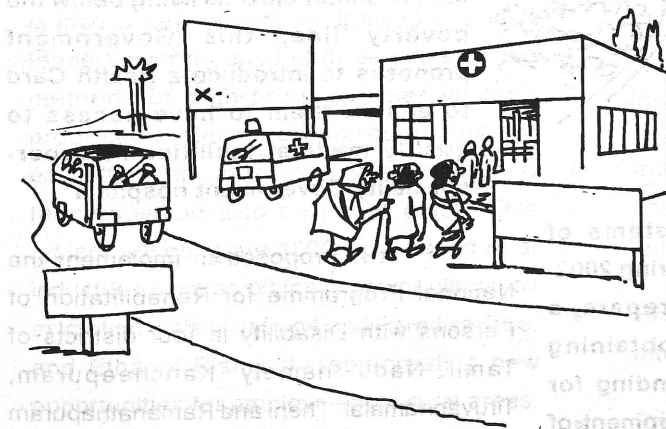
HEALTH SECURITY

We are aiming to reduce the birth rate from 19.3 per 1000 to 15 per 1000, Infant Mortality Rate (IMR) from 52 per 1000 to 28 per 1000, Maternal Mortality Rate from 140 deaths per one lakh births to less than 100

per one lakh births and the death rate from 8 per 1000 to 6 per 1000 by the end of the Tenth Plan Period. These objectives would be achieved by appropriate policy interventions aimed at providing affordable and quality health care to the people of Tamil Nadu.

We believe that referral units such as Taluk and non-Taluk hospitals need to play a more active role in health-care delivery to the people. This will not only enable access to quality health care facilities locally to the people but also prevent over-crowding of city hospitals. **It has been proposed to construct 200 new Health Sub-Centres at a cost of Rs.11 crores and 25 Primary Health Centres will be upgraded to 30-bed hospitals at a cost of Rs.8 crores. Taluk and non-Taluk hospitals in rural areas will be upgraded to 30-bed hospitals with operation theatres and X-ray facilities.** Such hospitals, if located near National or State highways, will also serve as Trauma Care Centres.

The Government Hospital for Thoracic Medicine at Tambaram, which has been playing an important role in providing treatment and counselling to patients suffering from HIV and AIDS, will be strengthened at a cost of Rs.4.7 crores during the next financial year. The Government of India is being requested to convert



this institute into a Regional Institute for AIDS Prevention and Counselling. The Institute of Child Health at Egmore in Chennai will be modernized and upgraded at a cost of Rs.21 crores with financial assistance from Japan.

Our Government is concerned about the inflationary impact on the cost of allopathic medicines after the introduction of the product-patent regime as ordained under the WTO from 1.1.2005. We realize the need to further strengthen the Indian Systems of Medicine especially Siddha, Unani, Ayurveda etc., to provide holistic and affordable health care with special focus on the needs of the poor and the deprived. **While existing infrastructure in District Government**



hospitals on the Indian Systems of Medicine would be upgraded during 2002-2003, it is proposed to prepare a comprehensive project for obtaining domestic and international funding for giving an impetus to the development of Indian Systems of Medicine during the

Tenth Plan Period. It has also been proposed to create 30 new payment seats in the Government Siddha Medical College after obtaining the clearance of the Central Council of Indian Medicine.

The Government proposes to set up a world-class Hospital based on the Indian Systems of Medicine with public-private partnership in Chennai. The Government will provide the land for construction of the hospital and the land value would be our equity contribution in the project. A Steering Committee is being constituted to finalize the modalities. This project will be the first of its kind in India.

The Government has formulated a 'State Policy for the Aged' to secure a life of dignity and respect for our senior citizens. Voluntary organizations will be encouraged to implement non-institutionalized services for the aged. In order to provide specialized health care to senior citizens living below the poverty line, this Government proposes to introduce a Health Card to enable them to have access to quality medical facilities in super-speciality Government hospitals.

It is proposed to implement the National Programme for Rehabilitation of Persons with Disability in four districts of Tamil Nadu namely Kancheepuram, Tiruvannamalai, Theni and Ramanathapuram through NGOs to provide comprehensive

community-based rehabilitation services to the disabled. It is also proposed to establish a State Resource and Training Centre at Chennai. The scheme will be implemented at a cost of Rs.3.8 crores.

LIVELIHOOD SECURITY

Livelihood security can be enhanced through value addition to agricultural produce in the rural areas. Considering the important role that agro-based industries can play in the development of the rural economy, it has been decided to give special attention to such industries in order to ensure remunerative returns to the farmers and high wages to agricultural labourers. An allocation of Rs.1 crore has been made for the Village Fair Development Scheme for 2002-2003 in the Budget. National Bank for Agriculture Development (NABARD) assistance will also be sought for this scheme.

This Government proposes to launch a new project for training one lakh farmers over a period of three years on the methods of high-profit commercial crop production. Necessary infrastructure for ensuring continuous technical support to the farmers would also be put in place. This project will generate 1000 agro-based rural industries such as biomass power plants, oil extraction units of Jatropa and Paradise Tree, and Ethanol Plants thereby creating new opportunities for employment in rural areas.

The Government has decided to restructure the existing Anna Marumalarchi Thittam with the aim of giving a special thrust to agro-based rural industries in the State. As announced in the Governor's address, one agro-based economic activity with a minimum capital of Rs.1 crore with the capacity to generate employment would be encouraged in each of the 385 blocks in the State under the 'New Anna Marumalarchi Thittam' and resources would be made available for this programme. A sum of Rs.20 crores has also been allocated for the Village Self-Sufficiency Programme, which enables community participation in resource planning, mobilization, execution and maintenance of assets.

We firmly believe that accelerated industrial growth and infrastructure development leads to creation of new employment opportunities for the people. The Government has formulated a 'New Industrial Policy', the highlights of which are as follows:

- Rationalization and restructuring of incentives.
- Introduction of an effective result-oriented single window mechanism with common application form.
- Simplification of procedures and introduction of self-certification.
- Priority to infrastructure development aimed at creating conducive

environment for greater private sector participation.

Public-Private partnership for maintenance of infrastructural facilities in the industrial estates, business development services, common facility centres etc., would be encouraged by this Government. Necessary steps for strengthening Small-

application for provisional Small Scale Industries certificate through the Internet. This is the first time in the whole country that provisional Small-Scale industries certificates can be obtained through online application by entrepreneurs.

This Government is concerned about the problems faced by the tea growers in The Nilgiris district in the last two years. **Appropriate steps will be taken to enable the growers to get a remunerative price and to protect the revenues of the State.**

SHELTER SECURITY

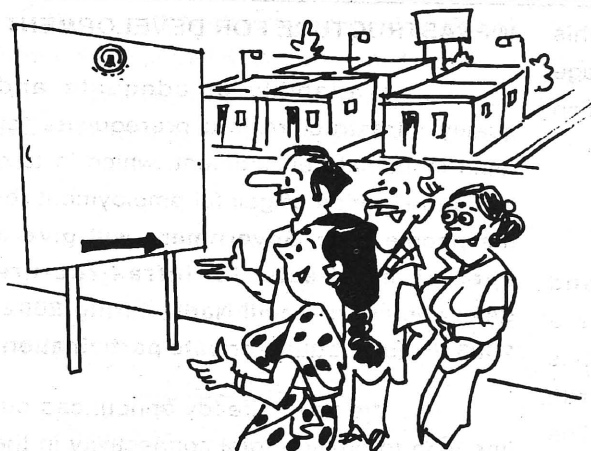
Honourable Members are well aware that Tamil Nadu is a rapidly urbanizing State and the distinction between rural and urban areas is increasingly getting blurred.

There is a need for major investments in the housing sector and in the provision of basic amenities so as to improve the quality of life of the people.

To support the rural and urban housing programme, the Tamil Nadu Co-operative Housing Federation has earmarked Rs.337 crores to fund the activities under this sector. **Housing for the Adi- Dravidas has been of prime concern for this Government. During 2002-2003, the Government will construct 31,000 new houses for the Adi-Dravidas and others and 15,000 existing kutchha houses will be upgraded at a cost of Rs.57 crores.**



Scale industries in Tamil Nadu would be taken by the Government as Small-Scale industries play a vital role in increasing industrial production, exports and generation of employment. **The District Industries Centres will be suitably restructured to enable them to also function as Export Guidance Cells at the district level.** An Entrepreneurship Development Institute has been established in Chennai with the objective of promoting business enterprise in the State. A scheme for online registration of Small-Scale industries is being implemented from this year in a phased manner. An entrepreneur can file an



under joint forest management in 2002-2003, wherein plantation works in 86240 acres of degraded reserve forest areas will be taken up at an estimated cost of Rs.82.99 crores.

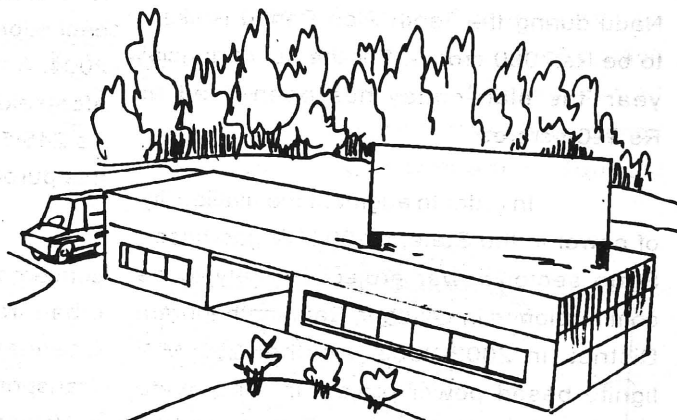
The Government has formulated the 'Tamil Nadu Natural Resources Management Project', which aims at restoring green cover to 6.17 lakh acres of land. This project, to be implemented at a cost of Rs.779 crores,

The Government will be implementing a massive programme for slum improvement in Chennai, Madurai and Coimbatore in the next financial year and a sum of Rs.20 crores has been earmarked for this purpose.

A new scheme for special repairs and upgradation of slum tenements in Chennai will be taken up in 2002-2003 at a cost of Rs.25 crores. Efforts to improve the basic infrastructure like roads, streetlights, storm-water drains etc., in existing slums will be made through beneficiary participation and contribution.

ECOLOGICAL SECURITY

Environment protection is the key to ensuring a healthy life for the people. Under the Tamil Nadu Afforestation Project, it has been proposed to bring 108 villages



has been sent to the Government of India for posing it before international financial institutions for funding.

Only 11 percent of our rural households have proper sanitation facilities and this is even below the 15 percent national average. Keeping this in mind, this Government has been implementing a scheme for construction of integrated sanitary complexes for women in rural and urban areas. During 2002-2003, a total of

Rs.183 crores will be spent towards this project. The Government will also encourage private participation in improving sanitation facilities, especially in the urban areas.

ENERGY SECURITY

Availability of adequate and uninterrupted power supply constitutes a major component of energy security and has an important impact on the overall development of the State's economy. The proposed outlay for the power sector in Tamil Nadu during the Tenth Plan Period is likely to be Rs.7000 crores. For the next financial year, the plan outlay has been fixed at Rs.1209 crores.

In order to augment the availability of power in the State, a 100 MW gas-based State sector power project is likely to be commissioned in Valuthur, Ramanathapuram District, in 2002-2003. Another 250 MW lignite based power project in the private sector is expected to be commissioned by November 2002. I am happy to inform this august House that the Nuclear Power Corporation will be setting up a nuclear power plant at Kudankulam with a capacity of 2000 MW.

Apart from enhancing the generating capacity of thermal power projects in Tamil Nadu, the Government will focus on increasing the availability of power from non-conventional energy sources like solar energy, wind energy, bio-energy etc., through appropriate policy interventions.

INFRASTRUCTURE FOR DEVELOPMENT

Availability of adequate and quality infrastructure is a prerequisite for rapid industrial development, which in turn leads to creation of gainful employment for the people. **The Government will give a special emphasis to infrastructure development in Tamil Nadu during 2002-2003 through public-private participation.**

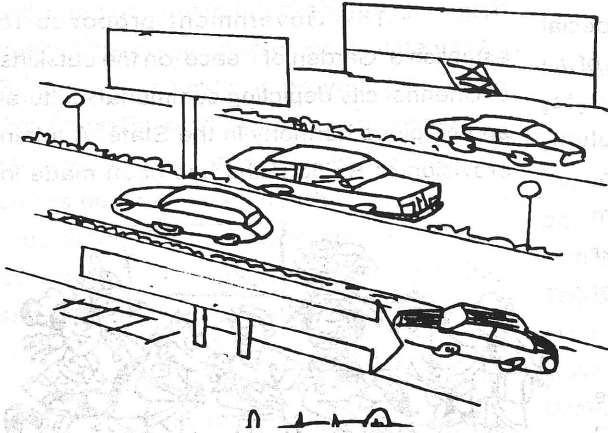
We have already announced our intention to provide total connectivity in the rural areas by providing all-weather roads in habitations with population above 500 before 2004. A massive programme to achieve the aforesaid objective has been taken up and Rs.245.50 crores has been earmarked for this purpose during 2002-2003.

The State Government is very concerned about the increasing strain on the urban transport infrastructure, especially in Chennai. The work on the Mass Rapid Transport System Phase-II from Thirumylai to Velachery at an estimated cost of Rs.689 crores is likely to be completed by December 2002. The Government of India has been addressed for its in-principle consent for extending the MRTS Phase-II up to St. Thomas Mount to complete the rail loop with the Chennai Beach-Tambaram suburban line under Phase III.

Given the growing number of over-aged buses in the fleet of State Transport Undertakings, the Government has decided to purchase 2275 buses at a cost of Rs.227.50 crores in 2002-2003.

I am happy to announce that the Tamil Nadu Road Development Company Ltd. (TNRDC), a 50:50 joint venture between TIDCO and IL&FS, has recently completed

project on a Government-to-Government basis in stages. The first phase would cost Rs.2772 crores and the details are being worked out.



upgrading the stretch from Chennai to Pondicherry in the East Coast Road to world-class standards within the stipulated cost and time. The stretch of East Coast Road between Tiruvanmiyur and Sholinganallur from km 11/8 to km 22/3 has been taken up for four-laning and the work will be completed in 18 months.

A proposal to develop Colachel port as a Container Transhipment Port has been under consideration for a long time. Following the recent discussions that the Honourable Chief Minister had with the Honourable Minister for Works, Government of Malaysia, I am happy to inform that the Government has decided to implement the

The Government has stepped up its efforts to re-design the tourism industry in Tamil Nadu to generate high levels of socio-economic output, especially employment. Steps are being taken to convene International and National Tourism Conventions to establish Chennai as a 'tourist hub and must visit-must stay' destination in southern India. Memorandum of Understanding has also been signed with Government Tourism



Undertakings in Karnataka and Andhra Pradesh for tourist exchange packages and mutual marketing and publicity. The allocation for the tourism sector has been increased to Rs.25 crores for the year 2002-2003.

LITERACY AND TECHNIRACY

We have identified certain key interventions necessary to upgrade the elementary and school education system in the State. These include implementation of early childhood enrolment through special drives to ensure complete enrolment of all children, checking mid-way dropouts, qualitative upgradation of curriculum, improvement in physical infrastructure, teacher training and motivation, minimum levels of learning and greater involvement of parents in management of schools.

The 'Education Guarantee Scheme' involving the opening of 252 educational centres in specific habitations in 17 districts will be implemented in the next financial year. It is estimated that more than 6000 children will be benefited under this scheme. Another scheme, 'Alternative and Innovative Education' aimed at reducing dropouts by establishing 1622 educational centres across 21 districts will also be implemented. This scheme is likely to benefit 61,305 children across the State.

As announced in the Governor's Address, Vocational Training Schools will be started in all the districts next year. A provision of Rs.1 crore is being made in the Budget initially for 2002-2003. The School Education department will prepare a detailed project proposal to assess the infrastructural support necessary for these

institutions and also work out the modalities for financing them over the next four years.

FOLK, CLASSICAL AND MODERN ARTS, CULTURE AND DRAMA

The Government proposes to establish a 'Garden of Peace' on the outskirts of Chennai city depicting communal, cultural and religious harmony in the State. A token provision of Rs.50 lakhs has been made in



the Budget for this purpose and the work is likely to begin by mid-2002 after finalization of design and location of this monument.

Tamil Nadu boasts of a rich cultural diversity, which needs to be protected and conserved. The Government has earmarked a sum of Rs.4 crores for various schemes to be implemented for heritage protection in the State.

GENDER EQUITY

90. Socio-economic empowerment of women through provision of opportunities for

education, self-employment and training will receive the special attention of the Government during the next financial year. The unique 'Cradle Baby Scheme' has received wide acclaim across the country. We will intensify our multi-pronged campaign against the evil practice of female infanticide. Similarly, the vastly improved, 'Girl Child Protection Scheme', will be implemented with renewed vigour and an allocation of Rs.22.07 crores has been made for this purpose. The programme for training women in different avenues of self-employment will be further strengthened in the next financial year.

Honourable Members will be pleased to know that nearly 1.02 lakh self-help groups benefiting more than 17.5 lakh women have emerged as important sources of cheap credit and savings amongst beneficiaries. **This Government will give a fillip to the process by forming federations of such self-help groups at the level of every Block in the State.**

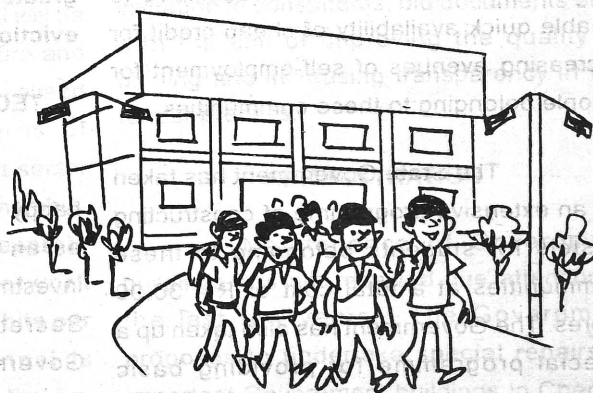
The Government will formulate a comprehensive policy for women's development in all Government and private initiatives. Gender-equity will be encouraged by empowering women and enabling them to participate in the decision making process on an equal footing. **The Government has decided to constitute two Magalir Courts, one at Chennai and the other at Coimbatore, to deal exclusively**

with offences against women during the next financial year.

NEW DEAL FOR THE OPPRESSED CLASSES

Socio-economic development of the people belonging to the Adi-Dravida and tribal communities is one of the main priorities of the Government. We have kept our promise of providing free education up to the post-graduate level in Government institutions for girls from these communities. **The scheme for providing free bicycles to girls studying in plus one and plus two in Government schools belonging to the Adi-Dravida and tribal communities will be continued in the next financial year with an allocation of Rs.6 crores. An amount of Rs.45.05 crores will be spent for the construction of hostels for students belonging to these communities.**

The review of the implementation of the Special Component Plan and Tribal



Sub Plan for the welfare of the Adi-Dravidas and tribals reveals discrepancies in the actual allocation of resources for the welfare of people belonging to these communities. **A High Level Committee has been formed to prioritize schemes based on specific requirements of the Adi-Dravidas and Tribals under the Special Component Plan and Tribal Sub Plan.**

TAHDCO is being revamped in order to make it more responsive to the needs of the people from Adi-Dravida and Tribal communities. There will be a special focus on employment generation and job-oriented training schemes for those living below the poverty line.

The Government will keep up its endeavours to ensure educational and economic empowerment of people belonging to the Backward Classes, Most Backward Classes, Denotified Communities and the Minorities. The functioning of the Tamil Nadu Backward Classes Economic Development Corporation will be further streamlined to enable quick availability of cheap credit for increasing avenues of self-employment for people belonging to these communities.

The State Government has taken up an extensive programme of constructing hostels for students belonging to these communities at a total cost of Rs. 36.99 crores. The Government has also taken up a special programme for providing basic infrastructural facilities like streetlights,

drainage, water supply etc., at places where house-site pattas have been issued to people belonging to these communities and this will be continued in the next financial year.

As announced in the Governor's address, a token provision of Rs. 50 lakhs has been made in the Budget for the next financial year for the establishment of the Thiruvalluvar University at Vellore for the benefit of the depressed sections of society.

Honourable Members may recall that Hon'ble Chief Minister Selvi JJayalalithaa had sanctioned a grant of Rs. 1 crore in 1994 to the Wakf Board. This year Rs. 40 lakhs has been sanctioned to the Board for constructing its own office building. **This Government now proposes to amend the Public Premises Act to include the Wakf properties within its ambit and also bring about suitable State amendments to the Wakf Act, 1995, on the lines of the HR&CE Act for improving the financial position of the Wakf Board and to give greater teeth to the provisions relating to eviction of unauthorized occupants.**

TECHNOLOGICAL LEAPFROGGING

Honourable Members will be happy to know that Tamil Nadu is emerging as an important destination for foreign investments in the country. According to the Secretariat for Industrial Assistance, Government of India, the total foreign investments approved for our State till

September 2001 was Rs.22493 crores and Tamil Nadu ranked third in terms of Foreign Direct Investment (FDI) flows into the country. A number of major industrial projects are to come up shortly in the State.

A special thrust will be given to research in the frontier areas of science and technology like bio-technology, information technology etc., with the objective of increasing the employment and investment potential and improving the quality of life of the people.

TIDCO is setting up a Bio-technology Park at Chennai which will be equipped with a Bio-resource Centre and customized labs and this project is expected to attract an investment of Rs.1000 crores to the State. A state-of-the-art Bio-informatics and Genomics Centre is also being established at a project cost of Rs.20 crores which will develop and commercialize advanced laboratory technology for DNA sequencing.

The IT-highway at Chennai will be provided with world-class infrastructure and Knowledge Industry Townships (KITs) aimed at addressing the basic concerns of knowledge-oriented industries in this sector will be set up with public-private partnership. **The work on the laying of two separate submarine optic fibre cable network projects aimed at providing 11 terabits per second connectivity from Chennai is progressing well. Upon completion,**

Chennai will emerge as an important Internet Gateway to India. An International Research and Development Knowledge Park will be established in Chennai through the IIT-Chennai.

The Government is also exploring the possibilities of setting up a special purpose vehicle to develop and promote, besides Chennai, Coimbatore, Madurai and Trichy as preferred hubs for investments in IT-enabled services. I am happy to announce that broad band optic fibre network of over 5000-Km aimed at enhancing the e-traffic handling potential has been laid in Tamil Nadu and this will be expanded further. **The Sustainable Access in Rural India Project (SARI), which aims at deploying wireless in local loop technology will be extended so that IT interface can be provided in rural areas with the objective of bridging the rural-urban Digital Divide.**

The Highways Department will soon be launching a website, www.tnhighways.org, highlighting the key activities of the Department, letters of invitation to consultants, bid documents etc., with the aim of improving the quality of bidding and increasing transparency in the tender process.

ADMINISTRATION

Maintenance of Government buildings has not received due attention in the last few years. The Government proposes to undertake special repairs of important Government buildings in Chennai

and in all district headquarters at a total cost of Rs.110 crores during the next financial year.

The Government has decided to give a fillip to information technology, its enabled services and computerization of administrative process in the State Secretariat and the district headquarters. An allocation of Rs.10 crores has been made in the Budget for this purpose.

'Administration at the door-steps of the people' is the slogan of this Government. In order to achieve this objective, the scheme for construction of VAOs office will be continued in the next financial year with an outlay of Rs.9.90 crores.

The Government servants constitute the backbone of any administrative set up. We will take necessary steps to restore their benefits as soon as the financial position of the Government improves. As promised, an allocation of Rs.150 crores has been made in the Revised Estimates for the current year for giving House Building Advance to the employees.

Given the need for constant skill and knowledge upgradation, this Government has decided to earmark a sum of Rs.1 crore for enabling our officials to take up specialized training courses and higher studies in the country.

FISCAL PROJECTIONS

The total revenue expenditure of the State Government in 2002-2003 is projected at Rs.26861.54 crores as against revenue receipts of Rs.20628.32 crores, thereby leaving a deficit in revenue of Rs.6233.22 crores. The fiscal deficit of the Government for the next financial year is likely to be Rs. 8895.04 crores.

The overall deficit in 2002-2003 has been estimated to be Rs.1330.24 crores. The credible fiscal reform programme enumerated by me will help the State Government extricate itself from the existing fiscal and financial problems. I now move to present the taxation proposals for the next financial year.

COMMERCIAL TAXES

In the White Paper placed on the Table of this House in August 2001, it was mentioned that revenue from Commercial Taxes constitutes 66% of the State's own total revenues. In the year 2001-2002, the recession in the economy has affected the buoyancy of this source of revenue. Reversal of the slow down in the immediate future looks improbable and the resultant increase of anticipated deficit levels is creating difficulties.

It was mentioned in the last Budget Speech that this Government has undertaken a comprehensive examination of the various issues in the implementation of

VAT. As per current indications the implementation of VAT will be with effect from 1.4.2003 throughout the country. Based on the broad guidelines finalised by the Empowered Committee of State Finance Ministers, the Commissionerate of Commercial Taxes have put on the Departmental website a "Discussion Paper" on the implementation of VAT, inviting suggestions. A comprehensive proposal for computerisation of the Department is under the active consideration of the Government, since full computerisation with adequate data transmission facilities is a must for effective implementation of VAT.

The taxation proposals for the year 2002-2003 therefore have to take into account the need for adequate mobilisation of revenue in the face of a fall in the buoyancy due to economic slow down and also the need to reach in this financial year an intermediate stage before possible full transition to VAT from next year. The various suggestions received from trade and industry including those during the pre-budget meeting held on 18.1.2002 have been viewed in this context. I now turn to the details of the proposals.

Under the VAT system, the number of tax rates would be only three, apart from a limited list of exempted goods and also commodities which would be outside the purview of VAT and the set-off principle. The rates envisaged are 1%, 4% and a Revenue Neutral Rate (RNR) with a provision

for a Special Additional Tax (SAT) on a limited number of items. It has therefore become necessary to review the exempted list of commodities, and also to prepare for transition within a year from the present 8% slab to a revenue neutral rate which would be 12% or higher. In the process of restructuring the Schedules and Parts of the TNGST, the grouping of the entries in the TNGST Parts and Schedules has been reviewed and the present number of entries which exceed 450 in number will stand reduced to less than 300.

It is therefore proposed to dismantle the 8% rate and transport the present commodities in this Part to 4%, 10% and 12% Parts. A separate Schedule will be incorporated to the TNGST Act, 1959, wherein all petroleum products, IMFL, Foreign liquor, sugarcane, pan masala without tobacco, molasses, and all imported items whose local counterparts are in the 12% and 16% Parts will find place. There will be in addition the 1% rate schedule for bullion and worn out or beaten jewellery.

In order to widen the tax base, it is proposed to review the exemption for commodities like rice, wheat, jaggery, pepper, pulses and grams which are being taxed in a number of States. A nominal rate of 2% is proposed to be levied on rice and wheat at the point of first sale by the dealer. Rice and wheat supplied in PDS will not be taxed. Jaggery, pepper, pulses and grams will be taxed at 4%. Rice, wheat, pulses and grams

will not be liable for Additional Sales Tax (AST). Inter-State sales tax rate of copra will be raised from 1% to 2%. Siddha and Unani drugs now exempt will be taxed on par with Ayurvedic and Homoeopathy drugs at 4%.

As a part of the review of the entries in the present exempted and the 4% Parts, Gum benzoin (sambrani) and instant sambrani will be taxed at the rate of camphor and agarbathi at 4%. Stitched handkerchiefs will be taxed at 4%. Exemption will continue in respect of footwear with the maximum retail price (MRP) of less than rupees one hundred; but straps of footwear sold by dealers whose turnover exceeds rupees three lakhs per annum will be taxed at footwear rates of 10%. While solar cookers, municipal waste conversion devices for producing energy and energy saving Chulas will be exempt, other renewable energy conservation devices will be taxed at 4%. Cloth rags will be grouped with cotton waste and other wastes and taxed at 4%. Cottonseed husk will be grouped with paddy husk etc. and exempted. Neem oil cake, a soil fungicide will be exempted. It is also proposed to exempt fish net and rubber play balloons, now taxed at 4%. Articles and equipment for gymnastics including health fitness equipment, non-stick utensils and television antenna now being taxed at 4% will be taxed at 12%. Desiccated coconut will be taxed at 4%.

In the process of dismantling the 8% Part, it is proposed to reduce the tax on bamboos, bottle caps, unbranded toffees and

confectionery, unbranded foods including unbranded cakes and icecreams, cotton yarn waste, handicraft articles, jute bags which are laminated, palm fatty acids, bleach liquids, HDPE and PP woven strips and woven fabrics, umbrellas, tin containers, light roofing sheets and unregistered branded biscuits to 4%. Branded and packed fresh vegetables and fruits and unbranded butter will be exempt. Metallic wares other than domestic utensils, pressure and heat resistance cookware, fans, electronic finished goods, dumpers, earth moving machinery will be moved to the 12% Part, while the balance entries in the 8% Part will be moved to 10% Part. Status quo will remain in the case of tea, coffee and rubber by notification since the plantation industry is under stress.

In this regard, mention has to be made about the regrouping attempt in respect of electric and electronic goods. While computers, computer peripherals, software and notified electronic items would be taxed at 4%, all electric and electronic components and accessories including shunt and power capacitors are being broad banded for taxation at 10%. Other electrical and electronic goods will be taxable at 12%. However, in respect of telecommunication equipment, supplies of notified items to Corporations which were erstwhile Departments of Government of India will be taxable at 4%.

While reviewing the items currently taxed at 12%, it has been decided

to do away with the condition for taxing at a differential rate aerated waters including soft drinks on an MRP criterion. Branded fruit juices and fruit drinks will continue to be taxed at 12%, while aerated drinks which are branded and registered will be charged at 16% along with other branded and registered foods. Branded and unregistered chips will be taxed at 10%.

In the process of regrouping of automobile and accessories, the rate on spark plugs which is now 20% will stand reduced to 12%. Asbestos cement sheets will be taxed at 12% as against the existing 16%. Imported goods whose indigenous counterparts are taxable at 12% and 16% will be taxable at 20%.

A sizeable part of the revenue of the State originates from the tax on petroleum products and in the wake of the proposed dismantling of the APM regime, the implications will have to be suitably responded to. In respect of hotels, an additional compounding slab rate of Rs.12,000 per annum is being put in place for turnovers between Rs.10 lakhs to Rs.25 lakhs.

This Government has taken several initiatives to revive industry particularly the small industry which, due to the wrong policy adopted by the then Government between 1996 and 2001, is in a state of turbulence. It is proposed to reinforce the steps taken by this Government and

extend certain further concessions to industry so that growth and concomitant revenue rise is made possible. The Government proposes to permit a concessional sales tax rate of 4% for the supplies of goods (other than motor spirit, diesel and cement) by dealers in this State to the State Government Departments of Tamil Nadu, the TNEB, NLC, TWAD, Metro Water, Medical Services Corporation, and the State Transport Corporations. This concession will also be available to the turnkey contract supplies to TNEB, TWAD and Metro Water on the production of a prescribed declaration. The rate for Molasses is proposed to be lowered to 20% to notified molasses-based pharmaceutical and chemical industrial units in the State, subject to the tendering of a suitable declaration by the units. At the same time, it is also proposed to exempt M/s.Sago Serve, Salem from the levy of AST, and adjust the sales tax payable by them to 4%. Purchase tax to the extent of 7% on lube base oil will be permitted to be set off by oil companies to enable increased capacity utilization of CPCL and raise revenue to the State. Assistance to rubber industry is proposed by permitting the adjustment of the CST paid on natural rubber against the purchase tax payable under TNGST. Paraffin wax purchased by SIDCO will be taxed at 4% to benefit small units. Electrical control panels will be eligible for a concessional rate of 3% as capital goods.

It is considered appropriate to introduce the concept of set-off as an experimental measure to understand the implications under VAT. To start with, it is proposed to permit full set-off of the tax paid on inputs (other than fuel), components and spares against Form-XVII against the TNGST and CST payable with effect from the date of notification for electrical and electronic goods taxable at 12%, handmade soaps taxable at 12%, machine made matches and paper, both to be taxed at 10%. It is also clarified that no set-off will be allowed in respect of consignment transfers, and the set-off will be upto 50% of the output tax paid in respect of CST only if the full CST rate of 4% is paid. In case of all concessional CST or TNGST transactions, the facility of set-off will not be available. With a view to providing relief for printing industry in the State, set-off of taxes paid in the State directly to the dealer at the point of first sale in respect of paper and ink will be permitted from the date of notification. In order to minimise disputes relating to works contracts and sales in Tamil Nadu in respect of printing materials, it is proposed to provide for a compounding option of 3% of the value of the transaction irrespective of whether it is a sale or works contract. No set-off would be available for these compounded transactions. It is estimated that the revenue loss to the State due to the extension of the set-off facility will be of the order of Rs.21 crores per annum. It is our fervent hope that industry will come forward to share the benefit of the concessions with the consumers. Any

instances of misuse of the facility by raising false claims or lack of positive developments will lead to the concession being withdrawn.

In order to augment and protect revenue, a number of statutory and procedural measures are proposed. It is proposed to levy a tax on resale of all commodities excluding rice, wheat, pulses and grams, IMFL, petroleum products and other declared goods. The tax rate will be nominal at 1% and will be payable by second and subsequent sellers. This step is being taken both for augmenting revenue and as a preparatory measure to VAT when all stages of a sale will attract tax. However, dealers with a turnover not exceeding Rs.10 lakhs per annum will not be liable to collect or remit the resale tax.

Entry Tax was levied with effect from 1.12.2001 in respect of a few items. It is proposed to include in the list of goods liable for Entry Tax the following additional items:

- Motor spirit
- Lubricating oils, greases and lube base oil
- Bitumen
- Aluminium
- Asbestos cement sheets
- HDPE granules and PVC resins and PVC pipes
- HDPE/PP woven fabrics

- | Marbles, granites, ceramic tiles
- | Potassium chlorate, LAB, soda ash, caustic soda and chlorine
- | Sanitary wares
- | Newsprint, paper and paperboards excluding coated paper, tissue paper, MICR, electrical grade paper, glassine file boards
- | Wheat products
- | Iron and steel
- | Compressors, parts and accessories of airconditioners and refrigerators
- | Tobacco and tobacco products excluding beedis

Entry Tax will be levied at the rates prescribed in the TNGST for all items except tobacco and tobacco products which will be charged at 10%. The Entry Tax on LSHS for notified Independent Power Producers will be reduced to 3% for a period of one year from the date indicated in the notification.

The steep increases in the price of cement from time to time have been a matter of serious concern for the Government and the general public. **The Government has now decided to levy a sales tax of 24% for OPC and PPC cement exceeding selling price of Rs.145 and Rs.135 per bag respectively. The above selling price is inclusive of sales tax. Similarly the tax on second and subsequent sales for the above categories of cement will be 5%. The rate of tax below these selling prices will be the present rate of 16% for first sale**

and 1% for second and subsequent sales. The entry tax on cement including white and refractory cement will be removed. It is hoped that all these measures would ensure availability of cement at reasonable prices.

There is considerable avoidance of tax in the case of jewellery and precious stone transactions and necessary corrective measure will be initiated. **The Luxury Tax Act will also be amended to levy a nominal luxury tax of 1% on monthly accretions of stock of silk sarees whose purchase value exceeds Rs.3,000 per saree. The scope of the Advertisement Tax Act will be expanded.**

In order to provide better quality of life to the people and also better quality of operative environment to business and industry, infrastructure development is of critical importance. To meet the rising requirements in this critical sector, **the Government has decided to levy an infrastructure surcharge of 5% on sales tax paid under the TNGST Act on all items except rice, wheat, kerosene, LPG and Declared Goods.** This surcharge will also not be levied on IMFL because of the recent enhancement in the sales tax on these items from 50% to 55%. The Government hopes to raise around Rs.230 crores per annum through this measure.

It is estimated that in net, the levies and concessions inclusive of the surcharge are likely to augment the revenue of Government by about Rs.690 crores per annum.

I now turn to the vexatious issue of arrears of sales tax. Reports have been carried in the media as though the deficit of Government would have been bridged, had sales tax arrears been collected. I have to clarify that almost 90% of the arrears of sales tax are under the broad categories of (a) those under litigation in various fora or pending elimination as a follow up to orders of appellate fora and (b) those which are covered by deferral/instalment payment concessions, proposals for write off, waiver, action under the Central/State Revenue Recovery Act etc. Arrears rose almost threefold between 1996-1997 and 1999-2000, and part of the reason was the move to complete pending assessments by a deadline, resulting in large scale best of judgment assessments and consequent litigation. **This Government will take steps to expedite decisions in legal fora and bring in necessary procedural changes. The services of investigating agencies will be availed of to trace dealers who are now reported as untraceable so that they can be made liable for actions. Statutory changes to ensure stiffer penalties and more effective administration including a check on best of judgment assessments will be brought by amendments to the respective Acts.**

The Government will make amendments to the TNGST Act, 1959 to revise the fees payable for registration and the dates for renewal. For the year 2002-2003, the dates will be 30th April without fine and 31st August with fine.

135. To meet a long voiced request of works contractors, a centralised circle for deducting tax at source (TDS) will be started at Chennai this year on an experimental basis, and if found satisfactory, it will be extended throughout the State.

The Government also proposes to introduce a 'Samadhan Scheme 2002' for a period of three months and also set up for a limited period a 'Settlement Commission' to deal with specified categories of arrears. The Samadhan Scheme will require the dealer to withdraw the appeal on Samadhan and all pre-deposits against the disputed amount will be given credit.

The Settlement Commission will deal with arrears of taxes of dealers who have stopped business prior to 1.4.1995 without appeal pending on the 28.2.2002, arrears of lottery dealers prior to 1.4.1996, disputes relating to autonomous Corporations/ Boards of the Government of Tamil Nadu, Public Sector Oil Companies of Government of India including Chennai Petroleum Company Ltd. (CPCL) on the notified date, and pending requests of waiver of tax for periods prior to 1.4.1999 and not on appeal on 28.2.2002. These items will not form part of the Samadhan Scheme.

The Government has reviewed the present dispensation for self-assessment. With effect from the year 1999-2000, the previous Government had permitted self-assessment upto a turnover of Rs. one crore with the only condition that

assesses of turnover exceeding Rs.20 lakhs have to obtain a Certificate from a Chartered Accountant. A study of the self-assessment schemes of other States and the representations received in respect of certification have led to a decision to revamp the self-assessment scheme. With effect from the assessment year 2001-2002, the facility of self-assessment will be extended to only dealers who satisfy certain compliance criteria, and the certification by a Chartered Accountant or a Cost Accountant will be necessary only if the turnover exceeds Rs.40 lakhs per annum. The scope of the self-assessment will be extended to dealers having an annual turnover upto Rs.10 crores subject to fulfilment of certain additional criteria, including 15% increase in tax paid over the previous year. It will also be deemed that dealers who do not file their annual returns by 31st October have not opted for self-assessment, and regular assessments will be done in their cases.

It is also proposed to clear the backlog of back-year assessments upto the year 1998-1999 in the case of assesseees. All uncontested back-year assessments upto 1998-1999 will be completed without check of accounts if a dealer has submitted all returns, paid tax as per returns, and files all remaining declaration/ certificates to claim concession before 30.9.2002. In case of dealers who are unable to produce 'C' / 'D' Form, a 2% condonation fee may be paid over and above the prescribed CST rate and alternate proof required by the department submitted.

In the case of non-assesseees who have not filed returns and file annual returns upto and inclusive of assessment year 2000-2001, a special dispensation will be made to file the annual return by 30.9.2002. In case the return is not filed by that date, after the issue of such notice to file the return, the registration will be cancelled apart from such measures as are considered necessary.

We invite the dealer community to avail of this opportunity to set at rest long pending issues and at the same time to contribute to the revenues of Government. This Government intends to discriminate between compliant dealers and non-compliant dealers appropriately, encouraging the former and discouraging the latter.

In the Central Budget, certain changes to the Central Sales Tax Act have been proposed. Declaration Forms will become compulsory on enactment. Necessary alterations to notifications will be made thereafter.

There has been a persistent demand from consumers of Indian Made Foreign Liquor that they do not find a suitable place to sit and drink. **It has therefore been decided to permit bars in the IMFL retail shops in Corporations, Municipalities and Town Panchayats by levying a license fee of Rs.3 lakh, Rs.2 lakh, and Rs.1 lakh respectively.**

The cheap liquor scheme was introduced with effect from 1.1.2002 with a view to prevent the distillation and

consumption of illicit liquor which took many lives, especially in the rural areas. Our experience in the last 3 months has shown that the objectives for which the scheme was introduced have not been fulfilled. This scheme has only resulted in a sharp reduction in the State's revenue, which in the present precarious financial position, the State can ill-afford. There have been widespread representations from various quarters to do away with the scheme. **The Government has therefore decided to discontinue the sale of cheap liquor with effect from 14th April 2002.** The two weeks time is required to get over the procedural difficulties in effecting the changeover. The Government reiterates its resolve to continue its drive against illicit distillation.

FISCAL MANAGEMENT

The overall deficit in the Budget Estimates will come down to Rs.640.24 crores after taking into account the proposed changes in taxes. This gap would be bridged by stepping up the collection of arrears of taxes and continuing our agenda for Fiscal Reforms targeted towards freeing resources locked up in unproductive programmes or schemes which have outlived their utility. We propose to continue the Zero Base Budgeting exercise in full earnest.

Hon'ble Members are aware that the State Government is going through a very critical phase financially. This situation calls for some difficult decisions. **The Government has decided to constitute a Tax Reforms and Revenue Augmentation Commission**

under the Chairmanship of the eminent economist Dr. Raja J.Chelliah. Our Government also seeks the fullest support of the Members of this august House and the people of Tamil Nadu in bringing the State Finances back on the rails. I take this opportunity to invite suggestions for enhancing revenues and reducing non-productive expenditure.

I express my deep sense of gratitude to the Honourable Chief Minister, Selvi J Jayalalithaa for her total involvement, valuable guidance and constructive suggestions in the formulation of the Budget.

Our Honourable Chief Minister is committed to solving the serious problems of poverty and unemployment prevailing in both the urban and rural areas of the State. Puratchi Thalaivi is determined to put Tamil Nadu back on the road to development and prosperity with the objective of making it the number 1 State in the country. This Budget is an attempt at translating her vision into concrete action.

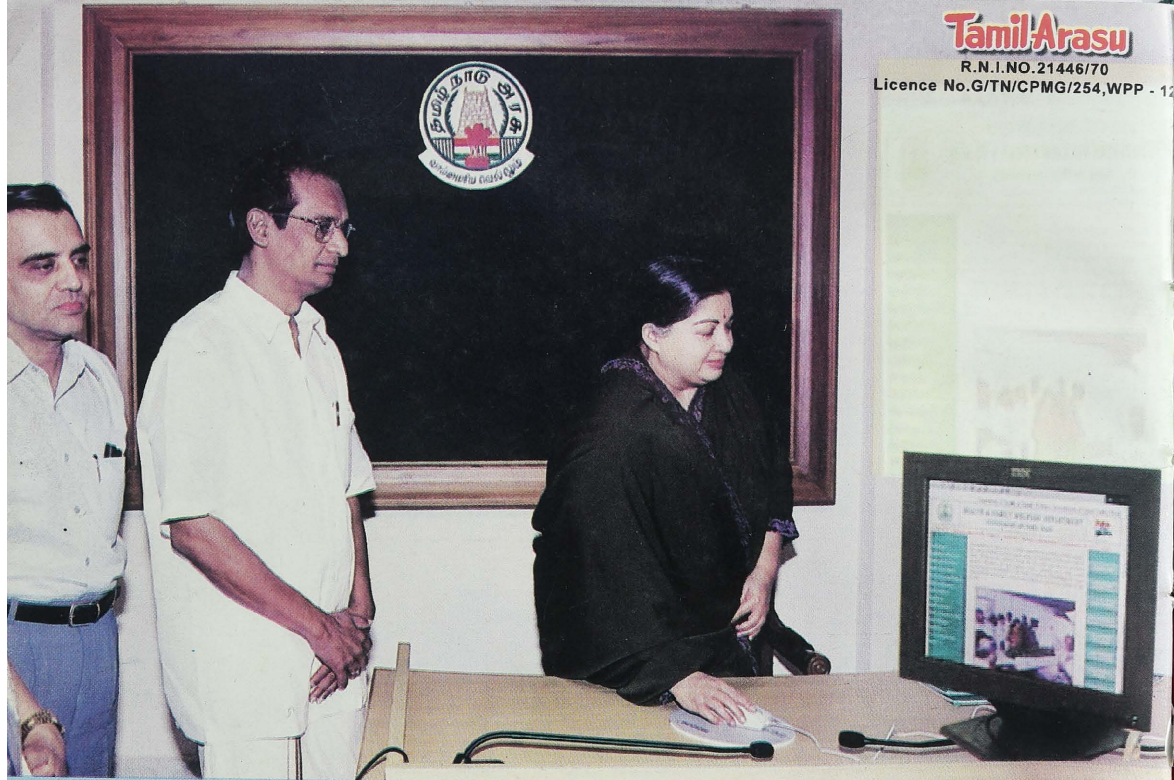
I also express my heartfelt thanks to the Finance Secretary, Thiru R.Santhanam, I.A.S, and his dedicated team of officials in the Finance department who rendered all assistance in preparing this Budget.

With these words, Honourable Speaker Sir, I commend the Budget Estimates 2002-2003 for the approval of the House.

• • •

THE TAMIL NADU
FIRST CONVOCATION
His Excellency the Governor
Thiru P.S. RAMAMOORTHY
Chancellor of the Tamil Nadu Dr. Ambedkar
Presiding over the Convocation
Chief Guest :
Prof. J. J. Jayaram
President of the Tamil Nadu Sahitya Akademi





**Rain water harvesting
in each and every house
and no scarcity for water
in the Nation.**

சிவதானி பெருவெள்ளம்