Memorandum Presented by

Thiru **Edappadi K. Palaniswami**

Hon'ble Chief Minister of Tamil Nadu

to

Shri **Narendra Modi**

Hon'ble Prime Minister of India

on 27.02.2017

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1. Release of Funds for Disaster Relief:

(a) Severe Drought in Tamil Nadu:

The Government of Tamil Nadu had submitted a detailed Memorandum seeking assistance from the National Disaster Response Fund and from other Central funds towards the cost of relief and rehabilitation measures for the prevailing drought situation in the State.

Tamil Nadu relies primarily on the North-East monsoon in the months of October to December for its water needs. The North-East Monsoon, 2016, was considerably delayed and set in only on 30.10.2016 in the State. Belying the Indian Meteorological Department (IMD) forecast of normal rainfall, Tamil Nadu received only 168.3 mm of rainfall during North-East monsoon as against the normal rainfall of 440.4 mm - a deficit of 62%. This compounded a deficit of 20% in the South west monsoon.

IMD predicted formation of two cyclonic storms NADA and VARDAH during first and second weeks of December, which were expected to bring wide spread rain. However, while NADA ended in a whimper, VARDAH was a wind storm which left behind a trail of extreme destruction in 3 Districts.

The drought situation in Tamil Nadu has been exacerbated by the non release of water by Karnataka in accordance with the Final Order of the Cauvery Water Disputes Tribunal. As against the total quantum of 182 TMC feet of water which was to be released by Karnataka during the period from 1st June, 2016 to 31st December, 2016, Karnataka released only 67.2 TMC feet of water, leaving a huge shortfall of 114.8 TMC feet. As a result, the storage in Mettur Dam, the main reservoir which serves the Cauvery Delta, was grossly insufficient to save even a single paddy crop in the Cauvery Basin of Tamil Nadu.

Based on detailed assessment of the drought condition based on the guidelines contained in the Manual for Drought Management, 2016, out of 16,682 Revenue villages in the State, 13,305 villages have been identified as Drought affected. In 87% of the area, the extent of damage is estimated to be more than 50% indicating that the drought is 'severe' in a large majority of villages. The water storage position in all the water bodies is very meagre. The State has been declared as drought affected on 10.01.2017.

The Government has to provide relief to the farmers for the damages caused to the crops due to the failure of the monsoon and to ensure drinking water supply through various temporary measures which have to be undertaken to tackle the water scarcity across the State. Moreover, adequate fodder availability needs to be maintained to protect cattle and the small ruminant population. Employment generation programmes have to be taken up on a war footing to ensure that the livelihood of agricultural labourers is protected. **For the above purposes, a sum of Rs.39,565 crore has been sought from the National Disaster Response Fund.** A Central Team also visited Tamil Nadu to make an on the spot assessment of the drought situation in the State from 21st to 24th, January, 2017.

The Hon'ble Prime Minister would recall that Tamil Nadu experienced heavy floods in 2015 and in December, 2016, heavy damages were inflicted by cyclone "VARDAH". The State Government has incurred a total of Rs.2,944 crore on immediate relief, including Rs.585 crore for immediate relief after cyclone Vardah and Rs.2,359 crore for Drought Relief so far. The State Disaster Response Fund (SDRF) of Rs.713 crore for 2016-2017 has been fully exhausted. The State has spent more than three times the SDRF availability and is hard pressed to meet the further needs. Hence we urgently require assistance from the National Disaster Response Fund (NDRF) to take up drought relief and rehabilitation measures in the State.

Hence, I request you to kindly accord immediate sanction for the release of an "on account" payment of Rs.2,500 crore from the NDRF to the Government of Tamil Nadu to enable taking up relief and rehabilitation measures to mitigate the drought situation, pending release of further assistance based on the detailed assessment of the Central Team.

(b) Release of Funds for Cyclone Vardah:

The Hon'ble Prime Minister is aware of the extensive damages caused by "Vardah" cyclone which struck Chennai and surrounding Districts on 12.12.2016. The Government of Tamil Nadu had submitted a detailed Memorandum providing an assessment of the severe and extensive damage caused by Cyclone "Vardah" and seeking immediate assistance from the National Disaster Response Fund and other Central Funds towards the cost of immediate relief, restoration and rehabilitation measures.

The cyclone brought in its wake very high velocity winds of up to 130 to 140 km per hour and wreaked havoc in the Districts of Chennai, Tiruvallur and Kancheepuram. Lakhs of trees were uprooted. There was extensive damage to transmission lines, sub-stations, transformers and distribution lines. Extensive damage has also been caused to huts, drinking water and sewerage infrastructure, fishing harbours and fishing boats, roads, buildings, community assets, parks, traffic signals, transport systems, and other public utilities.

To meet the immediate expenditure on relief and restoration and other emergent works necessitated, the Government of Tamil Nadu had released Rs.585 crore from the State Disaster Response Fund. As expected, the assessment of damages revealed that the requirement of funds for relief and restoration is much higher than the financial resources available with the State. The requirement of funds was assessed at Rs.22,573 crore. The State Government had also requested an immediate on account release of Rs.1,000 crore.

A Central Team had also visited the cyclone affected areas for an on the spot assessment. However, so far no funds have been released by the Government of India based on the State Government's detailed Memorandum. I request that funds to meet the relief and rehabilitation requirements may be released immediately.

(c) Disaster Relief Assistance for Floods in 2015:

The floods in the Northern Districts of Tamil Nadu, including Chennai in 2015 had caused tremendous damages in infrastructure. The State Government had requested for a special assistance of Rs.25,912.45 crore for temporary and permanent restoration through two separate Memoranda. The High Level Committee sent by the Government of India had assessed and approved the damages at Rs.1,737.65 crore. The Government of India had released only Rs.1,365.67 crore from the NDRF, and the remaining Rs.371.98 crore was adjusted with the SDRF balance available with the State.

As per the revised procedure for release of assistance from NDRF vide Memorandum No. 32-7/2014-NDM-1, Ministry of Home Affairs (DMD), dated 08.04.2015, 50% of SDRF balance as on 31st March of the preceding financial year has to be adjusted while releasing the assistance from NDRF for the first disaster in a financial year. It is pertinent to note that the balance in the Tamil Nadu SDRF as on 31st March 2015 was 'NIL'. Thus the State was entitled to receive the entire sum of Rs.1,737.65 crore without any deduction. But the funds available in the SDRF at the time of floods (November – December 2015) were taken into consideration, and thereby Rs.371.98 crore was adjusted against the approved assistance from NDRF. Thus Tamil Nadu was deprived of Rs.371.98 crore, which was its due relief assistance as per the procedure prescribed by Government of India. It is also learnt that while releasing the assistance from NDRF to certain other States, the Government of India had not considered the funds available in SDRF for adjustment from the assessed damage.

Considering the extent of damage suffered in the floods in Chennai in December 2015, and the non-compliance of the due procedures laid down by the Government of India for such releases, I request you to kindly direct the concerned Ministries to reconsider the issue and reverse the decision of adjusting Rs.371.98 crore from out of the approved assistance of Rs.1,737.65 crore for the floods of 2015 and immediately release the sum of Rs.371.98 crore from the NDRF to Tamil Nadu.

2. Water Resources Issues:

(a) Formation of Cauvery Management Board and the Cauvery Water Regulation Committee for the Implementation of the Final Order of the Cauvery Water Disputes Tribunal:

Due to the relentless efforts of our revered leader the late Hon'ble Chief Minister of Tamil Nadu, Puratchi Thalaivi Amma, the Final Order of the Cauvery Water Disputes Tribunal dated 05.02.2007, was notified by the Government of India on 19.02.2013. Our revered leader the late Hon'ble Chief Minister of Tamil Nadu, Puratchi Thalaivi Amma had been urging the Government of India for the early formation of the Cauvery Management Board and the Cauvery Water Regulation Committee for effective implementation of the Final Order of the Tribunal.

During the hearing of the petitions filed by Tamil Nadu and Karnataka before the Supreme Court on 30.09.2016, on behalf of the Government of India it was promised that the Cauvery Management Board could be constituted on or before 04.10.2016. Hence, on the directions of the Supreme Court, the Government of India requested the States to nominate their members in the Cauvery Management Board. Accordingly, the Government of Tamil Nadu nominated its member in the Cauvery Management Board. But in an inexplicable turn of events, the Government of India changed its stand and stated that a Scheme for the implementation for the decision of Tribunal has to be placed before the Parliament.

It is not clear whether the Ministry of Water Resources which deals with the case had apprised the Hon'ble Prime Minister about the issue before the Government of India changed its stand in the Supreme Court. It must be noted that earlier, in no case was the constitution of the implementation machinery for implementation of Awards of Tribunals placed before the Parliament by the Government of India. Hence, it appears neither appropriate nor fair for Ministry of Water Resources, Government of India to now take a different stand on constituting the Cauvery Management Board, which is an integral part of the decision of the Cauvery Water Disputes Tribunal.

The farmers of the Delta areas of Tamil Nadu who are dependent on the Cauvery Waters for irrigation are very much agitated over the long delay by the Government of India in constituting the Cauvery Management Board. I strongly reiterate the repeated request of my Revered Leader the late Hon'ble Chief Minister of Tamil

Nadu, Puratchi Thalaivi Amma that the Cauvery Management Board and the Cauvery Water Regulation Committee be constituted immediately in accordance with the Final Order of the Tribunal.

(b) Mekedatu Scheme of Karnataka:

The Government of Karnataka from time to time issues statements on taking up the Mekedatu Scheme. There has been recent reports that the Government of Karnataka has decided to implement the Mekedatu Multipurpose Drinking Water and Power Project at a cost of Rs.5,912 crore, that involves building a balancing reservoir with a capacity of 66 TMC ft. The Government has constantly urged the Government of India to advise the Government of Karnataka not to take up even the investigation of the Mekedatu Project without the consent of the Government of Tamil Nadu and till the Cauvery Management Board becomes functional. I request the Government of India, to advise Government of Karnataka not to proceed with the project or any preparatory activities including project feasibility reports, as this would violate the Final Order of the Cauvery Water Disputes Tribunal.

(c) Construction of Dams by Kerala across Pambar and Bhavani rivers:

The Government of Tamil Nadu has

been urging the Government of India that the Government of Kerala should not be permitted to construct dams /reservoirs /check dams across the rivers Pambar and Bhavani as the matter is sub judice before the Hon'ble Supreme Court. The Government of Tamil Nadu has also requested the Government of India to advise the Government of Kerala to stop the works. However, to our dismay, the Government of Kerala is proceeding with the works for the construction of a dam across the river Pambar at Pattisserry and also several check dams across the river Bhavani without obtaining the prior concurrence of the Government of Tamil Nadu. I request the Hon'ble Prime Minister to advise the Government of Kerala to forthwith stop the construction activities across the rivers Pambar and Bhavani and also not to take up any new works in the Cauvery Basin of Kerala till the Cauvery Management Board comes into force and judicial references are finally settled.

(d) Mullai Periyar Dam – Restoration of Water Level to FRL 152 ft.:

The Supreme Court in its Order dated 27.02.2006, while permitting the Government of Tamil Nadu to raise the water level initially to 142 ft. has also permitted Tamil Nadu to carry out the remaining strengthening works like, strengthening the Baby Dam and Earth Dam, raising the upstream parapet wall of the Main Dam by 2 ft. etc. After completion of the remaining strengthening works to the satisfaction of the Central Water Commission, independent experts are to examine the safety angle before the water level is permitted to be raised to the FRL of 152 feet. This has been affirmed in the Judgment and Decree of the Supreme Court dated 07.05.2014.

Following these orders, the Government of Tamil Nadu sanctioned a sum of Rs.7.85 crore for strengthening the Baby Dam and other related works so that water level can be restored to the FRL of 152 feet. Government of Tamil Nadu has applied to the Government of India, Ministry of Environment, Forest & Climate Change for clearance to cut 23 trees downstream of the Baby Dam, and requested Wild Life, Environment and Forest clearances on 29.05.2015.

The Nodal Officer of the Forest Department, Government of Kerala after 18 months has informed in November 2016, that on the advice of the Government of Kerala, the proposal of the project proponent is negatived. This rejection by the Government of Kerala is against the decree of the Supreme Court dated 07.05.2014.

I request you to instruct the concerned authorities to expedite the necessary clearances.

(e) Inter-linking of Rivers:

(i) Inter-linking of Peninsular Rivers:

Under the Peninsular Rivers Development Component, our revered leader, the late Hon'ble Chief Minister of Tamil Nadu, Puratchi Thalaivi Amma has repeatedly urged the Government of India to implement the interlinking of the Mahanadhi-Godavari-Krishna-Pennar-Palar-Cauvery-Vaigai Rivers and further with the Gundar River and also to divert the surplus waters of the west flowing Pamba and Achankovil Rivers to Vaippar in Tamil Nadu. Based on the Supreme Court Order dated 27.02.2012, and our persistent requests, the Government of India constituted the Special Committee for Interlinking of Rivers. Though the Special Committee has held 11 meetings so far, not much headway has been made in the matter of inter-linking of rivers.

Further, our Revered Leader the Hon'ble Chief Minister, Puratchi Thalaivi Amma had also repeatedly urged the Government of India to Nationalise all inter-State Rivers, so that water resources of the Country can be optimally utilized. I reiterate the request made by our revered leader, the late Hon'ble Chief Minister of Tamil Nadu, Puratchi Thalaivi Amma.

(ii) Athikadavu – Avinashi Irrigation Ground Water Recharge and Drinking Water Supply Scheme:

Avinashi, Tirupur and Palladam Taluks of Tirupur District and Annur Taluk of Coimbatore District are perennially drought prone areas. To alleviate water scarcity in the area by optimally utilizing flood surplus, a detailed investigation for the formation of a Flood Canal at Athikadavu from Pillur Anicut across the Bhavani river has been carried out. This scheme is known as the Athikadavu – Avinashi Scheme. The important component of the project is to utilize the flood surplus of Bhavani River to fill in 31 Public Works Department Tanks, 40 Panchayat Union Tanks and 538 other ponds in Coimbatore, Tiruppur and Erode Districts, besides augmenting the ground water. It is thus an irrigation, ground water recharge and drinking water supply scheme.

The Government of Tamil Nadu has also announced that the Athikadavu - Avinashi Scheme will be implemented as an Irrigation, Ground Water Recharge and Drinking Water Scheme in the Interim Budget 2016-2017. Administrative Sanction has been accorded for Rs.3.27 crore vide G.O.(Ms.) No.66, Public Works Department, dated 18.02.2016 for carrying out preliminary works, obtaining clearances from the Ministry of

Environment and Forests, Government of India, and preparation of land plan schedule for land acquisition. M/s WPCOS Ltd., have been engaged for the preparation of the Environmental Impact Assessment Report (EIAR), and the preliminary work for obtaining the Environmental Clearance, preparation of Land Plan schedules and survey of the levels has been completed.

A total extent of 2,344.21 acres of private land and 28 acres of forest land will be required for the scheme.

A Revised Detailed Project Report (DPR) at an estimated cost of Rs.3,523 crore for the Athikadavu - Avinashi Irrigation, Ground Water Recharge and Drinking Water Supply Scheme has been prepared and sent to the Central Water Commission, Government of India, on 18.11.2016 for approval and sanction under the Pradhan Mantri Krishi Sinchayee Yojana (PMKSY). The Chief Engineer, Central Water Commission, Coimbatore in his letter dated 12.01.2017 has informed that the Detailed Project Report (DPR) was forwarded to the Director, Inter State Matters, New Delhi, for examining the same on the Inter State angle. Further technical comments and request for data have been received from the Central Water Commission, New Delhi. Government of Tamil Nadu will shortly provide all the relevant data and technical responses.

The Athikadavu – Avinashi scheme is to be implemented only based on flood surplus flows and without affecting the rights on river water. Hence, we urge the Hon'ble Prime Minister to instruct the Ministry of Water Resources, River Development and Ganga Rejuvenation to grant speedy approval for the project, thereby fulfilling a long standing demand of the people of the area.

3. Fisheries Sector:

(a) Protection of the Traditional Fishing Rights of Indian Fishermen in the Palk Bay and Ensuring their Safety and Security:

Since May, 2014, there have been 98 incidents in which 1,164 Indian fishermen from Tamil Nadu were apprehended and 204 fishing boats were seized by the Sri Lankan Navy. Our revered leader Puratchi Thalaivi Amma had written to you repeatedly urging that such attacks on and abduction of innocent Indian fishermen by the Sri Lankan Navy have to be treated with utmost seriousness and cannot be tolerated.

Our fishermen, in an accommodative frame of mind have been coming forward to hold talks with the fishermen of Sri Lanka in the recent years. Four rounds of talks have so far been facilitated by the Government of Tamil Nadu on 27.01.2014 in Chennai, on 12.05.2014 in Colombo, on 24.03.2015 in Chennai and in New Delhi on 02.11.2016 again. The incidents of attacks on and arrests of fishermen have, however, continued unabated.

As on date, there are 35 fishermen and 120 boats along with fishing gear in Sri Lankan custody. I request the Government of India to take urgent action through diplomatic channels to secure the release of the fishermen and boats at the earliest. Further, the Government of India must take **all efforts to protect the traditional fishing rights of the Indian fishermen from Tamil Nadu in the Palk Bay area and ensure their safety and security by restraining the Sri Lankan Navy from harassing them.**

(b) Retrieval of Katchatheevu and Restoration of Traditional Fishing Rights of Tamil Nadu Fishermen:

Ever since Katchatheevu Island, historically a part of India, was ceded to Sri Lanka as per the Indo-Sri Lankan Agreement of 1974, **the fishermen of Tamil Nadu have been deprived of the traditional fishing rights they enjoyed around the island.**

The Tamil Nadu Legislative Assembly passed a Resolution in 1991, seeking the restoration of Katchatheevu Island and the surrounding seas to

India. A proposal was also sent to the Government of India in 2003 to examine the feasibility of getting the island of Katchatheevu and adjacent seas on a 'lease in perpetuity'.

In 2008, our revered leader Puratchi Thalaivi Amma had in her personal capacity filed a Writ Petition (W.P.(Civil) No.561/2008) in the Supreme Court of India on this issue. The Government of Tamil Nadu impleaded itself in the case in 2011. The Supreme Court of India held in the Berubari case in 1960, that any territory owned by India can be ceded to another country only through a Constitutional Amendment. However, Katchatheevu was ceded to Sri Lanka without a Constitutional Amendment and hence the ceding is unlawful and not valid. The unconstitutional ceding of the island and the fishing grounds in the vicinity have emboldened the Sri Lankan Navy to resort to frequent attacks on our innocent fishermen who fish in their traditional fishing waters.

I reiterate the strong request of our revered leader Puratchi Thalaivi Amma that **the Government of India should take steps to abrogate the 1974 agreement and retrieve Katchatheevu and restore the traditional fishing rights of Indian fishermen from Tamil Nadu.**

(c) Comprehensive Special Package for Diversification of Fisheries:

Our Revered leader Puratchi Thalaivi Amma had, in the Memoranda dated 03.06.2014, 07.08.2015 and 14.06.2016, sought a **Comprehensive Special Package for Diversification of Fisheries in Tamil Nadu.** No decision has been taken as yet on this request except for the sanction of Mookaiyur Fishing Harbour, although the Government of Tamil Nadu has gone ahead with the implementation of some components of the package in view of the urgency. The package comprises the following components:

(i) Diversification of Bottom Trawlers into Deep Sea Tuna Long Liners:

This would reduce the pressure of bottom-trawling boats in the Palk Bay and will cost **Rs.975 crore** over three years. As the main proposal is yet to be approved, Government of Tamil Nadu has initiated a scheme at a cost of Rs.51.3 crore for the construction of new Tuna Long Liners and the construction of 171 Tuna Long Liners has commenced. As many more trawlers have to be replaced, I request early sanction of the scheme for diversification of bottom trawlers to Tuna Long liners which has been pending with Government of India for more than one year now.

(ii) Assistance for Mid Sea Fish Processing Park:

Under this project, costing **Rs.80 crore**, a 'Carrier Mother Vessel' will be stationed mid-sea to support and supply 'Baby Vessels' involved in commercial fishing in the deep seas. This will add value to the fish caught in the deep seas and also reduce the pressure of fishing in the shallow waters of the Palk Bay.

(iii) Reimbursement of Central Excise Duty on High Speed Diesel (HSD) for Mechanized Boats:

The eligibility requirement for boat owners to be in the BPL category, and the monthly ceiling of only 500 litres per boat are both unworkable. Such conditions should immediately be reviewed in order to make this scheme beneficial to fishermen.

(iv) Motorization of Traditional Craft:

There are over 32,000 non motorized traditional fishing crafts in Tamil Nadu. Sanction of at least Rs.35 crore per year based on the revised pattern of Government of India assistance would ensure that all traditional craft can be motorized within five years. Hence, an amount of **Rs.175 crore** should be sanctioned to Tamil Nadu over a 5 year period. However, despite our repeated requests, no funds have been received by Government of Tamil Nadu in the last two years under this scheme.

(v) Creation of Infrastructural Facilities for Deep Sea Fishing:

To provide Deep Sea Fishing infrastructural facilities in Ramanathapuram, Nagapattinam and Thiruvallur Districts, the Government of India is requested to sanction **Rs.420 crore** as 100% Central grant.

(vi) Dredging of Fishing Harbours and Bar Mouths:

A recurring provision of Rs.10 crore may be sanctioned every year for dredging of harbours and bar mouths.

I request that the Comprehensive Special Package for Diversification of Fisheries which totals up to Rs.1,650 crore, with a recurring component of Rs.10 crore may be approved at the earliest.

(d) Inclusion of Fishermen in the List of Scheduled Tribes:

Fishermen in Tamil Nadu reside in precarious terrain by the sea coast, have distinct customs and lifestyle, and eke out a meager livelihood from their traditional occupation. Most of them are very poor. The Government of Tamil Nadu seeks the inclusion of the fishermen community of Tamil Nadu in the list of Scheduled Tribes.

4. Compensating Tamil Nadu for the Adverse Treatment by Fourteenth Finance Commission:

The Fourteenth Finance Commission recommended a substantial enhancement in the share of the States in the divisible pool of central taxes from 32% to 42%, which we welcomed. However, the increase in share in central taxes from 32% to 42%, has been completely neutralised in the case of Tamil Nadu by the reduction in the State's share of central taxes from 4.969% to 4.023%. This 19.04% reduction in the inter-se share of Tamil Nadu as per the 14^{th} Finance Commission recommendations is the highest erosion in share amongst all States.

The unfair formula adopted by the 14^{th} Finance Commission has virtually singled out Tamil Nadu for very adverse treatment. Similarly placed States with higher than average per capita GSDP have gained from the increase in the weightage given to the Area criteria, Demographic change (introduced by 14^{th} Finance Commission) and forest area criteria, while only Tamil Nadu has been penalised for the State's achievements in better economic development and population control. The average increase in share of central taxes during the year 2015-2016 over 2014-2015 is 46.06% among fifteen major States and 49.85% among all the States, whereas Tamil Nadu could get an increase of only 20.98%, which is the lowest amongst the major States. Tamil Nadu is the only State to get an increase in share of central taxes of less than 30%. After accounting for the 18% normal nominal growth in central tax collection, Tamil Nadu received only 2% additionally over and above normal growth due to the increased States' share recommended by 14th Finance Commission, while all the other States benefitted by 31% on an average. This implies that the additional fiscal space created for many States by the 14th Finance Commission is simply not available for Tamil Nadu.

Further, in 2015-2016, actual release of share in central taxes to Tamil Nadu fell short of 14th Finance Commission recommendations by around Rs.2,240 crore. Considering the first half year trend, the State's devolution share will fall short of targets in 2016-2017 also.

Further, the States have been required to take up a higher share of the expenditure under a range of Centrally Sponsored Schemes citing the additional fiscal space created by the 14th Finance Commission's recommendations. This places an added burden on Tamil Nadu which does not have such additional space.

Hence, the compensation to Tamil Nadu as special assistance is fully justified. I request you to provide an annual special grant of Rs.2,000 crore in each of the remaining four years of 14th Finance Commission's award period to Tamil Nadu to continue its initiatives on various developmental and infrastructure projects, either from the grants available with NITI Aayog or through special allocations.

5. Expediting Release of Funds and Increasing Allocations for Important Schemes:

(a) Special Allocation for Strengthening Judicial Infrastructure:

The Ministry of Law and Justice has placed the onus on State Governments for providing funding for strengthening the Justice Sector over the award period of the 14th Finance Commission. For Tamil Nadu the total cost is Rs.542.13 crore. The Government of Tamil Nadu is committed to provide adequate infrastructure for the judiciary. However, the very adverse treatment meted out to Tamil Nadu by the 14th Finance Commission compels the State to seek a special allocation of Rs.542.13 crore either under the Centrally Sponsored Scheme for Infrastructure Facilities for Judiciary or out of the special allocation available with the Ministry of Finance or the NITI Aayog.

(b) Sharing Proceeds of Cess and Deposits raised through Recent Changes to Income Tax Act:

The "Taxation Laws (Second Amendment) Bill, 2016" was passed in the Parliament in the Winter session. The main intent of the Bill is that in the wake of declaring specified bank notes as not legal tender, there have been representations and suggestions from experts that instead of allowing people to find illegal ways of converting their black money into black again, the Government should give them an opportunity to pay taxes with heavy penalty and allow them to come clean so that not only the Government gets additional revenue for undertaking activities for the welfare of the poor but also the remaining part of the declared income legitimately comes into the formal economy. Thus, money coming from additional revenue as a result of the decision to ban Rs.1,000 and Rs.500 notes can be utilised for welfare schemes for the poor.

An alternative scheme namely, the 'Taxation and Investment Regime for Pradhan Mantri Garib Kalyan Yojana, 2016' (PMGKY) is proposed to be provided in the Bill. The declarant under this regime shall be required to pay tax @ 30% of the undisclosed income and penalty @ 10% of the undisclosed income. Further, a surcharge to be called 'Pradhan Mantri Garib Kalyan Cess' @ 33% of tax is also proposed to be levied.

In addition to tax surcharge and penalty, the declarant shall have to deposit 25% of undisclosed income in the 'Pradhan Mantri Garib Kalyan Deposit Scheme, 2016'. This deposit is an interest free deposit for a period of four years. The amount is proposed to be utilised for the programmes of irrigation, housing, toilets, infrastructure, primary education, primary health, livelihood, etc.

Government of Tamil Nadu supported the provisions of the Bill but seeks a share in the proceeds of the Cess and the Deposits. Had the rate of income tax leviable been increased from 30 per cent to 40 per cent for such deposits instead of levying the 'Pradhan Mantri Garib Kalyan Cess' the proceeds would have been shared with the States as it would form part of the divisible pool. The proceeds of the cess are not shareable. Hence, we request that the 75 per cent of the proceeds of the Pradhan Mantri Garib Kalyan Cess be provided to States for implementation of welfare schemes, in particular in agriculture and the unorganized sectors. Further it may be confirmed that as recommended by successive Finance Commissions, penalties would form part of tax collection and hence are part of the divisible pool and shareable with the States.

The amounts deposited in the 'Pradhan Mantri Garib Kalyan Deposit Scheme' should be passed on to State Governments as interest free loans in the same proportion as is being done with Small Savings Loans, i.e., based on where the deposits are received.

(c) Release of Pending 13th Finance Commission Grants:

Thirteenth Finance Commission had recommended a grant of Rs.11,366.90 crore to Tamil Nadu for the five year award period, which came to an end on 31st March, 2015. Apart from Local Body Grants, Maintenance Grants and State Disaster Response Fund allocations which amounted to Rs.8,537.33 crore, Rs.2,829.57 crore was earmarked for State Specific Needs Grant and other Grants-in-aid. Of this, only Rs.1,805.82 crore has been released to this State. Since expenditure has been incurred to the tune of Rs.522.91 crore over and above the release of Rs.1,805.82 crore from the State exchequer on or before 31st March 2015 and utilisation certificates furnished as per the requirement, the said sum is yet to be released.

The request for release of Rs.522.91 crore has not been acceded by referring the close of award period of the 13th Finance Commission and to use the additional fiscal space available due to increase in net tax devolution recommended by the 14th Finance Commission. Tamil Nadu does not have any additional fiscal space due to the 14th Finance Commission's recommendations.

On earlier occasions, the Government of India released the balance grant against expenditure incurred till the last day of the award period in subsequent years. Tamil Nadu has claimed only expenditure incurred towards the schemes implemented on or before 31.03.2015 and therefore we expect these claims to be reimbursed by the Government of India.

The grants should not be denied to the State merely because the award period of the next Commission has commenced. I therefore request you to kindly consider the request of the Government of Tamil Nadu to release the eligible balance grant of Rs.522.91 crore to the State for expenditure incurred during the 13th Finance Commission award period.

(d) Shortfall in the Disbursement of Share in Central Taxes from 1996-1997 to 2014-2015:

In the Comptroller and Auditor General's

Report on Compliance of Fiscal Responsibility and Budget Management Act, 2003 – Union Government (Civil), Department of Economic Affairs, Ministry of Finance - No.27 of 2016, it has been indicated that during the certification of 'net proceeds' by the C&AG, based on recommendations of the successive Finance Commissions, during the period 1996-1997 to 2014-2015 an aggregate amount of Rs.81,647.70 crore was short devolved to States.

The 80th amendment to the Constitution in 1996 made significant changes to the way taxes were shared by the Centre with the States. Prior to the amendment, taxes on income other than agricultural income and a part of union excise duties were only required to be shared with the States. However, the 80th amendment made it mandatory to share proceeds from other taxes and duties, such as corporate tax, customs, service tax and some aspects of union excise duties. The percentage of share of the Centre's tax and duty collections to be given to States in 1996-2000 was 29%, 2000-2001 to 2004-2005 was 29.5%, 2005-2006 to 2009-2010 was 30.5% while it has gone up to 32% from 2010-2011 to 2014-2015. In the absence of year-wise shortfall details, the average inter-se share of State recommended by the successive Finance Commissions i.e., 10th Finance Commission to 13th Finance

Commission to Tamil Nadu would be around 5.574% and we estimate that Tamil Nadu would be eligible to get around Rs.4,500 crore as the shortfall in share of central taxes devolved by the Government of India for the period from 1996-1997 to 2014-2015.

As it is obligatory on the part of the Union Government to devolve shortfalls in release of share of central taxes devolved to States, the Government of India is requested to release the eligible amount to the States urgently.

(e) Pending releases under the Flood Management Programme:

The Government of India had approved five flood works at a total cost of Rs.613.43 crore under the Flood Management Programme, of which Central Share is Rs.460.07 crore. Four of these approved works had been completed by 2011-2012, and the remaining works have also been finished by 2012-2013. However, the Government of India has so far released only Rs.59.82 crore. The State Government has spent the remaining expenditure from its own funds.

As per the guidelines, the spill over works of XI Five Year Plan are permitted to be carried over to the XII Plan period, and the actual expenditure incurred from State funds are eligible for reimbursement. The State has revised its claim of reimbursement to Rs.342.94 crore based on correspondence with the Central Government. The Government of India should at least now release the remaining amount of its commitment of Rs.342.94 crore immediately.

(f) Release of Grants under Sarva Shiksha Abhiyan:

The Project Approval Board (PAB) of the Ministry of Human Resource Development (MHRD) had approved an amount of Rs.2,329.15 crore for the year 2015-2016 for implementing the Sarva Shiksha Abhiyan programme. Out of this total amount, the Government of India's share of 60% after adjusting for the opening balance is Rs.1,397.49 crore. An amount of Rs.821.12 crore only had been released by the end of the financial year. Hence, there is a shortfall of Rs.576.37 crore. This includes the pending teachers' salary reimbursement for an amount of Rs.805.48 crore, of which Government of India's share of 60% i.e., Rs.483.28 crore, was fully paid by the Government of Tamil Nadu in anticipation of funds from Government of India. However, the same is yet to be released by Government of India.

In the current year 2016-2017, the PAB has approved an amount of Rs.,2656.06 crore for implementation of Sarva Shiksha Abhiyan programme, of which, the Government of India's share at 60% (after adjusting OB) is Rs.1,585.63 crore. So far only an amount of Rs.821.11 crore has been released leaving a balance of Rs. 764.52 crore yet to be released even though the financial year has almost come to a close. The shortfall of Rs.764.52 crore includes GoI share of teachers salary of Rs.596.6 crore which has been fully met by GoTN in advance.

Even though the State Government has submitted all necessary documentation, the funds for the years 2015-2016 and 2016-2017 for a total amount of Rs.1,340.89 crore are yet to be released.

In the meantime, Ministry of Human Resource Development has communicated to the State Government that the Government of India is not in a position to release its committed share of the Sarva Shiksha Abhiyan Budget due to short allocation for the scheme in the Union Budget and has instead urged the State Governments to make good this shortfall. This shortfall is unfortunate as SSA is one of the Core schemes for which the sharing of expenditure between the Centre and States is to continue unchanged. Further, SSA expenditure has earmarked funding through the Education Cess which is not even shared with the State as part of Tax devolution. Hence, I urge you to direct the Ministry of Finance and Ministry of Human Resources Development to ensure that adequate funding is provided for the Central share of SSA.

(g) Release of Grants under Rashtriya Madyamik Shiksha Abhiyan:

Similarly, in the year 2015-2016, the PAB had approved an amount of Rs.1,675.25 crore for the Integrated Rashtriya Madhyamik Shiksha Abhiyan programme including spill over. The Government of India's share of 60% after adjusting the opening balance is Rs.984.09 crore. However, the Government of India has so far released only an amount of Rs.314.72 crore towards recurring cost and no grant has been released towards non-recurring cost.

In the year 2016-2017 an amount of Rs.1,284.24 crore was approved for the RMSA programme by the PAB 2015-2016 including the revised spill over cost of 2015-2016. Out of which, the share of Government of India is Rs.770.54 crore. The Government of India has released only Rs.144.58 crore for Recurring Component and Rs.80.91 crore for Non-recurring

Component. Thus the Government of India has so far released only a total of Rs.225.49 crore, leaving the balance of Rs.545.05 crore.

This underfunding of important schemes in the Union Budget and the consequent delay in the release of Government of India's share of Sarva Shiksha Abhiyan and Rashtriya Madyamik Shiksha Abhiyan hampers the smooth implementation of the programmes in its true spirit.

(h) Delinking of the Model School Scheme under Rashtriya Madyamik Shiksha Abhiyan:

Under Rashtriya Madyamik Shiksha Abhiyan, the Model school scheme was introduced for improving access to secondary education in the Educationally Backward Blocks. The scheme commenced in the year 2009-2010 and has been implemented in the State providing quality education and requisite infrastructure. However, in the year 2015-2016 the Government of India delinked the Model school programme from the Rashtriya Madyamik Shiksha Abhiyan and has withdrawn the entire recurring cost of Rs.30 crore sanctioned annually. This may work against the interest of the children who are already enrolled in the Model schools and the vision of the Government of India to improve access to secondary education. Hence, the decision taken delinking the Model schools from Rashtriya Madyamik Shiksha Abhiyan may be reconsidered.

(i) Implementation of Right of Children to Free and Compulsory Education (RTE) Act:

The children belonging to weaker sections and disadvantaged groups have been given an opportunity to educate themselves in private schools by the strict implementation of the 25% reservation provided under Section 12(1)(c) of the RTE Act, 2009. For the admissions made in private schools in 2013-2014 and 2014-2015 a reimbursement of Rs.97.05 crore has already been released to the private schools by the State Government and this amount was claimed in the 2016-2017 under the Sarva Shiksha Abhiyan plan. However, only an amount of Rs.18 lakhs has been approved by Ministry of Human Resource Development for reimbursement. Section 12(1)(c) of the RTE Act 2009 clearly mandates that where the schools provide pre-school education, admissions have to be made at pre-school level itself. Section 7 of the Act further provides that that the Central and State Governments have concurrent responsibility to provide funds to carry out the provisions of the Act. Thus, the action of the Ministry of Human Resources Development to place entire burden of reimbursement of fees for 2013-2014 and 2014-2015 on the State Government is contrary to law.

Despite non release of funds by the Government of India, the State Government continued implementation of the Act in the years 2015-2016 and 2016-2017 and additionally 1,92,317 number of children have been admitted in private schools under the 25% reservation. The private schools would have to be reimbursed an amount of Rs.310.70 crore for the children admitted for the years 2015-2016 and 2016-2017 and the State Government would have to be reimbursed a total amount of Rs.407.75 crore for 3,28,910 children under the Sarva Shiksha Abhiyan. The Government of India must ensure compliance with the provisions of the Act.

(j) Post Matric and Pre Matric Scholarship Schemes for Scheduled Castes and Scheduled Tribes Students:

The Government of Tamil Nadu implements the Centrally Sponsored Schemes of Pre Matric and Post Matric Scholarships for students belonging to the Scheduled Castes and Scheduled Tribes. The Government of Tamil Nadu directly transfers the scholarship amounts to the bank accounts of eligible students and institutions in advance without waiting for the release of funds by the Government of India through the State Scholarship portal based on verification by the field officials.

However, large amounts are still pending to be reimbursed by both the Ministry of Social Justice and Empowerment and the Ministry of Tribal Welfare. For the Post Matric Scholarship Scheme the Government of Tamil Nadu has submitted the utilization certificates for the funds released by the Government of India up to the year 2015-2016 and submitted claims for Rs.1,882.04 crore for the year 2016-2017 including the arrears of Rs.669.47 crore for the period up to the year 2015-2016, and this very large amount is yet to be released by Department of Social Justice and Empowerment.

In the case of Scheduled Tribe students, an amount of Rs.2.48 crore for the Pre Matric Scholarship Scheme and Rs.44.77 crore for the Post Matric Scholarship scheme for the year 2016-2017, are yet to be released by the Ministry of Tribal Affairs.

While the Ministry of Social Justice and Empowerment has admitted Tamil Nadu's claims, funds have not been released due to insufficient budgetary allocations. Given the sensitivity of the issue, I request that adequate budgetary allocations may be made for this scheme and funds released to the States without any further delay. It may also be ensured that adequate allocations are made for the scholarship schemes at the current level of Central support for the period beyond 2016-2017.

(k) Additional Allocation under Rashtriya Krishi Vikas Yojana (RKVY) to Tamil Nadu in 2017-2018:

Tamil Nadu is a fore runner in the effective implementation of various Schemes for the benefit of the farming community. Particularly, the Centre – State shared scheme of Rashtriya Krishi Vikas Yojana (RKVY) has always been successfully implemented in Tamil Nadu to bring in the desired benefits to the farmers. The State has always remained in the fore-front with respect to planning, implementation, documentation and reporting of RKVY. Allied activities like Animal Husbandry, Dairying and Fisheries have also grown simultaneously along with agriculture in the State and the synergy in this regard is quite visible in the State.

During the year 2016-2017, based on the previous year's allocation of Rs.432.90 crore, projects to the tune of Rs.731 crore were approved by the State Level Sanctioning Committee which also had Government of India representatives. Subsequently, based on the interim allocation of

Rs.509.55 crore made by Government of India, projects were prioritized and administrative sanction issued for projects to the tune of Rs.512 crore in anticipation of the entire release by the Government of India as per the interim allocation. When all the projects were being implemented in Agriculture & Allied sectors, Ministry of Agriculture & Farmers Welfare suddenly informed of a final allocation of only Rs.238.59 crore (as against the tentative original allocation of Rs.509.55 crore). This huge 53% reduction in RKVY allocation affected the implementation of various Farmer welfare schemes being implemented in Tamil Nadu. Such uncertainty in allocations also hurt the credibility of Centrally Sponsored Schemes and disrupt their implementation.

As Tamil Nadu continues to reel under drought conditions, the State Government is evolving various projects focusing the mitigation of drought in 2017-2018. Therefore, Government of India may kindly consider allocation of atleast Rs.750 crore under Rashtriya Krishi Vikas Yojana for the year 2017-2018 and release the funds without any restrictions.

(I) Replanting and Rejuvenation of Coconut Gardens in Tamil Nadu:

Tamil Nadu stands third in area cultivated under coconut and first in production (6,917.25 Million Nuts) and productivity (14,872 Nuts / Ha). However, the State faces challenges in maintaining the productivity in coconut groves due to severe pest and disease attacks and senile and unproductive palms. To increase coconut yield, old coconut palms have to be removed and replanted with new seedlings. Government of Tamil Nadu had proposed a special package with a total outlay of Rs.3,397.80 crore including a subsidy component of Rs.757.95 crore (25% of the outlay) to improve existing gardens, removal of old and senile palms and replant coconut seedling to be implemented over a period of 10 years. The project would cover 161 lakh palms in 92,000 hectares. The Coconut Development Board of Government of India has, however, sanctioned only a sum of Rs.20 crore during 2016-2017. As this Scheme would raise and stabilize yield of coconut palm and increase edible oil production, **the Government of India is requested to sanction atleast Rs.100 crore during 2017-2018 and the entire balance subsidy amount asked for in the next three year period.**

(m) Construction of Fishing Harbours in Tamil Nadu:

Under Centrally Sponsored Schemes, the Government of India has sanctioned construction of

4 Fishing Harbours at Poompuhar in Nagapattinam District and at Colachel, Thengapattinam and Chinnamuttam in Kanniyakumari District, at a total cost of Rs.406.67 crore, with a Central share of Rs.241.34 crore and State share of Rs.165.33 crore (Except Mookaiyur Fishing Harbour). The Government of Tamil Nadu has released its entire share to facilitate the early completion of the projects. The Government of India has so far released only Rs.126.08 crore and **is yet to release the balance of Rs.115.26 crore.** The Fishing Harbour at Chinnamuttom and Colachel were completed and has already been put into use, while the remaining 2 fishing harbours are very close to completion. The non-release of funds is stalling the final completion of these works. Necessary procedural formalities including submission of utilization certificates have been completed. I request you to instruct the Ministry of Agriculture and Farmers' Welfare to release the balance funds immediately so as to speedily complete the projects.

(n) National Fishermen Savings Cum Relief Scheme for Tamil Nadu:

National Fishermen Savings cum Relief Scheme is a Centre- State shared welfare scheme for fishermen. The scheme is being implemented on the basis of administrative approval issued by

Government of India every year. The Government of India is yet to release the pending Central share amount for the last four years from 2012-2013 to 2015-2016 for which the Government of Tamil Nadu had released the matching grant to fishermen including the share of Government of India. A total amount of **Rs.42.93 crore of Central share is due to Government of Tamil Nadu from Government of India which was deferred by Department of Animal Husbandry Dairying and Fisheries, Ministry of Agriculture, Government of India vide its letter dated 09.01.2017. This decision of Government of India will jeopardize the implementation of a vital fishermen welfare scheme.** I request you to instruct the Ministry of Agriculture and Farmers' Welfare to reconsider its decision and release the pending Central share immediately.

(o) Foot And Mouth Disease Control Programme and Livestock Health Schemes:

Livestock diseases cause huge losses to the farmers and the Government of Tamil Nadu has prioritised prevention and control of endemic livestock diseases as a major activity by providing timely vaccination against endemic livestock diseases. The Centrally Shared Foot and Mouth

Disease Control Programme (FMD-CP) is under implementation in all the Districts of Tamil Nadu in which all the cattle in the State are vaccinated against the disease once in six months. Besides this, schemes that ensure the health of livestock are under implementation in Tamil Nadu for which Government of India provides its share and the rest of the funds will be provided by the State Government.

During the years 2015-2016, out of a total commitment of Rs.14.04 crore as the share of the Government of India, a sum of Rs.3.79 crore only has been released and the balance amount of Rs.10.25 crore is yet to be released. Similarly for the year 2016-2017, out of a total commitment of Rs.15.51 crore, only Rs.9.43 crore has so far been released and the balance amount of Rs.6.08 crore is pending. Similarly, under various Schemes under Livestock Health, out of a sanctioned amount of Rs.19.11 crore, only Rs.1.39 crore has been released so far and the balance release is still awaited.

The Ministry of Agriculture may be instructed to **release the balance amount of Rs.34.05 crore of the Central Share to Tamil Nadu at the earliest**.

(p) Increased Allocation under National Livestock Mission:

The Government of Tamil Nadu has been implementing the flagship schemes of Free Distribution of Milch Cows and Goats and Sheep units to poor women in rural areas since 2011. The National Livestock Mission launched by the Government of India during 2014-2015 is being implemented in Tamil Nadu as a complementary Scheme to the State Government's flagship schemes to ensure quantitative and qualitative improvement in livestock production systems and capacity building of all stake holders.

During the year 2014-2015 and 2015-2016, the Government of India released a sum of Rs.12.43 crore and Rs.4.87 crore respectively. For the year 2016-2017, the State had already submitted a proposal for an outlay of Rs.25.56 crore for which the Government of India has sanctioned only Rs.7.04 crore to Tamil Nadu.

Animal Husbandry Sector has the potential to transform the rural economy and increase the incomes of Small, Marginal farmers and Landless Labourers through livestock rearing. Considering the dependence on Agriculture and Animal Husbandry activities for economic self reliance of rural poor, I request you to instruct the concerned officials in the Department of Animal Husbandry, Dairying and Fisheries in the Ministry of Agriculture Farmers Welfare and Climate Change to sanction the balance fund of Rs.18.52 crore due for 2016-2017 and to substantially increase the allocation for Tamil Nadu under National Livestock Mission to Rs.100 crore.

(q) Mahatma Gandhi National Rural Employment Guarantee Scheme:

During the current year 2016-2017, the State has achieved 34.13 crore mandays and has complied with the directives of Ministry of Rural Development on a priority basis. Since the entire State has been declared as drought hit poor households are entitled to additional employment of 50 days per household over and above 100 days to ensure livelihood for the rural poor. Due to this, the person days generation has increased from 12 lakh to 18 lakh per day. Consequently the wage liability has also increased. But there is a delay in payment of wages due to the paucity of funds and the outstanding committed wage liability is Rs.633 crore. The delay in payment of wages has put the rural poor to a lot of hardship, especially women, who constitute 86% of the MGNREGS workers. We request the Government of India to immediately release Rs.633 crore under the wage component and to also ensure funds flow for the wage component continues uninterrupted.

(r) Integrated Processing Development Scheme (IPDS):

Tamil Nadu is the leading States in India in the textile Sector. Erode, Salem, Karur and Namakkal Districts constitute a major textile belt with 17 textile clusters along the Cauvery river with nearly 2,000 processing units which discharge effluents. Our Revered Leader late Hon'ble Chief Minister, Puratchi Thalaivi Amma had announced a scheme for the rehabilitation of these units to achieve Zero Liquid Discharge. Out of the 6 Diagnostic Study and Feasibility Reports under the consideration of the Government of India for in-principle approval two have been approved. Approval of four is awaited. Accordingly, Detailed Project Reports for the Kadayampatti and Bhavani clusters have also been sent to Ministry of Textiles for sanction of Government of India's share of funding under the Integrated Processing Development Scheme. The State Government has indicated its willingness to bear its share of the cost for these projects. These Detailed Project Reports (DPR) have also been approved by Ministry of Textiles (MoT) at a project cost of Rs.160 crore and Rs.92.21 crore respectively. Therefore, I request you to kindly instruct the Ministry of Textiles to release the funds to Kadayampatti and Bhavani clusters based on the technology approval accorded by the

Tamil Nadu Pollution Control Board. I also request to direct the Ministry of Textiles to grant in principle clearance for the remaining four clusters as well.

(s) Marketing Incentive Component of National Handloom Development Programme:

The balance 50% share of Government of India under the Marketing Incentive Component of National Handloom Development Programme for 2014-2015 and full share of 2015-2016 totalling Rs.65.38 crore, which is still pending release, may be released to Tamil Nadu immediately.

6. Pradhan Mantri Fasal Bima Yojana (PMFBY):

Tamil Nadu is experiencing a severe drought during 2016-2017. The Government of Tamil Nadu has taken special efforts to promote and enrol the farmers under PMFBY, due to which around 15 lakh farmers have been enrolled in the Rabi season, covering a total extent of over 30 lakh acres. The State Government is co-ordinating with all the stakeholders for speedy settlement of insurance claims to the affected farmers to enable them to take up sowing in the forth coming Kharif 2017, season. The following important issues relating to crop insurance require early settlement:-

(i) In order instill faith in the Pradhan Mantri Fasal Bima Yojana amongst farmers, the insurance claims for the year 2016-2017 have to be settled by the Insurance Companies, within three weeks from the receipt of yield data based on crop cutting experiments as per PMFBY Guidelines. Hence **I request you to give suitable instructions to Department of Financial Services to instruct the three Insurance Companies viz., Agricultural Insurance Company of India Ltd., New India Assurance Company Ltd., and ICICI Lombard Insurance Company Ltd., to release the insurance compensation claims of the Rabi crops of 2016-2017 to farmers of Tamil Nadu by April, 2017.**

(ii) **The Nationalized Banks which have collected the PMFBY Insurance premium from farmers should also be instructed to furnish the entire lists of farmers enrolled under PMFBY to the Insurance Companies in order to coordinate for an early settlement of the claims to the farmers.**

(iii) For 2015-2016, the entire premium subsidy of Rs.51 crore has been settled to Agricultural Insurance Company of India Ltd., by the State Government under National Agricultural Insurance Scheme. A sum of Rs.406 crore is still pending for settlement as claims to the farmers of Tamil Nadu. Hence, the **Department of Financial Services should instruct the Agricultural Insurance Company of India Ltd., to release compensation claims due to the farmers without further delay.**

7. Power:

(a) Cheyyur Ultra Mega Power Project:

The Government of Tamil Nadu has already made a request to expedite the 4,000 MW Cheyyur Ultra Mega Power Project. The Ministry of Power has not yet commenced the bidding process. The Ministry of Power may be suitably advised to expedite the bidding process.

(b) Dedicated Green Energy Corridor to Evacuate Surplus Wind Power from Tamil Nadu:

Tamil Nadu is the leader in renewable energy in the country. Tamil Nadu has an installed capacity of over 10,000 MW of renewable energy, of which wind power contributes about 7,700 MW. Tamil Nadu has plans to add another 4,500 MW of wind power and 5,000 MW of solar power in the next five years. Tamil Nadu is in a position to sell about 1,000 MW of wind power to other states, to fulfill their Renewable Purchase Obligation (RPO). Therefore, it is requested that a dedicated Inter-

State Green Energy Corridor be established at the earliest, so that surplus wind energy from Tamil Nadu can be transmitted to other States.

(c) Abolishing Frequency Linked Penalty for Renewable Energy Rich States:

Tamil Nadu is a renewable energy rich state with over 10,000 MW of installed renewable energy capacity. Wind and Solar power have substantial intra-day and inter-day variations. Such huge variations cause difficulty in adhering to the prescribed frequency of 49.90 Hz to 50.05 Hz with variation of plus or minus 250 MW. This results in payment of penalties for non-adherence to the prescribed bandwidth. Imposition of penalty for integrating renewable energy is highly unfair and is contrary to the Renewable Energy policy of the Government of India. Renewable Energy rich states like Tamil Nadu should not be penalized for integrating and encouraging renewable energy. Therefore, the Ministry of Power may be instructed to abolish the frequency linked penalty during high wind season.

(d) Kudankulam Unit 3 & 4 – Entire Power Allocation for Tamil Nadu:

Kudankulam Unit-1 with a installed capacity of 1,000 MW has been supplying 562 MW to

Tamil Nadu. The second unit with an installed capacity of 1,000 MW is under testing operation and is expected to commence commercial operation from March 2017. Tamil Nadu's share from the second unit is 563 MW.

Hon'ble Prime Minister has already laid the foundation stone for Unit-3 and Unit-4 with a total capacity of 2,000 MW on 15.10.2016. Considering the extra-ordinary lengths to which the State Government has gone to ensure the smooth commissioning of the atomic power project at Kudankulam. It is requested that the entire power generation of 2,000 MW of Kudankulam Nuclear Power Plant Units 3 & 4 may be allocated to Tamil Nadu.

(e) Financial Assistance for Conversion of Distribution Network:

During the recent VARDAH cyclone, electrical infrastructure in Chennai City has been the worst affected and an amount of Rs.1,093.27 crore was sought for carrying out immediate restoration works. Chennai is a Metropolitan City and highly prone to cyclone and flood damages. Permanent measures to mitigate the effects of cyclones and floods include:

(i) Conversion of 230 kV Transmission Overhead lines into 230 kV underground cables.

(ii) Conversion of existing Distribution Transformer structures to Ring Main Units.

(iii) Conversion of existing Pillar Boxes into High Rupturing Capacity (HRC) fuse 6 way pillar boxes.

(iv) Conversion of overhead lines into underground cables in the Corporation Limit of Greater Chennai.

The cost estimate for carrying out the above works is Rs.17,000 crore. The Ministry of Power may be requested to release the amount of Rs.17,000 crore either as grant or as a soft loan through Rural Electrification Corporation (REC) or Power Finance Corporation (PFC) for carrying out the improvement works so that Chennai City will become cyclone and flood resilient.

8. Common Entrance Examinations:

(a) Approval of National Eligibility cum Entrance Test (NEET) Bill:

Our Revered Leader Puratchi Thalaivi Amma had repeatedly emphasized that the introduction of NEET is a direct infringement on the rights of the State and would cause grave injustice to the students of Tamil Nadu who are already been covered by a fair and transparent admission policy laid down by the Government of Tamil Nadu, which has been working well. The Government of Tamil Nadu has taken a number of steps, starting from 2005, towards systematizing the admission process to medical colleges, and after careful consideration, later abolished entrance examinations for professional undergraduate courses in the State, by enacting the Tamil Nadu Admission in Professional Educational Institutions Act, 2006. This Act was finally given effect to after receiving the assent of the President under Article 254(2) of the Constitution. **This Act has been upheld by a decision of the Division Bench of the Madras High Court which was affirmed by the Apex Court.**

This measure was taken keeping in view the interests of students, particularly from the weaker sections and rural areas, to ensure that a level playing field is created. The Government of Tamil Nadu has taken the consistent stand that rural students and students from poorer socio-economic backgrounds will be unable to compete with urban elite students in such Common Entrance Examinations, which are designed to favour the urban elite. The rural students will be put to great disadvantage because they lack the resources to enroll in training institutions and access materials available to urban students. A large number of socially and economically backward meritorious rural students have benefited by the Government of Tamil Nadu's decision to abolish the Common Entrance Examination.

For admission to Postgraduate courses, the Government of Tamil Nadu gives preference to those who have served in rural areas, with special weightage for those working in hilly and tribal areas. The State Government has also successfully obtained and enforced bonds from those completing Postgraduate education in Government Medical Colleges to serve the State Government for a minimum period, which has helped us to meet the need for specialist medical manpower in Government Hospitals.

The introduction of NEET would nullify the implementation of these policy initiatives and socio-economic objectives of the State, as the regulations for a National Test may not have such enabling provisions. The National Test is out of tune with the prevailing socio-economic milieu and administrative requirements of Tamil Nadu.

The Ordinances and legislation providing for exemption from the NEET for this academic year (2016-2017) in respect of State Government seats (whether in a Government Medical/Dental College or in a Private Medical/Dental College) at the under graduate level addressed the issue only temporarily. Due to the enactment of the amendments to the Indian Medical Council Act, 1956, and the Dentists Act, 1948, Uniform Entrance Test have become mandatory for the Medical and Dental College admissions at the Under Graduate and the Post Graduate levels from the coming academic year.

The State had been requesting Government of India to permit Tamil Nadu, through appropriate legislative intervention to continue its existing fair and transparent system of admission to Medical Colleges and Dental Colleges in the State and not be forced to implement the NEET.

Now, the Tamil Nadu Legislative Assembly has recently unanimously approved and passed two Bills for protecting the existing admission policy for undergraduate and postgraduate admissions in Medical and Dental Colleges. **With the approval of His Excellency, the Governor of Tamil Nadu, the said two Bills have been sent to the Government of India for obtaining the assent of the President of India under Article 254(2) of the Constitution of India.**

I request the Government of India that the approval for above two Bills may be accorded immediately and the Presidential assent accorded to enable the State to continue its existing fair and transparent system of admission to Government Medical Colleges and Dental Colleges in the State.

(b) Proposed National Pre Veterinary Eligibility Test for admission to Veterinary Colleges:

The Veterinary Council of India has asked for the concurrence of the State for the conduct of a National Pre Veterinary Eligibility Test (NPVET) for admission to Bachelor of Veterinary Science and Animal Husbandry (B.V.Sc & AH) courses. In this regard, it is to be informed that in Tamil Nadu, at present, 85% of the available seats for Bachelor of Veterinary Science and Animal Husbandry (B.V.Sc & AH) courses are filled by candidates from Tamil Nadu based solely on the marks obtained in the Higher Secondary class (HSC) following the reservation policy in vogue in Tamil Nadu and the rest 15% of the seats are filled under the All India quota for which entrance examination is conducted by the Veterinary Council of India. A predominant number of students pursuing B.V.Sc and AH courses are from the rural areas of Tamil Nadu. The present policy of the State Government establishes a level playing field for students from different socio-economic backgrounds and ensures that rural students are not put to any disadvantage by lack of access to specialized coaching classes. Hence the Government of Tamil Nadu is firmly opposed to the conduct of NPVET and strongly urges that the existing system of admission to Veterinary colleges as in Tamil Nadu must be allowed to be continued.

9. Setting up of AIIMS in Tamil Nadu:

The proposal to establish an AIIMS in Tamil Nadu was announced in the Union Budget 2015-2016. Five sites proposed by the State Government at Sengipatti in Thanjavur District, Thoppur in Madurai District, Pudukkottai Town in Pudukkottai District, Perundurai in Erode District and Chengalpattu in Kancheepuram District and all the details required by the Government of India were furnished. However, although a Central Team visited Tamil Nadu as early as 23rd - 25th April, 2015 and inspected all the sites and submitted its report to the Government of India, so far the final decision on the location has not been announced by the Government of India and the Ministry of Health and Family Welfare has been maintaining that it is under their consideration. It is learnt that Sengipatti in Thanjavur District has been identified as the best suited location for setting up of AIIMS.

However, the final decision on the location for establishing AIIMS in Tamil Nadu has so far not been announced. I request that the decision to locate the proposed AIIMS at Sengipatti in Thanjavur District may be announced forthwith and the financial sanction accorded by the Government of India without further delay.

10. Public Distribution System Related Issues:

(a) Additional Allocation of Rice under National Food Security Act

The Government of Tamil Nadu has consistently raised concerns about some provisions of the National Food Security Act (NFSA), 2013. One major concern is that NFSA advocates Targeted Public Distribution System, whereas Tamil Nadu has been successfully implementing Universal Public Distribution System for the last several years. The identification of priority households with a restriction on coverage up to specified proportion i.e., 62.55% of rural households and 37.79% of urban households could lead to the exclusion of some vulnerable families.

As, the Government of India vide letter No. 1-2/2015-BP.III, Department of Food and Public Distribution, dated 7th October, 2016 conveyed the decision that as the State had not implemented NFSA monthly allocation of foodgrains to APL beneficiaries of Tamil Nadu would be made at Minimum Support Price (MSP)/ MSP derived rate in case of wheat and rice respectively. It was also informed that no further additional allocation of foodgrains would be made to the State under APL and BPL category. As the revised rates would have cost an additional burden of Rs.2,730.95 crore per year over and above the present expenditure of Rs.2,393.20 crore, as food subsidy, the State Government left with no option to decide to implement NFSA in Tamil Nadu from 1st November, 2016. Moreover, the State Government also decided to prescribe the universal character of the Tamil Nadu Public Distribution System by protecting the existing scale of supply universally for all cardholders eligible to draw rice. The additional requirement of food grains, particularly rice is 85,000 MT per month over and above the regular allocation under NFSA norms. I request that the additional quantity of 85,000 MTs of rice per month required by Tamil Nadu may be made available at Rs.8.30 per kg instead of Rs.22.54 per kg (MSP rate).

(b) Direct Benefit Transfer for Public Distribution System

The Government of Tamil Nadu is strongly opposed to any move to monetize and transfer in cash the subsidy element under the PDS, as the critical concern of the PDS is the access and availability of commodities and not the quantum of subsidy. Therefore, I request that the policy of direct benefit transfer under PDS should not be extended to the State without explicit consent.

11. Drinking Water:

(a) Funds Requirement under National Rural Drinking Water Programme:

As per the Annual Action Plans approved by the State Level Screening and Sanctioning Committee (SLSSC), the Government of Tamil Nadu had taken up 99 works, including 79 Combined Water Supply Schemes (CWSS) and other Independent Power Pump (IPP) scheme for which Rs.2,885.68 crore was required to complete the projects as per the status in 2015-2016. As per the National Rural Drinking Water Programme (NRDWP) guidelines, Government of India have to provide Rs.1,064.24 crore and the State matching share is Rs.1,821.44 crore. However, the Government of India has provided only Rs.138.01 crore during 2015-2016. In 2016-2017, a sum of Rs.141.28 crore was allotted. It is requested that a onetime allocation of Rs.784.95 crore may be allotted to Government of Tamil Nadu to complete the projects and put them to public use.

Further, as Tamil Nadu is reeling under severe drought, I urge you to provide substantially enhanced allocations for the National Rural Drinking Water Programme both in 2016-2017 and 2017-2018.

(b) Suggestions on proposed guidelines of the National Rural Drinking Water Programme:

In the proposed revised guidelines of National Rural Drinking Water Programme (NRDWP), Government of India has indicated that the criteria for allocation of funds among the States would give weightage to Quality Affected Areas and the areas covered under Programmes related to drought prone areas and desert development. However, the proposed guidelines do not take into account the problem faced by States like Tamil Nadu, which fall in the rain shadow and have an acute ground water situation. As per an assessment, about 40% of area in Tamil Nadu is either over exploited or critical has saline water situation. Due to this, the State has to go for distant and dependable river based sources requiring much higher capital outlays. Therefore, the status of the ground water situation should also be included as one of the criteria for giving weightage in fund allocation to States.

(c) Coastal Regulation Zone Clearance for Desalination Plants:

Chennai is a water stressed city with very limited surface and ground water potential. The present demand-supply mismatch of 500 MLD is expected to widen in the future. The Government of Tamil Nadu views desalination as the only permanent solution for Chennai's water problems. Chennai already has an installed desalination capacity of 200 MLD.

To bridge the deficit, two additional desalination projects have been conceived. The first project of 150 MLD capacity is proposed to be constructed in Nemmeli, south of Chennai, at a cost of Rs.1,259 crore. This project has already received approval for 100 million Euro loan assistance from kfW. It has also received assistance of Rs.506 crore under the AMRUT scheme. The procurement process for this project has already commenced. The second project is an ambitious 400 MLD unit, which along with distribution system improvements, is estimated to cost Rs.5,866 crore. JICA has expressed interest to finance this project through a loan assistance of Rs.4,350 crore and the project is currently being appraised by the Government of India.

Both the projects are now pending for clearance before the Expert Appraisal Committee for Coastal Regulation Zone under the Ministry of Environment and Forests, Government of India. The Government of Tamil Nadu requests the intervention of the Hon’ble Prime Minister for the expeditious clearance of both these projects so that the drinking water supply situation in Chennai can be improved.

12. Urban Development:

(a) Inclusion of Four More Municipalities under Atal Mission for Rejuvenation and Urban Transformation (AMRUT):

32 Cities / Towns in Tamil Nadu originally qualified for inclusion under the **Atal Mission for Rejuvenation and Urban Transformation (AMRUT).**

Subsequently, the Government of India in May, 2015 had requested to identify such Urban Local Bodies whose population as per the Census 2011 was less than one lakh but has increased beyond one lakh before 31.12.2014 because of newly added areas. The Municipalities of **Karur, Villupuram and Namakkal** qualify under this criterion. The local body elections were also conducted in the year 2011 with the added areas and the population exceeding one lakh. **Udhagamandalam (Ooty),** one of the most popular tourist destinations in the Country, is a Municipality with a population of 88,422 (2011 census) and has a floating population of 50,000 per day. It is eligible to be included in the **AMRUT.**

The Government of India may therefore consider inclusion of the four towns of **Karur, Villupuram, Namakkal and Udhagamandalam** under the Atal Mission for Rejuvenation and Urban Transformation (AMRUT).

(b) Chennai Peripheral Ring Road (CPRR):

The Detailed Project Report for the 134 km Chennai Peripheral Ring Road (CPRR) connecting Ennore Port in the north through the Northern Port Access Road, to Mamallapuram in the south on the East Coast Road (ECR) to provide better connectivity and for decongesting Chennai city has been prepared. The CPRR Project has been proposed for external funding from the Japanese International Cooperation Agency (JICA) through the Government of India at a total cost of Rs.12,301 crore including Rs.921 crore for establishing an Intelligent Transport System (ITS) in Chennai. JICA is also very keen to support this project. I request that this project may be fast tracked and JICA financing secured at the earliest as it would help in improving the traffic conditions in the city and result in better port connectivity.

13. Chennai Metro Rail - Pending Project and Policy Issues:

The Chennai Metro Rail Limited, a joint venture of Government of India and Government of Tamil Nadu requires support on certain key policy issues from the Government of India:

(a) Chennai Metro Rail Project Phase II:

Metropolitan Chennai has been growing rapidly and traffic volumes have increased greatly. It was the goal of our Revered Leader the late Hon'ble Chief Minister of Tamil Nadu Puratchi Thalaivi Amma to promote public transport of various forms including metro rail to ensure that the share of public transportation in Chennai city is substantially increased.

Phase I of the Chennai Metro Rail Project which is currently under implementation, will cover the total length of 45 km. The Phase I extension from Washermenpet to Tiruvotriyur/ WIMCO Nagar covering further 9.51 Kms at the cost of Rs.3,770 crore has been approved by the Government of India and the work was also inaugurated by our Revered Leader Puratchi Thalaivi Amma.

There is a need to substantially expand the metro rail network in the city of Chennai. A Detailed feasibility report for the expansion of the Chennai Metro Rail Project along three corridors has been approved by the Government of Tamil Nadu. It has also been included in the rolling plan of Japan International

Cooperation Agency (JICA) for funding. Our Revered Leader the late Hon'ble Chief Minister of Tamil Nadu Puratchi Thalaivi Amma had requested the Hon'ble Prime Minister to instruct the Ministry of Urban Development and Ministry of Finance to support the proposed Phase II of the Chennai Metro Rail Project so that the work can commence early. The Detailed Project Report (DPR) for Phase II has been prepared and the same is under the consideration of the State Government and will be sent to Government of India shortly. As the inauguration of passenger services on the second elevated section from the Airport to Little Mount Stations was the last public engagement in which our Revered Leader the late Hon'ble Chief Minister of Tamil Nadu Puratchi Thalaivi Amma had participated in on September 21, 2016, it would be most fitting if Phase II of the Chennai Metro Rail Project is given early approval by the Government of India.

(b) Amendment to the Memorandum of Understanding:

The Chennai Metro Rail Project is being implemented on a joint ownership basis between the Government of India and Government of Tamil Nadu. In the Tripartite Memorandum of Understanding (MoU) that was entered into between Government of India, Government of Tamil Nadu and Chennai Metro Rail Limited, for implementing the project, the then UPA Government and the then DMK led State Government had included certain clauses which are not in the interest of the State Government and of the Project. These clauses do not provide for an equitable sharing of risks and costs. Our Revered Leader Puratchi Thalaivi Amma had sought amendments to certain clauses of the MOU, in particular, treating the consider land cost as the equity contribution of the Central or State Government who are transferring the land; sharing of any escalation in project cost and foreign exchange fluctuation beyond the approved project completion period also equally by the two Governments; and sharing of both operational losses and profits between the Government of India and the State Government.

In response to the Memorandum submitted by our Revered Leader Puratchi Thalaivi Amma on 14th June, 2016, the Ministry of Urban Development has indicated that the issue need not be pursued further as 90 percent of project work has been completed. However, the Ministry of Urban Development has persisted with the same clauses and made them even more stringent in the draft MOU they have shared for the Chennai Metro Rail Phase I Extension. The

Government of Tamil Nadu has sent a detailed letter to Secretary to Government of India, Ministry of Urban Development in this regard. I earnestly request you to instruct the Ministry of Urban Development to consider this issue with an open mind and in the spirit of co-operative federalism so that the legitimate concerns of the State Government regarding the MOU are adequately addressed.

(c) Railways lands taken by Chennai Metro Rail Limited on lease basis:

Chennai Metro Rail Limited has taken the Railway lands on long lease basis for the implementation of the Chennai Metro Rail Project on payment of 99% of the market value for the period of 35 years and extendable for another 35 years. In spite of the payment of 99% of the land value, the surface rights have been retained by Railways which is unfair.

A policy view has to be taken by Government of India, to transfer Railway lands to Metro Rail Project on permanent basis on collection of 100% of the land value as is being done in respect of lands transferred from other Central Government Departments / Agencies with full rights **or** in case, full rights cannot be given for justifiable reasons by Railways, then only nominal/token amount shall be charged for restricted rights.

Further no collection of charges should be made for underground tunneling work done by Metro Rail Administration below the Railway land. A nominal fee as track rent may be charged on crossing of Railway tracks alone.

When the issue was taken up at Railway Board level, they have not considered it favourably. However the Ministry of Urban Development has taken up the issue at the meeting of Committee of Secretaries and the issue is still unresolved. This issue is also creating confusion in interpretation of guidelines and fixing of charges, ultimately tension among the Railway and Metro Railway officials. It is feared that this unresolved issue may result in adverse impact on the progress of the project.

14. Approval of Project for Implementation of State led Model of Bharat Net in Tamil Nadu:

Our Revered Leader Puratchi Thalaivi Amma had announced that high quality, low cost broadband and other internet services will be provided to Village Panchayats to be linked under the Bharat Net Scheme. The Government of India has also accepted the Government of Tamil Nadu's proposal of a State-led model for Bharat Net. Accordingly, a Detailed Project

Report was prepared and sent to Department of Telecommunication, Ministry of Communications and IT, on 04.02.2016, seeking funding of Rs.4,628 crore from Universal Service Obligation Fund (USOF) for implementing the project through a Special Purpose Vehicle (SPV). A series of meetings have been held with officials of the Government of India on the proposal and the Government of Tamil Nadu has also indicated its in-principle approval for signing the tripartite Memorandum of Understanding. In this context, I request you to direct the Ministry of Communications and Information and Technology to grant approval for the project at the earliest pending the actual signing of the MOU.

15. Reviving the Electronics Manufacturing Hub at Sriperumbudur:

The Nokia Factory at Sriperumbudur in Tamil Nadu was one of the largest manufacturing facilities for mobile phones in the world. The Government of Tamil Nadu signed a Memorandum of Understanding (MoU) with Nokia on 06.04.2005 and with the support of the State Government, a Global Electronic Manufacturing Hub was developed. Unfortunately, retrospective amendments to tax laws brought in 2012 by the then UPA Government forced the Nokia plant to shut down in November, 2014 causing more than

15,000 direct employees to lose their jobs. You had announced in the Rajya Sabha in February, 2015, that the Government of India will take all necessary steps to revive the Nokia unit. M/s. Foxconn have recently come forward to takeover and revive the plant. To enable such a takeover, the Government of India would have to facilitate the defreezing of Nokia's assets, frozen by an order of the Delhi High Court in an Income Tax case, by arranging for the proceeds of the sale/ lease transaction to be paid into a separate escrow account to meet the final tax liabilities.

The above course of action will ensure that the existing plant is utilized, jobs restored to thousands of persons and production commenced immediately. The Department of Electronics and Information Technology (DeitY), Government of India has requested to forward a detailed proposal for revival of Nokia plant at Sriperumbudur. The Department of Revenue, Government of India has informed that it will extend full cooperation to any appropriate proposal submitted by Nokia India Private Ltd. which is in accordance with law and also protects the interest of revenue.

In this matter, State Government is taking earnest efforts to revive the Nokia Plant in constant coordination with DeitY, Government of India by actively engaging with Foxconn, the prospective promoter of the revival process. In this regard, we have also received a preliminary proposal from the Company for the revival which is under consideration of the State Government and talks are being held with Foxconn; however much of the revival process would depend on the Income Tax issue I have outlined above. **Your direct intervention is essential to ensure that the Income Tax authorities support the initiatives of the State Government and DeitY to revive the global manufacturing facility and restore the Electronic Manufacturing Hub at Sriperumbudur**.

16. Tamil Nadu Investment Promotion Programme Phase II:

The Tamil Nadu Investment Promotion Programme was a very successful initiative implemented by the Government of Tamil Nadu with JICA assistance. Based on the success of the programme,the Government of Tamil Nadu sent a proposal for a total amount of Rs.1,985.35 crore for the Tamil Nadu Investment Programme (TNIPP) Phase II posing to the Government of Japan / JICA for assistance. We are grateful that the Government of India has posed the programme for JICA Assistance. Unfortunately, the scope of the programme has been reduced and only Rs.890 crore for implementing hard infrastructure sub projects. Some important components including contribution to the First Loss Catalytic Capital for the Tamil Nadu Infrastructure Fund (TNIF) of Rs.300 crore, urban housing component of Rs.394.70 crore and the transport component of Rs.120 crore have been excluded. All of these items were included in the project in consultation with the JICA team and are very essential for improving the investment climate of the State. Further they also support innovative project approaches which can provide scale up models, both in Tamil Nadu and in other States of India. Hence, we request that the entire project with an outlay of Rs.1,985.35 crore may be posed to JICA for assistance.

Special priority may be accorded for including the component of First Loss Catalytic Capital of Rs.300 crore for TNIF which is a very innovative financing mechanism. There is already a proposal pending for investment from National Infrastructure Innovative Fund (NIIF) to Tamil Nadu Infrastructure Fund which has been taken up at the level of the Hon'ble Prime Minister as well. We understand that this proposal has also been recommended by M/s IIFCL, the project adviser for NIIF.

TNIF has already received SEBI approval and we are about to launch fund raising. JICA support is a crucial confidence building measure and exclusion of this component will be a blow to the initiative. I would be grateful if you could kindly consider this request and modify the recommendations made to Government of Japan/ JICA on TNIPP Phase 2 accordingly.

17. Investment by National Infrastructure Investment Fund (NIIF) in Tamil Nadu Infrastructure Fund:

Our Revered Leader the late Hon'ble Chief Minister of Tamil Nadu Puratchi Thalaivi Amma had launched the Vision Tamil Nadu 2023 which envisages an investment of Rs.15 lakh crore in infrastructure in the State. Investment of this order requires the tapping of several innovative financing mechanisms. Accordingly, Tamil Nadu became the first State to promote an Asset Management Company, the Tamil Nadu Infrastructure Fund Management Corporation Ltd (TNIFMC) with a 26 per cent State Government equity holding, to establish and manage innovative financing vehicles under SEBI regulations.

The Tamil Nadu Infrastructure Fund (TNIF) is the first of the Innovative Finance Vehicles (IFV) to be established. TNIF has been approved by SEBI as a Category (I) Alternative Investment Fund (AIF). As required under SEBI Regulations, TNIFMC will be the Asset Management Company for the Fund. Eminent professionals have joined the Board and Investment Committee of TNIFMC to ensure professionalism and independence in investment decisions. TNIFMC has prepared investment processes that have been appreciated by investors in UK,Korea, ADB and others. A pipeline of investible projects has been identified and 7 projects have been appraised for investment and approved by the Investment Committee. The Government of Tamil Nadu has also invested Rs.300 crore as its Catalytic First Loss Capital.

The National Infrastructure Investment Fund (NIIF), which has been set up with the same objective, is inter alia mandated to fund other AIFs. TNIF has made an application to NIIF for an anchor investment commitment Rs.2,000 crore. Indian Infrastructure Finance Corporation Limited (IIFCL), the Investment Advisors to NIIF, have evaluated and recommended investment in TNIF to the NIIF Board, where it is still under consideration.

I request you to instruct the Ministry of Finance to expeditiously approve the application, considering the strong merits of TNIF's proposal. It may be noted that TNIF is the only Infrastructure AIF promoted by a State Government and an investment in the Fund would also help NIIF to realise its objectives.

18. Realignment of proposed Kochi-Bengaluru GAIL Pipeline:

The proposed Kochi-Kootanad-Mangaluru-Bengaluru gas pipeline project of GAIL (India) Limited along the present proposed alignment would cause irreparable damage to the agricultural property of thousands of farmers in seven Districts of Tamil Nadu. Recent amendments to the Right of Use under the Petroleum and Minerals Pipelines (Acquisition of Right of User in Land) Act, 1962, have made farmers culpable for damages to the pipeline, even those occurring without their knowledge.

The Government of Tamil Nadu believes that a realignment of the pipeline route along the highways with the least harm to the people and the least adverse impact on agriculture would be the best way forward to implement the project. The Government of Tamil Nadu has already constituted an Expert Committee to examine the possibilities of realigning the pipeline along the National Highways, and officials of GAIL can also join this Committee, to find a mutually acceptable solution so that the implementation of the project can proceed without affecting the interests of poor agriculturists.

Under the Petroleum and Minerals Pipelines (Acquisition of Right of User in Land) Act, 1962, the Competent Government is the Central Government, and I reiterate the request the Government of Tamil Nadu had made when our former Chief Minister wrote to you on this issue on 08.02.2016, to intervene urgently and direct the following actions to be taken :

- The Government of India may rescind the Notifications S.O. 486 (E) dated 05.03.2011 issued under Section 3 and all other Notifications issued subsequently under the said Section, S.O.2832(E) dated 19.12.2011, under Section 6(1) and S.O.12(E) dated 04.01.2012, under Section 6(2) and all other Notifications issued before and after that date under said Section, by the Ministry of Petroleum and Natural Gas for the GAIL pipeline in Tamil Nadu. The Central Government is empowered to withdraw the Notification under Section 93 of the Right to Fair Compensation and Transparency in Land Acquisition, Rehabilitation and Resettlement Act, 2013, read with Section 18 of the Petroleum and Minerals Pipelines (Acquisition of Right of User in Land) Act, 1962.

- Direct GAIL India Ltd not to act upon the said Notifications pending a final view in the matter and to join the Expert Committee constituted by the Government of Tamil Nadu.

- Amend the relevant provisions of the Petroleum and Minerals Pipelines (Acquisition of Right of User in Land) Act, 1962, and the Right to Fair Compensation and Transparency in Land Acquisition, Rehabilitation and Resettlement Act, 2013, to provide for the conduct of a Social Impact Assessment under the Petroleum and Minerals Pipelines (Acquisition of Right of User in Land) Act, 1962.

Subsequent to the Memorandum submitted by the Government of Tamil Nadu to you on 14.06.2016, GAIL (India) Limited informed by its letter dated 16.06.2016 that GAIL will be part of the expert committee constituted by Government of Tamil Nadu for route selection, including feasibility study for laying gas pipeline alongside of the National Highways/ State Highways / Roads. GAIL had also indicated the names of senior officials of GAIL and MECON Limited, who had to be nominated for inclusion in the expert committee.

However, to our total surprise, GAIL shifted from its position stated above by its letter dated 10.11.2016, in which it has informed that GAIL had only intended to explain its position to the Expert Committee and that GAIL has no mandate legally or otherwise to comment on the pipeline route as the same has been vested on GAIL by Government of India. It is disappointing to see GAIL deciding to stick on to its earlier position of not willing to reconsider the alignment as is being requested by the State. I wish to point out that since GAIL has indicated that the pipeline route has been vested on GAIL by Government of India, I strongly urge the Union Government to prevail upon GAIL to consider the proposal of the State along with the Expert Committee, so that the issue is resolved soon.

I request your immediate intervention to ensure that this sensitive issue which has huge implications for the farmers and the common people of Tamil Nadu can be resolved through a constructive and accommodative approach.

19. Special Relief Package for Micro, Small and Medium Enterprises:

Our Revered Leader late Hon'ble Chief Minister Puratchi Thalaivi Amma had sought a Special Relief Package for the MSME Sector for the damages caused by the torrential rains and the consequent flooding in the area around Chennai which inflicted enormous losses on MSMEs - damaging plant and machinery, buildings and stocks of raw materials and finished products. At the Government of Tamil Nadu's request, the State Level Bankers Committee (SLBC) of Tamil Nadu held on 14.12.2015, after due consideration of the extraordinary circumstances, devised a package similar to the package adopted for MSMEs affected during floods of 2014 in Jammu and Kashmir. However, the Reserve Bank of India curtailed the package recommended by the SLBC. Since these units have suffered last year heavily and could not get full package, **the Ministry of Finance may be instructed to advise RBI to consider providing a moratorium of six months up to 30.06.2017 on the loan repayment by the MSME units.**

Our Revered Leader Puratchi Thalaivi Amma had also sought modification of National Disaster Response Fund (NDRF) Guidelines to make MSMEs Eligible for Relief. The existing norms of the National Disaster Response Fund (NDRF) provide for relief for loss of human life, crops, cattle, dwelling units etc. However, there is no provision for compensation to MSMEs on account of damages suffered during natural calamities. This anomaly needs immediate rectification. I request that NDRF norms may be suitably revised and relief provided to flood affected MSMEs in Tamil Nadu. Further, an appropriate area based insurance scheme with reasonable premium rates should also be formulated for MSME units.

20. Grant of Digital Addressable System (DAS) License to Tamil Nadu Arasu Cable TV (TACTV) Corporation Ltd.:

The Government of Tamil Nadu under the leadership of the late Hon'ble Chief Minister, Puratchi Thalaivi Amma had revived the 'Tamil Nadu Arasu Cable TV' (TACTV) Corporation in order to provide Cable TV Services at an affordable cost to the public. TACTV submitted its applications for grant of Digital Addressable System (DAS) License to GOI on 05.07.2012 and 23.11.2012. These applications are still pending with the Ministry of Information and Broadcasting. The deliberate non-issuance of DAS licence to the State Government owned Tamil Nadu Arasu Cable TV Corporation by the previous UPA Government was only to facilitate particular private business interests. Since then several representations and letters have been sent to Government of India but the license is yet to be issued even though more than two years have elapsed since the present NDA Government took over. I request you to expedite the issue of DAS license to TACTV.

21. Privatisation of Salem Steel Plant:

The Salem Steel Plant, which is globally known for its top quality steel, is a cherished Central Public Sector Undertaking located in Tamil Nadu and the people of the State feel proud that the famous plant is located here. To give a little background of the company, the Government of Tamil Nadu had acquired about 15.5 sq.km. land in 9 villages for Salem Steel Plant (SSP), more than four decades ago in the foot hills of Kanjamalai, Salem. Salem Steel Plant is one of the very well known industries located in the State on the lines of Neyveli Lignite Corporation, Bharat Heavy Electricals Ltd., Integral Coach Factory, etc. and it provides employment to about 2000 persons and many ancillary and subsidiary units also depend on it.

I would further like to inform that the State Government has offered a **Structured package of incentives** to Salem Steel Plant in the form of Soft loan, Capital Subsidy, Electricity Tax Exemption and Environmental Protection Subsidy for its Rs.2,005 crore worth expansion project. In 2015, the State Government issued an order to grant extension of one year time to enable Salem Steel Plant to complete its expansion activities.

Given the above context, the recent news of proposed privatization plant of the Salem Steel Plant by the Government of India has caused lot of apprehension and dismay among the people of the State.

As you are aware, our Public Sector Undertakings are capable of performing very well provided they are given the right support and direction in the dynamic economic scenario. The causes for the Company's recent losses must be studied and Salem Steel Plant must be given a chance to improve its efficiency and make a turn around. Privatisation is not a cure but a burial of a big investment made in a core infrastructure field which must be avoided at all costs and must be considered in the rarest of rare cases.

Therefore, I request your intervention in this matter and advise the Ministry of Heavy Industries and the Steel Authority of India Limited against going ahead with the privatization move of Salem Steel Plant.

22. Sri Lankan Tamils Issue:

Our Revered Leader Puratchi Thalaivi Amma had repeatedly emphasized that India has a commitment to protect the life and liberty of Tamils in Sri Lanka, whose distinct identity and cultural presence in Sri Lanka, particularly in the Northern and Eastern regions, was the guiding principle behind the Indo Sri Lankan Accord that led to 13^{th} Amendment to the Sri Lankan Constitution. Democratic decentralisation through the 13^{th} Amendment to the Constitution of Sri Lanka, should be the spring board for the process of securing the right to self-determination, through which the Sri Lankan Tamils could eventually realise the aspiration of Tamil Eelam.

I reiterate the request of our Revered Leader Puratchi Thalaivi Amma that the Government of India take all possible steps to ensure that the process of democratic decentralization, which is integral to the survival of the Tamils in Sri Lanka, is expedited. I hope that the Government of India, as a leader in the region and as a champion of human rights and democracy, will decisively take a bold stand in support of the much discriminated against and long suffering Tamil minorities in Sri Lanka.

I also urge the Government of India to take necessary measures to bring to book those in Sri Lanka who had perpetrated the genocide on innocent Tamils in Sri Lanka. Government of India should take the initiative in this regard in appropriate international fora like the United Nations Human Rights Council.

Dual Citizenship for Sri Lankan Tamil Refugees:

There are a sizeable number of Sri Lankan Tamils who have been residing in Tamil Nadu as refugees both within and outside refugee camps. The Government of Tamil Nadu urges the Government of India to permit such refugees to hold dual citizenship of both India and Sri Lanka so that they could take up employment and business in India without any hindrance.

23. Tamil as an Official Language and Use of Tamil in the High Court:

The long pending demand of the people of Tamil Nadu is to make the ancient Tamil language an official language of the Government of India. Tamil Nadu again strongly urges the Government of India that all the languages included in the Eighth Schedule of the Constitution of India be declared as official languages of the Government of India.

There has been a long standing request of the people of Tamil Nadu regarding the language to be used in the High Court. My revered leader, the late Hon'ble Chief Minister of Tamil Nadu, Puratchi Thalaivi Amma had already requested the Government of India to take up the matter again with the Hon'ble Supreme Court to enable the use of Tamil in the High Court of Madras. However, the Government of India, Ministry of Home Affairs, Department of Official language in its letter dated 09.08.2016 has informed that the Full Court of Supreme Court of India, after extensive deliberations on 16.12.2015 disapproved the proposals. In this regard, the Secretary to Government of

India, Ministry of Home Affairs, Department of Official language has again been addressed on 24.01.2017 reiterating the proposal of this Government requesting to authorise the use of Tamil in the High Court of Madras. Now the Government of India, Ministry of Home Affairs, Department of Official Language in its letter dated 15.02.2017, has again informed that the Full Court of the Supreme Court of India, has reiterated its earlier stand disapproving the request of the State Government. Since, this is a long standing aspiration and demand of the people of the State, I once again request you kindly to reconsider the proposal for use of Tamil in the High Court of Madras.

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