Text of the Memorandum presented by Selvi J Jayalalithaa, Hon'ble Chief Minister of Tamil Nadu to Shri Narendra Modi, Hon'ble Prime Minister of India on 3.6.2014 is reproduced below:

I. 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

With our persistent and untiring efforts and with the intervention of the Supreme Court, the Final Order of the Cauvery Water Disputes Tribunal dated 5.2.2007, has been notified by the Government of India on 19.2.2013. Tamil Nadu has been urging the Government of India for the early formation of the Cauvery Management Board and the Cauvery Water Regulation Committee. A "Pro tem" Supervisory Committee has been formed which has not been effective. We request that the Cauvery Management Board and the Cauvery Water Regulation Committee be formed immediately.

(b) Nomination of a representative from the Central Water Commission in the Supervisory Committee to supervise the raising of water level to 142 ft. in the Mullai Periyar Dam as per the judgment of the Supreme Court dated 7.5.2014.

The Supreme Court in a **historic judgment dated 7.5.2014 has ruled in favour of Tamil Nadu and declared Kerala's amended Act of 2006 as unconstitutional and ultra vires in its application to Mullai Periyar Dam**. The Court allowed the Government of Tamil Nadu to increase the storage of water in the Dam to 142 feet under the supervision of a 3-Member Supervisory Committee, with one representative each from the Central Water Commission and from the two States – Tamil Nadu and Kerala. The Government of Tamil Nadu has nominated its representative and addressed the Government of India to nominate its representative in the 3-Member Supervisory Committee. **The Supervisory Committee should be in position before the onset of the South West Monsoon so that the Order enabling Tamil Nadu**

to store water in the Dam up to 142 feet can be implemented immediately.

(c) Release of Water from Neyyar Dam by Government of Kerala

9200 acres of land in Vilvancode Taluk, Kanyakumari District, which was part of the erstwhile Travancore-Cochin State before States' reorganization, was to benefit under the Left Bank canal of the Neyyar Irrigation Project. After the reorganisation of States the Vilvancode Taluk had been transferred to Tamil Nadu and water was being released from the Neyyar Dam for irrigation up to February 2004. The Government of Kerala abruptly stopped the supply of water from March, 2004, on the plea that Neyyar is an Intra-State river. I request the Hon'ble Prime Minister to direct the Government of Kerala to restore water supply to Tamil Nadu from the Neyyar Dam.

(d) Inter-linking of Rivers :

(i) Inter-linking of Peninsular Rivers:-

The Government of Tamil Nadu has been urging the Government of India to implement the interlinking of the Rivers Mahanadhi-Godavari-Krishna-Pennar-Palar-Cauvery and then on to Gundar as also the diversion of waters of the west flowing rivers of Pamba and Achankovil to Vaippar in Tamil Nadu under the Peninsular Rivers Development Component.

In a Public Interest Petition the Supreme Court, in its Order dated 27.2.2012, directed the Government of India, Ministry of Water Resources, to constitute a Special Committee for the implementation of Inter-Linking of Rivers. Unfortunately, the Union Ministry of Water Resources, after the formation of the Committee in May, 2013, has not taken any further steps to implement the inter linking of rivers project. I have the following requests:

- **The Special Committee for interlinking of rivers should be activated.**
- **All inter-State rivers should be nationalised so that water resources of the Country are optimally utilised.**

(ii) Inter-linking of Rivers within the State:-

- **Athikadavu-Avinashi Flood Canal Scheme: Government of Tamil Nadu had sought the assistance of Government of India for implementation of the**

Athikadavu-Avinashi Flood Canal Scheme at an estimated cost of Rs.1862 crores. This may be sanctioned on a priority basis.

- **Pennaiyar (Sathanur Dam)–Palar Link Scheme and Pennaiyar-Nedungal Anicut-Palar Link at an estimated cost of Rs.500 crores may kindly be expedited.**
- **Cauvery-Gundar link:**
- **The proposal to divert the flood waters of Cauvery to drought prone areas by linking the Rivers Cauvery-Vaigai-Gundar at a cost of Rs.5166 crores which was kept pending and later returned by the previous Central Government may be approved expeditiously.**

(e) Cauvery Modernisation Scheme:

The River Cauvery is the lifeline of Tamil Nadu. With the notification of the Final Order of the Cauvery Water Disputes Tribunal, the scheme for Modernisation of the Canal System in the Cauvery Basin at a cost of Rs.11,421 crores may be accorded approval.

II. SRI LANKAN TAMIL ISSUE

There are very strong sentiments amongst Tamils and in Tamil Nadu on a range of issues relating to India's relations with the present regime in Sri Lanka in the aftermath of the final stages of the civil war in Sri Lanka, which was marked by an ethnic pogrom and genocide perpetrated on the Tamil minority in Sri Lanka. The Tamil Nadu Legislative Assembly has already passed four Resolutions condemning the continuing discrimination against the Tamil minorities in Sri Lanka and violation of their human rights.

I request that India should sponsor a resolution in the United Nations condemning the genocide in Sri Lanka and to hold to account all those responsible for the genocide and thereby render justice to the Tamils in Sri Lanka. The resolution should also provide for holding a Referendum amongst Tamils in Sri Lanka and displaced Sri Lankan Tamils across the world for formation of a separate Tamil Eelam.

III. FISHERIES SECTOR

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

I had written 41 times in the last three years to the then Prime Minister on the 76 incidents of apprehension and 67 incidents of attacks on or harassment of the fishermen of Tamil Nadu by the Sri Lankan Navy. These incidents have caused great unrest amongst the Fishermen Community of Tamil Nadu. Such incidents are a national issue as any attack on an innocent Indian is an attack on India. But the previous Government did not take up the matter forcefully.

Although our fishermen, in an accommodative frame of mind, have come forward for talks between the fishermen of both the countries, the second round of talks held in Colombo on 12th May, 2014, failed without any agreement due to the obduracy of the Sri Lankan Foreign Ministry officials. I request the Hon'ble Prime Minister to take **all efforts to protect the traditional fishing rights of Indian (Tamil Nadu) fishermen in the Palk Bay area and to ensure their safety and security.**

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

Katchatheevu is a small island of approximately 285 acres in the Palk Straits off Rameswaram, which was a part of Ramanthapuram District of Tamil Nadu. It was originally under the ownership of the Raja of Ramanathapuram for which there is sufficient documentary proof. The Indian fishermen enjoyed traditional fishing rights in and around the island of Katchatheevu. As per Agreements entered into in 1974 and 1976, Katchatheevu was ceded to Sri Lanka and **the fishermen of Tamil Nadu have been deprived of their fishing rights around Katchatheevu ever since then.**

In 1991, the Tamil Nadu Legislative Assembly passed a resolution seeking the restoration of Katchatheevu Island and the sea area adjacent to it to India. Further, a proposal was 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'.

I have personally filed a Writ Petition (W.P. (Civil) No.561/ 2008) in this regard in the Supreme Court of India in 2008 and the Government of Tamil Nadu has also impleaded itself in 2011. As per the order of the Supreme Court of India in the Berubari case of 1960, a part of 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 grounds.

The Government of India should, hence, take active steps to abrogate the 1974 and 1976 agreements and retrieve Katchatheevu and restore the traditional fishing rights of the fishermen of Tamil Nadu.

(c) Comprehensive Special Package for Diversification of Fisheries

(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 crores over three years.

(ii) Assistance for Mid Sea Fish Processing Park

Under this project, which will cost approximately Rs.80 crores, a 'Carrier Mother Vessel' will be stationed at mid-sea, and will 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 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 (which is practically impossible for any motorised boat owner), and the monthly ceiling of only 500 litres per boat are unworkable. Such conditions should immediately be reviewed in order to make this scheme operational.

(iv) Motorisation of traditional crafts

The present level of assistance of Rs.3 crores per year for motorisation of nearly 1,000 traditional crafts every year is very meagre since there are over 32,000 non-motorised traditional crafts in Tamil Nadu. At least Rs.9 crores per year may be sanctioned so that in a period of five years all traditional craft can be motorized.

(v) Creation of Infrastructural facilities for Deep Sea Fishing

To provide infrastructural facilities in Mookaiyur and Rameswaram Fishing Harbours in Ramanathapuram District, and Ennore Fishing Harbour in Tiruvallur District, the Government of India is requested to sanction Rs.420 crores as 100% Central Grant.

(vi) Dredging of Fishing Harbours and Bar Mouths

It is requested that assistance to the extent of Rs.10 crores may be sanctioned every year for this purpose to Tamil Nadu.

To summarize, a Comprehensive Special Package of Rs.1520 crores and a recurring grant of Rs.10 crores per annum for maintenance dredging is sought.

IV. POWER SECTOR

(a) Additional Allocation of Power from Central Generating Stations

The Central Government has 15% unallocated power share totalling 450 MW in the Kudankulam Nuclear Power Plant Units I and II; Neyveli Lignite Corporation Thermal Station II expansion (2x250 MW); joint venture with Neyveli Lignite Corporation at Tuticorin (2x500 MW) and joint venture with NTPC at Vallur (500 MW) projects. **Considering the fact that the host State has to tie up necessary inputs like land, water, coal for expeditious implementation of the projects, the Government of India is requested to allocate this 15% unallocated power fully to Tamil Nadu.**

(b) Improvement of Transmission Infrastructure

Enabling power flow through the 765 KV transmission line from Raichur in Karnataka to Sholapur in Maharashtra by commissioning the second line is critical to overcome the power shortage in the Southern Grid.

I request the expeditious completion of 765 KV inter-regional transmission lines which have already been sanctioned by the Power Grid Corporation of India:-

1. Vemagiri (Andhra Pradesh) - Angul (Orissa)
2. Narendra (Karnataka) - Kolhapur (Maharashtra)
3. Hyderabad (Andhra Pradesh) - Wardha (Maharashtra)

To evacuate the power available with pithead power stations in Chattisgarh, work on the HVDC (High Voltage Direct Current) line with 6000 Mega Watt transmission capacity from Chattisgarh to Pugalur in Tamil Nadu needs to be taken up by the Power Grid Corporation urgently.

(c) Central Support for Green Energy Corridors - Creation of Transmission infrastructure for Renewable Power

Tamil Nadu is a pioneer in harnessing renewable energy with an installed capacity of 7252 MW in wind power alone. Lack of adequate power evacuation infrastructure for renewable energy is an issue and the cost of transmission infrastructure for evacuation of renewable energy costs four to five times per unit cost of transmission as compared to the energy from conventional sources due to low capacity utilization.

The Government of India should support the creation of an intra state 'Green Energy Corridor'. The Government of India is requested to provide a grant of Rs.2,250 crores towards transmission schemes for evacuation of a portion of solar energy.

V. SHORTFALL IN RELEASES OF GRANTS IN AID

There are major grants-in-aid due to the Government of Tamil Nadu from the Government of India up to 2013-14. This has adversely affected the fiscal health of the State.

(a) Performance Grant under 13th Finance Commission

The 13th Finance Commission has recommended a General Performance Grant of Rs.1888 crores to the local bodies in Tamil Nadu for the period from 2011-12 to 2014-15. As against this amount, so far only Rs.125 crores have been released up to 2013-14. Tamil Nadu has fully complied with six out of the nine substantive conditions and substantially complied with the remaining three conditions. Against this background, the grant may be released in full considering Tamil Nadu's significant compliance.

(b) Accelerated Irrigation Benefit Programme – Pending Reimbursement

I. Grants for Flood Protection Works

Five flood protection works in Tamil Nadu were accorded investment clearance by the Union Planning Commission in 2009-10 and 2010-11 for an amount of Rs.613.43 crores, with a Central share (75%) of Rs.460.07 crores.

All five works were completed by 2012-13 and a total amount of Rs 625.77 crores spent. However, the Government of India has released a total grant of only Rs.59.82 crores so far. The release of Rs.388.08 crores has been recommended. The Hon'ble Prime Minister may direct the Ministries of Water Resources and Finance in the Government of India to release the recommended grant of Rs.388.08 crores to Tamil Nadu.

II. Command Area Development & Water Management Programme

Out of Rs.77.47 crores of Central Assistance due for works completed till 2013-2014, the Government of India has released a sum of only Rs.5.91 crores and the balance amount of Rs.71.56 crores may be released at the earliest.

(c) Grants for School Education

I. Sarva Shiksha Abhiyan

For the year 2011-12, the Ministry of Human Resource Development had in 2013-2014 sanctioned a sum of Rs.438.38 crores towards committed liability of the teacher salary component, of which the 65% central share works out to Rs.284.95 crores. As against this, the Government of India released Rs.57 crores only and the balance grant of Rs.228 crores is still awaited.

II. Right to Education (RTE) Compensation

The total number of admissions under the Right to Education Act in private schools for 2013-14 is 49,864 and the reimbursement amount to be given works out to Rs.25.13 crores. The Government of India is requested to release a sum of Rs.25.13 crores at the earliest.

III. Rashtriya Madhyamik Shiksha Abhiyan

In 2010-11, the Project Approval Board (PAB) sanctioned 344 infrastructural works at a cost of Rs.499.20 crores with 75 per cent Central share of Rs.374.40 crores. The amount received from the Government of India was only Rs.310.52 crores and the balance of Rs.63.88 crores, already incurred from the State Government funds, is yet to be received.

For the year 2011-12, the revised PAB approval is Rs.675.05 crores and the entire Central Government's share of Rs.506.29 crores is yet to be released. Therefore, the Government of India is requested to reimburse the total pending claims of Rs.570.18 crores for the years 2010-11 and 2011-12.

(d) Other Major Grants-in-Aid Due from GoI

In addition, there are 13th Finance Commission Grants for Roads and Bridges maintenance, slum improvement, coastal protection and renewable energy **totalling Rs.1083.16 crores** and grants for Post Matric Scholarships for Scheduled Caste students for Rs.279.40 crores and for the Statistical Strengthening Project (Rs.22.91 crores), Comprehensive Handloom Development Programme (Rs.45.28 crores) yet to be released. Under the revamped Central Road Fund Rs.71.59 crores and under the Family Welfare programme Rs.74.53 crores are still to be released. **The total amount of such grants is Rs.1576.87 crores, which may kindly be released at the earliest.**

VI. REDESIGN OF CENTRALLY SPONSORED SCHEMES

The Government of Tamil Nadu is firmly of the view that the proportion of resources transferred from the Centre to the States through the Finance Commission route should be substantially increased from the present 54 per cent and this should be primarily as tax devolution as this is an untied and automatic fund flow mechanism.

The States have been placed at the whim and mercy of different Ministries at the Centre to receive scheme based Plan assistance. This is humiliating to the States, who should be treated as equal partners in development.

Recently, the Union Planning Commission decided that from the fiscal year 2014-15 onwards, the Central Plan outlay on all the Centrally Sponsored Schemes would be classified as Central

Assistance to the State Plan and included as part of the State Plan outlay. **Tamil Nadu is apprehensive about the implications of such an arrangement**. **The State Government will have no say in the scheme design, which may or may not reflect the priorities of the State. Nor will the State have any control over the financing of this portion of the plan outlay.** Reductions in Central allocations and delays in releases from the Centre would affect the States' performance. **Such a decision ought not to have been taken in the last few months of the previous Union Government's term. There is an opportunity to correct this situation since the Main Budget for 2014-15 is yet to be presented.**

In the case of Centrally Sponsored Schemes (CSS) and Additional Central Assistance (ACA) schemes, Tamil Nadu has also called for fairness in the guidelines and criteria adopted for allocation of funds. We have also highlighted that there should be clarity, certainty and timeliness in the manner in which annual fund allocations are determined for CSSs and ACA Schemes and the States should be protected against arbitrary mid-year cuts in allocations and non-release of funds.

Detailed specific suggestions have also been made about the guidelines for different schemes, which may be taken note of when formulating new schemes and guidelines. Substantial flexibility in the design of the programmes is needed to cater to the diverse needs and the capacity differentials amongst States. Guidelines should allow States to dovetail Central scheme funds with State funds. Indexing of Financial Norms is essential and the level of benefits should be automatically raised – eg., Pension amounts, unit cost of houses under Indira Awas Yojana (IAY).

Direct Release of funds to implementation agencies and SPVs at the State and District level should be stopped. Central assistance should be released only through the State Government Budgets which respects the autonomy of State Governments, enables improved monitoring and actual convergence and synergy in the implementation of State and Central Government programmes.

VII. DIRECT BENEFIT TRANSFER

As one of the most progressive and well governed States in the Country, **Tamil Nadu has already adopted the mechanism of Direct Cash Transfer, through bank accounts of the beneficiaries, for schemes which involve conditional cash**

transfers. The Government of Tamil Nadu is strongly opposed to any move to monetize and transfer in cash the subsidy element under the Public Distribution System, and fertilizer, kerosene and LPG subsidies etc, where the critical concern is not the quantum of subsidy, but access and availability of commodities.

On grounds of sound administrative practice and to ensure that the States are true partners in development, the direct transfer of cash to the bank accounts of the beneficiaries should be effected by the State Governments with the Centre releasing its share to the States.

VIII. ADDITIONAL CENTRAL SUPPORT FOR SOCIAL SECURITY PENSIONS SCHEME

In Tamil Nadu, social security pensions are provided under eight schemes, to a total of 35.64 lakh beneficiaries under eight schemes. This includes 12.37 lakh persons covered under three Government of India supported pension schemes. In **May 2011, the Government of Tamil Nadu raised the monthly pension from Rs. 500/- to Rs. 1,000/-.** The Government of India support is only up to Rs.200/- to 500/- per beneficiary per month in three out of the eight categories. The total financial commitment to the State Government for a year is Rs.4,491 crores, whereas the Government of India contributes only around Rs.600 crores a year.

I request the Hon'ble Prime Minister to consider the following suggestions:-

1. **To enhance the Central Government pension amount to Rs. 1000 per month.**
2. **To cover more categories of pensioners, like in Tamil Nadu.**
3. **To remove the ceiling on the number of beneficiaries under the Central Schemes.**

IX. GOODS AND SERVICES TAX

Tamil Nadu is concerned **about the impact the proposed GST will have on the fiscal autonomy of the States and the huge permanent revenue loss it is likely to cause to a manufacturing and net exporting State like Tamil Nadu.**

I had suggested an alternative radical approach in which the levy, collection and appropriation of the substitutes for VAT, Central Excise Duty and Service Tax within a State could be delegated completely to the State machinery, with the Central machinery focusing on interstate taxation.

A number of concerns of Tamil Nadu need to be addressed including:

- **The extent of revenue loss under GST, estimated to be around Rs.9270 crores, due to the lower than revenue neutral rates proposed.**
- **Concern that the GST Council and Advisory Committees will override the supremacy of the State Legislature in taxation matters.**
- **Keeping Petroleum, Petroleum products and alcoholic liquor outside GST keeping in mind the revenue impact and the positive environmental and social impact of high effective taxation on these items.**
- **Need for enabling the States to levy higher taxes on tobacco and tobacco products on par with the Centre.**
- **There should be no provision for Declared goods, which is against the principle of harmonization.**
- **Need for an independent compensation mechanism for revenue losses suffered by the States.**

I request the Hon'ble Prime Minister to keep all the above issues in mind while taking an appropriate decision on GST.

X. CENTRAL SALES TAX COMPENSATION

As part of the road map for the implementation of GST, the Central Sales Tax (CST) rate was reduced from 4% to 3% with effect from 1.4.2007 and further brought down to 2% with effect from 1.6.2008. The Government of India agreed to implement various non revenue measures and direct release of funds to compensate the States for the revenue losses. **The Government of Tamil Nadu has been submitting its compensation claims regularly but has not received the promised compensation in full.** As against the State Government's claim of Rs.9676.46 crores for the period from 01.04.2007 to 31.03.2012, a sum of Rs.2636.50 crores alone has been released by GOI. A sum of Rs.7039.96 crores has to be reimbursed from GOI for pending compensation for the period up to 31.03.2012.

XI. DISALLOWANCE OF STATE LEVIES AS ELIGIBLE DEDUCTIONS FROM INCOME UNDER THE INCOME TAX ACT

The Finance Bill 2013, contains an extremely retrograde, anti-federal provision. Clause 7 of the Bill amended Section 40 of the Income Tax Act which has made any levy by a State Government by way of privilege fee, license fee, royalty etc., on State Public Sector Undertakings not deductible for the purpose of computation of income. All such levies are legitimate statutory levies and as such were deductible from the income of the State Public Sector Undertakings under Section 37 of the Income Tax Act.

Clause 7 of the Finance Bill 2013 is objectionable because:

- **It amounts to an indirect taxation of the income of State Governments and hence is violative of the spirit of Article 289 of the Constitution of India which exempts the property and income of a State from Union taxation.**
- It is discriminatory as it applies only to State PSUs but not to Central Public Sector Undertakings.
- As presently worded it gives very wide discretion to Income Tax Authorities to interpret it in an arbitrary manner.

Clearly this provision is ill-conceived and misguided and has no place in a federal polity like ours. **I request the Hon'ble Prime Minister to revisit the issue and nullify the impact of Clause 7 of the Finance Act 2013, when the Main Union Budget for 2014-15 is presented.**

XII. AGRICULTURE

(a) Agriculture Insurance

Crop insurance is the only weather-proofing mechanism available to millions of our farmers to mitigate the impact of adverse climatic conditions. The UPA Government's abrupt and hasty decision to withdraw the National Agriculture Insurance Scheme

(NAIS) and replace it with the National Crop Insurance Programme (NCIP) from Rabi 2013 was a rude shock to the farmers.

The introduction of the NCIP has increased the burden of premium on the farmers of Tamil Nadu manifold. Under NAIS the premium level was 2% to 3.5% of the sum insured. With the State Government's 50% premium subsidy, farmers paid only 1% to 1.75% of the sum insured. In the new National Crop Insurance Programme the premium payable by the farmers has increased to "3.75% and above" under Modified NAIS component, and to "4.8% and above" under the Weather Based Crop Insurance Scheme. With such high premia, it is really doubtful whether farmers will come forward to insure their crops and mitigate their risks.

Therefore, I suggest that the additional burden of premium over and above 2% of the sum insured under the National Crop Insurance Programme may be borne equally by the State Government and the Government of India without passing on the burden to the farmers.

(b) Issues relating to Schemes in the Agriculture Sector including Rashtriya Krishi Vikas Yojana / National Agriculture Development Programme (RKVY/NADP), Nutrient Based Subsidy programme and National Mission for Sustainable Agriculture

- The allocations under the National Agriculture Development Programme (NADP/RKVY) were grossly inadequate and the annual allocations to States made in a very non-transparent and arbitrary manner. Consistent and formula based allocation which is informed to the States in advance is required. **The allocation to Tamil Nadu under NADP must be stepped up to at least Rs.1200 crores in 2014-15.**
- Under the Nutrient Based Subsidy (NBS) for fertilizers introduced in 2010, the quantum of subsidy on N,P and K fertilizer is fixed whereas manufacturers/ importers of chemical fertilizers can fix the retail price based on their cost of production/import. Fertilizer companies have been hiking the retail price of fertilizers at their will, causing extreme hardship to farmers. It has also led to an imbalance in nutrient application as the farmers started moving towards excess application of urea which is cheaper. The State Government has tried to mitigate the ill-effects of this policy by waiving the levy of VAT on the sale of

fertilizers. **I request that the NBS policy be withdrawn and the fixed MRP policy for all fertilizers re-introduced. The Central Government should ensure the timely availability of essential fertilizers.**

- The Central Government has introduced a differential and reduced subsidy regime for micro irrigation schemes for Drought Prone Area Programme (DPAP) and non-DPAP blocks under the revamped National Mission for Sustainable Agriculture (NMSA). Under this, only 35% subsidy is given to small and marginal farmers compared to the earlier subsidy of 50 per cent and only 25 percent is given to other farmers compared to the earlier subsidy of 35 per cent in non-DPAP blocks. In Tamil Nadu, 305 out of the 385 blocks are non-DPAP blocks and the farmers in these blocks will receive much lower subsidy. Hence the Government of India is requested to restore the uniform pattern of 50% subsidy to small and marginal farmers and 35 % to other farmers in all blocks.

XIII. FOOD SECURITY, PUBLIC DISTRIBUTION SYSTEM AND PRICE CONTROL

(a) National Food Security Act

Some key suggestions made by Tamil Nadu to safeguard food security were not adequately addressed when the National Food Security Act was passed.

- **Tamil Nadu seeks a legally binding assurance on the issue price of food grains for the additional assured quantity provided for those States which are already drawing food grains over and above the guaranteed quantity under the Act. Such additional quantitites should be supplied to the States at Rs 3 per kg or at least at the current price applicable for Above Poverty Line families of Rs 8.30 per kg.**
- **Preferably the entire urban population should be covered as households eligible for allocation of subsidized food grains. Alternatively, at least 75 percent of the urban population should be covered as in rural areas**.
- Schedule I of the Act assures the limited allocation of subsidized food grains only for a period of 3 years from the commencement of the Act. The guarantee of subsidized

food grains with an assured level of subsidy from the Government of India should be for a period of at least 10 years.

- ❖ A provision to obligate the Central Government to import food in times of scarcity is very crucial to make this legislation truly a Food Security Act.
- ❖ The extended time period of 1 year to complete identification of the eligible households is not a realistic time frame. At least 2 to 3 years time must be provided.
- ❖ The provision in the Act empowering the Central Government to introduce cash transfer and food coupon schemes must **be amended with a clear indication that any cash transfer scheme can be introduced only with the concurrence of the State Government.**

(b) Additional Subsidy for Special Public Distribution System

Tamil Nadu is implementing a Special Public Distribution System Scheme in which Toor dhal, Urad dhal, and RBD (Refined, Bleached, Deodorized) Palmolein, are supplied through PDS shops to ration card holders at subsidized prices. The subsidy burden on the State Government is Rs.1100 crores per year. This is money well spent because, in the past few years of consistently high food inflation, the Special PDS provided much needed succour to the common people. I request that the Central Government should come forward to bear 50% of the cost of implementing the special PDS.

(c) Sugar Levy

Tamil Nadu provides sugar up to 2 kg of sugar per family and an additional 3 kg for sugar card holders per month at Rs.13.50 per kilogram. About 30 percent of the sugar requirement was being met by the levy allocations made by the Central Government. **The sudden withdrawal of sugar levy with an explicit promise of the Government of India subsidy of Rs.18.50 per kg for the quantity committed under levy only for the financial years 2013-2014 and 2014-2015 was a rude shock. There is no clarity on whether this arrangement will continue beyond 2014-2015. Further, any price fluctuation over Rs.32 per kg in the open market will have to borne by the State**.

I request that the decision of withdrawing the levy sugar obligation on Sugar Mills may be reconsidered and the levy system of sugar restored. Alternatively, the Government of India must guarantee that the entire difference between the open market price of sugar and issue price in the PDS would be borne as subsidy by the Government of India beyond 2014-15.

(d) FDI in Retail

I request the Hon'ble Prime Minister to withdraw the decision to allow 51 per cent FDI in multi-brand retailing in view of the overwhelming public interest involved.

(e) Adequate Kerosene Allotment for Tamil Nadu

The actual requirement of kerosene as per the entitlement of the card holders is 65,140 Kilo Litres (KL) per month for Tamil Nadu. **The allocation, which was 59,780 KL of kerosene per month up to March, 2010, was reduced ten times in the last few years and now stands at just 29,056 KL which is only 45% of the State's requirement. With Oil Marketing Companies reluctant to share their data on the LPG connections in the State there is a huge data gap of 56.16 lakhs between the data released by the Ministry of Petroleum and the family card data on the number of LPG connections in Tamil Nadu. Increase in LPG connections is a nation-wide trend but it is seen that the allocation of kerosene for some States is not being reduced.**

I urge the Hon'ble Prime Minister to immediately restore the kerosene allocation of the State to the required level of 65,140 KL per month.

(f) Pricing of Petroleum Products

The State Transport Undertakings (STUs) have been severely impacted by the Central Government's decision on the introduction of the dual pricing policy on diesel price which has resulted in a steep hike of Rs.11.81 per Litre for bulk consumers. **Considering the fact that STUs provide transport services to the poor and world over public transportation by buses is subsidized to meet the larger public good, it is equally the duty of the Central Government to share the burden of subsidy to**

provide affordable public transportation. Further, frequent increases in prices destabilise the economy and affect the poor.

Hence the Government of India is requested to:-

a) Exempt the public transport utilities from the differential pricing arrangement.
b) Provide institutional arrangements to maintain the prices of petro-products at stable levels for longer periods of time.

XIV. MODERNIZATION OF POLICE FORCE

The Tamil Nadu Police is one of the most professional and efficient Police Forces in the Country. Thanks to constant vigil maintained by the Police Force, the State has a stellar record in maintaining law and order and in effectively combating threats to internal security. The previous UPA Government had approved an estimated allocation of Rs.12379.30 crores for the scheme of Modernisation of State Police Force, for the five year period of 2012-2013 to 2016-2017 which is woefully inadequate for the needs of the entire Police Force of the Country. **Tamil Nadu itself would require around Rs.10,000 crores in the next few years for Modernisation of the Police Force.**

- **Buildings for 500 Police Stations functioning in rental buildings or in old buildings that require reconstruction (Rs.300 crores).**
- **Construction of 60,000 more houses for achieving 100 percent housing satisfaction of Police Personnel (Rs. 9000 crores).**
- **Updating equipment including communication equipment, data analysis systems and vehicles for urban policing requires Rs. 700 crores.**

I request the Hon'ble Prime Minister for substantial central funding to support the State's effort to create a world class, modern and efficient Police Force.

XV. URBAN DEVELOPMENT, URBAN HOUSING AND URBAN INFRASTRUCTURE

Tamil Nadu is the most urbanized large State in the Country with 48.45% of its population living in urban areas. The aspirations of the urban population are also very high. There is a need for massive investment in urban infrastructure which the State Government has fulfilled in part since May 2011, with an additional allocation of Rs.1250 crores every year for two mission mode schemes aimed at urban infrastructure improvement of Chennai City and other urban areas. The Government of Tamil Nadu has the following specific requests in the Urban Development Sector:

- **The Central Government should immediately launch a massive urban development programme with substantially higher central share of funding, after correcting the defects of the old JNNURM scheme.**
- **The State-wise allocations under the new scheme must be in proportion to the urban population of each State.**
- **The sanctioning process must be delegated to a State Level Committee with a representative from the Central Government.**
- **There must be timely and bulk release of funds for projects. The funds must be released in not more than two instalments.**
- **There should be a uniform funding pattern of 70:15:15 among the Central Government, State Government and the local body regardless of the size of the city.**
- **Under Ground Drainage schemes, Solid Waste Management Projects with energy recovery mechanisms, and projects for the recycling of waste water should be further incentivized with a higher central share in the ratio of 80:10:10.**
- **Tamil Nadu proposes to implement Under Ground Sewerage Schemes in all the Urban Local Bodies. DPRs are ready for commencing the scheme in three corporations, 117 municipalities and 516 town panchayats at a total cost of Rs. 20,820 crores. There**

is a need for a separate line of assistance from the Central Government exclusively for UGSS.

- **Urban housing is a major challenge in Tamil Nadu. As per the 2011 Census, 14.63 lakh families are living in urban slums in Tamil Nadu. Housing surveys of slum areas reveal an even larger figure. Even if 25% of the housing needs of these areas are taken up, it would still require the construction of around 3.65 lakh housing units with an investment of Rs.29,200 crores. This is a mammoth fiscal challenge calling for considerable financial assistance from the Government of India.**

XVI. CENTRAL SUPPORT FOR DESALINATION PLANTS

Tamil Nadu is a water deficit state. The State has very little surface water and the ground water resources are also fast depleting. There is very little scope to increase the existing supply or create new sources through conventional methods. In Chennai City alone, the projected demand by 2017 is 1584 MLD, whereas the supply from present sources is 831 MLD only. This leaves no option but to go in for major desalination plants to convert sea water into drinking water. At present two 100 MLD desalination plants are functioning. To meet the huge demand-supply mismatch, the State Government has proposed the following schemes:

- <u>150 MLD SWRO Desalination plant at Nemmeli</u> near Chennai- at a cost of Rs.1371.86 crores. DPR is ready.
- <u>400 MLD SWRO Desalination plant at Perur near Chennai-</u> at a cost of Rs.4070.67 crores. DPR is ready.
- <u>Desalination Plants at Ramanathapuram and Tuticorin</u>- of 100 MLD capacity at a cost of Rs.1500 crores each. The DPR will be ready by December 2014.

The State Government requests the Central Government to bear at least 50% of the cost of the proposed projects.

XVII. CHENNAI METRO RAIL EXTENSION AND METRO RAIL PHASE II/ AND PENDING POLICY ISSUES RELATED TO METRO RAIL

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) **Extension of Corridor-I of Chennai Metro Rail Project up to Thiruvottriyur and Wimco Nagar** covering a distance of 9.051 km at an estimated updated completion cost of Rs.3253 crores is pending approval of the Government of India.

(b) **Chennai Metro Rail Project – Implementation of Phase-II Corridors -** three corridors with a total length of 76 KMs, have been identified for implementation under Phase-II. The tentative cost for these corridors will be around Rs.36,100 crores. The project requires the full support of the Government of India.

(c) **Merger of MRTS, Chennai, with Chennai Metro Rail Limited-** Integration of the Chennai Mass Rapid Transit System (MRTS), a project implemented by the Railways with the Chennai Metro Rail is desirable and feasible as the MRTS has been substantially funded by the Government of Tamil Nadu. Such integration would enable effective synergies between various modes of public transport and increase share of public transport. The issue is now under the consideration of Railway Board / Ministry of Railways.

(d) **Review of land for land policy adopted by Defence and Postal departments of Government of India -** The "land for land" policy being followed by Defence and Postal departments is a huge hindrance for timely project implementation. It is also counter-productive as the value of land in urban areas is very high and no alternate State Government land in metropolitan areas is available. Alternative land of equivalent value in non-urban areas means very large extents of land would have to be transferred causing disruption to people's livelihoods. The departments do not require the land for any specific purpose immediately. Hence, this impractical "land for land" policy should be urgently reviewed.

(e) **Review of Policy on transfer of Railway lands for Metro Rail Projects and permission to cross Railway lines /**

lands- Railways charge 99 per cent of the full market value of the land for a 35 year lease and they charge this even for underground operations under railway land for a public infrastructure project like Metro Rail. This appears unfair. For surface use, either reasonable lease rent should be charged or the land should be permanently transferred on payment of full market value. No charge should be levied for underground use, since surface rights are unaffected.

XVIII. TRANSPORT INFRASTRUCTURE PROJECTS

(a) Indian Railway Projects

I had launched Tamil Nadu Vision 2023 which envisages an investment of Rs.15 lakh crores in infrastructure in the State by 2023. Under the Vision 2023 Document some 10 crucial Railway projects at an approximate cost of Rs.1,88,400 crores have been identified to spur further economic development. **Early consideration and approval of these projects by the Ministry of Railways will be appreciated.**

(b) Central Transport Projects

Vision Tamil Nadu 2023 also envisages the taking up of major transportation projects including the Chennai-Bangalore Expressway; six/eight laning of NH-4; LNG terminal at Ennore; and expansion of airports at Madurai, Coimbatore, Tiruchirapalli and Thoothukudi costing Rs.21,320 crores in all.

(c) Peripheral Ring Road Project

The Chennai Peripheral Ring Road (CPRR) has been proposed connecting Mamallapuram to Ennore port covering a distance of 162 Km. The CPRR would connect the East Coast Road, IT Highway, NH-45, NH-4, NH-205 and NH-5 with the Ennore and Kattupalli ports. Thus the project would not only benefit Chennai City, but also improve port connectivity for Puducherry, Karnataka and Andhra Pradesh. The project cost, including land acquisition is likely to be around Rs.12,000 crores. **The Government of India is requested to commit itself to providing at least 40% of the project cost in an appropriate form, which would greatly enhance the project viability.**

(d) Intelligent Transport Solutions for Chennai

There is an urgent need to improve the existing system of traffic management in Chennai City using the latest technology available in the world. The Japan International Co-operation Agency (JICA) has suggested a Feasibility Study/DPR for drafting an ITS Master Plan for Chennai City also. The Government of India is requested to include the project in the pipeline for availing of assistance from the Japan International Co-operation Agency in the financial year 2014-15.

XIX. HEALTH SECTOR ISSUES

(a) National Eligibility cum Entrance Test - Request Government of India to Withdraw Review Petition Filed Against Supreme Court Judgement:

The Hon'ble Supreme Court of India quashed a Notification issued by the Medical Council of India and the Dental Council of India introducing a National Eligibility cum Entrance Test (NEET) for the Under Graduate and Post Graduate Medical and Dental courses based on Tamil Nadu's objections. The Government of Tamil Nadu had abolished Entrance Examinations for professional Under Graduate courses after a detailed study by an Expert Committee found that rural students and students from poorer socio-economic backgrounds were unable to compete with urban elite students in Common Entrance Examinations. **Tamil Nadu has also followed 69% reservation for Backward and Most Backward Communities and Scheduled Castes and Tribes in professional courses.** For Post Graduate courses, Tamil Nadu gives preference to those who have served in rural areas, especially those working in hilly and tribal areas. The introduction of a Common Entrance Test such as NEET would have created confusion in the smooth implementation of both the reservation policy and weightage for service in rural areas in medical and dental admissions in Tamil Nadu.

Under these circumstances, Tamil Nadu urges the Hon'ble Prime Minister to review the stand taken by the UPA Government and withdraw the review petition and abide by the decision of the Hon'ble Supreme Court.

(b) Expediting Approval of MBBS seats in Government Medical Colleges by the Medical Council of India (MCI)

Tamil Nadu has 19 Government Medical colleges with a total intake of 2555 seats in Government Medical Colleges. Three of the new colleges commenced in the last five years and seven of the older existing colleges where additional seats have been sanctioned are yet to receive formal approval for admissions for the year 2014-15. These seats are in the new Medical Colleges at Thiruvarur, Sivagangai and Tiruvannamalai and the existing Kilpauk, Madras and Stanley Medical Colleges at Chennai and Chengalpattu, Salem, Tiruchirapalli and Thoothukudi Medical Colleges. **The Government of India is requested to impress upon MCI the need to expedite the approvals and permit admissions.**

(c) Establishment of National Institution of Ageing at Chennai at a cost of Rs.142.60 crores may be approved early.

(d) Setting up of Indian Institute of Advanced Nursing at Chennai at an estimated cost of Rs.200 crores may be approved early.

(e) Proposal for JICA Financial Assistance for the National Urban Health Mission at cost of Rs.1051.15 crores is pending with the Government of India and may be expedited.

XX. INDUSTRIAL DEVELOPMENT ISSUES

(a) The Chennai – Bengaluru Industrial Corridor (CBIC) project was intended to benefit mainly the States of Tamil Nadu (7 Districts), Karnataka (7 Districts) and Andhra Pradesh (2 Districts, one partially). The Corridor Influence Area has recently been expanded to accommodate Nellore district of Andhra Pradesh. **This inclusion has distorted the concept of the corridor development and the Corridor Influence Area concept of 75 kms distance on both sides of the National Highway-46 connecting Chennai and Bengaluru. Inclusion of Krishnapatnam Node in Andhra Pradesh in the Corridor would adversely affect the long term interests of the public sector ports viz., Chennai and Ennore. It is requested that the project may be taken up based only on the earlier concept and alignment agreed to by Tamil Nadu.**

(b) National Investment and Manufacturing Zones (NIMZs) - the Government of Tamil Nadu has proposed to create 3 new manufacturing zones at Vilathikulam in Thoothukudi District (5780 acres), Katrambakkam in Vellore District (2150 acres) and Hosur in Krishnagiri District (2300 acres) having hi-tech common infrastructure facilities. **As per existing norms for NIMZ, a minimum area of 5000 Hectares (12,500 Acres) is required for an NIMZ. It is very difficult to find such large stretches contiguously in States like Tamil Nadu. Hence, the Government of India may relax the area norms and approve the NIMZs as proposed by the Government of Tamil Nadu.**

(c) Special Package for Southern Districts of Tamil Nadu – The Government of Tamil Nadu has taken the initiative of giving special concessions for industrial units set up in the 10 Southern Districts of Tamil Nadu. **A special package similar to what is being offered for Himachal Pradesh, Uttarakhand and now Seemandhra by the Government of India may be given to these Districts:**

- ❖ **100 percent excise duty exemption for 10 years**
- ❖ **15 percent investment subsidy for plant and machinery**
- ❖ **100 percent income tax exemption to all new units for an initial period of five years.**

(e) Hindustan Photo Films Manufacturing Company Limited, Nilgiris - It is necessary to revive the unit based on the proposals already placed before the Cabinet Committee on Economic Affairs by the Ministry of Heavy Industry in 2012 itself.

XXI. GRANT OF DIGITAL ADDRESSABLE SYSTEM (DAS) LICENSE TO THE TAMIL NADU ARASU CABLE TV CORPORATION LTD

The Government of Tamil Nadu revived the Tamil Nadu Arasu Cable TV (TACTV) Corporation and provided Cable TV Services for Tamil Nadu. **TACTV has submitted its application for grant of Digital Addressable System (DAS) License to GOI on 5.7.2012 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 is only to facilitate particular private business interests. Hence, the issue of the DAS license to TACTV needs to expedited by the Government of India.**

XXII. 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 India. Tamil Nadu strongly urges the Government of India that all the languages included in the VIII Schedule of the Constitution of India be declared as official languages 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. **I request 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.**

XXIII. QUALIFICATIONS FOR APPOINTMENT OF SHRC CHAIRPERSON

The post of the Chairperson, Tamil Nadu State Human Rights Commission, has been lying vacant since 27th August, 2011, due to the non-availability of suitable candidates. Therefore, the Government of Tamil Nadu has proposed that a suitable amendment to Section 21(2) (a) of Protection of Human Rights Act, 1993, could be made, **making retired Judges of High Courts with a minimum experience of <u>seven years</u> as a Judge of a High Court eligible** for the post of Chairperson, State Human Rights Commission, Tamil Nadu. **The Government of India is requested to expedite the requisite amendments to the Protection of Human Rights Act, 1993.**

XXIV. MINIMUM ELIGIBILITY MARKS FOR ADMISSION TO UNDER GRADUATE ENGINEERING COURSES FOR SC / ST CANDIDATES

The current entry level qualifications, prescribed by AICTE for admission to the first year B.E./B.Tech. degree courses for 2011-12 are 45% for General Category students and 40% for reserved category students. **However, in Tamil Nadu the eligibility criteria for SC/ST has been prescribed as 35%.**

The State Government filed a Writ Petition against the AICTE norms in respect of SC/ST students for admissions for the academic year 2012-13. However, the High Court in its order dated 20.7.2012, upheld the AICTE norms. The State Government's writ appeal was also dismissed. Tamil Nadu has filed an SLP in the Supreme Court of India on the matter. So far the AICTE has not filed a counter affidavit and the case is still pending in the Supreme Court of India. Hence, for the year 2013-14 also the eligibility criteria for SC/ST students was fixed at 40 per cent.

In the interest of ensuring social justice and equity, the Government of Tamil Nadu requests the Government of India to direct AICTE to fix the eligibility criteria for SC/ST candidates at 35%, which is the passing mark in class XII.

XXV. Tamil Nadu Fishermen Languishing in Bahrain

It has been reported that there are 18 fishermen from Tamil Nadu working for a fishing company on contract in Bahrain who want to leave Bahrain in view of a recent episode in which an Indian fisherman from Tamil Nadu was shot and killed by sea pirates.

Unfortunately, the passports of these 18 fishermen are in deposit with their employer which is holding up their departure from Bahrain. I request you to kindly direct the Ministry of External Affairs to take up the matter with the Indian Embassy at Bahrain and ensure that these Indian fishermen are enabled to leave Bahrain at Government cost at the earliest without being put to any hardship.

****

Issued by: DIPR, Tamil Nadu
Dated: 3.6.2014