

**SPEECH OF SRI. EATALA RAJENDER, HONOURABLE
FINANCE MINISTER WHILE PRESENTING THE
BUDGET FOR THE YEAR 2015-16 TO THE
TELANGANA STATE LEGISLATURE ON MARCH 11,
2015**

Hon'ble Speaker Sir,

I rise to present the first full year Budget of the new State of Telangana for the year 2015-16. I consider it a great privilege that the honour of presenting the first full year Budget has befallen me. On this occasion, I convey my heartfelt gratitude to the people of Telangana, Hon'ble Chief Minister and the Hon'ble Members of the House. When I presented the Budget for ten months, it was baptism by fire. Presenting the Budget for the new State was a daunting task and the Budget for the year 2014-15 was prepared with numerous unknowns with regard to own revenue potential and the assistance from the Centre. I could overcome these constraints with the guidance and direction that I received from the Hon'ble Chief Minister. The main guiding principle in the preparation of last year's Budget was fulfilling the aspirations of people which remained suppressed in the combined State and to ensure a bright future for the people of Telangana. Today I am presenting the Budget for the full year 2015-16 with much greater understanding and clarity.

2. Speaker Sir, Budget is not just a collection of numbers, but an expression of our values and aspirations. This has been the guiding principle in the preparation of the Budget for 2015-16.

3. Budget is a means for realizing the aspirations of people. Using the public money prudently for the welfare of people is the sacred and non-negotiable duty of the Government. I want to inform the House that this Budget is an action plan for promoting the welfare of the people of Telangana.

4. Speaker Sir, The Fourteenth Finance Commission, a Constitutional body which has recently submitted its report, has vindicated the historic truth of diversion of resources from Telangana in the combined State. Taking into account past trends in revenue and expenditure and their apportionment between the Telangana and Andhra regions of the erstwhile combined State, the Finance Commission, has placed Telangana in the category of pre-devolution revenue account surplus States in all the years of its award period. Gujarat is the only other States to be included in this category. This, along with the categorization of Andhra Pradesh as a post-devolution deficit State, has established the fact that the higher share of expenditure incurred in the Andhra region of the erstwhile State of Andhra Pradesh was financed by the revenues collected in Telangana.

5. This Government, headed by our leader who relentlessly fought for a separate Statehood for Telangana against all odds, is committed to put Telangana on a fast track for all round development.

6. As the Hon'ble Members are aware, our government have introduced a number of welfare and developmental programmes in the last few months that we have been in the service of the people of this State. As proposed in the 2014-15 Budget, an amount of Rs.48.10 crore has been released as financial assistance to 481 families of Telangana martyrs, "Amaraveerulu", who made the supreme sacrifice of laying down their lives for the cause of Telangana. I take this opportunity to pay homage to the departed souls. Despite all constraints, our government released an amount of Rs.4,250 crore in one go as part of the aggregate debt relief amounting to Rs.17,000 crore to 35.57 lakh farmers. This has enabled 31.24 lakh farmers to avail fresh loans amounting to Rs.16,214.52 crore. In addition, the Government released input subsidy dues from 2009-10 onwards amounting to Rs.480.43 crore. Similarly, an amount of Rs.11.50 crore has been released to red jowar seed growers against their long pending dues. Industrial incentive dues for the past three years amounting to Rs.484 crore has been released to SC, ST and other industrialists. Aasara pensions are being given to 33.15 lakh poor families. Keeping in view the

interests of 11 lakh students, an amount of Rs.2,045 crore has been released towards clearing the fee reimbursement dues of 2013-14. Other major welfare programmes taken up by our Government include, Kalyana Lakshmi, land purchase scheme for landless SC families, Mission Kakatiya and Water Grid. The long pending maintenance of roads has also been taken up. An amount of Rs.11,098.33 crore has been sanctioned to the Roads and Buildings Department and the amount released to PR Department is Rs.3,722 crore.

7. Apart from the maintenance of roads, the Government has decided to upgrade roads connecting Mandal headquarters and district headquarters to double lane and four lane status. Power sector is being revamped to address the power shortage in the State.

8. State road transport has suffered equally in the combined State. An amount of Rs.400 crore has been released to TS Road Transport Corporation for the purchase of new buses and for upgradation of operations.

9. The estimates of central grants included in the 2014-15 State Budget were based on past trends and the provisions made in the Central Budget towards aggregate assistance to States. But, there has been considerable reduction in the receipt of transfers from the Centre. As compared with the Central plan assistance of

Rs.11,781 crore projected in the State Budget, the amount received till the end of February, 2015 is only Rs.4,147 , indicating a shortfall of Rs.7,634 crore or close to 65 percent of the budgeted amount. Similar is the case with non-plan grants from the Centre. As compared with the non-plan grants of Rs.9,939 crore budgeted in 2014-15, the amount received till the end of February, 2015 is only Rs.1,346 crore. The shortfall in the receipt of non-plan grants is over 86 percent of the BE. Our Government requested Government of India for raising an amount of Rs.4,000 crore as additional borrowings in relaxation of the borrowing limit under the Fiscal Responsibility and Budget Management (FRBM) Act. The Government of India has so far not communicated any decision about such relaxation. Thus, the shortfall in Central grants under plan and non receipt of special assistance, CST compensation and dues under CAMPA under non-plan combined with the non-relaxation of borrowing limits has resulted in a resource shortfall of Rs.20,227 crore, which is beyond the control of the State Government. Added to this, the allocation of plan grants to the State was communicated as late as February, 2015.

10. We would have largely remained on track in respect of the Budget Estimates of revenue but for the steep shortfall in the grants from the Centre. The collection of own tax (SOTR) and non-tax revenue (SNTR) is more or less on track as compared

with the estimates presented in the 2014-15 Budget with the exception of collections under VAT and proceeds from land regularization. VAT collections remained subdued because of general stagnation in economic growth. There has been good response to the land regularization scheme and the number of applications received is 3.36 lakh. In accordance with the decision taken at the All-Party meeting chaired by the Hon'ble Chief Minister, it has been decided to exempt regularization of plots up to 125 sq. yards from the payment of any penalty or fee. This decision has been taken keeping in view the fact that the occupants of such plots are very poor people. Our Government is of the considered view that the welfare of the poor should be the sole consideration in formulating any policy. As a result of this, an extent of Rs.30,000 crore has been benefited to the poor applicants.

11. Because of the undue delay in the final allocation of All-India Service officers and other staff, the State has faced acute shortage of officers resulting in one officer handling more than two to three departments. The dislocation of the administrative machinery and the shortage of officers hampered the speedy implementation of the initiatives taken by the Government. Despite these constraints, we have largely succeeded in putting in place functional administrative machinery within the shortest feasible time. I must place on record our appreciation of the

efforts put in by the officials and staff beyond the call of duty. As the Hon'ble Members are aware, it is only last week that the final allocation of All-India service officers has been completed. I request the Hon'ble Members to keep the immense initial constraints and teething problems that our Government faced in preparing the Budget for 2014-15 and running the administration in view, while assessing the performance of the Government. A new government acting decisively for the welfare of the people on multiple fronts within a very short period of assuming office is unprecedented, to say the least.

12. Despite adequate revenue potential, Telangana suffered because of diversion of its resources. Telangana's share in expenditure remained much lower than its share in revenue collections. This was more than corroborated by the findings of the Lalit Committee appointed by the Government of India to estimate the revenue surplus of Telangana in relation to the expenditure incurred. The diversion of Telangana revenue continued unabated even while there were huge expenditure needs to develop the backward districts. The stand of the TRS party that such diversion has been taking place in the combined State has been more than vindicated by none other than the Fourteenth Finance Commission, a constitutional and independent body.

13. In their report covering the period 2015-20, the Fourteenth Finance Commission recommended allocation of Central tax devolution and grants to States. Based on the past trends observed in the combined State, per capita own revenue and revenue expenditure of the successor State of Andhra Pradesh has been estimated for the year 2015-16 at Rs.11,872 and Rs.18,281, respectively. In contrast, the per capita own revenue and revenue expenditure of Telangana for the same year has been estimated at Rs.16,274 and Rs.16,042, respectively. This clearly establishes the fact that higher revenue expenditure in the successor State of Andhra Pradesh was being financed through the diversion of resources from Telangana. Unfortunately, past injustice cannot be rolled back. Now that we have full control over our resources, it is time that we more than make up for the lost opportunities and historic wrongs by optimally utilizing our resources for the good of our people. With this imperative in view, our Government under the leadership of Hon'ble Chief Minister has already set in motion a number of initiatives to reinvent and reorient Telangana.

14. Before presentation of the Budget, it is customary to apprise the Hon'ble members about the current macroeconomic situation in the State. The growth of the State economy has been witnessing deceleration since 2011-12. From a double digit average annual growth of 12.87 percent in constant prices in the

years 2004-09, growth has slipped to 4.1 percent in 2012-13. As per the advance estimates, growth is expected to recover to 5.3 percent in the current financial year 2014-15. The delayed onset of monsoon and deficiency in rainfall has adversely impacted the agriculture sector. The deficiency in south west monsoon rains is over 30 percent of the normal and nearly 42 percent of the rainfall received last year. The deficiency in rainfall received from North East Monsoon was 58 percent as compared with the normal rainfall. The deficiency in rainfall has resulted in decline in the area under foodgrains by nearly 19 percent and that under oil seeds by over 11 percent as compared with last year. This is estimated to result in a negative growth of 10.3 percent in the agriculture sector. A redeeming feature of the current scenario is the estimated recovery in the growth of both services and industry sectors, which are the major contributors to the Gross State Domestic Product (GSDP). While the growth of the services sector is estimated to improve from 5.9 percent in the preceding year to 9.7 percent in 2014-15, the estimated improvement in the industry sector is from 0.1 percent to 4.1 percent in the same period. With the initiatives taken by the Government coupled with the improved economic environment at the national level and softening of international commodity prices, it is expected that the growth of the state economy will improve further in 2015-16 and thereafter.

15. The welfare of the people and all round development of Telangana are the guiding principles of State's policies. Going by these guiding principles, the Government have identified three priority areas. First and foremost of these priorities is the welfare of weaker sections of people, followed by the development of agriculture and allied sectors on which the majority of our population depends and thirdly the development of industrial sector. These are the three tenets of our policy. I will now briefly recapitulate what our government has done in these and other areas in the limited period of last nine months and what it intends to do in the coming year.

Welfare Programmes

Welfare of Scheduled Castes

16. The population of scheduled castes is 15.4 percent of State's population. They continue to remain poor. Dr. B.R. Ambedkar was of the firm view that land holds the key for the development of SCs. Guided by his view, our Government have taken a number of initiatives in the last nine months. As the Hon'ble Members are aware, these initiatives include land purchase and assignment of three acres of land suitable for cultivation to the women of landless agricultural poor families, renaming the Social Welfare Department as SC Development Department and reorient it to serve the SCs in a more focused manner, to

name a few. The land purchase scheme is being implemented in a phased manner with 100 percent subsidy without any contribution from the beneficiary and also without any bank linkage. District Collectors have been authorized to purchase land suitable for cultivation at a cost ranging from Rs. 2 lakh per acre to Rs. 7 lakh per acre in all the districts of Telangana with the exception of Hyderabad. Up to the end of January, 2015, 1,132 acres of private land and 270 acres of government land has been sanctioned covering 525 beneficiaries. Efforts will be made to intensify the scheme of land purchase during 2015-16 for which the provision proposed is Rs.1,000 crore. A few constraints have been faced in the current year with regard to the identification of land suitable for cultivation with irrigation facilities and steps have been taken to address these issues so as to ensure that the scheme gets implemented without any hitches during 2015-16.

17. Skill development enables the SC youth to find suitable employment avenues. During 2015-16, efforts will be made to identify suitable training institutions which will not only impart technical skills to the SC youth but also help them in suitable placements. The total provision proposed for the welfare of scheduled castes is Rs.5547.05 crore under the Annual Plan 2015-16.

Welfare of Scheduled Tribes

18. Welfare of scheduled tribes is one of the focus areas of our government. As indicated in my Budget Speech 2014-15, steps are being taken to convert Girijan Tandas into gram panchayats and to formulate schemes similar to those in the ITDAs for tribals living in plains. In fulfillment of the commitment made, Hon'ble Chief Minister laid the foundation stone of Komaram Bheem Memorial at Jodeghat village in Adilabad district. An amount of Rs.25 crore has already been released in the current year.

19. The total allocation proposed in 2015-16 for tribal welfare under is Rs.2,878 crore.

SC and ST Sub-Plans

20. In a major departure from the normal practice of making provisions in respect of the SC Sub-Plan (SCSP) and Tribal Sub-Plan (TSP) in proportion to their population under various departments, in the Budget for 2015-16, all such provisions are pooled together and included in the demands of the SC Development Department and Tribal Welfare Department, respectively. This more than demonstrates our commitment to the welfare of SCs and STs. Such a change in the depiction of budgetary allocations will ensure better monitoring and will enable the nodal agencies to ensure better utilization of these

provisions by appropriate reallocations based on needs and priorities. The amounts proposed under the SC and ST Sub-Plans in the Budget 2015-16 are Rs.8,089 crore and Rs.5,036 crore, respectively. Another important measure taken by the Government is the appointment of a Commission of Inquiry to study and prepare a comprehensive report on the relative increase in the ST population of the State and their social and economic backwardness and to examine the representations of 'Valmiki Boya' and 'Khaithi Lambada' communities for their inclusion in the ST category, among others. In connection with Sant Sevalal Maharaj Jayanti celebrations, an amount of Rs.1.0 crore has been sanctioned for the development of Giriputras. There are no Banjaras in Banjara Hills. For the development of the Banjara community, Government sanctioned the construction of a Bnjara Bhavan in the area. Foundation stone for the Adivas Bhavan has also been laid.

Welfare of Backward Classes

21. Backward classes constitute the majority of State's population. Apart from providing tuition fee reimbursement to students belonging to backward classes, a number of measures have been initiated to improve the facilities in BC hostels. A separate society named, 'Mahatma Jyothiba Phule Telangana Backward Classes Welfare Residential Educational Institutions Society has been established in July, 2014 to streamline the

functioning of residential schools for backward classes in the State. Suitable allocations have been proposed towards assistance to cooperatives and financial corporations serving the needs of various backward classes. As backward classes largely depend on agriculture, suitable allocations are being made for them under micro irrigation. The amount proposed for the welfare of backward classes in 2015-16 is Rs.2,172 crore.

Welfare of Minorities

22. One of the priority areas of our government is the promotion of the welfare of minorities. In the last nine months, the Government took a number of steps to promote their welfare and provide them with better facilities. . I am glad to inform the House that Our Government has recently constituted a Commission of Inquiry under the chairmanship of Sri G.Sudhir, IAS (Retd) to study the socio-economic and educational conditions of Muslims in the State to enable the Government to formulate policies for their amelioration and upliftment and to bring them on par with other sections of the society. The initiatives taken by the Government include provision of government land and financial sanction of Rs.10 crore for the construction of Christian Bhavan at Hyderabad. Once constructed, it will have facilities for training of youth, social and cultural functions. The Government has also proposed to sanction the construction of “Facilitation Centre-

cum-Rubaath” at Dargah Hazrat Khaja Moinuddin Chishti Gharib Nawaz at Ajmer, Rajasthan State at an estimated cost of Rs.5 crores.

23. I am happy to inform the House that the “Shaadi Mubaarak Scheme” introduced by the Government covering Muslim, Christian and Sikh girls has received overwhelming appreciation from the minority communities in the State. No government had ever attempted to address the problems of minorities in such a comprehensive manner within a short period of assuming office. Serious attempts are being made to ensure that the amount of Rs.51,000 is credited to the bank accounts of the eligible minority community girls well in advance of their marriage day. On the suggestion of the Hon’ble Members of this House, our Government has declared two public holidays each for the festivals of Ramzan and Christmas.

24. An amount of Rs.1105 crore is proposed in the 2015-16 Budget under plan and non-plan.

Aasara

25. As indicated in my Budget Speech of 2014-15, the implementation of ‘Aasara’ pension scheme has commenced from November 8, 2014. Under the scheme pension to eligible aged and widowed has been raised from Rs. 200 to Rs.1,000 per month. For the disabled, the monthly pension has been

enhanced from Rs.500 to Rs.1,500. The additional commitment on account of the increase in the monthly pension to aged, widowed and physically disabled is likely to be around Rs.4,000 crore per year. This is proof of government's commitment to the welfare of the poor and the needy.

26. Most of the beedi workers in the State are poor women and are exposed to health hazards. Moved by the plight of the beedi workers, our Government has decided to sanction monthly financial assistance of Rs.1,000 to the deserving and eligible beedi workers from March, 2015. Some of the beedi workers in the State are already covered under "Aasara". The benefit of monthly financial assistance of Rs.1,000 will be extended to the remaining beedi workers from March, 2015. The total amount proposed for assistance to beedi workers under the 'Aasara' pensions is Rs.188 crore in 2015-16 Budget Estimates.

Women and Child Welfare

27. Women and children are important members of our society. While women play an important role in the transformation of the society, children are the future citizens. The welfare of the society lies in their welfare. The Indian Constitution empowers the government to adopt measures for positive discrimination to women. A society where women are subjected to discrimination and insecurity cannot claim to be civilized. Concerned over lack

of security to women and reports of high incidence of sexual harassment in the country, our Government appointed a six-member women Committee to suggest measures to improve the safety and security of women and girls in the State. The Committee's recommendations include establishing dedicated helpline for women, one-stop support centres and women friendly police stations and expeditious completion of investigations, among others. Following these recommendations, SHE teams of police personnel have been formed. These teams have been nabbing eve teasers and since the formation of these teams, there has been considerable improvement in women safety and women in Telangana now feel safe and secure.

28. Anganwadi workers and helpers have been rendering yeoman service to the poor pregnant and lactating women and children under the Integrated Child Development Services (ICDS). They are charged with the responsibility of cooking and organizing supplementary nutritious food for children, expectant and nursing mothers, organizing non-formal pre-school activities for children in the anganwadis, providing health and nutrition related information to mothers, assisting PHC staff in immunization of children and maintaining a number of records. It is for the first time that our Hon'ble Chief Minister personally met the Anganwadi workers to assess their role and

the problems being faced by them. During this meeting it has come to his notice that the Aanganwadi workers at some centres use their own utensils and gas to cook the meals. At present, the Anganwadi workers and helpers are being paid a monthly remuneration of Rs.4,200 and Rs.2,450 respectively. Our Government is concerned over their meager remuneration in relation to their responsibilities. I am very glad to inform the House, that our Government has decided to enhance the remuneration to Anganwadi workers from Rs.4,200 to Rs.7,000 per month and the remuneration to Anganwadi helpers from Rs.2,450 to Rs.4,500 per month effective from March, 2015. A one-time grant of Rs.1,000 to each Anganwadi centre has been proposed in the Budget 2015-16 towards the purchase of utensils for cooking. This is the gift of Telangana Government on the occasion of International Women's day.

29. The commitment of the Government towards women welfare has to be seen in the context of the decision of the Central Government to reduce assistance to States under ICDS from Rs.17,858 crore in 2014-15 BE to Rs.8,000 crore in BE 2015-16. This has imposed a heavy additional burden on the State Government. The proposed provision under ICDS in 2015-16 BE is Rs. 771 crore.

Food Security

30. The Government is committed to the provision of greater food security to the eligible families and to ensure that every eligible person is provided with adequate quantity of foodgrains. Keeping these considerations in view, the Government has raised the family income limit for subsidized rice from Rs.60,000 to Rs.1,50,000 per annum in rural areas and from Rs.75,000 to Rs.2,00,000 per annum in urban areas. The land holding limit per family has been increased from 2.5 acres to 3.5 acres of wet land and from 5.0 acres to 7.5 acres in case of dry land. In addition to raising the income and land holding limits, the earlier limit of 4 kgs. of rice per person subject a maximum of 20 kg. per family per month has been done away with. Effective from 1st January, 2015, 6 kgs. of subsidized rice at Re. 1 per kg. is being provided per person without any limit on the number of members in a family due to this, 2.8 crore of beneficiaries have been benefited.

Supply of Sanna Biyyam to Welfare Hostels and School Midday Meals

31. An equally significant decision by our Government is the supply of ‘Sanna Biyyam’ or superfine quality rice to all welfare hostels and for the mid-day meal programme in the State from 1st January, 2015. As a result, 4.81 lakh students in 2,757 welfare

hostels and 29.86 lakh students in 34,319 schools are getting this benefit. This important decision of the Government has received support of all the sections of society. The supply of 'sanna biyyam' for mid-day meals has considerably improved attendance and retention in schools. Many years have passed by but there was no improvement in the quality of food served in the welfare hostels. This has been corrected now. For food security and subsidy, an amount of Rs.2,200 crore has been proposed.

Welfare of Employees

32. As indicated in my Budget Speech 2014-15, our Government is employee friendly and we consider employees as partners in progress. Our Government has given a very generous package to employees by revising their pay scales with an unprecedented 43 percent fitment. There is no instance of any previous government having given such an increase. The amount needed under salaries and pensions is Rs.22,889 crore during 2015-16. The Government is confident that the employees will rededicate themselves for the all round development of Telangana.

Agriculture and Allied Sectors

33. Agriculture is the mainstay for close to 50 percent of the State's population. However, the contribution of agriculture and allied sectors to GSDP is only 18 percent in 2014-15 at current

prices. Agriculture in Telangana is characterized by low productivity, rising input costs and stagnant public investments in the past. Dependence of agriculture on uncertain rains, depleting ground water levels and vulnerability to unfavourable weather conditions has driven a large number of farmers to suicides, the incidence of which was one of the highest in the country. Our Government is determined to address these issues on war footing. As an immediate measure of relief, our government released an amount of Rs.4,250 crore towards farmer debt relief. This has enabled the farmers to get fresh loans from commercial, cooperative and regional rural banks. In the Budget for 2015-16, an amount of Rs.4,250 crore has been proposed for debt relief. It is expected that with the debt relief, there will be revival of private investment in agriculture.

34. Development of horticulture will help farmers realize higher and stable incomes. Horticulture development will remain a focus area for the government. An amount of Rs.250 crore has been proposed for green house farming. The Government will provide 75 percent subsidy to farmers on the cost of establishing green houses. Drip irrigation will also be promoted for which the provision proposed in the Budget is Rs.200 crore.

35. Lack of modern and scientific marketing facilities has acted as a hindrance to farmers from getting remunerative prices for their produce, particularly for horticultural crops and vegetables.

Our Government constituted a State Level Committee on Agricultural Market Reforms. The report of the Committee submitted in October, 2014 is being examined for initiating appropriate reforms in marketing. E-tendering and auctioning facility has been introduced in Warangal, Khammam and Nizamabad. In addition, 12 more markets are being planned to be covered under e-auctioning shortly. In order to cater to increasing demand for vegetables, an alternate marketing system by name, “Mana Ooru-Mana Kuragayalu” has been conceived.

36. There is acute shortage of storage facilities in the State. To address this shortage, the State Government is planning to construct godowns with a storage capacity of 6.725 lakh metric tonnes at an estimated cost of Rs.403.50 crore. Further, godowns with a capacity of 9.10 lakh metric tonnes are planned at PACS and DCMS with the loan assistance from the National Bank for Agriculture and Rural Development (NABARD). The amount proposed for Agriculture Marketing Department is Rs.411 crore under plan and non-plan in BE 2015-16.

37. The total provision for agriculture and allied sectors in the Budget for 2015-16 is Rs.8432 crore.

Industrial Development

38. Promotion of industrial development in Telangana is one of the key strategies being followed by the Government for reviving

economic growth and employment opportunities. The vision for industrialization of Telangana is “Research to Innovation; Innovation to Industry; Industry to Prosperity”. The industrial policy in the State will be driven by the concept, “In Telangana-Innovate, Incubate and Incorporate”. As per the policy framework unveiled by the Government, industrial policy in the State will be rooted in core values like government facilitating industrial growth and providing a peaceful, secure and progressive business regulatory environment and ensuring that the benefits of industrialization reach marginally and socially disadvantaged sections of the State.

39. The new Telangana State industrial Policy provides a legal framework which will not only stabilize and make existing industries more competitive, but also attract and realize new international and national investments in the industrial sector. The focus of the policy is on core manufacturing sectors, with potential for creation of employment for urban and rural youth. It is expected that the most significant outcome of this approach will be the production of high quality goods at the most competitive price, which establishes “Made in Telangana-Made in India” as a brand with global recognition. The cornerstone of the policy is zero graft and zero tolerance to corruption.

40. As the Hon’ble Members will appreciate, the Government is determined to create an eco system in which ease of doing

business in the State matches and even exceeds the best global standards. A legislation giving statutory status to this system called the “Telangana State Industrial Project Approval and Self- Certification System (TS-iPASS) was unanimously passed in the last session of this Legislative Assembly. Under this legislation, a right to Single Window Clearance has been bestowed on all applicants along with a self-certification process. There is a statutory limit of 30 days for processing all applications and this limit is only 15 days for mega projects and projects of strategic importance to the State. This is the first of its kind unique legislation and provides the best business environment in the entire country. As our Hon’ble Chief Minister emphasizes, the Single Window for industrial clearances is not just another Single Window but a Single Window without any grills, in the true sense of the term.

41. A unique feature of the new industrial policy is additional support measures to encourage and nurture entrepreneurship among the SCs and STs as they face a number of structural barriers. This initiative will be implemented under “TS-PRIDE-Telangana State Programme for Rapid Incubation of Dalit Entrepreneurs”.

42. As per preliminary estimates 20 lakh acres of land has been identified as unfit for cultivation in the State. Based on a detailed survey of these land parcels, land suitable for industrial use will

be developed. During 2015-16, among others, New Pharma City, Hyderabad-Warangal Industrial Corridor, Textile Hub at Warangal, mini industrial townships along with industrial parks and loan facilitation to Dalit entrepreneurs are proposed to be developed. The Pharma city will be developed in 11,000 acres at Mucherla village, which is just 30 minutes drive from the international airport and the Hyderabad outer ring road.

43. An amount of Rs.973.74 crore is proposed toward payment of industrial incentives in BE 2015-16.

Energy

44. As the Hon'ble Members are aware, power shortage is one of the major problems confronting the new State of Telangana. Adequate and reliable power holds the key for industrial promotion as well as sustainable agricultural development in the State. Despite the deficient power generation in the State, the Government is committed to provide quality and reliable power to all categories of consumers and more particularly seven hours of power supply to 19.53 lakh agricultural pump sets in the State.

45. Along with the conventional sources of energy, the Government is also promoting solar power projects. Bids have already been called for 500 MW capacity solar power plants. The Government has decided to extend 20 percent subsidy for non-conventional energy sources in the domestic sector for

1KW off grid systems for 4,000 plants, in addition to the Government of India subsidy.

46. To tide over the immediate situation, the Government has entered into an agreement with the Chattisgarh Government for the purchase of 1,000 MW of power. With the Telangana State becoming power surplus by 2018, future generations of Telangana will enjoy uninterrupted power supply and will not know what a power cut is.

47. The present generating capacity located in the State is 4,320 MW, which is proposed to be enhanced to 23,675 by the end of 2018 making the State power surplus. Plans have been drawn up for an additional installed capacity of 6,000 MW by TS-GENCO, 2,000 MW by the Singareni Collieries and 4,000 MW through the National Thermal Power Corporation (NTPC). The State has moved decisively in this direction. As indicated in my Budget Speech 2014-15, The TSGENCO signed a MoU (G to G) with Bharat Heavy Electricals Limited for the erection of thermal power plants with a generating capacity of 6,000 MW on EPC basis. Recently, the Hon'ble Chief Minister has laid the foundation stone for 600 MW second phase power plant at Mancherial by the Singareni Collieries.

48. The amount proposed for the energy sector in 2015-16 is Rs.7,400 crore under plan and non-plan. The initiative to

develop power in the public sector has received appreciation of the Hon'ble Prime Minister of India. .

Irrigation

49. As spelt out in our election manifesto, the Government is committed to harness and utilize our share of water in the Godavari and the Krishna river basins. As part of this commitment, two new schemes, namely, Palamuru Lift Irrigation Scheme and Nakkalagandi Project are proposed to be taken up. Palamuru lift irrigation scheme apart from providing drinking water to Hyderabad is estimated to irrigate 10 lakh acres in Mahbubnagar, Nalgonda and Ranga Reddy districts. Administrative sanction has already been issued for this project. The Nakkalagandi project on completion will irrigate 3.40 lakh acres in chronically fluoride affected areas of Nalgonda and drought affected parts of Mahbubnagar districts. Apart from these, two reservoirs, namely, Tadkapalli and Pamulaparthi are proposed to be taken up with a storage capacity of 51 TMC during the flood period.

50. The effort of the Government is to ensure provision of irrigation facilities to one lakh acres in each Assembly constituency. The amount proposed under major, medium and minor irrigation projects including Mission Kakatiya is Rs.8,500 crore in BE 2015-16.

Mission Kakatiya

51. During the Kakatiya dynasty, tanks were the major sources of irrigation. With the total neglect of tanks in the combined State, dependence of agriculture on borewell irrigation has increased considerably. The area under tank irrigation has come down from 60 percent in the early sixties to about 6 percent now. To provide an assured source of irrigation to farmers as well as to recharge the depleting ground water levels, our Government has decided to bring back the past glory. For the topography and rainfall pattern, tank irrigation is found to be ideal in Telangana. This flagship programme has been named as “Mission Kakatiya”.

52. During the current year 2014-15, 9,305 tanks have been taken up for restoration. Of these, administrative sanction has been issued for 5,761 tanks involving an expenditure of Rs.1,835.42 crore so far. Tender have been invited for 475 tanks. This is scheduled to be completed by March, 2015. The number of tanks proposed to be taken up for restoration is 9,308 in 2015-16. An amount of Rs.2,083 crore has been proposed for Mission Kakatiya including CE, Minor Irrigation in BE 2015-16.

Road Development

53. The importance of roads as a means of transport is well established. The importance is much more in a State like

Telangana, where the rail connectivity is poor and where the rural areas are hardly covered by rail network. Concerned over the pathetic state of road network in the State and considering the importance of a good road network for revitalizing the state economy, our Government has taken up an ambitious and time bound programme for their restoration and upgradation. The programme includes connecting all Mandal headquarters with a double lane road and upgradation of existing Panchayat Raj WBM roads to BT standards. The amount proposed for road upgradation and maintenance under the R&B Department is Rs.4,980 crore under plan and non-plan in BE 2015-16. The amount proposed for PR roads is Rs.2,421 crore.

Water Grid

54. Most of the preventable diseases are water borne. Provision of safe drinking water is the primary responsibility of the Government. Large part of Nalgonda district are fluoride affected. Water Grid is another flagship programme conceived and being implemented by our Government. Our target is to provide piped drinking water to every household in the State in the next four years. This programme will gain momentum during 2015-16 for which an amount of Rs.4,000 crore has been proposed.

Health

55. Speaker Sir, Let me reiterate that our Government is of the firm belief that expenditure on health care is an investment in human development with lasting benefits. The Government has initiated a programme of strengthening and modernizing government hospitals located at Hyderabad and the district headquarters besides area hospitals. To prevent deaths caused by swine flu, our Government has established Swine Flu Treatment and Management Centres at all district and area hospitals. Swine Flu tests are being made available free of cost to all inpatients including those from private hospitals at the Institute of Preventive Medicine, Narayanaguda and Fever Hospital, Nallakunta.

56. The Government is committed to strengthening 108 services. The fleet of ambulances will be increased from the present 337 to 506 in 2015-16. The Government has also decided to redefine the services under 104 to better serve the emergency needs of interior tribal habitations and remote areas. New mobile health units are proposed to be added, wherever necessary.

57. An amount of Rs.4,932 crore has been proposed for medical and health services in BE 2015-16.

Education

58. The Government is planning to overhaul the entire education system in the State to make the students employable and to meet the demands of the growing economy. School text books are proposed to be revised in 2015-16 to better reflect Telangana culture, history and literature. New diploma courses are being taken up under teacher education in accordance with the guidelines of National Council for Teacher Education. The proposed scheme of KG to PG education is being minutely examined in all its aspects and extensive discussions are being held to give a final shape to the scheme.

59. For the past many years, block grants to universities remained stagnant. Osmania University, one of the prestigious university in the State has been attracting a number of foreign students. Past governments have totally neglected this University. We have initiated measures to improve its administration and for suitable increase in block grants. As part of this, an amount of Rs.238 crore has been proposed as block grant. In addition, an amount of Rs.261 crore has been proposed for the newly established Sri. P.V. Narasimha Rao Telangana State Veterinary University, Sri. Konda Laxman Horticulture University and Prof. Jayashankar Agricultural University.

60. A total amount of Rs.11,216 crore has been proposed for the education sector in BE 2015-16.

Police, Public Safety and Security

61. Our commitment is to make Telangana the safest and secure State in the entire country. It is the foremost duty of the State to provide safety and security to its citizens by preventing crimes. This will have the multiplier effect of not only attracting domestic investments into the State but also foreign investments. Mobility of police force and surveillance are crucial in this endeavor. During the current year, the Government sanctioned an amount of Rs.271 crore for the purchase of 4,433 vehicles for Hyderabad and Cyberabad police. Out of these, 3,883 vehicles equipped with modern technology have already been purchased. The number of new vehicles provided to the remaining nine districts in the State is 550. 1500 motor cycles have been provided to Cyberabad Police to respond within 10 minutes of receiving a complaint or call. This is unprecedented. Most of the police stations were lacking in minimum facilities. Our Government allocated a monthly amount of Rs.75,000, Rs.50,000 and Rs.25,000 to each police station in the city, district headquarters and villages, respectively.

62. The Government has taken up CCTV project under which a lakh CCTV cameras are planned to be installed in 2015-16 in

Hyderabad city. All these cameras will be connected to the proposed Command and Control Centre. The Hyderabad Police has already introduced a system e-challans for the payment of 39 types of fines for traffic violations. This has received overwhelming support from the vehicle owners. Reception centres cum help desks supported by online monitoring system have been set up in all the police stations in Hyderabad / Cyberabad. These measures have already resulted in improving the operational efficiency of Police Department at the cutting edge level while transforming it into citizen friendly organization through mobility and technology.

Forest and Environment

63. Telangana ku Haritha Haram has made considerable progress during the current year. It is proposed to intensify the programme during the year 2015-16. 3,300 nurseries have been identified for raising 41 crore seedlings for 2015-16 planting. It has been decided to dedicate a week in the month of July, 2015 to intensively take up plantations and to sensitise people about the need for planting and protecting trees. The amount proposed for Haritha Haram is Rs.325 crore in BE 2015-16.

Urban Development

64. The Government is providing assistance to Greater Hyderabad Municipal Corporation (GHMC), Hyderabad Metro

Railway (HMR) and Hyderabad Metropolitan Water Supply and Sewerage Board (HMWSSB) in order to make the city of Hyderabad a world class metropolis. Liberal assistance is being given to HMWSSB in order to complete Krishna Phase-III and Godavari Phase-I bringing an additional 260 million gallons per day of water per day (MGPD) by the end of the year. In fact, Krishna Phase-III water will reach the city during this summer season. Apart from completely cleansing the Hussain Sagar lake, Government is planning for strategic road and skyline development in Hyderabad city with an amount of Rs.1600 crores. Hyderabad Metro is scheduled for completion by July 2017 as per schedule. The amount proposed for GHMC, HMR and HMWS&SB are Rs.526 crore, Rs.416 crore and Rs.1,000 crore, respectively in BE 2015-16.

Culture and Tourism

65. Telangana has a rich cultural heritage. Beginning with the Satavahanas, during the reign of Rastrakutas, Kakatiyas, Quli Qutub Sahis and Azam Jahis, Telangana developed as an important cultural centre. The rich cultural heritage of Telangana has been neglected so far. The Government is determined to reverse this and revive our rich cultural heritage.

66. Historic Jain and Hindu monuments located in and around Yadagirigutta were neglected in the past. The Government has

set up Yadagirigutta Development Authority for the comprehensive development of the area. An amount of Rs.100 crore has been sanctioned in 2014-15. Similarly, an amount of Rs.100 crore has been proposed in 2015-16.

Budget Estimates 2015-16

67. For the financial year 2015-16, the total expenditure proposed is Rs.1,15,689 crore, of which the non-plan expenditure is estimated at Rs.63,306 crore and plan expenditure at Rs.52,383 crore. The estimated revenue surplus is Rs.531 crore. The fiscal deficit is estimated at Rs.16,969 crore. As a percentage of GSDP, the estimated fiscal deficit is 3.49 percent. The increase in non-plan expenditure as compared with 2014-15 is mainly on account of increased pay and allowances of government employees. The Government has faced severe constraints in raising the plan outlay in 2015-16 mainly on account of less than expected tax devolution from the award of the Fourteenth Finance Commission and the reduction in plan transfers from the Centre. The estimated tax devolution to the State is only Rs.12,823 crore in 2015-16. The Centre has drastically reduced plan grants to States from Rs.3,14,814 crore in 2014-15(BE) to Rs.1,80,293 crore in 2015-16 (BE). Consequently, plan grants to the State from the Centre are budgeted at Rs.6,497 crore in 2015-16 (BE) compared with Rs.11,781 crore in 2014-15 (BE). But for the reduction in the

Central transfers, our Government would have proposed a higher plan outlay.

68. It is ironical that while the Centre has budgeted for a fiscal deficit of 3.9 percent of GDP in 2015-16, States are being asked to adhere to the limit of 3 percent of GSDP. Though the Finance Commission has recommended an additional borrowing limit of 0.5 percent of GSDP on fulfilling certain conditions, no decision has yet been taken by the Union Government on this recommendation.

69. Speaker Sir, as the saying goes, a long journey of a thousand miles begins with a single step. Our journey towards achieving the goal of Bangaru Telangana has started not with a single step but several steps with long strides. There is no looking back till the goal is reached, no matter what the hurdles are and what the naysayers may cry from roof tops. This Government will walk the talk. We have already demonstrated our commitment in the very limited period of nine months that we have been in the service of the people of Telangana. With this I commend the Budget for the approval of the House.

JAI TELANGANA-JAI JAI TELANGANA