

**SPEECH OF SHRI ANAM RAMNARAYANA REDDY,
HONOURABLE FINANCE MINISTER WHILE PRESENTING
THE BUDGET FOR THE YEAR 2013-14 TO THE ANDHRA
PRADESH LEGISLATURE ON MARCH 18, 2013**

Hon'ble Speaker Sir,

I rise to present the State Budget for 2013-14.

At the outset I would like to recall the immortal words of Mahatma Gandhi;

"My notion of democracy is that, under it, the weakest shall have the same opportunities as the strongest".

My Budget for 2013-14 aims to realise such an equitable and democratic society in our State.

2. I am happy to inform the august House that the budget for 2013-14 is a momentous one in the annals of the state. The process followed for budget preparation as well as the allocations enshrine the priority agenda of inclusiveness of our government under the leadership of Hon'ble Chief Minister **Sri N. Kiran Kumar Reddy** as never before.

3. Firstly, it translates the historic legislation, "AP SCSP & TSP (Planning, Allocation & Utilization of Financial Resources) Bill, 2012 passed by this House in December 2012, mandating special focus on Scheduled Castes and Scheduled Tribes, into appropriate and meaningful allocations for them. In line with the Act, we have radically

changed the budget formulation process for SCSP and TSP components. An intense consultative process was followed by the nodal agencies and the departments to better align the schemes to the needs of the two communities and achieve better targeting under SCSP and TSP plans. The budget has ensured that all the schemes identified by the nodal agencies under the Act are adequately provided for.

"Poverty is not about the lack of money, but a lack of options" Amartya Sen.

I am confident that we have made a huge leap in our commitment to reducing the development gaps amongst the Scheduled Castes and Scheduled Tribes.

4. The first SCSP and TSP action plan with appropriate budget allocation is introduced in this budget as a separate annexure, which will henceforth be an annual feature of the budget. The total allocation for SCSP in the plan budget now stands at Rs.8,585 crores which is an 16.21% while the budget allocation for the tribal sub plan is Rs.3,666 crores accounting for 6.92% of the annual plan size.

5. Another equally path-breaking feature of the budget 2013-14 is the presentation of the first ever exclusive Agriculture action plan to the Legislature. My esteemed colleague, Shri K. Lakshminarayana, Minister for Agriculture and Cooperation, will present the integrated and comprehensive strategy and action plan document separately. I hope this effort at a holistic approach to agriculture will definitely help in the comprehensive development of Agriculture sector and empowerment of the farming community in the State.

6. The third landmark innovation in the budget presentation this year is the constitution of Departmentally Related Standing Committees (DRSCs) of the State Legislature for considering the demands for grants. I am looking forward to a more intense scrutiny of the budget proposals of the departments and more structured and substantial discussions on the Demands for Grants, thereby rendering the Executive more accountable to the Legislature.

State Economy – 2012-13

7. I would now like to briefly present the highlights of the state economy. The Gross State Domestic Product of Andhra Pradesh (GSDP) at current prices for the year 2012-13 as per the Advance estimates is Rs.7,38,497 crores - an increase of 12.72 percent over the quick estimate of the GSDP of the previous year. At Constant (2004-05) prices, the GSDP for 2012-13 is estimated to be Rs.4,26,470 crores - a growth of 5.29 per cent over the previous year.

8. The Per Capita Income of the State at Current Prices for the year 2012-13 (Advance Estimate) is estimated to be Rs.77,277 as against Rs.68,970 during 2011-12, showing an increase of 12%. In fact, the per capita income has more than tripled in a span of 9 years – from Rs.25,321 in 2004-05 to Rs.77,277 by 2012-13, reflecting definite positive impact of the developmental programmes on the standard of living of the people.

12th Five Year Plan (2012-17)

9. In so far as our strategic outlook is concerned, our projections for the 12th Plan is based on greater emphasis for agriculture and manufacturing sectors for achieving rapid and inclusive growth. Andhra Pradesh leads amongst all the States and Union territories with the largest projected outlay of over Rs.3,42,842 crore for the 12th Five Year Plan, accounting nearly for over 9.2% of the total outlay of all the States/UTs. The State has optimistically targetted to attain sectoral growth of 6% for Agriculture, 10.5% for Industry and 11.5% for Services leading to an overall growth target of 10% for the 12th Plan.

10. In the above backdrop of a positive growth momentum and a comprehensive growth strategy we have put forth in the 12th Plan, I would confine myself to highlighting the new initiatives of the government in the budget.

Agriculture

11. As I have said before, acknowledging the fact that agriculture sector provides the foundation for the state economy, a comprehensive and integrated plan is being placed separately before the House by the Minister of Agriculture.

12. I would however like to inform the House about a few of the exceptional initiatives of the government. Our government takes pride in launching the interest subvention scheme of Vaddileni Runalu for the benefit of the farmers this year. An allocation of Rs.500 crores is made in this

Budget for the purpose to benefit farmers repaying crop loans of Rabi last year.

13. I would also like to highlight the special focus on Food Processing sector accorded in this budget. Our government has made an allocation of Rs.100 crores for the development of the Food Processing Sector. The “Andhra Pradesh Food Processing Society” is set up to encourage investments for increasing the earning potential of the farmer as well as provide quality products to the consumers.

14. I am happy to inform the House that credit support to farmers facilitated by the government is increasing year by year. During 2012-13, as on February 2013, against the target of Rs.37,128 crores of crop loans, Rs.37,784 crores (101.74%) was disbursed and against the target of Rs.15,845 crores of Agricultural & allied term loans, Rs.11,467 crores (74%) was distributed. NABARD has estimated the credit plan for next year to be Rs.72,450 crores under Agriculture credit plan as against Rs.52,972 crores during 2012-13.

15. A provision of Rs.6,128 crores is proposed in BE 2013-14 for Agriculture and Allied Sectors.

Welfare Departments

16. The inclusive agenda of the Government and the strategy for accelerated development of the socially excluded groups is strongly reflected in the allocation provided for all the welfare departments in this budget.

Social Welfare

17. The allocation for Social Welfare department is Rs.4,122 crores in 2013-14. The allocation has been increased by Rs.1,445 crores over Rs.2,677 crores allocated in the year 2012-13. In line with the new SCSP strategy under the special legislation, new schemes to meet the felt needs of the community are adequately funded which include the scheme of Best Available Schools for day scholars covering 150 students per district, scholarships for students to pursue higher education abroad and upgradation of infrastructure in residential schools.

18. Another important decision was to enhance diet charges for hostel boarders from Rs.475/- to Rs.750/- for Classes III to VII and Rs.535/- to Rs.850/- for Classes VIII to X with effect from December 2012. This will benefit about 8.48 Lakh SC/ST/BC/Minority students residing in Government hostels (5,765) with an additional outlay of Rs.250.66 crores.

19. The mess rates for Department attached Hostels have also been enhanced from Rs.520/- per month to Rs.1,050/- per month for Post Graduates, Graduates and Intermediate students. This has benefitted 61,555 SC/ST/BC/Minority students with an additional expenditure of Rs.29.38 crores.

20. A new Scheme, "Rajeev Deevena" will entitle pre-Matric Scholarships to about 3 Lakh eligible SC Students at the rate of Rs.150/- per Student per month for Day Scholars and Rs.350/- per month per student for Hostellers from the year 2013-14.

21. Further, with the launch of Direct Benefit Transfer Scheme by Government of India, the State is progressively taking up Aadhar Enabled Payment of all benefits. Five Districts i.e. Rangareddy, Hyderabad, East Godavari, Ananthapur and Chittoor are selected for implementation in the first phase.

22. Under the economic support schemes, Government is implementing the SC action plan so as to provide assistance to 66,213 beneficiaries with an outlay of Rs.423.86 crores. This is the highest ever plan outlay of the SC Corporation since its inception. Further it is a pleasure to mention here that the subsidy portion is now being released to the beneficiaries accounts through e-payments under “Direct Transfer of Subsidies”.

Tribal Welfare

23. The provision for Tribal Welfare department is Rs.2,126 crores for BE 2013-14. The allocation is enhanced by Rs.574 crores in budget 2013-14 over the corresponding allocation of Rs.1,552 crores last year. This is a result of the detailed consultative process adopted by the nodal departments for finalizing the TSP allocation under the historic SCSP and TSP Act. Additional allocation is now made available for significantly improving physical and teaching infrastructure in tribal educational institutions and hostels. Special projects are also identified for improving minor irrigation and road network in the tribal areas.

24. The other major ongoing programmes include Rajiv Yuva Kiranalu, economic support schemes, RoFR Land Development projects, 13th Finance Commission Grants for providing drinking water in inaccessible and interior tribal habitations.

25. For improving health infrastructure in tribal areas, Government have sanctioned buildings for (59) PHCs, (238) Sub-Centres and (19) CHNCs with a cost of Rs.45.97 crore under NRHM. Further, 175 vacancies of paramedical staff filled up in ITDA areas.

Backward Class Welfare

26. Economic support schemes have been accorded priority in the development strategy of Government with respect to backward classes, alongside continuing focus on scholarships to further educational goals of children belonging to these communities. Rs.436 crores is allocated for BC Welfare Corporation and special societies for the year. Government has constituted the Mahatma Jyothiba Phule Andhra Pradesh BC Welfare Residential Educational Institutions Society newly during the year 2012-13. 45 Residential Schools functioning in the State have been brought under the administrative control of the new society.

27. With a view to enable the unemployed educated youth among Backward Classes to successfully compete in competitive examinations, free coaching is being provided in 22 BC study circles in the State. Out of which 7 study circles were sanctioned by the Government during the year 2012-13.

28. A provision of Rs.4,027 crores is proposed in BE 2013-14 as against Rs.3,014 crores last year.

Minority Welfare

29. The Government is according priority to promote education amongst minority children, particularly the girl children to accelerate the development of minorities. The budget has more than doubled at Rs.1,027 crores from Rs.488 crores provided last year.

30. Along with this, the government has also operationalised the office of the Commissioner for Minorities Welfare announced in my budget speech last year. 69 posts have been sanctioned for the newly created Commissionerate at the State Head Quarters and at District levels. The administrative machinery will now be in place to effectively implement the stupendous increase in the outlay.

31. Government has established Pre and Post Matric Hostels and Residential Schools in 12 Minority concentrated Districts. To improve the participation and performance of minorities in competitive examinations, government has established (3) three District level full fledged residential coaching centres for minorities at Kadapa, Nizamabad and Pileru (Chittoor District) for competitive examinations.

32. New focus will now also be given to strengthening the economic support schemes and the self help group movement amongst minority women through subsidy support, training and skill development programmes and better marketing and infrastructure support.

Women & Child Welfare

33. Critical investments in the provision of health care and nutrition for women and children is the priority of the state government. A new state initiative, “Indiramma Amrutha Hastham” was launched on 1st January, 2013 in 27,906 Angawadi Centres in 103 ICDS Projects identified as high risk, to improve the nutritional status of mothers and new born babies. Under this programme 3.45 lakh pregnant and lactating women are being provided with a wholesome and nutritious meal every day. Such a meal provides for 50% of the total calorie, proteins and calcium required per day by pregnant and lactating women.

34. Government of India has recently approved the construction of Anganwadi Centres as an eligible and authorized activity under the Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGS). This will now enable the State Government to take up the construction of Anganwadi Centers in all the villages where these centers are running on rent.

35. A provision of Rs.2,712 crores is proposed in BE 2013-14.

Disabled Welfare

36. Government has launched a special recruitment drive for filling up of the backlog vacancies reserved for the disabled. The period of recruitment has been extended upto 31.3.2013.

37. Government issued orders for providing 3% seats in coaching and training facilities for disabled in all the welfare departments irrespective of caste/religion. Government enhanced the Marriage Incentive Award from Rs.10,000/- to Rs.50,000/- for marriages between disabled and normal persons.

38. A provision of Rs.73 crores is proposed in B.E 2013-14.

Youth Services

39. In my last budget speech I had the pleasure to announce a major increase in budget allocation for the youth under Rajiv Yuva Kiranalu and Sports. Continuing with our governments focus on holistic development of the youth, I am happy to inform the House that government has for the first time provided for 2 percent reservation at all levels of Government recruitments for meritorious sports persons.

40. Government has allocated a provision of Rs.200 crores towards "Construction of Stadia & Modernization of Sports facilities" in the State. Under this scheme it is proposed to construct one Mini Sports Stadium in every Assembly segment in Phase-I and in every Mandal in Phase-II.

41. A provision of Rs.280 crores is proposed in B.E 2013-14.

Tourism

42. Tourism continues to be the major thrust area for driving development and employment generation particularly in the rural areas. Government is encouraging and driving the Public and Private Sector investment in creation of Tourism infrastructure and facilities across all the regions of the State.

43. Development of human resources has also been given due importance. State Institute of Hotel Managements will be completed at Tirupathi and Zaheerabad in the next financial year. Rural employment generation is provided through Hunar-se Rozgar scheme across all Tourism properties. Rural festivals being celebrated in districts are an important tool for generation of rural employment and preservation of heritage in the districts.

44. A provision of Rs.163 crores is proposed in B.E 2013-14.

Culture

45. World Telugu Conference has been organized in a grand scale after 37 years in the State at Tirupati during December 27th, 28th and 29th 2012. More than 5.00 lakh people witnessed this event. Sri Pranab Mukharjee, President of India inaugurated the World Telugu Conference. More than five thousand delegates from other states and countries have participated.

46. Government has organized 150th Birthday Celebrations of Sri Gurajada Venkata Apparao in a befitting manner all over Andhra Pradesh and outside the State as well.

47. Government has allocated an amount of Rs.25 crores in B.E. 2013-14 for organising cultural festivals at the district level in the State under the new scheme "Telugu Bata".

48. A provision of Rs.69 crores is proposed in B.E 2013-14.

Housing

49. "Indiramma" is a flagship programme of the State Government, to provide pucca houses for rural and urban poor and make Andhra Pradesh a hut less / slum free State. The programme was started on saturation concept from the year 2006. After launching the massive programme from 2006 onwards, upto 31.01.2013, 42.83 lakh houses have been completed and 9.34 lakh houses are in various stages of progress with an expenditure of Rs.17,291.05 crores.

50. The State of Andhra Pradesh stands 1st in the country in providing pucca houses to the deserving poor both in rural and urban.

51. A provision of Rs.2,326 crores is proposed in B.E 2013-14.

Civil Supplies

52. I am happy to inform the House of a new initiative to be launched by the Government to supply nine essential food items in a packaged form from Ugadi this year. The basket of commodities include Wheat, Wheat Atta, Sugar, Red gram Dal, Palmolive Oil, Iodized Salt, Tamarind, Chilly Powder and Turmeric Powder which will be sold at a fair price. Every card holder will benefit by Rs.1,284/- per annum. This initiative will cost Rs.660 crores every year.

53. Government is committed to the welfare of the BPL families in the State, and is supplying Rice at Re.1/- and this is providing substantial saving to the card holder in his food budget. State Government has taken up decentralized procurement of Rice in seven districts. Under this scheme, rice procured in the district is distributed to card holders in the same district through the fair price shops under the brand name "MANA BIYYAM".

54. Presently, 7.50 crore persons in the State benefit through the Public Distribution System. Every month a quantity of 3.25 lakh MT of rice per month is being distributed under this scheme.

55. State Government announced an incentive price of Rs.1500/- per quintal, i.e. Rs.220/- per quintal more than the Minimum Support Price (MSP) for super fine rice, well before the sowings commenced. Government also assured purchase of this paddy by the APSCSCL at this rate.

56. A provision of Rs.3,231 crores is proposed in B.E 2013-14.

Integrated Rural Development

57. The Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGS) is implemented in all the 69,029 rural habitations in the state. Since inception of the scheme, 1.89 crore wage seekers in 93.75 lakh households were provided wage employment. Cumulatively, 183 crore person days employment have been provided at a cost of Rs.23,398 crores. Out of the total person days provided, the share of SCs is 25% and the share of STs is 15%.

58. Indira Jala Prabha (IJP), a MGNREGS – RIDF convergence project, aims at changing 10 lakh acres of fallow and uncultivated lands belonging to the poorest of poor 5.81 lakh households (SC/ST) into cultivated irrigated lands and is one of flagship programmes of Government.

59. ‘Rajiv Yuva Kiranalu’ which proposes to synergize skill building and placement efforts by Government Departments at the state level will train and place 15 lakh youth in private jobs by 2014-15. A Skill Development Fund (SDF) has been established for implementation of RYK which will leverage all funds meant for skill building among youth. An electronic registry of the unemployed is being maintained with 20.78 lakh unemployed youth registered. The cumulative placements under Rajiv Yuva Kiranalu (RYK) as on 31-1-2013 are 2.77 lakhs.

60. The total savings and corpus of Self Help Group (SHG) Members is an astounding amount of Rs.4,054.44 crores and Rs.5,871.91 crores respectively. Our SHGs are

availing, approximately half of the Bank linkage in the country. To address the issues of inadequate finance for meeting emergent and other needs of the poorest of the poor, 1098 Mandal Mahila Samakhyas (MMS) of Self Help Groups in association with Government of Andhra Pradesh have promoted the first Women's Bank 'STHREE NIDHI'. Up to end of January, 2013 Rs.600.67 Crores were disbursed to 3,74,321 members of 1,09,018 SHGs. An amount of Rs.800 crores is allocated in 2013-14 towards Vaddileni Runalu for Rural Self Help Groups.

61. Under Dr.Y.S.R. Abhaya Hastham 48.70 lakh Self Help Group (SHG) members are enrolled. Of these 5.12 lakh eligible members are receiving pensions at the rate of Rs.500 per month. In addition, government has also accorded permission for enrollment of 9 lakh additional memberships during 2013-14 to cover the vulnerable women, from SCs, STs, Fishermen, and Weavers etc. It is also proposed to enhance the coverage of Social Security pensions.

62. Government gives highest priority to Rural Water Supply. 44,720 habitations were fully covered 27,276 habitations were partially covered under this programme. 391 habitations are quality affected. Quality affected and not covered habitations are being given priority while sanctioning the schemes. Under the World Bank Programme, APRWSSP water supply projects in Visakpatnam, Prakasam, Kadapa, Mahaboobnagar, Adilabad and Karimnagar districts are taken up with an outlay of Rs.864.00 crores. For improving rural roads, with the efforts of state government, Government of India has

sanctioned Rs.452.31 crores under PMGSY to provide connectivity to unconnected habitations in IAP districts.

63. I am happy to inform the House that the State Government obtained clearance from the Hon'ble Supreme Court for conduct of elections to Panchayat Raj Institutions. Election process is under way and we hope to secure release of all 13th Finance Commission Grants to the State to a tune of Rs.1582.41 crores for 2012-13.

64. A provision of Rs.11,200 crores is proposed in B.E 2013-14.

Urban Development

65. The Government have accessed Rs.12,525.66 crores for 253 Projects under Government of India's Flagship urban programme of Jawaharlal Nehru National Urban Renewal Mission (JNNURM) to improve the infrastructure in the urban areas of the State. Further "Andhra Pradesh Development Project" with project cost of Rs.1,670 crores under World Bank Assistance at Rs.1000 crores from 13th Finance Commission grants over the next two years will ensure planned growth of urban areas in the State.

66. Government has also taken up training programmes through "Mission for Elimination of Poverty in Municipal Areas (MEPMA)" and trained 35,793 urban poor. Further, Stree Nidhi operations were extended to urban areas on 20-12-2012 with an aim to provide "Credit Gap Funding" arising out of withdrawal of Micro Finance Institutions. Government has organized Urban poor families into 2.56 lakhs self help groups in slums and provided over Rs.2,600

crores bank credit to them to help them achieve better quality of life and come out of poverty.

67. The prestigious Hyderabad Metro Rail Project spanning over 72 kms on three high density traffic corridors at an estimate cost of Rs.14,132 crores is under execution promising to ease traffic congestion in Hyderabad City. The state government will spend an additional amount of Rs.1980 crores towards costs of land acquisition and relief and rehabilitation for the project.

68. The Government is also committed to bring in Godavari waters and execute Krishna Phase – III project to meet the drinking water needs of Hyderabad city. The outlay for the projects are Rs.3,725 crores and Rs.1,670 crores respectively.

69. A provision of Rs.6,770 crores is proposed in BE 2013-14.

Labour and Employment

70. Government is continuing with its focus on expanding infrastructure for technical education in the state. To improve employability of the youth and exploit avenues for new employment, government has opened 8 new ITIs particularly in rural areas during this year. They are at Dubbak (Medak), Gadwal (Mahabubnagar), Sangam & AS Peta (Nellore), Mailavaram (Kadapa), Bichkunda (Nizamabad), Khairatabad (Hyderabad), Jawaharnagar(Ranga Reddy) each at a cost of about Rs.6 crores. Further 4 (four) more ITIs will be sanctioned at Jadcherla (Mahabubnagar), Gajwel, Zaheerabad,

Rangampet (Medak). In the area of Labour Welfare, Government has improved medical facilities to the workers by upgrading the ESI Hospital Tirupati, from 50 bedded to 100 bedded and ESI Hospital Visakhapatnam from 125 bedded to 250 bedded hospital.

Medical and Health

"How can a nation flourish when its citizens are in misery"
- Gurajada

71. Providing affordable quality healthcare to all citizens of the state is the principal objective of our government. Recognizing the unacceptably high levels of infant and maternal deaths and malnutrition levels in the state, we launched a programme called 'Maarpu' through the coordinated action of the Health, ICDS and Rural Development departments to reduce infant and maternal mortality and morbidity levels and to bring down malnutrition levels.

72. During 2013-14, we will invest Rs.1,738 crores by leveraging funds under National Rural Health Mission and 13th Finance Commission grants in addition to our own resources to strengthen the Health Service Delivery System. We will improve the outreach of the Primary Health System (PHC) by strengthening the Fixed-day Health Services (FDHS) duly integrating 104 Mobile Health Services with 360 Community Health and Nutrition Cluster Offices (CHNCs) and 1,624 Primary Health Centres. To reduce the burden of Non-Communicable Diseases (NCDs), we will strengthen the implementation of the programme for prevention and management of NCDs and cancer.

73. A new Medical College has been established at Nizamabad with an intake capacity of 100 MBBS students. Another medical college is being established at Nellore with an intake of 150 students for which administrative sanction has been accorded for Rs.352 crores. Government will strengthen the services in all government medical colleges of the State. We will continue to strengthen the implementation of Arogya Sri and 108 services.

74. A provision of Rs.6,481 crores is proposed in B.E 2013-14.

Higher Education

75. The State has achieved a higher Gross Enrollment Ratio (GER) of 21.6% in higher education compared to the national average of 18.8% due to the establishment of new Universities, Colleges and starting of new courses in the State. During the year an exclusive women's degree college was set up at Jogipet, Medak district.

76. To improve access to engineering education, new constituent engineering colleges of JNTU have been sanctioned at Manthani (Karimnagar) with the help of Singareni Collieries, Singur (Medak) and Kalikiri (Chittoor). Five new polytechnics were opened this year at Chinamerengi (Vizianagaram) Narpala (Anantapur) Kosigi (Mahaboobnagar), Cheriya (Warangal), and Chegunta (Medak).

77. The Department has established 25 Skill Development Centres in 23 districts on a self sustaining basis. The students are given training in soft skills and other skills to ensure better employability.

78. A provision of Rs.4,082 crores is proposed in B.E 2013-14.

School Education

79. In order to ensure the state vision of “Education for all in the age group of 5-18 years”, Government is making sustained efforts to provide opportunities to all children to access quality and free education.

80. The Mid Day Meals scheme is implemented upto Class-X benefitting 70.54 lakh children in 61,415 Primary, 9,216 Upper Primary and 10,292 High Schools. It is also proposed to construct Kitchen sheds during the year 2013-14 across all schools.

81. Under Rastriya Madhyamik Siksha Abhiyan Scheme construction of 2,143 School Buildings at a cost of of Rs.670.89 crores has been approved by the central government. Out of this construction of 1853 school buildings has been completed. 9,569 School Assistant posts have also been created in the existing Government Secondary Schools in the State.

82. Similarly construction of 355 Model Schools is underway in Educationally Backward Blocks in Andhra Pradesh in Phase-I. Along side the model schools, 355

attached girl's hostel buildings are under execution with support from the Central Government.

83. Under Rajiv Vidya Mission, out of 22,342 additional class rooms sanctioned, 3,073 were completed and the remaining works are in progress and expected to be completed by this year.

84. A provision of Rs.16,990 crores is proposed in B.E 2013-14.

Environment, Forest, Science & Technology

85. Our State has the second largest forest area in the Country will 63,813 Sq. kms. constituting 23.2% of the total geographical area. Various forestry programmes have been taken up to protect and develop the existing forest cover and also to bring 33% of land area under Tree Cover, through participation of local communities organized into 7718 Vana Samrakshana Samithies (VSS) and Eco-development Committees.

86. A.P. Forest Development Corporation Ltd. has entered into a new field of development of 'Eco-Tourism' in forest lands by tapping investments from private entrepreneurs for developing infrastructure and tourist amenities. Mahavir Nischal Van Project, Rajeev Eco Park at Idupula paya and Shamirpet deer park in Hyderabad are a few of the successful projects.

87. It is a matter of great pleasure and pride to inform that International Conference of Parties (CoP-11) to the Convention on Biological Diversity (CBD) was successfully

conducted by the Government in a grand manner at Hyderabad from 1st -19th October, 2012. Delegates from 175 Countries, have participated in the Conference and uniformly expressed their appreciation of "the wonderful and inspiring setting" provided by the host city of Hyderabad and the State of Andhra Pradesh.

88. A provision of Rs.551 crores is proposed in B.E 2013-14.

Infrastructure

89. Andhra Pradesh Gas Distribution Corporation Ltd. has identified Kakinada Deep Water Port, in the State to set up Floating Storage Re-gasification Unit (FSRU) Terminal of 3.5 MMTPA. All efforts are being made to commission the project to meet the demand particularly from Power, Fertilizer, Refinery, Glass, Ceramic and City Gas Distribution Sectors.

90. Government have taken up Chittoor District Drinking Water Supply Project with an estimated cost of Rs.5,999 crores in Phase-I and Rs.1,400 crores in Phase-II to ensure drinking water supply to Tirupathi, Chittoor and other urban and rural areas of Chittoor district. The INCAP is the implementing agency.

91. A provision of Rs.180 crores is proposed in B.E 2013-14.

Roads, Bridges & Transport

92. Government have given priority for construction and maintenance of Roads in the State since a robust road network is a precondition for economic development. Funds are tapped from various sources like the State Plan, Non-Plan and Centrally sponsored schemes such as Central Road Fund, World Bank etc. Government has also taken up four-laning of certain major roads under the Public Private Partnership mode. The development of linkage roads to the market yards and other roads are taken up with the loan assistance of NABARD and Road Development Fund. Development of high-density corridors is taken up with the assistance of World Bank under the Road Sector Project.

93. The Government has decided to formulate a Master Plan for Road connectivity in Scheduled Tribal Area / IAP area to take up road connectivity works in an integrated manner. During the current year 43 works costing Rs.79.77 crores have been completed. 19 works costing Rs.92 crores are in progress. 102 works costing Rs.96 crores have been taken up under SCSP for laying of roads in SC Colonies. 45 works costing Rs.42 crores are completed and the balance works are in progress.

94. Considering the importance of taking up Railway Projects in different parts of the State for the convenience of people and growth of economy Government have taken a policy decision to share cost of creation of infrastructure with Railways. This is to ensure speedy implementation of projects. During 2012-13 the State Government for the first time have released Rs.116 crores for 5 Railway Projects

(Tumkur - Raidurg, Medak - Akkannapet, Kadapa - Bangalore, Vijayawada - Guduwada - Bhimavaram - Narasapur and Guntur - Tenali).

95. Due to efforts of the state government, Government of India have notified four roads as National High Ways during 2012. The roads are namely Aska in Odisha to Chinturu in Andhra Pradesh; Maidukuru to Krishnapatnam Port; from Haggari in Karnataka connecting Mahabubnagar to Jadcherla in Andhra Pradesh; NH 67 from Urvakonda in Andhra Pradesh connecting Anantapuram and terminating at Krishnagiri in Tamilnadu. In addition, 6 other State Roads have been cleared by the Government of India for notification as National High Ways. They are; from Sironcha to Renigunta; from Naidupeta to Renigunta; from Sangareddy to Akola; from Mydukur to Gooty; from Rayachoti to Kurabalakota; and from Hyderabad to Thokapalle.

96. A provision of Rs.5,451 crores is proposed in B.E 2013-14.

Energy

97. Government is committed to provide quality and reliable Power to all categories of consumers and providing 7 hours of quality and reliable Power supply to 31.56 Lakh pump sets in the State in spite of prevailing power shortage. 94,304 numbers of new agriculture services were released upto January, 2013.

98. 509 MW of new generation capacity has been added in the State during the year 2012-13 (up to January, 2013).

The total installed capacity in the State as on 31-01-2013 is 16,386 MW. APGENCO is targeting for capacity addition of 2200 MW during next one year.

99. The Government has announced for the first time “Andhra Pradesh Solar Power Policy-2012” to encourage generation of solar power in the State for captive use, third party sale and sale to DISCOMs at average pooled purchase cost. Certain incentives have been announced under the policy for promotion of Solar Power Projects like refund of VAT for solar power project inputs, refund of stamp duty for land purchase for projects, exemption from electricity duty and from wheeling and transmission charges. Government also intends to encourage solar energy products in the domestic sector, and has initiated the programme with an allocation of Rs.8.00 crores in this budget.

100. A provision of Rs.7,117 crores is proposed in B.E 2013-14.

Irrigation

101. Friends, you are all aware of the ambitious Jalayagnam programme of the government implemented since 2004-05 to bring vast tracts of land under irrigation and stabilize the existing ayacut in the State. I am happy to inform that government is making all efforts to obtain national project status for 2 major projects of Indira Sagar Polavaram and Dr. B.R. Ambedkar Pranahitha Chevella. The estimated cost of Indira Sagar Polavaram Project is Rs.16,010.43 crores and Dr. B.R. Ambedkar Pranahitha Chevella Project is Rs.38,500 crores. Govt. of India will

provide 90% of the cost of the above 2 projects once they are given national project status. I am confident that we will succeed in our attempts during this year.

102. We have therefore made a provision of Rs.13,800 crores this year for accelerated completion of the remaining Jalayagnam projects. Out of 82 projects so far grounded, 16 projects have been completed fully creating an ayacut of 4.25 lakh acres, 21 projects have been partially completed and water released creating irrigation potential of 15.99 lakh acres. Ayacut of 1.184 lakh acres has also been created under the ongoing old projects. The total irrigation potential created so far under Jalayagnam is 21.435 lakh acres.

103. The total value of the Projects grounded is Rs.1.26 lakh crores, out of which an amount of Rs.67,802 crores has been spent so far. During the year 2012-13 about Rs.7,257 crores has been spent up to January, 2013.

104. Minor Irrigation Works are under execution to create new irrigation potential under NABARD, Accelerated Irrigation Benefit Program (AIBP), the Japanese International Cooperation Agency (JICA) assisted, Andhra Pradesh Irrigation and Livelihood Improvement Project (APILIP), the World Bank funded AP Community Based Tank Management Project (APCBTMP) as well as the State Plan.

Industries and Commerce

105. Andhra Pradesh is home for nearly 1.87 lakh industries providing employment to about 29.22 lakh

persons. The industries sector contributes nearly 25% of the State Gross Domestic Product. During 2011-12, the growth rate of industries of the State was 7.33% as against the national growth rate of 3.95%.

106. Government of India has communicated in-principle approval for two National Investment and Manufacturing Zones (NIMZ) at Pileru in Chittoor district and another in Zaheerabad in Medak District, The NIMZs will cover an area of 5,000 hectares (12,500 acres) each with World Class infrastructure under the National Manufacturing Policy of Government of India. These projects promise to provide about 6 lakh additional employment in the State. The central government will provide viability gap funding to improve link infrastructure to the NIMZ Regions.

107. I am happy to inform that this year the Central Government has announced the establishment of 3 institutions, namely the Footwear Design and Development Institute, the National Biotechnology Institute for Veterinary Sciences and the National Institute of Design in Ranga Reddy District. These institutions are expected to start functioning shortly and will provide a major fillip to developmental activities in relevant areas.

108. The proactive policies of the Government combined with attractive incentives and easy availability of skilled manpower has led to the establishment of Asia's largest tractor manufacturing facility by M/s Mahindra & Mahindra capable of producing 1 lakh units per year, with an investment of Rs.350 crores and the potential to create employment to 1600 persons, in Zaheerabad, Medak District. This facility would also act as an anchor industry

and will lead to the development of a supplier base with a large number ancillary industries located close to the plant.

109. M/s. ISUZU Motors Limited, a subsidiary of M/s. Mitsubishi Corporation, Tokyo, Japan, have recently opted for setting up of their Greenfield LMV manufacturing facility in the Sri City Industrial Area in Chittoor District of Andhra Pradesh. Though they were offered land by 3 other State Governments, they have chosen Andhra Pradesh for its world class infrastructure, strategic location and its investor friendly administration. Isuzu proposes to make commercial vehicles and passenger cars with a total investment of Rs.1,500 crores.

110. A provision of Rs.1,120 crores is proposed in B.E 2013-14.

Information & Technology

111. Andhra Pradesh has emerged as a most preferred destination in the Country that provides the right climate for the growth of IT business.

112. The all India Growth rate under IT Sector is 15.7% where as for Andhra Pradesh the Growth rate is 17% during 2011-12. The State's contribution to National IT Exports (4th in India) is 12.4%. IT sector contribution to total exports of all sectors is 39%.

113. Mee Seva, an online web based citizen-centric service facility has been set up to provide access to the citizens for getting services from multiple Government offices. At present, 79 new Government to Citizen (G2C) Services

pertaining to Revenue, Registration Department, GHMC, Civil Supplies & CDMA have been provided. An additional facility of SMS alerts to the citizens is also included. As of now the number of transactions has reached to one crore and twelve lakhs. It is proposed to provide 100 services to the citizens across the State through Mee Seva by 31st March 2013.

114. A provision of Rs.207 crores is proposed in B.E 2013-14.

Disaster Management

115. The Department of Disaster Management is working in the areas of disaster preparedness, mitigation and for extending relief assistance to the population affected by natural calamities.

116. Agriculture input subsidy amounting to Rs.1816.91 crores was released for Drought of Khariff, 2011. In order to ensure that the Input subsidy directly reaches the ryots whose crops were damaged, '**online system**' of direct credit to the ryots' account were introduced during April, 2012. An aggregate amount of Rs.1459.85 crores was already disbursed and credited to the bank accounts of 41,63,032 affected farmers.

117. Following the NILAM cyclone, State Government reviewed the adequacy of the scale of finance under input subsidy in giving relief to the farmers and enhanced the norms to the extent of 68% to 34 Agriculture and Horticulture crops. With respect to Paddy, Cotton, Sugarcane, Tobacco etc, the subsidy is raised from

Rs.6,000/- per hectare to Rs.10,000/- per hectare; from Rs.3,000/- per hectare to Rs.5,000/- per hectare in respect of millets like Jowar, Bajra, Ragi etc.; from Rs.9,000/- per hectare to Rs.15,000/- per hectare in respect of Mango, Citrus, Cashew nut etc.

118. Responding to the current adverse seasonal conditions in the State, Government has sanctioned an amount of Rs.332.35 crores and released Rs.70 crores to meet the immediate requirement for supply of water in rural and urban areas of the State. A further amount of Rs.262.35 crores will be released to tide over the severe summer conditions in the coming months.

Law and Order

119. Equipping the state police force with adequate funds for training, provision of equipment and appropriate manpower is a top priority for government. This is particularly important in the context of increasing incidence of violence against women and terrorist attacks across the country. Renewed focus is now given to provision of better surveillance systems in the State capital.

120. For districts affected with Left Wing Extremism, Government has accorded priority to construction and strengthening of fortified Police Stations. Construction of 14 Police Station buildings out of an approved number of 40 fortified Police Station Buildings will be taken up during the year.

121. Adequate investment in training of police personnel is the hallmark of an efficient and enlightened police force.

Government has allocated Rs.100 crores for upgradation of Police Training Institutions and Rs.13 crores for Greyhounds Training Centre under the 13th Finance Commission Grants. Similar attention is given to Coastal security. In the second phase of Coastal Security Scheme, construction of 15 Coastal Police Stations, 7 Jetties is approved and work is underway.

122. Continuing with the policy of government to strengthen the human resources in key departments, 2,207 Sub Inspectors and 13,131 Police Constables, after completing appropriate training, will join the police force in 2013. Moreover, 5,949 posts of Police Constables have been notified during December, 2012, for recruitment and a further notification for recruitment of 2,291 Sub Inspectors and 736 Police Constables is underway.

123. A provision of Rs.5,386 crores is proposed in B.E 2013-14.

Revenue

124. Revenue Department has been in the forefront of modernizing provision of services to citizens. Under the Mee Seva initiative launched last year, 91% of transactions pertain to 45 land related and other services of the revenue department. Revenue Department proposes to increase the number of services to 171 in a time bound manner. In my last budget speech, I informed that the government proposes to further decentralize and improve revenue administration and open new divisions and mandals in the State. Government proposes to set up 18 new Revenue

Divisions and 52 Urban Mandals in 2013-14. A State Revenue Academy for training revenue officers will also be established. Also, two new collectorate complexes and 144 Tehasil office buildings will be constructed this year by the Government.

125. Government is also continuing with its much acclaimed outreach programme, "Revenue Sadassulu" to resolve land disputes and other grievances of the people. A total of 6,86,014 petitions out of 6,92,822 representations are disposed off in the districts. The second phase of Revenue Sadassulu is underway since 12th March, 2013 in the State.

Employees Welfare

126. The State Government has adopted a liberal approach on matters pertaining to the pay, service conditions and other grievances of the State Government Employees. The salaries of the employees were last revised as per the recommendations of the Ninth Pay Revision Commission with effect from 1-7-2008. Though, the next Pay Revision Commission (Tenth PRC) is due on 1-7-2013, Government has constituted Tenth Pay Revision Commission this month. The Pay Revision Commissioner has also since assumed charge.

127. Government have initiated certain reform measures in APGLI providing quick and efficient services. It is proposed to give the policy document within two months from the date of deduction of the first monthly subscription. Sanction and disbursement of loan will be done online and all transactions will be communicated through SMS facility.

128. I am pleased to inform the House that Government has sanctioned a total number of 27,903 posts across the departments. Along with the initiative to recruit 1.16 lakh persons last year, this will go a long way in improving governance and service delivery in the State.

Finance

129. I had promised last year that online Bill Monitoring System for Works and Projects will be introduced to bring in transparency in scrutiny and payment of work bills. I am happy to inform you we have gone a step further. The online system introduced also provides a tool to the Departments to manage distribution of LOC efficiently and Electronic payment of bills (RTGS and NEFT) directly into the accounts of the payees. This has eliminated the interface between the department and payees reducing the scope for complaints. Green Channel Scheme which was introduced last year is being continued during the current financial year to ensure timely releases of funds to the beneficiary oriented priority government programmes.

130. In my last address to the House I have announced the decision of the Government to introduce Comprehensive Financial Management System (CFMS) with a view to ensure transparent, efficient, cost effective and real-time management of public finances. I am happy to inform that the work has been awarded this year and Phase-I of the project will be operational in 18 months.

Accounts 2011-12

131. The final accounts of 2011-12, show a revenue surplus of Rs.3,138 crores, and fiscal deficit is well within the FRBM Act, at Rs.15,402 crores which is 2.35% of GSDP.

Revised Estimates 2012-13

132. The revised estimates of 2012-13 indicate a revenue surplus of Rs.1,685 crores against the budgeted revenue surplus of Rs.4,444 crores. The fiscal deficit is estimated at Rs.21,129 crores which would be 2.86% of GSDP.

Budget Estimates 2013-14

133. For the financial year 2013-14, government proposes an expenditure of Rs.1,61,348 crores; Non-plan expenditure is estimated at Rs.1,01,926 crores and Plan expenditure at Rs.59,422 crores. The estimated revenue surplus is Rs.1,023 crores and fiscal deficit is estimated at Rs.24,487 crores, at 2.85 percent of GSDP.

134. I am confident that the Budget 2013-14 will infuse new energy to the strategy of inclusive growth of the state. It will usher in an era of accelerated growth of critical infrastructure in the economy and of human development indicators of all sections of the people of the state.

I conclude quoting Mahakavi Sri Sri :

Liberty, Equality, Fraternity and Solidarity would lay the foundation for the welfare of the people. Let peace reign and win over the world. Let this dream come true, let this heaven unfold itself..

I commend this Budget for the approval of the House.

// JAI HIND //