



**GOVERNMENT OF ANDHRA PRADESH**

**BUDGET SPEECH  
2015-16**

**YANAMALA RAMAKRISHNUDU**  
*MINISTER FOR FINANCE*



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**SPEECH OF SHRI YANAMALA RAMAKRISHNUDU,  
HONOURABLE FINANCE MINISTER WHILE PRESENTING  
BUDGET FOR THE YEAR 2015-16 TO THE ANDHRA PRADESH  
LEGISLATURE ON 12.03.2015**

*Hon'ble Speaker and Members,*

I rise to present the Budget for the year 2015-16.

I would like to commence my speech by remembering the thought provoking words of Bharatharatna Dr. Babasaheb Ambedkar:

*'If you ask me, my ideal would be the society based on liberty, equality and fraternity. An ideal society should be mobile and full of channels of conveying a change taking place in one part to other parts.'*

My budget for 2015-16 is one more step forward in the direction of realizing such an equity-oriented, dynamic and cohesive society.

2. This is the second Budget of the State of Andhra Pradesh after reorganization of the State. As I appraised the Honorable Members while presenting the previous budget, the interregnum period till the reorganization of the State was characterized largely by lack of development vision, strategic direction, rampant corruption and failure of governance. After a series of agitations and strikes preceding bifurcation, the situation got compounded by the manner in which the State was divided. I have also brought to the notice of the honorable members the unfortunate scenario which the present Government have inherited and the manner in which it is compelled to deal with the complexities and problems, the State is burdened with.

3. At the cost of repeating myself, let me once again state that the provisions made in the A.P. Reorganization Act 2014 for the development of the State of Andhra Pradesh signify tokenism and they may not in any way compensate the loss of opportunity for the people of Andhra Pradesh due to the division of the state. Income generation and employment opportunities, health and educational institutions, Research and Development and training facilities and social infrastructure are grossly inadequate in the new state. The decision to bifurcate the state without even finalizing the capital city itself signifies an epitome of irresponsibility.

4. I may also submit to the honorable members that United Andhra Pradesh, where second generation reforms under the leadership of Sri Nara Chandra Babu Naidu were initiated during 1995-96, had for almost a decade rigorously pursued economic reforms for stepping up economic growth and alleviating poverty. In mid- nineties, there was a breakthrough in the Information Technology and significant strides were made during this period in respect of participatory management of land, water and forest resources. Women's self-help groups and DWCRA of the then state of Andhra Pradesh were a global success story which through social mobilization, community empowerment and capacity building became central in the poverty eradication strategy. These initiatives earned a great name for united Andhra Pradesh as a harbinger of economic reforms and have led to increased expectations both within the country and abroad.

5. However, as I had mentioned earlier this massive movement started fading away rapidly since 2004, due to lack of handholding support from the then Government. The State

which was at 10th rank in Human Development Index at all India level in 2001 has fallen to 15th position by 2008.

6. I have also brought to the notice of the Hon'ble members the sad scenario wherein the united state of Andhra Pradesh has been a revenue surplus state but unfortunately, the division made the residuary state of Andhra Pradesh a huge revenue deficit state. The honorable members are also aware that there has been a huge impact of State bifurcation on State Finances and that the state is not even left with reasonable resources for a meaningful plan outlay. Even after taking into account the devolution on account of 14<sup>th</sup> Finance Commission recommendations and expected resource flow out of Union Budget 2015-16, the State continues to reel under revenue deficit and this deficit continues even after the last year of the award of 14<sup>th</sup> Finance Commission. Our debt burden and fiscal deficit will continue to increase as we keep borrowing to meet revenue expenditure. We had requested 14<sup>th</sup> Finance Commission to provide us with a grant of Rs.1,00,213 crore for Capital Construction and Rs.41,253 crore for other critical infrastructure requirements. The 14<sup>th</sup> Finance Commission has provided only Rs.22,113 crore as revenue deficit grant and Rs.1,823 crore towards Disaster Management. As against the requirement of Rs.29,805 crore for Urban Local Bodies projected by us only Rs.3,636 crore has been provided and for Rural Local Bodies as against the requirement of Rs.18,633 crore only Rs.8,654 crore have been provided.

7. Nature has not been very kind to us during the year. The State has been devastated by Hudhud cyclone. The United Nations report has estimated the loss on account of Hudhud cyclone as 11 billion US dollars. There has also been a 36%

deficit in rainfall resulting in declaration of drought in large part of the State. Along with the aforesaid concerns there are umpteen number of issues and challenges staring at the new state of Andhra Pradesh.

### **The Way Forward:**

8. However, these challenges have not deterred the present Government from the commitment to realize the dream of Swarna Andhra Pradesh and Navya Andhra Pradesh. During the first year of our Government, major strides have been made in line with the objectives and goals envisaged for a comprehensive development action plan. The following are some of the key development initiatives being pursued by the Government.

### **Zero based Budgeting**

9. Before coming up with the proposed budget for 2015-16, the Government have done an elaborate exercise and reviewed all the existing schemes with reference to their efficacy, relevance and the need for redesigning them to suit the changed times and aspirations of the people. The exercise was aimed at making the budget outcome based reflecting the needs and expected specific goals. A pre-budget workshop was held at Vijayawada on 7-1-2015 followed by detailed discussions with all line departments during February this year. As part of the discussions, critical review of all existing staff vacancies and an assessment of staff requirement for carrying out the programs was also taken up. This exercise has helped the budget to acquire the required sharpness, focus and relevance.

10. It would be of interest to the Hon'ble members to know that figures in Budget are shown in thousands from the year 1990-91 onwards. Prior to that they were being shown in hundreds and earlier to that in Rupees. With the value of money being what it is now, I need not emphasise on the difficulties faced by people in dealing with figures in thousands in the Budget. I am happy to inform you that the figures in Budget will be in lakhs from the year 2015-16 onwards.

### **Resource constraints and a practical budget**

11. As the Hon'ble members are aware the successor State of Andhra Pradesh has severe resource constraints consequent on the State Reorganisation. Our own tax and non-tax revenues are barely sufficient to meet our salaries, pensions and non-salary expenditure commitments. Our non-tax resource base is very low. 14<sup>th</sup> Finance Commission did not consider the special problems faced by the Successor State of Andhra Pradesh on account of bifurcation. Formula applied for devolution is the same for all the States across the Country. On account of the recommendations of the 14<sup>th</sup> Finance Commission some Centrally Assisted State Plan schemes are discontinued by the Govt. of India and their share is reduced in some other schemes. This might actually result in additional financial burden on the State Government. The releases to the State from Govt. of India during the current year and allocation to the State in the budget for the year 2015-16 are not up to our expectations. As a result of the difficulties mentioned above we are constrained to present a Budget with a modest increase over the year 2014-15. It is a matter of significance that the projected Tax-GSDP ratio as per the report of 14<sup>th</sup> Finance Commission for Andhra Pradesh is 7.98% where as for Telangana it is 9.99% for the year 2015-16.

This ratio is expected to go up to 8.41% by the year 2019-20 for Andhra Pradesh where as by the same year the ratio for Telangana is expected to touch 10.26%. I can, however, assure all the members that this is a realistic and practical Budget. We have taken care to protect the interests of vulnerable sections, Agriculture, Irrigation, Social and Physical Infrastructure etc., while making allocations. Further, we have also increased the outlay on capital works compared to last year. Though the total increase in the size of the Budget from Rs.1,11,823 crores to Rs.1,13,048 crores is only 1.1%, the increase in Plan Budget from Rs.26,672 crores to Rs.34,412 crores which is 29.02 % and increase in capital budget from Rs.7,069 crores to Rs.9,818 crores which is 38.88% is a significant achievement . We have actually been able to bring down non-plan expenditure from Rs.85,151 crores to Rs.78,636 crores and non-plan Revenue expenditure from Rs.78,976 crore to Rs.73,223 crores.

12. We, however, propose to forge ahead undaunted by the above setbacks. We have plans to explore possibilities of increasing non-tax revenues as it will not impose any tax burden on the people. We have already engaged experts for this purpose. We are also in the process of studying the excise policy of Tamilnadu to see whether there is any lesson to learn. We are engaging ourselves in the process of attracting private investments into projects for improving productive capital expenditure. We will not spare any effort in doing effective follow-up with the Govt. of India to ensure that the promises made at the time of bifurcation and the entitlements contained in the Reorganisation Act are realised in full. We are confident that on account of the efforts mentioned above we will be able to mop-up additional resources during the course of the year 2015-16 and will be able to increase the allocations to the

schemes already announced and take up new schemes wherever possible.

**Encouraging economic growth:**

13. The State is poised to achieve a higher growth trajectory in the coming years. Reflecting the positive impact of the growth enabling initiatives recently taken by the government, the state, as per the advance estimates, has recorded a growth of 7.21% during the year 2014-15.

14. The encouraging aspect of the state economy is that all the three sectors of the economy, namely, Agriculture, Industry and Services have contributed to the overall growth during 2014-15. Services sector which continued to be the prime growth driver in the state, registered a growth of 8.48%. Agriculture and Industries sectors also contributed to the overall economy registering growth rates of 5.90% and 5.25% respectively. Fisheries subsector with abundant potential in the state, grew at 17.3%. It can be seen that there is a shift in contributions of Agriculture, Industries and Service sectors to the GSDP from combined State to that of the Successor State of Andhra Pradesh. The share of Agriculture has increased from 22.96% to 27.59% and the share of Industries has reduced from 24.33% to 20.62%. The share of Services has marginally changed from 52.72% to 51.79%.

15. The notable feature of the state economy is that the per capita income has been growing swiftly. All efforts being made to improve inclusive growth avenues will result in upward surge in the per capita incomes of people in the state, promising better standards of living. With the envisaged growth agenda

getting fully operational, the Per capita Income of Andhra Pradesh, which stands at Rs.90,517 for 2014-15 is expected to be doubled by 2018-19.

16. With the economy taking rapid strides the size of middle classes is fast increasing. Middle class families have high levels of aspirations and demand for services of good quality and attach premium to quality of life. The Government will take all possible steps to improve the quality of Government services to come upto the expectations of middle classes.

***Vision 2029:***

17. Our overall objective is to eliminate poverty, reduce economic and social inequalities, leading to a healthy and happy society. We aim to be among the top three states in India by 2022, and number one state by 2029. As a part of the visioning exercise, we have initiated Vision 2029 document preparation. The Vision 2029 will provide a direction to development and would provide focus on growth sectors. By 2050, Andhra Pradesh will be the best investment destination in the World.

**Expanding growth horizons – Achieving Double Digit Growth**

18. The Government is contemplating to achieve double digit growth and is devising strategies to ensure sustainable economic growth. About 40 critical growth engines have been identified to push growth to desired levels on a sustainable basis. Efforts are on to monitor the growth progress on a quarterly basis. As a result of accelerated growth in economy the revenues of Government are expected to go up which will in

turn get invested in high potential sectors fuelling further growth of economy.

### **Vehicles of Development**

19. In line with the thinking on Sunrise Andhra Pradesh, our Government have launched 7 missions, 5 campaigns and 5 grids to accelerate development and ensure welfare of the people, especially the under-privileged. In order to make micro-planning and policy making more useful the Government has embarked on compilation of mandal domestic product. This exercise has been successfully piloted in East Godavari and Anantapur Districts. This exercise will be done in the remaining Districts also.

### **Seven Missions:**

20. The crux of the mission approach is to provide the basic social & economic infrastructure, create human and institutional capacity and focus on the growth areas in identified sectors for increased resource use efficiency.

21. The seven missions – viz., Primary Sector Mission, Social Empowerment Mission, Knowledge and Skill Development Mission, Urban Development Mission, Industry Sector Mission, Infrastructure Mission and Service Sector Mission, while ensuring stakeholder participation, integrate into the annual plans to usher in a new development paradigm. The government is utilizing the technical expertise of internationally reputed organizations like International Crops Research Institute for Semi-Arid Tropics (ICRISAT) and Tata Institute of Social Sciences (TISS) in drafting the Missions strategies.

**Five Campaigns:**

22. Government have launched the five campaigns – Pedarikam Pai Gelupu, Polam Pilustondi, Badi Pilustondi, Neeru-Chettu and Swacha Andhra, with an aim to realize the objectives envisaged under the seven Missions.

**Five Grids:**

23. Government have a vision of connecting each household to the basic amenities by establishing five grids – Water Grid, Road Grid, Power Grid, Natural Gas Grid and Fiber Optic Grid.

**Institutional mechanism for major initiatives****Rythu Sadhikara Samstha:**

24. The Government have established Rythu Sadhikara Samstha (Farmer's Empowerment Corporation) as an integrated institutional mechanism for all programmes, schemes and activities intended for farmer's empowerment, encompassing welfare, development, capacity enhancement, credit flow, financial support and allied empowerment activities.

**A.P. Mahila Sadhikara Samstha:**

25. The Government have established Andhra Pradesh Mahila Sadhikara Samstha (APMSS) as an integrated institutional mechanism for all programmes, schemes and activities intended for poverty elimination in both rural and urban areas, encompassing social mobilisation, community institutions development, capacity enhancement, access to and

management of credit, skill, knowledge and technology transfer, value-addition and linkage with markets, access to improved health, nutrition and education services and related empowerment activities.

#### **Economic Development Board:**

26. It is decided to establish an Economic Development Board as a statutory body for coordination of diverse set of activities for accelerated development of the State as well as for mobilization of additional resources in order to invest in long term assets for transformation of the State to be able to compete with other States. The Board is expected to manage Investment Facilitation Fund, Project Development Fund and Viability gap fund on behalf of all the Government Departments.

#### **Mission – based Budgeting exercise:**

27. The Budget 2015-16 is prepared in tune with the objectives envisaged under the innovative Mission–based approach.

#### **Janmabhoomi Maa Vooru:**

28. Inspired by the outcomes achieved during earlier rounds of Janma bhoomi, the Government have launched Janma Bhoomi- Maa Vooru program in all the Gram Panchayats and Municipal Wards in the state focusing on certain key areas. Preparation of a Micro Plan for every Gram Panchayat and Municipal ward forms the basis for all its future development endeavours whose outcomes will directly address four missions,

viz., Primary sector, Social empowerment, Knowledge and Skill development and Urban sector missions.

### **Smart Village/Smart Ward – the ultimate development paradigm**

29. With a view to promote quality of life of the people and forge partnerships for accelerated fulfillment of the development commitments with greater effectiveness and towards creating a Swarna Andhra Pradesh, Government have launched “Smart Village/Smart Ward towards Smart Andhra Pradesh initiative” on 18<sup>th</sup> January, 2015. The program, with initial focus on the identified 20 non-negotiable indicators, envisages holistic development of all the Gram Panchayats and Municipal Wards in the state in a definite time frame.

#### **Prioritizing the promises:**

30. As the Hon’ble members are aware the Hon’ble Chief Minister Sri N. Chandra Babu Naidu, in his 3,000 km padayatra, came in direct contact with the people and in close interaction with them understood their problems in-depth. The manifesto of our party emerged out of this understanding and is now being translated into Schemes of Government. Our vision is to achieve a poverty free society where all citizens have equitable opportunities. In this context, I am reminded of the words of George Bernard Shaw:

*“The greatest evils and worst of crimes is poverty; our first duty, a duty to which every other consideration should be sacrificed is not to be poor”.*

31. With a strong commitment to fulfill the promises made to people, our government which is pro-poor continues to and

strive to evolve several schemes that benefit the poor. We are implementing various welfare schemes such as providing 5 Kgs of rice per person @ Rs.1 per kg to the poor, Anna Amrutha Hastham, Neeru Chettu, Badi Pilustondi, Polam pilustondi, NTR Bharosa, NTR Arogyaseva, Loan redemption, free power, Giri Putrika Kalyana Pathakam, Maa Inti Maha Lakshmi, Andhra Yuva Sakthi, Gorumuddalu and other schemes.

32. We are also committed to provide Post-Matric Scholarship and fee reimbursement to deserving students. We are increasing the allocations towards School Education from 11.26% to 13.24% of the total budget. The Government is contemplating setting up of model cluster schools and for converting the welfare hostels into residential schools in a phased manner. The allocations under Health sector have been increased from 3.92% of the total budget to 5.07% with a view to ensure safe motherhood, access to primary and referral health care and to reduce the IMR and MMR in tune with the Millennium Development Goals. This investment in social sector, particularly Health and Education, is expected to improve human development indicators resulting in the rank of the State improving on the human development index.

33. The Government have visualized a Big Picture in creating a State Enterprise Architecture besides setting up a new State Data Center. Government is keen on establishing a transparent and corruption free system of Administration for delivering benefits to eligible persons. E-Governance is a major initiative in bringing good governance. State is in advanced stage of Aadhar seeding to ensure timely delivery of all the intended benefits like scholarships, pensions, public distribution system and other individual benefit schemes to the targeted groups without

leakages. Series of administrative reforms which are already initiated and those which are on the anvil are expected to improve the transparency and predictability in governance, minimize physical interface of citizen with Government offices and in the process reduce corruption in Government transactions. These steps are also expected to improve the service delivery system by removing bottlenecks.

34. In the Commercial Taxes Department, e-tracking is introduced. In Civil Supplies, the smart card system is expected to arrest black marketing and misuse of resources. The e-pass system in welfare departments would be further strengthened and real time online monitoring of student attendance, academic and health performance of the boarders of Welfare Hostels will be undertaken. Comprehensive Finance Management System (CFMS), e- payments in Finance Department and proposed reforms such as reduction in the number of Drawing and Disbursing Officers are aimed at ensuring simplified, transparent and citizen friendly financial transactions.

35. Further, opportunities are provided for skill upgradation and for training and placement to unemployed youth. The Government is also going to provide unemployment allowance as a true welfare measure.

36. The Government is going to promote small and cottage industries and support the women SHGs for better savings and income generating investments.

37. Government is keen on tapping resources under Corporate Social Responsibility Provision to develop sports

infrastructure apart from investments under PPP mode and budgetary support of Government.

38. The Government will take steps for filling up of the vacant posts such as Medical and paramedical staff, teachers, engineers, police and home guards so as to ensure that essential services to the citizens are rendered effectively.

39. I am informing the august House that the Government is concerned about the well being of the employees. In tune with this employee friendly approach the Government have announced a fitment benefit of 43% for revising the pay and allowances of the Staff far exceeding the recommendations of the Tenth Pay Revision Commission. In spite of severe resource crunch and the dismal fall out of the State Reorganization, the Government have taken this major policy decision and we are confident that the employees would rededicate themselves for the overall development of the State with renewed vigor and new zeal converting the amount spent on their salaries into investment into State development.

### **Inclusive Growth and reduction of inequalities**

40. While steering the economy towards growth, the Government are keenly committed to the idea of achieving inclusive growth. Unless the fruits of development reach all sections of the society and the opportunities for better livelihood are accessible to the poor, the Dalits, the Scheduled Tribes, the Backward class communities, the minorities, the physically challenged and the women, growth has no meaning.

41. When growth becomes inclusive, inequalities would be reduced and the gaps in levels of development among different sections of the Society would get bridged.

42. In the direction of achieving sustainable and inclusive growth, our Government is committed to the implementation of Andhra Pradesh Scheduled Caste Sub Plan (SCSP) and Tribal Sub Plan (TSP) Act, 2013 and this year an amount of Rs.5,878 crore is allocated for development of SCs and Rs.1,904 crore for the development of STs. This constitutes 22.61% of the total plan budget of the state. The State Council for the Development of SCs and STs met in the month of December, 2014 and reviewed the implementation of various programs for the SCs and STs and has directed the Nodal Departments to step up their efforts in providing quality education, upgradation of skills and providing employment, promotion of higher and competitive education including overseas education and promotion of industries.

43. I am happy to announce that Government have decided to come up with a comprehensive sub-plan for BCs on the lines of SCSP and TSP and appropriate allocation has been made in the Budget in this direction.

44. The Government of India have provided a special development package for an amount of Rs.350 crore @ Rs.50 crore per district for development of the backward areas in the 4 districts of Rayalaseema and 3 North Coastal districts in the state.

### **State Economy –2014-15**

45. I would like to briefly present the highlights of the State

economy. The provisional estimates of Gross State Domestic Product (GSDP) at Current Prices for the year 2014-15 (Advanced Estimates) is estimated at Rs.5,20,030 crore as against Rs.4,64,183 crore (FRE) for 2013-14 indicating a growth of 12.03%. The GSDP at Constant (2004-05) Prices for the year 2014-15 is estimated at Rs.2,64,521 crore as against Rs.2,46,724 crore for 2013-14 indicating a growth of 7.21%. At constant prices, the Agriculture sector, the Industry and the Services sectors registered a growth of 5.90%, 5.25% and 8.48% respectively during 2014-15.

46. The provisional estimates of per capita income at current prices for the year 2014-15 is Rs.90,517 as against Rs.81,397 in 2013-14 registering a growth of 11.21%. The per capita income at constant (2004-05) prices for the year 2014-15 is estimated at Rs.44,831 as against Rs.42,170 in 2013-14 registering a growth of 6.31%.

47. Now I would like to present the sector wise details:

### **Agriculture**

48. Agriculture is on the top of the State Government's agenda and it is aimed to transform the Agriculture sector into a dynamic high growth sector. Agriculture and allied sectors contribute nearly 27.59% to our GSDP and a major portion of our population is still dependent on it for livelihood. There has been large scale distress in the farming community owing to various reasons like successive natural calamities, rising cost of inputs, lack of remunerative prices and disproportionately high labour costs. In order to address the built-up distress, government took a conscious decision, for providing debt

redemption to farmers on loans taken by them for crop production including gold loans, from banks and cooperative societies up to an extent of Rs.1.50 lakh per family. Though the State is reeling under severe financial stress the Government have released Rs.5,000 crores toward Agricultural Debt redemption scheme to Rythu Sadhikara Samstha in the first phase. Second phase is being finalized. Rs.10,000 per acre is going to be provided to farmers who raised horticulture crops as relief. Measures required for making farming a sustainable and remunerative enterprise are being taken up by introducing innovative programs like Polam Pilusthondhi, Chandranna Raythu Kshethram etc.,. In order to strengthen the research Extension Linkage, 6,354 Multi Purpose Extension Officers (MPEOs) are being placed in the field. Hon'ble Chief Minister Sri N. Chandra Babu Naidu was moved by the suffering of farmers that he saw in padayatra and the multi pronged strategy to deal with the multi-dimensional problems of farmers evolved out of that. Most important aspect of this would be Coordination and integration of all the Schemes and activities being implemented by various Departments meant for the development of Agriculture and allied activities. As part of the strategy to bring about such integration a separate Agriculture Budget is prepared as a part of general budget. Sri Prathipati Pulla Rao, Minister for Agriculture, Agri-Processing, Marketing & Warehousing, Animal Husbandry, Dairy Development and Fisheries will be presenting the Agriculture Budget enunciating details of the comprehensive strategy covering agriculture and allied activities.

## **Irrigation**

49. The state of Andhra Pradesh is blessed with five major rivers namely Godavari, Krishna, Pennar, Vamsadhara and Nagavali with an ayacut of 101 lakh acres under Major, Medium and Minor Irrigation schemes.

50. The Government of India, declared the Polavaram Project as a National project and also declared that it is expedient in the public interest that the Union should take under its control the regulation and development of this Project for the purpose of irrigation. The Government of India have constituted Polavaram Project Authority (PPA) with state and central officials as its members and the body will take care of all the clearances required such as Environmental, Forest and also Rehabilitation and Resettlement. It is programmed to complete the project by March 2018.

51. This project is the first project in the country for interlinking of rivers. This project will divert 80 TMC of Godavari water to Krishna river to irrigate 7 lakh acres, supply 23.44 TMC of water for drinking and industrial needs of Vishakhapatnam city and also to generate 960 MW of Hydel power.

52. Since, the completion of the project will take around 3 years, a lift irrigation scheme is being taken up at Pattiseema (V) of West Godavari district to divert 80 TMC of flood water of river Godavari through ISRMC to Krishna river which are otherwise going waste into sea to fulfill the industrial and drinking needs of the people immediately.

53. Under Minor Irrigation various works are taken up under RIDF (NABARD), AIBP, APILIP, Renovation and Restoration of Water bodies (RRR), TSP and SCSP to create new ayacut, and to stabilize the existing ayacut of 25 lakh acres.

54. APSIDC is serving an ayacut of about 7 lakh acres under 1,116 schemes. About 92 schemes are ongoing with a balance cost of Rs.640 crore to create new ayacut of 1.39 lakh acres under the programs NABARD, AIBP and state plan.

55. A provision of Rs.5,258 crore is proposed in B.E. 2015-16.

## **Inclusive Growth and poverty alleviation**

### **Social Welfare**

56. The population of the Scheduled Castes, in the State, is 84.45 lakh which constitutes 17.1 % of the population. The Government are committed to ensuring empowerment of members of the Scheduled Castes by following a multi-pronged strategy.

57. The chief instrumentality of this strategy is providing support for the education of children. The Government are supporting Boarding, Shelter & Education of 1.45 lakh students, in the 1,450 Hostels. The AP Social Welfare Residential Educational Institutions Society manages 177 Residential Schools & provides quality education to 1,24,000 children. The Society has been delivering consistently education of good quality and good results, which are much higher than the State average. In view of the good results shown by residential schools being run by the Government for the benefit of SCs/STs/BCs/Minorities, we are committed to convert all the

hostels being managed by the welfare Departments into residential schools in a phased manner. Another significant measure for the improvement of education is providing Pre Matric & Post Matric Scholarships for students.

58. Ambedkar Overseas Vidya Nidhi facilitates poor SC students to pursue higher studies abroad. A New scheme named "NTR Vidyonnathi" will be introduced during 2015-16 to provide professional guidance for Civil Services aspirants by sponsoring meritorious SC students to reputed coaching institutions.

59. Another important instrumentality for the empowerment of the SCs is providing financial assistance to the poor SC families as subsidy @ 60% of the unit cost towards Economic Support schemes through AP Scheduled Castes Cooperative Finance Corporation.

60. Above all for the all-round development & empowerment of the members of the SC community Scheduled Castes Sub Plan (SCSP) is implemented by the Departments concerned to ensure direct & quantifiable benefits to individuals, households and habitations with a view to bridge the development gaps between the general and SC communities.

61. A provision of Rs.2,123 crore is proposed in B.E. 2015-16.

### **Tribal Welfare**

62. The Scheduled Tribe population in the state is 27.39 lakhs constituting 5.53 % of the total population. There are 34 scheduled tribes, out of which 6 tribal groups are categorized as Particularly Vulnerable Tribal Groups (PTGs).

63. Government is committed to implement the provisions of the AP SCP&TSP Act to ensure accelerated development of scheduled tribes with emphasis on achieving equality in economic, educational and human development.

64. Education is one of the major thrust areas of the Government for STs in tribal areas. Nearly 79% of the budget is allocated towards maintenance of Hostels, Ashram Schools and Residential Institutions benefiting 1,50,346 ST students, Pre Matric, Post Matric Scholarships, Ambedkar Overseas Vidya Nidhi and NTR Vidyonnathi.

65. Government is keen to develop the skills of the ST youth for their employability as a part of implementation of Social Empowerment Mission. Govt. also provides financial assistance of Rs.1,00,000/- or 60% of the unit cost whichever is less for the economic support schemes for creation of livelihood activities and self employment.

66. Reflecting on the priorities of Government towards welfare of the tribal population, certain new programs like conversion of hostels in to Residential schools for providing quality education, Drinking Water and other basic infrastructure related schemes, Giri Putrika Kalyana Pathakam for extending assistance of Rs.50,000/- to tribal girls at the time of their marriage, Strengthening of online monitoring of programmes up to last mile to improve transparency are proposed during 2015-16.

67. A provision of Rs.993 crore is proposed in B.E 2015-16.

## **Backward classes Welfare**

68. There are 177 Boys Hostels and 172 Girls Hostels in the State with a strength of 16,863 boys and 14,478 girls. To promote higher education Government have decided to establish one Hostel each for girls and boys in every Assembly Constituency.

69. All eligible BC students are being sanctioned Scholarship and Fee Reimbursement and all eligible EBC students are being sanctioned Fee Reimbursement. With a view to enable the unemployed educated youth to compete with others in competitive examinations, free coaching is provided in 13 BC Study Circles in the State.

70. There are 31 Mahatma Jyothiba Phule BC Residential Schools for benefiting 11,435 students of which 17 are for Boys and 14 for Girls.

71. I am also happy to announce that action is initiated to present a sub plan for BCs. This sub plan will become more and more comprehensive as the days pass by and will benefit weavers, fishermen, vadderas, artisans, shepherds and other most backward calsses. Assistance to Backward Classes will be extended through Adarana Scheme. Action will be taken to revive the defunct Backward Class Cooperative Federations. Rs.100 crore is provided for welfare of kapus and Rs.35 crore for welfare of Brahmins.

72. A provision of Rs.3,231 crore is proposed in B.E 2015-16.

### **Minorities Welfare:**

73. The Government is committed to ensure an equitable share for minorities in economic activities and employment through existing as well as new schemes. Government is promoting education among Minority children by extending Pre & Post Matric scholarships, maintenance of hostels and residential schools, training for competitive examinations. AP State Minorities Finance Corporation is extending subsidy up to Rs. 1.00 Lakh or 50% of the unit cost which ever is less by linking to bank credit. Action will be taken to implement Dukan Makan, Shadhikana and Roshini Schemes. Government of Andhra Pradesh is keen to protect of Wakf properties.

74. A provision of Rs.379 crore is proposed in B.E 2015-16.

### **Women & Child Welfare**

75. After Re-organization of the State there are 41982 main Anganwadi centers in rural areas and 4248 in urban areas and 2169 in tribal areas. In addition 6,839 mini-anganwadi centers are also in operation. The important programs being implemented are Integrated Child Development Scheme (ICDS) and Integrated Child Protection Scheme (ICPS). 26.45 lakh children of below 6 year age and 8.56 lakh of pregnant and lactating women are being provided supplementary nutrition.

76. Government has introduced “Anna Amrutha Hastham” for spot feeding pregnant and nursing mothers meeting 50% of the daily calories and 40% of proteins and calcium requirement in 104 ICDS projects with high IMR & MMR. The Government is incurring Rs.104 crore per annum benefiting 3.54 lakh women

under this scheme. Government is also implementing various schemes and protective and empowerment measures relating to women and children.

77. A provision of Rs.1,080 crore is proposed in B.E 2015-16.

### **Welfare of Disabled & Senior Citizens**

78. The Department for the welfare of the Disabled and Senior Citizens maintains 20 Hostels, 2 Homes and 6 Residential Schools. Pre Matric and Post Matric scholarships are also provided to differently-abled Children. Other schemes being implemented are economic rehabilitation scheme, incentive awards for marriages and supply of appliances to the disabled.

79. A provision of Rs.45 crore is proposed in B.E 2015-16.

### **Handlooms and Textiles**

80. As per the recommendation of the Kotaiah Committee the debt redemption to handloom and powerloom weavers will be implemented benefitting 20747 weavers and 7748 groups. The estimated expenditure is about Rs.169 crore Guidelines and modalities are being worked out.

81. During the year 2014-15 an amount of Rs.56 lakhs has been released towards share capital contribution to 28 Primary Handloom Weavers Cooperative Societies for the benefit of weavers.

82. An amount of Rs.3.08 crore has been released by the Govt. under 'Pavalavaddi' scheme to Primary Handloom Weavers Cooperative Societies, ACC holders and APCO.

83. An amount of Rs.1.21 Crores has been released towards subsidy on purchase of hank yarn, dyes & chemicals Scheme to 278 primary weavers cooperative societies during the year 2014-15.

84. A provision of Rs.46 crore is proposed in B.E. 2015-16.

### **Housing**

85. The Housing program aims to provide pucca houses for rural and urban poor and make Andhra Pradesh a hut- less / slum-free State. As a step forward in this direction the proposal to increase the unit cost of the House to Rs.1.5 lakhs for SCs & STs and Rs.1.00 lakh for others is under active consideration. During 2015-16 it is proposed to take up 2.07 lakh new houses. Government has taken a decision for Geo tagging and Aadhar seeding of 41.35 lakh houses taken up from 2004-05 onwards. So far Aadhar seeding is completed for 33.48 lakh houses and geo tagging for 26.22 lakh houses. The data pertaining to all the beneficiaries is placed in housing web site and the entire fund flow is being managed electronically.

86. A provision of Rs.897 crore is proposed in B.E 2015-16.

### **Civil Supplies**

87. Government of Andhra Pradesh is attaching paramount importance to the food security requirements of the people Below Poverty Line.

88. The State Government proposes to implement National Food Security Act, 2013 (NFSA) on existing cards for issue of rice at 5 kg. per person without any ceiling on number of persons in the family.

89. The State Government is taking steps to supply rice of good quality to Welfare Hostels. The Government ensured that there was cheer on the faces of every of BPL family member in the State during Sankranti festival by providing six Commodities under “ Chandranna Sankranti Kanuka” free of cost.

90. Government is keen that the ration cards data is seeded with Aadhar number. Apart from this, ePOS machines are proposed to be installed in all the 28,953 F.P shops, in phases, as their use had shown a saving of about 15% in the Pilot conducted in 100 shops in East Godavari District.

91. The Government have sanctioned 3.12 Lakhs Deepam connections to all the deserving BPL women during the year 2014-2015.

92. Government accords highest priority to safe guard the interests of the farmers. Adequate number of paddy purchase centers at convenient places are opened to enable the farmers to sell paddy at Minimum Support Price (MSP). An unprecedented procurement of 14.50 lakh MT of paddy was done from the farmers directly during current year. This is enabling the Self Help Groups to earn substantial income as commission. A quantity of 3.86 lakhs MT rice has also been procured under mill levy during this year.

93. To ensure that prices of essential commodities are under control, market intervention measures are being taken up wherever necessary. Government are taking all steps to see that the hoarders, black marketers are booked under the provisions of the Essential Commodities Act. Deterrent action like confiscation of stock seized, cancellation of the licenses etc. is also being taken against unscrupulous elements.

94. A provision of Rs.2,459 crore is proposed in B.E. 2015-16.

### **Health Medical and Family Welfare**

95. The mandate of Health, Medical and Family Welfare Department is providing affordable, qualitative and timely health and medical care services including medical education. All the required support to the Department to realize this mandate is being provided.

96. Apart from strengthening the existing flagship programs like Dr. Nandamuri Taraka Rama Rao Vaidya Seva, Rural Emergency Health Transport system (108- Services), Fixed Day Health Services System (104- Services) and Family Welfare related programs under NHM, the Government have scaled up the activities by substantially increasing the overall Budget allocation for Health. Adequate provisions have been made under important programs that include security & sanitation services, centralized purchase of drugs & medicines, materials and supplies and other essentials to provide uninterrupted qualitative health related services to the needy.

97. The Primary and Secondary Health Care sectors will be strengthened and functioning of Health facilities will be streamlined with necessary infrastructure facilities, to improve core functional tasks and to instill confidence and promote comfort level to patients and staff.

98. Tertiary care services, Laboratories and Diagnostic services in the Teaching Hospitals will receive special attention.

99. Besides operationalizing the Premier Institute Vishakha Institute of Medical Sciences (VIMS), Visakhapatnam it is also proposed to equip the teaching Hospitals with latest technologically improved equipment for providing more qualitative and effective services. Action will be taken to start AIIMS type of institution.

100. Our Government is determined to provide improved MCH services and related Family Welfare services under NHM and accordingly projections are being made to Gol for enhanced allocation of funds under NHM to facilitate further reduction in MMR, IMR and TFR.

101. A provision of Rs.5,728 crore is proposed in B.E. 2015-16.

### **School Education**

102. Government is committed to Education for all and is making all efforts towards achieving the goal.

103. Sarva Shiksha Abhiyan (SSA), a flagship program of Government of India is given top priority in implementation. Objectives of SSA are enrolment of all children in the age group

of 6-14 years in regular schools, their retention till completion of 8 years of elementary education, bridging gender and social category gaps and focus on elementary education of good quality.

104. During 2014-15, 48 new primary schools were opened and 11 were upgraded to Upper Primary. Class-VIII is being introduced in 2,441 Upper primary schools. All teachers working in Government and aided schools are given in- service training. A total of 33 lakh students have been provided with 2 pairs of Uniform. 352 Kasturba Gandhi Balika Vidyalayas are functioning at elementary level in Educationally Backward Blocks to ensure access and quality education to the girls of disadvantaged groups.

105. Hon'ble Chief Minister has launched "Badi Pilustondi" program on 25.07.2014 in Ananthapur District. As a part of this program, about 6,33,528 children were enrolled into class I and 25,923 out of school children were admitted into schools .

106. Mid Day Meals is being served in 47,635 schools covering 44 lakh Children.

107. Government of India have sanctioned 163 Model schools in the State. There is sufficient scope for sports, recreation and outdoor activities in Model Schools. These schools have adequate ICT infrastructure, internet connectivity and full time computer teachers. An amount of Rs.492 crore is spent on 163 Model Schools @ Rs.302 Lakhs on each school towards buildings, furniture, computers and laboratories etc.

108. Government have supplied about 3 crores Text Books for students Studying in Classes I to X in Government Schools during the current year.

109. Video lessons for School Children, D.Ed, B.Ed., **and** in Service teachers have been developed by SCERT and 820 video lessons have been uploaded in public libraries web site.

110. Secondary Education serves as a bridge between elementary and higher education and deals with the age group of 14-18 years. Rashtriya Madhyamik Shiksha Abhiyan (RMSA) is a Centrally Sponsored Scheme with an objective of making Secondary Education of good quality available, accessible and affordable. Various interventions for creation of physical infrastructure including quality of education and promoting equity are taken up in the State.

111. District Selection Committee (DSC) 2014 notification has been issued to fill up 10,313 vacant teacher posts.

112. A provision of Rs.14,962 crore is proposed in B.E. 2015-16.

### **Intermediate Education**

113. There are 444 Government & 131 Private Aided Junior Colleges in the state. Government introduced a scheme for establishment of Private Junior Colleges in college-less mandals i.e., 'Incentive Junior Colleges'. The total enrollment of students during 2014-15 is 5.07 lakh including private colleges.

114. A provision of Rs.585 crore is proposed in B.E. 2015-16.

## **Higher Education**

115. Our Government has a clear vision for developing the state into an international educational hub in the next few years utilizing the vast natural and human resources. It is planned to develop the state not only into a knowledge society but also a destination for a broad spectrum of skills across the country and world. Skill development, research, consultancy and world class collaborations will be encouraged in a systematic way. It is also envisaged to make the system inclusive for making available the enhanced benefits of equity, relevance and quality especially to the marginalized sections. Efforts are being made for the establishment of National Level Educational Institutions viz., IIM, IIT, IISER, IIIT, NIT, Central University, Petroleum University, Agricultural University, National Institute of Disaster Management and Tribal University before the starting of the next academic year as a part of meeting the objectives.

116. With a view to utilize the expertise of senior staff, the Government has enhanced the age of superannuation of teaching and non-teaching staff in universities and colleges by 2 years. A High Power Committee was constituted with eminent educationists to review the AP Universities Act 1991 under the aegis of APSCHE for expanding the expertise and meeting the modern requirements. Efforts are also initiated to set up a State Assessment and Accreditation Council for enhancing quality in higher education. To boost research in thrust areas, AP State Research Board is being established. Proposals were submitted to GoI for Rs.1,747 crores under Rashtriya Uchchatar Siksha Abhiyan [RUSA], a Centrally Sponsored Scheme.

117. Several initiatives were taken up in degree education like upgrading training in Jawahar Knowledge Centres which provide employment related skills in 120 Government Degree Colleges. All the SC & ST students receive free training. In 2014-15, about 17,123 students were trained and 3817 students were placed in different reputed firms/companies from 13 districts of Andhra Pradesh. Recently JKC student material was published and made available to students.

118. Efforts are initiated to upscale the lectures transmitted through MANA TV in conventional and restructured subjects. It is planned to expand English Language Laboratories from the present 45 colleges and upgrade the quality. District Resource Centers were established in all the districts for sharing facilities and expertise with rural colleges under technical education on the lines of degree education. 1458 faculty were trained in Human Values and professional ethics to impart value education in colleges.

119. Technical Education Quality Improvement Program [TEQIP] has been taken up in 11 Engineering Colleges with a total outlay of Rs.88 crore. Up-gradation of Polytechnics, Community Development through Polytechnics and Construction of Women hostels are other schemes being implemented.

120. A provision of Rs.3,049 crore is proposed in B.E. 2015-16.

### **Rural Development Department**

121. The Rural Development Department is implementing various schemes for eradication of poverty. Under Mahatma

Gandhi National Rural Employment Guarantee Scheme (MGNREGS) 8 lakh households were provided 100 days wage employment and an amount of Rs.3,417 Crore is spent. 5.49 lakh individual household latrines are also constructed.

122. Integrated Watershed Management Program (IWMP) which intends to restore the ecological balance by harnessing, conserving and developing degraded natural resources and water and create sustainable livelihoods for the asset less, is in operation in 12 DPAP / DDP Districts.

123. SERP has spearheaded the entire women's empowerment movement in Andhra Pradesh, leading to a Government-Community partnership model which is now being emulated throughout the country via National Rural Livelihood Mission (NRLM). An amount of Rs.44,026 crore of Bank credit has been mobilized by eligible SHGs under bank linkage program since inception. Under the incentive scheme for prompt repayment-Vaddi Leni Runalu (VLR), Rs.1636 crores was spent. Additionally, the Capital Infusion Scheme which would be implemented during 2015-16 is expected to improve the net worth of SHGs, increasing their borrowing capacity by over 4 times. Focus on skill up-gradation of numbers of SHGs is expected to result in SHGs gaining capacity to diversify into non-conventional sectors for income generation helping them come out of poverty.

124. The Government took a decision to allot the Sand Mining and Sale activity to SHGs. This enabled the Government to make sand available at affordable prices to all the concerned, plug leakages of revenue, enhance income of government and prevent damages to systems of rivers, streams and environment. In a matter of weeks, the initiative has resulted in

sale of 27 lakh cubic metres of sand valued at 180 crore. This activity engages 5000 SHG members directly, and over 70 Lakh SHG members indirectly.

125. Likewise, the Government are committed to securing a dignified life to all the poor and vulnerable, particularly, the old and infirm. In pursuit of this overarching goal, in spite of the financial difficulties, the Government enhanced social security pensions from Rs.200 to Rs.1,000 per month to Old Aged, Widow, Weavers, Toddy Tappers and AIDS patients and from Rs.500 to Rs.1,000 per month to Persons with Disabilities (PwD) having 40-79% disability and to Rs.1,500 per month to those with 80% disability and above. This has come into effect from September 2014 and is being paid from October 2<sup>nd</sup> 2014 onwards. Authenticated, Aadhaar linked pensions have been provided to nearly 41 Lakh pensioners from January 2015 onwards.

126. A provision of Rs.8,212 crore is proposed in B.E. 2015-16.

### **Panchayati Raj**

127. Government have given utmost importance to provide civic to the Rural People in terms of Drinking water and sanitation, road connectivity, street lights and other infrastructural facilities such as Building Panchayat Ghars and maintenance of Administrative Services.

128. In addition to Prime Minister's Gramin Sadak Yojana (PMGSY) the State Government have introduced a Scheme for upgradation of roads taken up under MGNREGS Program to BT standards.

129. Maintenance of roads is done with grants received under Maintenance of Rural Roads (MRR), Constructions of Rural Roads (CRR) and Rural Development Fund (RDF) Programs.

130. The Government is committed to build the capacity of the local bodies so that they can effectively implement the programs of the Government.

131. A provision of Rs.3,296 crore is proposed in B.E. 2015-16.

### **Rural Water Supply:**

132. Major thrust of the Rural Water Supply & Sanitation Department is on coverage of Quality affected, partially covered and SC/ST habitations. Drinking water supply is provided through bore wells, Protected Water Supply (PWS) Schemes and Comprehensive Protected Water Supply (CPWS) Schemes. Funds for water supply schemes are being provided by Government under various schemes like National Rural Drinking Water Program (NRDWP), State Plan and through loans from financial institutions like NABARD, World Bank etc.

133. The State Government has announced the prestigious Program “NTR Sujala Pathakam” to provide safe drinking water to every household in 20 litre cans at a nominal price of Rs.2.00 each.

134. Total Sanitation Campaign (TSC) renamed as Swachh Bharat Mission (SBM-G) from 2<sup>nd</sup> October, 2014, envisages covering the entire community for saturated outcomes with a view to create Nirmal Gram Panchayats (NGPs).

135. A provision of Rs.881 crore is proposed in B.E. 2015-16.

### **Urban Development**

136. With 97 Municipalities and 13 Municipal Corporations the State is witnessing rapid urbanization in the last two decades and it has become a big challenge to provide minimum basic amenities to the people. The State Government has taken many policy decisions and initiatives to facilitate holistic and inclusive growth of urban areas. Proactive steps are taken to access funds under Government of India's flagship programmes.

137. The Urban Development Mission focuses on holistic development paving way to smart vibrant cities that are competitive and self-sustaining economic growth engines making significant contribution to state economy and simultaneously promoting human development with focus on higher education and skill building and social development.

138. Mission for Elimination of Poverty in Municipal Areas (MEPMA) aims to enable the urban poor particularly the poorest of the poor to come out of the poverty and vulnerability in a sustainable manner and to improve their quality of life by organizing them into groups. During the current year 2834 Self Help Groups (SHGs), 176 SLFs and 5 TLFs have been formed in addition 23,188 SHGs have been provided with Bank linkages of Rs.755 crore Rs.110 crore is provided to 90951 SHGs as Vaddi leni Runalu. A number of other programmes like, EDP training, NTR Sujala Sravanthi, are implemented for their benefit.

139. Our Government is keen to provide protected drinking water, sanitation and hygienic environment which are vital for

well being of the people. 125 Projects costing Rs.4511 crore are sanctioned under JNNURM, HUDCO, State Plan and APMDP in sectors of Water Supply, Sewerage, Storm Water Drainage etc. Out of these, 69 Water Supply Projects, 5 SWD Projects, 4 Sewerage Projects and 20 Urban Infrastructure projects costing Rs.2556 crore are completed. The remaining 27 Projects costing Rs.1956 crore in various sectors are in progress and are targeted for completion by March, 2016. Swatch Andhra Pradesh Corporation is established to carry out the activities like individual sanitary latrines, solid waste management etc., in urban areas to achieve the overall objective of high level of cleanliness in urban areas. Preparation of Annual Accounts and their audit in many Urban Local Bodies is in arrears. Strict instructions have been issued to get the accounts compiled and have them audited and also to attend to pending audit objections.

140. The National Urban Information System (NUIS) Scheme envisages to establish a comprehensive information system in the Urban Local Bodies for planning, management and decentralized governance. Madanapalli, Tadepalligudem, Dharmavaram and Srikakulam are covered under this Scheme.

### **The new State Capital:**

141. Bifurcation of Andhra Pradesh has resulted in an immediate need for building a new capital for the state. A truly world class people's capital reflecting the aspirations of the people of the state is being planned with people's cooperation. The new capital will be a place for creativity and innovation. Sustainability in terms of infrastructure, environment, equity and safety will make it an ever green capital. Such a city will

require meticulous planning for the very long term infrastructure needs of the future generations. Building a huge city without planning for the required infrastructure and the right foundation for future needs will make it useless for next generations.

142. The total land required is being secured by obtaining consent from the land owners of capital city consisting of about 33252 acres out of whom about 87% have given consent for pooling their land. Out of this land 50% will be used for common infrastructure for the city which is required to build state of the art infrastructure. About 25% will be returned to the land owners in the form of developed reconstituted plots. This leaves about 7000 acres of land with the State for constructing its capital complex as well as bringing investments to provide sustainable jobs for the residents of the capital city. It is planned to return the developed land to land owners, construct the capital complex, and bring the threshold level of jobs which will make the city self-sustaining over the next 3 years. The consent of farmers is a historical event and the Government gratefully acknowledges their contribution. Funds are released to Capital Region Development Authority (CRDA) for making payments to farmers.

143. A provision of Rs.3,168 crore is proposed in B.E. 2015-16.

### **Roads & Buildings:**

144. The mandate of R&B Department is to maintain the major road network of 46,440 Km., in traffic worthy condition and to develop a robust road network. Development of about 2000 km

length of R&B roads on PPP mode is currently under active consideration. Expression of interest for engaging transaction advisory consultants has been invited.

145. The Government have taken a serious view of road accidents occurring in the State and issued comprehensive instructions and guidelines for implementation of the Road Safety Measures on all R&B Roads based on the recommendations of the State Level Road Safety Technical Committee.

146. A provision of Rs.2,960 crore is proposed in B.E. 2015-16.

### **Infrastructure & Investment**

147. The Infrastructure & Investment Department deals with Ports, Airports and Natural Gas. Government have taken up many Infrastructure Projects in this sector through Public Private Partnership (PPP) mode.

148. Andhra Pradesh has a coastal line of about 975 kms long with one Major Port at Visakhapatnam and 14 Non Major Ports. The four non Major Ports viz., Kakinada Anchorage Port, Kakinada Deepwater Port, Krishnapatnam Port and Gangavaram Port and one captive port at Ravva are in operation and trading activities are going on.

149. The Government proposes to develop Machilipatnam port under PPP mode. In addition to the existing Non-Major ports, Government have also decided to develop 14 Minor Ports under PPP mode which include Bhavanapadu and Kalingapatnam in Srikakulam District and Narsapur in West Godavari District.

There is a proposal from Government of India for establishment of a Second Major Port in the State for which the Government of AP have conveyed consent to provide the available govt. land as equity. One more commercial port in private sector at Kakinada is also expected to come up.

150. State Government is extending support to Airport Authority of India for expansion or modernization of existing Airports at Vijayawada, Rajahmundry and Tirupathi. There is a proposal for Development of Greenfield airport at Bhogapuram, Vizianagaram District. Further, it is proposed to develop No-frills airports at Nagarjuna sagar, Guntur District and Donakonda, Prakasam district and to develop Regional airports at Kuppam, Chittoor district, Dagadathi, Nellore district and Orvakallu, Kurnool district.

151. The State owned Andhra Pradesh Gas Infrastructure Corporation (APGIC) has won four blocks in KG Basin along with other consortium partners in the bidding conducted by Government of India.

152. Andhra Pradesh Gas Distribution Corporation Limited (APGDC) is a joint Venture of APGIC and GAIL Gas Limited, a wholly owned subsidiary of GAIL (India) Limited. APGDC is keen to participate in the business of CGD Networks, Trunk Pipelines, Regional Grids, CNG and import of LNG and its Re-gasification.

153. State Government is keen to establish an LNG importation terminal on the Coast keeping in view the growing gap between demand and supply of Natural Gas. The demand is quite huge within the State particularly from power, fertilizer, refinery, glass and ceramic sectors. Government have approved the

proposal of APGDC for establishment of FSRU based LNG Terminal at Kakinada Deep Water Port. Approval is also given for establishment of another LNG Terminal at Gangavaram Port, Visakhapatnam District through a JV Company with Petronet LNG Terminal.

154. A provision of Rs.195 crore is proposed in B.E. 2015-16.

### **Energy**

155. Government of Andhra Pradesh is committed to provide reliable, adequate and affordable 24x7 power supply to domestic, industrial, commercial and 7 to 9 hours supply to 14.85 lakh agriculture consumers in the State

156. During 2014-15, 36701 new agriculture services were released up to December, 2014 bringing the total no. of agricultural services to 14.85 lakhs. Government have released Rs.3,188 crores towards free power to farmers during the current year.

157. APGENCO is the largest power generating company of A.P. State with installed capacity of 4559.6 MW in which the share of thermal power is 61.63%, followed by that of hydel and wind at the rate of 38.33% and 0.04% respectively. During 2014-15 (upto Jan'15), APGENCO stations achieved generation of 19472 MU.

158. During the current financial year APGENCO programmed to add 1650 MW consisting of two units of Sri Damodaram Sanjeevaiah Thermal Power Project, Krishnapatnam, Nellore Dist with supercritical technology, first of its kind in the A.P

Power Sector. Two Hydel units of Nagarjuna Sagar Tail pond dam are programmed to be commissioned by March, 2015. Total capacity addition during 2014-15 will be 1650 MW.

159. The Government have announced comprehensive wind and solar power policies to attract investments. The Government is developing 2500 MW capacity solar power parks in Ananthapuram, Kurnool & Kadapa Districts. 10000 Nos. solar pump sets are targeted to be installed during financial year 2015-16.

160. A provision of Rs.4,360 crore is proposed in B.E. 2015-16.

### **Industries and Commerce**

161. Having recognized the necessity of development of industries for creating employment opportunities to the youth and revenue generation to the government, the State Government of Andhra Pradesh has come up with a vibrant Industrial Investment Promotion Policy 2010-15 with various Incentives/Concessions to new industries set up in the State. State Government is striving towards creation of quality infrastructure coupled with congenial industrial environment in the State to make Andhra Pradesh an attractive destination for both foreign and domestic investors.

162. Special emphasis is given for establishment and enhancing production capacities of Micro, Small & Medium Enterprises with huge employment potential. In order to create hassle-free environment for the investors, Government of Andhra Pradesh is effectively implementing Single Window Clearance System and arranging various industrial clearances within 21 days.

Andhra Pradesh is the first State in the country to have an exclusive policy for SC and ST Entrepreneurs. Action is being taken to develop Vizag-Chennai and Bengaluru-Chennai industrial corridors.

163. Government of India have accorded an in-principle approval for setting up of National Investment and Manufacturing Zones (NIMZ) in Chittoor District in an extent of 5,000 to 6,000 Hectares. The NIMZ will be developed as integrated industrial township with state of the art infrastructure and land use on the basis of zoning, clean and energy efficient technology, necessary social infrastructure and skill development facilities. The estimated investment flow to NIMZ is expected to be around Rs.30,000 crore and employment potential would be 3 lakh. The Land acquisition in Chittoor District is in progress.

164. A provision of Rs.637 crore is proposed in B.E. 2015-16.

### **Tourism and Culture**

165. Andhra Pradesh with its rich, natural, cultural and historical heritage resources is already a leading destination in India for domestic tourism. To further consolidate this position and attract more number of tourists, Government have taken initiatives to promote Andhra Pradesh as India's favorite Tourist Destination and positioning AP Tourism as a global tourism brand by proving world class tourism products and services, while preserving the cultural heritage, environmental balance and natural beauty of the state.

166. During the year 2015-16 it is proposed to develop New Tourism projects like Tourism Circuits in Krishna, Guntur, Chittoor and Srikakulam districts. Government is also encouraging private sector investment through PPP Mode for development of tourism projects. Bhavani island near Vijayawada will be developed as a major tourist destination.

167. APTDC have started new beach resorts at Baruva, Kalingapatnam (Srikakulam) Kakinada, Ramayapatnam (Prakasam), Tummalapenta (Nellore) during 2014-15. Beach resorts at chintapally(vizianagaram) will be completed by June, 2015. Eco-tourism and temple tourism will also be promoted.

168. With a view to revive and promote Art, Craft and Culture of Andhra Pradesh, New Shilparamams have been sanctioned in Srikakulam, Vizianagaram, East Godavari (Kakinada), West Godavari (Eluru), Krishna, Prakasham, Guntur, Nellore, Ananathapur, Kadapa & Kurnool. The 1<sup>st</sup> phase will be completed by June, 2015. Tourism and Culture festivals will be conducted in all Districts.

169. Government has enhanced Old Age Pension to artists from Rs.500/- to Rs.1,500/- p.m. w.e.f. January, 2015 benefiting 6746 Old Age Artists. Government conducted 'Sankranthi Sambaralu' as a State Festival. Government is going to start a New Academy for Kuchipudi Dance called "Kuchipudi Natyaramam" at Kuchipudi Village, Krishna District. Government is planning to revive three Academies, Viz. Sangeetha Nataka Academy, Sahitya Academy, Lalitha Kala Academy. It is proposed to Construct Tagore Cultural Complex at Kakinada.

170. A provision of Rs.330 crore is proposed in B.E 2015-16.

## **Skill Development, Entrepreneurship, and Innovation:**

171. The Government have been taking several steps in the direction of improving the skills of youth. Developing the skills of youth is an important aspect that touches upon every mission towards the fulfillment of the missions. A new department of Skill Development, Entrepreneurship, and Innovation and a new corporation “Andhra Pradesh State Skill Development Corporation” are established to develop various skill developmental activities and to coordinate with various departments.

172. The Government have launched 17 Skill Development Centers to offer a number of programs in modern technologies, software development, electronics and communication.

173. The Government have sanctioned the establishment of 6 clusters of excellence throughout the state to significantly enhance the skill set of engineers and technical graduates. These centers of excellence will focus on product design & development and foster innovation. This is very important to capture new industrial opportunities. They will be of immense help in imparting industry grade skills to technicians and help improve employability. They will also help in attracting investments and promoting the industrial growth.

174. To improve the employability of students and unemployed youth, Government have introduced facilities to develop Soft Skills, Communication Skills, and Computer Skills in its various Skill Development Programmes.

175. An institution of excellence focusing on skill development will be established in the State.

176. A provision of Rs.360 crore is proposed in B.E. 2015-16.

### **Information Technology and Communications**

177. The new State of Andhra Pradesh has drawn up ambitious plans to develop the State as an Innovation Society of global repute and has been aggressively working towards realizing this vision.

178. For rapid development of ICT industry in the State, Government is adopting Mission Mode approach. In this pursuit, three Entities namely e-Governance Authority, Electronics & IT Agency and Innovation Society have been constituted.

179. Government has been actively promoting e-Governance for bringing transparency in Government functioning. A portal Hud Hud Damage Assessment and Relief Monitoring System has been developed using crowd sourcing methodology to facilitate citizens to enter the details of damages and also to address their grievances. e-Office has been launched in 10 departments under Phase – I.

180. An integrated Information System of Departments viz., Revenue, Irrigation and Agriculture by name HARITA (Harmonised Information of Agriculture, Revenue and Irrigation for a Transformation Agenda) is being developed to provide a single source of data to the three departments and to the citizens. A portal has been launched for Smart Village which basically provides unified interface to the villages under

Government of Andhra Pradesh by enabling a 360 degree view and also presenting various MIS and Analytical Reports to monitor the progress of assets or activities sponsored by donor.

181. For incubating Start-up companies, Government has set up a facility namely Sunrise Startup Technology Research and Incubation Park (TRIP), at Madhurawada IT Lay Out in Visakhapatnam and so far 50 Start-up companies are incubated. Government of India has given consent for setting up of two Electronic Manufacturing Clusters at Ananthapur & Sricity, Chittoor.

182. For marketing the brand of Sunrise State of Andhra Pradesh and thereby attracting investments from around the Globe, a CEO conclave has been organized at Visakhapatnam in September, 2014 which attracted over 600 participants. Apart from this Mega Event, Road Shows have been organized nationally (Chennai, Bengaluru) and globally (Singapore, Japan, UK, Davos) highlighting the opportunities available in the State and inviting IT Majors to start or expand their operations in AP. The State has so far attracted IT companies with a proposed investment of Rs.4,311 crores and projected employment for 25110 IT Professionals.

183. The ultimate vision is to transform the present 'Information Society' into 'Knowledge Society'. In this context I would like to recall a line from the UNESCO document on 'Towards Knowledge Societies' (2005) which says that:

*"Above all, reflection upon knowledge societies and how to build them makes it possible to rethink development itself."*

184. A provision of Rs.370 crore is proposed in B.E. 2015-16.

### **Youth Services and Sports**

185. The Department implements suitable Youth Welfare Programmes in accordance with the changing aspirations and needs of the Youth so that energies of youth are channelized for constructive activities. Coordinating with Army Authorities in organizing Army Recruitment Camps in all the Districts of the State to encourage more number of educated unemployed youth to join Army and other Allied Services is also done by this Department.

186. A provision of Rs.45 crore is proposed in B.E 2015-16.

### **Labour and Employment:**

187. This Department has the responsibility of implementing labour laws and schemes for the welfare of workers. During 2014-15 an amount of Rs.44 crores was spent on welfare activities for 4,124 construction workers and Rs.2 crore for the welfare of 4,825 other workers. 50 Industrial Training Institutes (ITIs) are modernized with latest equipment and machinery with an outlay of Rs.180 crore.

188. A provision of Rs.281 crore is proposed in B.E. 2015-16.

### **Environment, Forests, Science & Technology**

189. Forest area of the State is 36,917 Sq.km, out of which only 9,764 Sq.km is dense forest constituting 22.61% of the state geographical area. There are 13 Wildlife Sanctuaries, 3 National

parks and two Zoo Parks in the State. Various forestry programmes are being taken up to protect and develop the existing forest cover through participation of local communities organized into 4,320 Vana Samrakshana Samithis (VSS) and Eco-development Committees.

190. Forest department has been adopting modern Information Technology and tools of spatial management.

191. One of the major challenges before the State today is forest protection from encroachments and smuggling activities especially in Red-sanders areas. Further, Government could add a revenue resource by auctioning a portion of seized red-sanders reserves. Government have taken several steps for protection of forest resources.

192. The National Forest Policy envisages 33% tree cover. The total tree cover in the State is 25.64 % and the gap is 7.36%. To bridge the gap massive afforestation programs are planned. Action has been initiated to raise 50 Cr nursery seedlings for afforestation in next rainy season.

193. The A.P. Forest Development Corporation is managing 48,637 Ha., of degraded forest area out of which 26,932 Ha., has been converted into high yielding Eucalyptus clone plantations. The Corporation is maintaining Bamboo, Cashew and Coffee plantations.

194. The Government have launched Neeru-Chettu programme on 19<sup>th</sup> February, 2015 which has kick started measures for water conservation, Improve ground water table level and to make the State drought proof.

195. A provision of Rs.284 crore is proposed in B.E. 2015-16.

### **Disaster Management**

196. The Government accords top priority to disaster preparedness, mitigation and extension of relief assistance to the population affected by natural calamities. Andhra Pradesh witnessed two natural calamities of severe nature i.e., drought in Kharif 2014 and Hudhud cyclone in October, 2014. Memorandum to Gol was submitted seeking a financial assistance of Rs.4,860 crore. An amount of Rs.400 crore was released by Government of India as advance, pending submission of report by Inter Ministerial Central Team (IMCT).

197. As against the total accretion of Rs.750.68 crore to the SDRF/ NDRF account, a sum of Rs.1156.77 crore was spent during the current year. In order to ensure that the input subsidy and relief assistance directly reaches the affected ryots and people the disbursement is done online.

198. A proposal seeking external aid from World Bank for an amount of Rs.2,700 Crores towards permanent restoration of damages caused by Hudhud Cyclone is being submitted to Gol.

199. In this context I would like to place on record appreciation of people for the personal initiative taken up by our hon'ble Chief Minister in attending the immediate relief operations taken up to set the damage caused by Hud Hud cyclone in October, 2014. Besides fore-warning and alerting the district administration well in advance, the Hon'ble CM had personally monitored the relief and rescue operations staying in affected areas. Under his exemplary and able leadership, the

Government is planning to make the Hudhud affected areas cyclone proof through the support of World bank for putting in place an underground cabling and other infrastructure works.

200. Works have been taken up under National Cyclone Risk Mitigation Project (NCRMP), a World Bank Aided Project implemented in 9 Coastal Districts, to provide necessary connectivity to the habitations and cyclone shelters to facilitate evacuation or transportation of relief material quickly.

201. Adverse rainfall situation prevailing during the current year has resulted in declaration of Drought in 230 mandals in 7 Districts. In view of the serious shortage of drinking water faced by people, Government released Rs.57 crore for urban areas and Rs.82 crore for rural areas. Assessment of fodder situation is being carried out and arrangement for supply of fodder will be made wherever required.

202. A provision of Rs.488 crore is proposed in B.E. 2015-16.

### **Transport**

203. In order to reduce road accidents in the State the Transport Department is regularly conducting road safety awareness campaigns in all the Districts. Road Safety awareness is also made mandatory for all persons undertaking a learner license test on computers. A Special Road Safety campaign is organized in the State from 19-01-2015 to 25-01-2015. In order to improve the Road Safety and to reduce the number of road accidents in the State, Government has taken up a pilot project with the financial assistance from World Bank. Under this programme one demo corridor from Renigunta to

Rayalacheruvu Road is taken up involving the Roads & Buildings, Police, Transport and Medical and Health Departments.

204. A provision of Rs.122 crore is proposed in B.E. 2015-16.

### **Mines and Geology**

205. Andhra Pradesh State has rich & wide variety of minerals which are suitable for specific mineral industries. The Mining Sector is identified as one of the growth engines and certain minerals have been identified as focus minerals viz Bauxite, Heavy minerals, Beach Sand, Limestone, Gold, Diamond, Dolomite, Oil & Natural gas, Uranium, Garnet, Granite, Titanium, etc. for establishment of Cement, Gas based Thermal Plants, Oil Refinery, Cutting & Faceting, Mining & Refinery, Steel & Sponge, Alumina Smelter and Aluminum Refinery etc., Industries. In view of the huge potential, consultants and experts will be engaged to give recommendations.

206. The State focuses on augmenting the inventory of mineral resources, key issues of legislation, objective & strategies in tune with the National Mineral Policy, 2008 leading to overall development of the Mining Sector.

207. The Government reviewed the existing sand policy and announced New Sand policy 2014. As per this policy, all the sand reaches in the state will be allotted to the District/ Mandal Mahila Samakhyas or Gramasangams for undertaking sand quarrying depending on the potential of each sand reach. 25% of the income earned will go to the SHGs.

208. A provision of Rs.27 crore is proposed in B.E. 2015-16.

### **Law and Order**

209. Major achievements of the Law and Order machinery in the recent past include conducting Rescue operations during Hud-Hud cyclone and achieving the status of being first State in the Country to operationalize all 21 Coastal Security Police Stations.

210. With a view to effectively respond to public grievances the Dial 100 Command Control Centre has been established, in which already 2.94 Crs calls have been received since its inception with 98% satisfaction level. Construction of Reception Centers in Police Stations to facilitate smooth interaction with the public has been taken up in a big way.

211. For the first time, the Govt. have extended Group Personnel Accidental coverage to the 12063 Home Guards on rolls in AP Police on par with all ranks of Police personnel with a coverage of Rs.2.50 lakhs on accidental death. An amount of Rs.10 crore was sanctioned as a lumpsum grant for Police welfare and also Rs.40 lakhs released towards Grant-in – aid for various welfare activities of the Department. 300 acres of Govt. land has been identified at Machilipatnam, Krishna District for the establishment of National Marine Academy.

212. A provision of Rs.4062 crore is proposed in B.E. 2015-16.

## **Endowments**

213. An action plan has been drawn up for payment of minimum remuneration of Rs.5,000/- per month to the Archakas and other Dharmik Staff, irrespective of the status of the temple and creation of a Corpus of Rs.250 crores designated as 'Archakas and other Employees Salary and Remuneration Fund' and the Government have sanctioned Rs.100 crore from out of the surplus Endowments Administrative Fund (EAF) contribution.

214. An amount of Rs.2,500/- p.m is being sanctioned to the needy temples for performing Dhoopa Deepa Naivedyam. At present an amount of Rs.41.00 lakhs per month is being released and 1613 temples are covered under Dhoopa Deepa Naivedyam Scheme.

215. Godavari Pushkarams are going to be celebrated from 14-7-2015 to 25-7-2015. Government making all efforts to conduct the Puskarams on a befitting scale duly providing all amenities to pilgrims with the coordination of all Departments in the State. Works of the value of Rs.1,368 crore are taken up by different Departments including T.R.&B (Rs.749 crore), MA&UD (Rs.343 crore), PR&RD (Rs.141 crore) and I&CAD (Rs.92 crore) Departments. Endowments Department has sanctioned 248 works worth Rs.25 crore for providing amenities to pilgrims and development of connected temples. A provision of Rs.200 crore is proposed for pushakaram works in B.E. 2015-16.

## **Revenue**

216. Revenue Department is providing valuable services to the citizens and in particular to the farmers by maintaining upto date records of lands. The Department has taken initiative to integrate the Revenue and Registration Records. It has also started issuing e-Pattadar pass books. A new software called 'Sarkar Bhoomi' has been launched for preparing an inventory of Government lands.

217. For effective delivery of services to the citizens, the services of issuance of Encumbrance Certificate and Certified Copies are included in Meeseva through which citizens can obtain Encumbrance Certificate and Certified Copies without going to offices.

218. As a part of implementation of SSDG (State Services Delivery Gateway), the services of Registration of Firms and Societies of the Department are being delivered through Meeseva centres. For the convenience of citizens 'anywhere registration' is being done since February, 2015.

219. A provision of Rs.1,429 crore is proposed in B.E. 2015-16.

## **Finance**

220. In my last address to the House I announced the starting of the Comprehensive Financial Management System (CFMS) with a view to ensure transparent, efficient and real time management of public finances and human capital management. The modules relating to CFMS are Budget management, accounts management and human resource

management system. The systems will interface with AG, RBI and other stakeholders for real time transactions. I am happy to inform that, we have made significant progress during the year. The ground work for implementation of the system from the ensuing financial year is already underway in Guntur as the pilot district. The system will be replicated in the other 12 districts of the state soon after. Government is also looking at the CFMS implementation as an opportunity for introducing important process reengineering in the Government.

#### **Accounts 2013-14**

221. The final accounts of 2013-14, show a revenue Surplus of Rs.344 crore, and fiscal deficit is well within the FRBM Act, at Rs.18,050 crore which is 2.11 of GSDP.

#### **Revised Estimates 2014-15**

222. The Revised Estimates of 2014-15 indicate a revenue deficit of Rs.14,242 crore. The fiscal deficit is estimated at Rs.20,320 crore which would be 3.88 % of GSDP.

#### **Budget Estimates 2015-16**

223. For the financial year 2015-16, Government proposes an expenditure of Rs.1,13,049 crores; Non-plan expenditure is estimated at Rs.78,637 crore and Plan expenditure at Rs.34,412 crore. The estimated revenue deficit is Rs.7,300 crore and Fiscal Deficit is estimated at Rs.17,584 crore. The fiscal deficit works out to 3% of GSDP whereas the Revenue Deficit works out to 1.24 %.

224. I am confident that the Budget 2015-16 will enhance the process of building the new State on sound lines and pave way for taking rapid strides in the years to come. Our priority is inclusive growth in which equitable opportunities are advanced to all participants in the process of economic growth and benefits accrue to all sections of the Society, particularly those belonging to vulnerable sections.

225. I conclude with the words of Mahatma Gandhi.,  
*"A true soldier does not argue as he marches, how success is going ultimately to be achieved. But he is confident that if he only plays his humble part well, somehow or other the battle will be won. In this spirit that every one of us should act. It is not given to us to know the future. But it is given to everyone of us to know how do our own part well."*

226. I am confident that sustained efforts on the lines mentioned by me and continued cooperation from people will transform the State into 'Swarna Andhra Pradesh'.

227. I would like to end my speech on a note of optimism by quoting Walt Whitman.

*"Keep your face always toward the sunshine - and shadows will fall behind you"*

228. I commend this Budget for the approval of the House.

***//JAI HIND//***