



GOVERNMENT OF ANDHRA PRADESH

BUDGET SPEECH
2016-17

YANAMALA RAMAKRISHNUDU
MINISTER FOR FINANCE

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Speech of Yanamala Ramakrishnudu Minister of Finance

March 10, 2016

Hon'ble Speaker and Members,

With your permission, I rise to present the Budget of Andhra Pradesh State for the year 2016-17.

2. I would like to start my budget speech by remembering the great Indian, late President APJ Abdul Kalam:

“When learning is purposeful, creativity blossoms. When creativity blossoms, thinking emanates. When thinking emanates, knowledge is fully lit. When knowledge is lit, economy flourishes.”

3. First, I would like to recall what I said in my first budget speech after the State reorganisation, on August 20, 2014: *“The unfortunate scenario that the present Government has inherited leaves me in an unenviable position to deal with the complexities and problems the State is*

burdened with. We have to now reinvent the process of building the economy once again, the way we handled earlier.”

4. As expected, we have faced - and continue to face - several challenges, of which the most daunting has been to find the resources required for financing the development needs of the State. Nevertheless, under the leadership of our Chief Minister, Sri Nara Chandrababu Naidu, we have not only stood firm in the face of adversity, scarcity of resources, and unhelpful nature in the form of Hudhud cyclone and drought, but have been moving forwards with a clear vision, innovative strategy, and comprehensive action plan for building a prosperous and inclusive society.

5. In this endeavour, we are guided by the wisdom of Swami Vivekananda, who exhorted:

“Take up one idea. Make that one idea your life - think of it, dream of it, live on that idea. Let the brain, muscles, nerves, and every part of your body, be full of that idea, and just leave every other idea alone. This is the way to success.”

6. The one great idea that has been our pole-star during the past twenty months is the goal of making Andhra Pradesh the most developed State in India by 2029 in terms of all social, economic and human development parameters. To translate this big idea into reality, we have launched seven Missions and five Campaigns and are building five Grids, with unwavering focus on creating a peaceful, prosperous and above all, inclusive and happy society. Our objective is to sustain the double-digit economic growth, which we achieved within one year of our rule, for not just five or ten years, but for the next thirty years and beyond.

1. The Economy

7. I am presenting this Budget in an environment of global gloom, national optimism, and local exuberance. I will let the facts and figures speak for themselves: while the Global growth has slowed down from 3.4 per cent in 2014 to 3.1 per cent in 2015, India has remained the 'bright-spot', registering a growth of 7.3 per cent. During the same period, Andhra Pradesh has registered a high growth rate of 10.9 per cent. We have accomplished this in the face of adverse legacies of the past that continue to haunt the present: years of misgovernance, battered economy, severe scarcity of financial resources, and inadequate capacity for effective execution of projects.

8. I am happy to report that our growth has been fairly equitable across the sectors, in harmony with our inclusive development agenda. Agriculture has registered a growth of 8.4 per cent, compared to the national average of 1.12 per cent; Services sector has recorded a growth of 11.39 per cent against India's 9.19 per cent; and Industry sector has grown at 11.13 per cent, compared to the national performance of 7.35 per cent. I am happy to announce that the per capita income of our State has crossed Rs one lakh threshold to reach Rs.1.07 lakhs in 2015.

9. Encouraged by the performance of the economy in 2015-16 financial year, we set ourselves an ambitious, but achievable, target of economic growth for the next financial year spread across all sectors of the economy. Notwithstanding the adverse global factors and modest national growth scenario, we are confident that the development projects launched by the government, revitalised private sector and exuberant citizen participation together will partner in scripting this growth story.

10. At this juncture, I would like to echo Shakespeare, who ordained, “*Speak of me as I am. Nothing extenuate*”, and inform you that our performance, which is impressive by any standards, has been contributed not so much by surge in revenues or generous support from the central government, but primarily because of the leadership of Hon’ble Chief Minister, the development vision, comprehensive strategy for economic growth and job creation, vigorous implementation of all development programmes / projects, and above all the improved efficiency and effectiveness of the governance machinery.

11. However, I would like to remind the Hon’ble Members that we continue to carry the revenue deficit of Rs 13,897 crores inherited from the 2014-15 financial year, as a consequence of irrational bifurcation of the State. Construction of the new capital city of Amaravati would require about fifteen to eighteen thousand crore Rupees in the next three to four years; massive investment is required in infrastructure, provision of essential public services and successful execution of all development and welfare programmes. Notwithstanding the difficulties we have faced - and continue to struggle with - I would like to look at the future with optimism, duly remembering the great poet Henry Wordsworth Longfellow,

“Look not mournfully in to the past, it comes back not again. Wisely improve the present, it is thine. Go forth to meet the shadowy future without fear and with a manly heart.”

2. The Budget Proposals

12. It is in the spirit of bold optimism that I present the Budget proposals for the 2016-17 financial year. I am happy to inform the august House that the budget for 2016-17 is unique on several counts. First and foremost, it's the first e-Budget, with all budget documents

being made available in easily readable format on a Tablet that you can carry anywhere and refer to at anytime. Second, it's a truly decentralised budget; every drawing and disbursing officer (DDO) in the state – and there are more than 20,800 DDOs in the state - has prepared the budget proposals for the unit under his /her control. Third, this is a genuinely outcome-focused budget with unwavering focus on performance and outcomes rather than the traditional input based budget. Fourth, this is a demand driven budget based on the needs of the grassroots and the expectations of the people. Fifth, we have obtained inputs from the public and incorporated them as appropriate.

13. When I presented the 2015-16 Budget on March 13, 2015, you mandated me expenditure estimated at Rs 1,13,049 crores during the 2015-16 financial year. I am delighted to report that I have ensured utilization of 99.26 per cent of the amount authorized; the Revised Estimates (RE) for 2015-16 are around Rs 1,12,216 crores. For the first time in the annals of Andhra Pradesh State, the Plan expenditure has exceeded the estimates by 12.38 per cent; the RE for 2015-16 Plan is around Rs 38,671 crores, compared to the Budget Estimates (BE) of Rs. 34,412 crores.

14. Higher Plan investment has flown to the key development drivers like Energy, Infrastructure and Investment, Panchayat Raj and Rural Development, and the Water Resources Departments. This increase in plan expenditure reflects our commitment to rapid yet inclusive development of our newly formed State. On the other hand, the Revised Estimate for Non-plan expenditure at Rs 73,545 crores is 6.5 per cent lower than the Budget Estimate of Rs 78,636 crores. This has been made possible because of the prudence in expenditure and fiscal discipline we observed during 2015-16, notwithstanding 43 per cent fitment given to the public servants.

15. We have been able to finance the development demands in 2015-16 primarily because of our ingenuity in managing the State's Own Resources. We have taken several measures to improve the efficiency of revenue generating departments. To improve VAT collection, we have instituted measures like Invoice Tracking, Modernization of Check Posts, Deployment of Technology, Tax Analytics, etc. Further, we have applied technology solutions to make it easier for citizens to use the land registration services. Measures like 'Anywhere Registration' and 'e-Stamping' is making Registration services easily accessible to the citizens. We have introduced a system of online applications and registration of vehicles to reduce the citizen footprint in the Transport offices.

16. The Hon'ble Members are aware that unscientific bifurcation of the State resulted in the residuary Andhra Pradesh receiving 46 per cent of the revenues of the combined state while having 58.32 per cent of its population. This resulted in a revenue deficit of Rs 16,200 crores in the first ten months of the new State's existence. Thus far, the Government of India has released only Rs 2,303 crores to bridge the resource gap, leaving the State with a huge revenue deficit overhang of Rs 13,897 crores.

17. The State received only Rs 50 crores per district per year over the past two years for the development of four Rayalaseema and three north coastal districts. Thus far, we received Rs 850 crores for the construction of Amaravati City, Rs 345 crores for Polavaram Project, and one thousand crores for the water supply and drainage projects for Vijayawada and Guntur cities. However, tax incentives for industrial development of the state, the grants for construction of the capital city, reimbursement of expenditure incurred on Polavaram project since, grants for construction of the capital city and conferring special category status, all of which are integral components of the AP Reorganisation Act 2014 and the assurances in Parliament, have

remained unfulfilled. This reality has created tremendous strain on the State's fiscal situation.

18. Nevertheless, considering the creditable GSDP growth in 2015-16, I expect proportionate growth of the resource envelope in 2016-17. Overall, I expect the State's Own Revenues to grow by 16 per cent, from Rs 49,764 crores in 2015-16 to Rs 57,813 crores in 2016-17. However, as mentioned earlier, the legacy of huge revenue deficit, an overhang from 2014-15, will continue to haunt us in 2016-17. We expect the Central Government to step-up its support to the State Development Plan (SDP) in the form of increased central assistance and special grants, apart from Rs 3,000 crores to partially offset the Revenue Deficit of 2014-15 financial year.

19. I sincerely hope that the central government would release Rs 935 crores as compensation for the central sales tax (CST) that is due to us, provide Rs 3,500 for construction of Polavaram Project, Rs 350 crores for the development of seven relatively under-developed districts and extend support for Amaravati construction with a grant of Rs 1,000 crores. Furthermore, we earnestly hope that the Goods and Services Tax (GST) legislation will be passed by the Parliament and will become operational in 2016-17, which will provide a boost to our tax pool. Overall, I believe that without generous financial assistance from the central government, it would be difficult, if not impossible, to implement the ambitious State Development Plan I am presenting to this august House.

20. I propose a Budget for 2016-17 financial year with an estimated expenditure Rs. 1,35,688.99 crores, an increase of 20 per cent from 2015-16. Accordingly, the outlay for financing the State Development Plan (Estimated Plan Expenditure) is set to increase by 42.78 per cent from Rs 34,412.48 crores (2015-16 BE) to Rs 49,134.44 crores, while the Non-plan expenditure is estimated to grow by 10 per cent from Rs 78,636.51 crores to Rs 86,554.55 crores.

21. To those who might be tempted to be sceptical, I refer you to what Winston Churchill said: *“A pessimist sees the difficulty in every opportunity; an optimist sees the opportunity in every difficulty”*. We are discovering new and creative opportunities from the adversities of State Reorganization and its aftermath. We believe that we can overcome difficulties and find innovative paths to financing development. In addition to the resources allocated in the Budget, we propose to mobilise resources required for development through public-private partnerships (PPP) and through the public sector enterprises. Above all, we count on the central government to lend a helping hand to drive this State towards the goals of Vision-2029.

3. Primary Sector

22. Our Government accords highest priority to the sustainable primary sector growth, which is imperative for the inclusive development of our State. Though the sector constitutes 26.7 per cent of the State’s economy, it provides livelihood to nearly 63 per cent of the population. I believe that Thomas Jefferson has eloquently articulated our position when he said, *“Cultivators of the Earth are the most valuable citizens”*. I reaffirm our commitment to these valuable citizens and reiterate our support to all components, activities and institutions that would contribute to improved incomes and better quality of life to the farmers, with stepped-up focus on tenants, small and marginal farmers.

23. As noted earlier, the Primary Sector has registered an impressive growth rate of 8.4 per cent in 2015-16. However, the annual agriculture crops have registered a negative growth of 7.01 per cent when compared with the previous year due to extreme drought. The other sub-sectors, however, have recorded impressive growth rates; horticulture has grown by 9.96 per cent, livestock notched an impressive 11.22 per cent growth, and fisheries sub-sector had an

astounding growth of 32.78 per cent. Our efforts for robust agricultural development resulted in food grain production of 102.87 Lakh MTs in 2015-16. Though this is less than the 2014-15 production, it is still a significant achievement considering that 20.06 per cent of cropped area was damaged due to drought. In 2016-17, we will provide a major impetus to the primary sector.

24. **Agriculture Development.** The main thrust of our agriculture development strategy is to build resilience that would insulate annual crops from the vagaries of nature, climate change and markets, while improving the productivity and increased returns to the farmers. In this direction, our government is committed to making Andhra Pradesh drought-proof, expand assured irrigation to all commandable lands by completing all priority projects, promote extensive soil and water conservation measures, apart from efforts to maximise productivity, reduce wastage, expand access to global best practices, technologies, and marketing access.

25. To promote Climate Resilient agriculture, our government has taken up comprehensive drought-proofing activities and measures for dry-spell mitigation in rainfed areas through programmes like *Panta Sanjeevani*, *Rainguns* etc. Further, abiotic and biotic stress resistant varieties are being promoted in drought-prone areas. Our efforts have resulted in significant recharge of groundwater, especially in Rayalaseema region, with 5.366 TMC of additional capacity that stabilised 55,272 acres of ayacut. These efforts would be stepped up in 2016-17 financial year with renewed vigour.

26. I am allocating Rs 5,838.65 crores for agriculture development during 2016-17; of this, Rs 50 crores is for Drought Proofing, 41 crores for creation of viable farm livelihoods by promotion of organic and natural farming, and Rs 344 crores for *Pradhan Mantri Fasal Beema Yojana* (all new schemes); and Rs 54 crores for National

Mission on Agricultural Extension and Technology, which is 12% higher than last year; Rs 79 crores for National Oil Seed and Oil Palm Mission, which is 79% higher than last year; Rs 232 Crores for *Rashtriya Krishi Vikas Yojana*, which is 24% higher than last year.

27. Horticulture Development. Our endeavour is to make Andhra Pradesh the hub for horticulture and food processing by encouraging area expansion with high yielding varieties, establishment of post-harvest infrastructure like cold storage, pack houses, ripening-chambers with vigorous implementation of the Mission for Integrated Development of Horticulture (MIDH). We propose to encourage farmer groups in vegetable growing villages and value addition through grading and packing. Further, market linkages will be established and Farm Fresh Vegetable Vending Vans will be provided to farmers. Under the *Pradhan Mantri Sinchai Yojana* (PMKSY), 1,90,720 farmers have applied for irrigation support for an area of 2.23 lakh ha against a target of 1 lakh ha. In 2016-17, horticulture development will receive a major boost. I am allocating Rs 659 crores for the Horticulture development in 2016-17, which is 31 per cent higher than 2015-16 BE.

28. Sericulture Development. We seek to position our state as the leading production centre for International grade Silk production and promote sericulture as a viable alternative for meeting the challenges of agrarian stress in dry land areas. In pursuit of this vision, the government is providing subsidy to farmers for Mulberry cultivation, construction of rearing shed, purchase of rearing equipment, supply of disinfectants and farm implements such as brush cutters, power sprayers, etc. I am allocating Rs 147 crores for the promotion of Sericulture in 2016-17, which is 57% higher than 2015-16 allocation; of this, the Plan allocation is Rs 26 crores, which is 130% higher than 2015-16 allocation.

29. **Debt Redemption.** This august House is aware that redemption of farmers' debt has been one of the most important policy commitments of our government. Apart from providing the much-needed investment for productivity enhancement and value addition to the Agricultural sector, the government's objective is to provide the much-deserved relief to the farm families who have been pauperized over the years by moneylenders, unregulated micro-finance institutions, and grossly inadequate investment. In this direction, we have disbursed Rs 7,433 crores to 54.06 lakh accounts benefiting 35.15 lakh farmer families. We are disbursing another Rs 550 crores to the horticulture farmers and are in the process of distributing debt redemption certificates. I am providing Rs 3,512 crores in the 2016-17 budget for redemption of the next instalment of farmers' debt.

30. **Livestock Development.** Andhra Pradesh has rich livestock resources with 62.54 lakh families depending on the sector for livelihood. The state is leading in Egg production and ranks fourth in meat production and sixth in milk production in the country. Our Government aims to make the state one of the top three states in the country in milk, egg and meat production by 2022. In pursuit of this vision, we have formulated a comprehensive livestock development policy and fodder security policy. We are stepping up support to the livestock sector in 2016-17 with an investment of Rs. 819 crores, which is 23 per cent higher than the 2015-16 allocation. I am increasing the Plan allocation for livestock promotion by 63 per cent over the last year to Rs 298 crores.

31. **Fisheries Development.** Fisheries sector is the growth driver of our state considering that the state has 974 kilometers of coastline, 33,327 square kilometers of continental shelf and about 6 lakh hectares of fresh and brackish water resources. Our state stands first in the total value of production of Fish and Prawn and fourth in

Marine Fisheries Production. This sector provides livelihood to around 10.65 lakh people. Recognizing the potential of this sector, our government has formulated a Fisheries Policy to provide various incentives to the processing units, aquaculture ponds, feed manufacturing units, fishery related manufacturing equipment units, disease diagnosis labs for fisheries development etc. I am earmarking Rs 339 Crores to the Fisheries Department in 2016-17, an increase of 51 per cent over the last year.

32. Environment and Forests. Our Government is committed to mitigate the adverse impact of environmental calamities. We are making efforts to enhance our existing green cover from 23 per cent to 33 per cent. We are preparing the Climate Change Adaptation Plans for the state involving all stakeholders. We have taken extraordinary measures to prevent and eliminate the smuggling of red sanders. Apart from establishing a separate task force, we have taken up trench fencing and installed CCTVs for effective surveillance of Seshachalam forests. Our Government has formulated longer-term plans for sustainable annual harvesting of red sanders in harmony with the Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES). I propose an allocation of Rs. 357 Crores for Environment and Forests in 2016-17, which is 26% higher than 2015-16 allocation.

33. Overall, I am providing Rs 16,491.81 crores in 2016-17 Budget for the primary sector – encompassing agricultural disciplines, livestock, fisheries, water resources, and environment and forestry - an increase of 18 per cent from 2015-16 allocation. While the overall Plan outlay is being increased by 42 per cent, increase in Plan allocation for the primary sector is about 53 per cent. Increased Plan allocation for the primary sector to Rs 10,027.51 crores in 2016-17 budget, represents an increase of 3,473.41 crores from 2015-16 BE, demonstrates my government's commitment to the welfare of the

farmers and their families.

34. Considering the priority our government attaches to the Primary Sector, we have formulated a separate Agriculture sector budget encompassing all components of the agricultural domain. My esteemed colleague, Sri Prathipati Pulla Rao, Hon'ble Minister for Agriculture, Marketing, Animal Husbandry, and Fisheries, will present the Agriculture Budget enunciating details of the development strategy covering agriculture and allied activities.

4. Water Resources – Transformational Investment

35. Construction of irrigation projects at Dowaleswaram and Vijayawada by Sir Arthur Cotton one hundred and sixty years ago had transformed the chronically drought affected Godavari and Krishna districts into the rice-bowl of India. Our Government is determined to bring similar transformational opportunity to the entire Andhra Pradesh, especially the Rayalaseema districts and the relatively underdeveloped districts of Prakasham, Srikakulam and Vizianagaram.

36. We have optimised the utilisation of Krishna waters and to harness the water resources available in Godavari,, our Government has successfully executed the *Pattiseema Lift Irrigation* Project in a record time of five and half months, which is designed to deliver about 80 TMC of surplus Godavari to Krishna Delta, thus enabling Srisailam water to be allocated to Rayalaseema districts. Pattiseema Project has provided 8.6 TMC of Godavari water as life-saving irrigation to 8.3 lakh acres under Krishna Delta in the Kharif. I am happy to inform the House that this is the first project completed under the National River Interlinking Project.

37. We are committed to completing the seven priority irrigation projects in a time-bound framework to provide sustainable irrigation to the chronically drought prone Rayalaseema and Prakasam districts and the backward districts of Srikakulam and Vizianagaram. We will complete *Thotapally Barrage, Polavaram Right Main Canal, Galeru-Nagari Sujala Sravanthi, and Handri-Neeva Sujala Sravanthi* in 2016-17 financial year, and *Vamsadhara (Phase II) project, Poola Subbaiah Velugonda project, Gundlakamma Reservoir and the Polavaram Left Main Canal* in 2017-18 financial year and *Polavaram Phase-I Works* by June 2018.

38. In addition, we are vigorously implementing the Andhra Pradesh Community Based Tank Management Project with the World Bank assistance to rehabilitate 975 minor irrigation tanks covering an ayacut of 1.2 lakh hectares in 12 districts with an outlay of Rs. 459 Crores. We are also implementing the Andhra Pradesh Irrigation and Livelihood Improvement Project with JICA assistance with a total project outlay of Rs 291 crores that would create an additional irrigation potential of 49,330 hectares. We have revived 175 hitherto defunct lift irrigation schemes with an outlay of Rs 134 crores and thereby stabilised 1.5 lakh acres ayacut.

39. We are committed to making Andhra Pradesh drought proof and bring the blessings of irrigation to every inch of commandable farm-lands. The works taken up under Neeru-Chettu programme has contributed to substantial improvement in the ground water levels, especially in the drought-prone districts of Chittoor, Kadapa and Anantapuram. Installation of 1,254 piezometers has enabled real-time monitoring of ground water availability and facilitated scientific management of water resources.

40. Under the *Pradhan Mantri Krishi Sinchayi Yojana (PMKSY / formerly Integrated Watersheds Programme)*, we are implementing

432 watershed projects in twelve districts, ensuring comprehensive soil and moisture management covering an area of 18.10 lakh hectares with a financial outlay of Rs. 2,290 Crores. Under *NTR Jala Sri Phase-1*, we are providing assured irrigation to 50,000 Scheduled Caste (SC) and Scheduled Tribe (ST) farmers covering an area of 2.19 lakh acres with an estimated cost of Rs. 385.55 Crores. In addition, during the 2015-16 financial year, we have sanctioned 1.24 lakh bore wells, with an outlay of Rs. 196.7 Crores.

41. With a view to consolidate the achievements, accelerate the pace of implementation of priority irrigation projects, and make the state drought-proof, I am increasing the Plan allocation for the Water Resources sector by 57 per cent, from Rs 4,678.13 crores in 2015-16 financial year to Rs 7,325.21 crores in 2016-17 financial year. I have earmarked Rs 3,660 crores for the Polavaram project, which being a National Project, will be financed by Government of India. I am allocating Rs 3,135.25 crores for accelerated execution and completion of other major irrigation projects in accordance with the time schedule.

42. I am increasing the Plan allocation for Minor Irrigation sector by 23 per cent, duly earmarking Rs 674 crores, which we will supplement with additional financing from the Rural Infrastructure Development Fund (RIDF), Mahatma Gandhi Rural Employment Guarantee Scheme (MGNREGS), PMKSY, and External Financing. We have also sought financing from the Japan International Cooperation Agency (JICA) and the World Bank for the revival and rehabilitation of minor and medium irrigation systems and integrated command area development with the objective of maximising agricultural productivity in these areas.

5. Industrial Sector

43. While the primary sector provides livelihoods to majority of our population, Industrial growth is the real game changer when it comes to job creation for the future. Industrial sector offers the twin engines of accelerated economic growth and job creation within a shorter time frame. Naturally, our government has been vigorously pursuing measures for rapid industrialisation of Andhra Pradesh. Our efforts have resulted in a significant industrial growth of 11.13 per cent in 2015-16 financial year. This growth has come from all components of the Industrial sector, namely 10.82 per cent in Manufacturing, 10.98 per cent in Mining and Quarrying, 16.69 per cent in Electricity, Gas and Water supply, and 9.46 per cent in Construction.

44. Recognizing that the environment has become quite competitive for attracting investments, our government has formulated highly competitive sectoral policies namely Industrial Development Policy, MSME Policy, Automobile & Automobile Components Policy, Aerospace and Defence Manufacturing Policy, Textile & Apparel Policy, Biotechnology Policy, Food Processing Policy, Industrial Parks Policy and Retail Trade Policy for the period 2015-20.

45. Further, we have taken several measures to make it easier for businesses to invest in our state by establishing the Single Desk system. Along with many other reform initiatives across the regulatory spectrum, we achieved the distinction of being ranked second in India by the Department of Industrial Policy and Promotion and World Bank in terms of undertaking reforms for “Ease of Doing Business”. Such measures have reduced our approval time from an average of 90 days in 2014-15 to 21 days in 2015-16, and we intend to bring it down to 14 days in 2016-17.

46. We have extensively marketed the strategic and demographic advantages of our state, as well as the credibility of our Chief Minister's leadership to attract investments to the state. These efforts have culminated in the highly successful Partnership Summit held in Visakhapatnam in January 2016 that attracted 1,400 delegates, including 300 foreign delegates from 41 countries. A total of 328 Memorandums of Agreement (MOU) were signed during this summit with an investment of Rs 4.67 lakh crores. A number of government and business delegations from China, Japan, Singapore, South Korea, Malaysia, Australia, United Kingdom, the Netherlands have visited the State in search of investment opportunities. In total, we have grounded private investments worth Rs. 9,505 crores and created 76,818 jobs in MSMEs, large and mega Industries in 2015-16. We intend to ground Rs. 11,500 Crores worth industrial investments with corresponding growth in jobs in 2016-17.

47. While emphasizing the growth of Industries sector, our Government is equally committed to the welfare of labour that is essential for harmonious industrial development. We are offering several services like insurance cover and health facilities for construction workers and transport drivers In 2015-16, these programmes have benefitted 4.5 lakh transport drivers at an expenditure of Rs. 8.46 Crores.

48. **Food Processing.** Food Processing presents an extraordinary opportunity for all players across the agricultural/ horticultural value chain, especially the farmers, to reap higher profit margins. Accordingly, we recognized the Food Processing industry as an important growth engine and formulated a highly competitive Food Processing Policy 2015-20 with attractive incentives making the State the most preferred destination for food processing industries. Further we are creating commodity specific clusters, a Mega Food Park and an Integrated Food Park in each district. We have executed an MOU

with the World Economic Forum (WEF) for operationalizing the New Vision for Agriculture (NVA) that would provide support across the value chain for twenty-five selected commodities.

49. We have grounded private investments worth Rs. 315 crores and created 4,020 jobs in food processing sector this year. We are targeting to ground Rs. 1,552 crores investments and create 15,600 new jobs in 2016-17. I am earmarking Rs 100 crores for promoting food-processing industry in the State in 2016-17.

50. **Mines and Geology.** Andhra Pradesh is a mineral rich state and our Government believes that mining sector will be a strong growth engine in our pursuit of Vision 2029. In 2015-16, based on actual outcomes, we expect the total production of mines will be worth Rs. 15,458 Crores. In 2016-17, we are targeting a production of Rs. 17,880 Crores, an increase of 16 per cent. With a view to promote investments in the mining sector, we have instituted many reforms for the “Ease of Doing Business” in this sector. These efforts have reduced the average time for setting up a business and by 2016-17 we intend to bring down the total lead-time further.

51. To boost our investment prospects, we are formulating a Mineral Development Policy for our state. Government of India has moved from granting mining leases on first-come-first-serve basis to auctioning the mines. This has made it imperative for the State Government to engage in exploration operations. We have set up a Mineral Exploration Research and Innovation Trust (MERIT) to focus on mineral exploration. Further, we are also setting up District Mineral Foundation in each district to look after the welfare of people affected with mining operations. We set a target of raising Rs. 1,632 crores in 2016-17 for these Foundations.

52. Taking cognizance of the feedback from all quarters, we have reworked our sand policy. We have taken the revolutionary decision to supply sand free of cost from all sand reaches in the state through a transparent mechanism. We believe that this will give a major boost to the construction sector.

53. **Handlooms.** Our Government is committed to the welfare and development of handloom artisans, having realised the importance of protecting and preserving the traditional industries, which are bound to bounce back with the rising preference for traditional garments. We are implementing several interventions across the value chain of Handlooms, namely yarn subsidies, training and marketing support, infrastructural facilities, power concessions, establishing textile parks and handloom clusters etc. Further, we are implementing welfare measures for the handloom weavers like insurance, pension and thrift funds for weavers. We have redeemed the outstanding debt of 24,309 weaver families, 674 weaver self-help groups and 584 power loom operators amounting to 110.96 crores during 2015-16. I propose an allocation of Rs 125.84 crores for the handlooms and textiles promotion in 2016-17, an increase of 172 per cent over 2015-16.

54. Overall, I propose an outlay of Rs. 975.77 Crores in 2016-17 for Industries Sector with an increase of 43 per cent over 2015-16.

6. Services Sector

55. The Services sector in Andhra Pradesh constitutes 46.6 per cent of the GSDP and provides direct and indirect employment to a large section of the population. In 2015-16, services sector grew at an appreciable 11.39 per cent over the previous year. This growth has been driven through a robust performance of 17.18 per cent in Communications, 13.70 per cent in Public Administration, 12.63 per

cent in Trade, Hotels & Restaurants, 9.6 per cent in Banking & Insurance, 9.49 per cent in Real Estate & Ownership of Dwellings, 8.05 per cent in Transport and 14.92 per cent in Other Services with a slight decline of 2.24 per cent in Railways. We expect the overall Services sector to grow at a relatively higher rate in 2016-17, at around 15 to 16 per cent.

56. Information Technology. As the Hon'ble Members are aware, our state contributes a significant share of IT employees globally. Therefore, it is natural that we should make Andhra Pradesh the central hub of information technology / information technology enabled services with the youth of our state constituting the core talent pool for this industry. With this confidence, we have formulated the IT Policy and Electronics Policy to attract investments in addition to reforms for improving the "Ease of Doing Business". These efforts have led to investment proposals of Rs. 3,780 Crores with employment potential of 8,700 jobs being considered at different stages of execution.

57. We are actively pursuing the strategy of becoming the preeminent region with cyber security expertise. We are planning to set up a Cyber School of Excellence in Tirupathi in collaboration with Israel with the vision "To be acknowledged as the leader in information assurance providing a secure, resilient and safe cyberspace for Citizens, Business and Government." We are the first state in the country to formulate the Policy for Internet of Things (IOT), which reinforces our belief that the 'future is here in AP'. I have provided Rs 360.22 crores for the promotion of Information Technology, Electronics and Communication in the 2016-17 budget estimates.

58. Tourism, Heritage and Culture. Tourism is the one of the highest employment generating sectors. Our state is endowed with

natural resources – 974 kilo metre coastline, backwaters, forests, lakes and is rich in historical traditions and Buddhist legacies. Therefore, it is only intuitive that we spend significant efforts in boosting this sector to generate jobs and grow our economy.

59. Accordingly, we are establishing Museums at Visakhapatnam, Vijayanagaram and Eluru and a Coastal Museum at Vijayawada. We have launched a new scheme called Cultural Celebrations wherein the regional/district festivals are celebrated all over the state. This scheme will involve local artists and aid in promoting, preserving and reviving the local art forms. We propose to introduce a new scheme for the welfare and promotion of women artists.

60. We are in the process of setting up a Cultural Complex at Kakinada, auditoriums in Tirupathi, Vijayawada and Visakhapatnam, a Science City with Government of India support in Amaravati and regional science centres at Visakhapatnam and Anantapuram for the development of science, art and culture. We are setting up three Convention Centres under PPP mode in Tirupathi, Visakhapatnam and Vijayawada. We are also planning to build a state-of-the-art *Kuchipudi Natyaramam* designed by a world-renowned architect. This will showcase the richness of six centuries of Kuchipudi dance.

61. We have formulated a Tourism Policy and undertook reforms for “Ease of Doing Business” to develop this sector. As a result of our efforts, the total tourist arrivals in the state have increased to 12.18 crore in 2015 registering a growth of 30 per cent over 2014 figures. Correspondingly, we estimate that the economic output tourism during April-Dec 2015 has increased by 22 per cent over the same period the previous year. In 2016-17, we expect to see a growth of 40 per cent in tourist arrivals. We have grounded private investments worth Rs. 1,523 crores that created 4,661 jobs to our economy in

2015-16. In 2016-17, we are targeting to ground Rs. 2,174 Crores and add 7,992 jobs. I have earmarked Rs 227.74 crores for promotion of tourism, culture and strengthening the archaeology and museums. This would provide the seed capital for leveraging private capital.

62. **Krishna Pushkaralu.** Our government will celebrate Krishna Pushkaralu in August 2016, in a manner befitting this important religious-cultural event. I have provided Rs 250 crores for this purpose in the 2016-17 BE.

7. Infrastructure Development

63. A key factor for success of the Chinese and South East Asian economies is the emphasis on infrastructure in boosting economic development. In pursuit of our Vision 2029, infrastructural growth is the cornerstone of our development strategy.

64. **Industrial Infrastructure.** My government believes that by virtue of our strategic geographical location and the global development trends, our future lies in the integrated development of Coastal Economic Zones as manufacturing hubs. We are actively engaged with the Government of India to formulate appropriate policy regime in this regard. In this direction, we are promoting the integrated development of Investment Manufacturing Zones and Industrial Corridors.

65. We are developing major industrial corridor projects, namely Visakhapatnam Chennai Industrial Corridor (VCIC), Chennai Bangalore Industrial Corridor (CBIC) and Kurnool Bangalore Industrial Corridor (KBIC). The dedicated Rail Freight Corridors sanctioned in the 2016-17 Railway Budget, from Vijayawada to Kharagpur and Delhi to Chennai will significantly boost the prospects of these industrial corridors.

66. In addition, we are developing the Peninsular Region Industrial Development Corridor (PRIDe) project in Donakonda spanning 5,779 acres with an investment potential of Rs. 23,000 Crores and employment potential of 1.33 lakhs. We are also taking up Orvakallu Mega Industrial Hub spanning over 27,788 acres with an investment potential of Rs. 40,000 Crores and employment potential of 70,000.

67. These corridors will not only promote industries but also create substantial urban infrastructure and contribute to the overall economic development of the state. Four Industrial Nodes - Visakhapatnam, Kakinada, Srikalahasti – Yerpedu, and Gannavaram - Kankipadu have been identified as potential nodes for VCIC. Similarly, three nodes – Krishnapatnam, Kalikiri and Hindupur have been identified as nodes for CBIC and KBIC. Asian Development Bank assistance for the VCIC and the Japan International Cooperation Agency (JICA) support for CBIC are at an advanced stage of approval and we expect both projects to be grounded in 2016-17.

68. To boost the industrial progress, we are grounding the National Investment Manufacturing Zone (NIMZ) in Prakasam district over an area of 14,231 acres. This Zone has the potential for attracting Rs. 43,700 crores in investment and can create five lakh jobs over the next ten years. We have also secured in-principal approval for setting up National Investment and Manufacturing Zone (NIMZ) in Chittoor district in an area of 5,000 hectares. This NIMZ will be an integrated industrial township with state-of-the-art industrial and social infrastructures. It is estimated to bring in Rs. 30,000 Crores of investment and create around 3 lakh jobs over the next decade.

69. **Ports and Waterways.** One of the core pillars of coast-led economic developmental strategy is the creation of expanded port

capacity. Our Government envisions that our ports will become the gateway to trade with East and South East Asian countries. In addition to expanding the capacity utilisation of the existing ports, the government proposes to develop Machilipatnam and Bhavanapadu Ports through public-private participation (PPP) in 2016-17.

70. To complement these initiatives, we are setting up three Multi-Modal Logistic Parks at Kakinada, Krishnapatnam and Visakhapatnam. We have passed the Maritime Board Bill and are also set to be a major player in the Sagarmala project. Further, we will be taking up National Waterway 4 works with the assistance of Inland Waterways Authority of India.

71. **Airports.** Airports have a critical role in transforming the state into a logistics hub. Air traffic has grown 59 per cent during 2015-16 and is poised to gather momentum in the coming years. The airport expansion is under brisk progress in Vijayawada and Rajamahendravaram. We propose to build five green-field airports at Bhogapuram, Dagadarthi, Orvakallu, Nagarjunasagar and Donakonda.

72. **Road Grid.** Roads are important instruments for economic growth as well as poverty alleviation. Research by the International Food Policy Research Institute (IFPRI) has revealed that investments in rural infrastructure, especially rural access roads, have had the highest impact on poverty reduction. With these considerations, we have conceptualized a road grid across the state, wherein all the Gram Panchayats will be connected to their Mandal Headquarters through all weather roads, all Mandal Headquarters with District Headquarters with Two lane roads, all District Headquarters connected to each other with Four/Two lane roads and connected to State Capital by Four/Six lane roads. Further all major ports, tourist

places, industrial hubs and airports will be connected to the nearest National Highways with two lane roads.

73. With the efforts made by our Government, the Union Government has declared the roads from Kurnool and Anantapuram to Amaravati as National Highways. This will connect the Rayalaseema region with the capital.

74. Concurrently, we are constructing intra-village cement roads under Wada Wadalo Chandrannabata. By converging MGNREGS with special grants, we have constructed nearly 2,704 kilometers of roads in 2015-16.

75. We are complementing the road projects with Pradhan Mantri Gram Sadak Yojana. In 2016-17, with a provision of Rs. 429.97 crores, we target to benefit 215 habitations constructing 860 km of BT roads. Overall, I am providing Rs 3,184.25 crores for strengthening the road network in the State. I am making a separate provision for the rural roads under the management of Panchayat Raj Department.

76. **Road Safety.** Our Government believes that road safety is an integral part of our public health promotion efforts. We have committed to Continuous Operational Reference System (CORS) and created a Road Safety fund of Rs. 10 Crores. Further, we are taking special measures to ensure that buses used for student commute to schools are maintained properly with annual fitness checks, special awareness campaigns etc. We are also using state-of-the-art technology in administering the tests for Learner's License (LLR) and Driving License (DL), which will help in reducing accidents and improving road safety. I am providing Rs 150.78 crores to the Transport Department, including a Plan allocation of Rs 17.50 crores, in 2016-17 Budget.

77. **Energy Security.** Our Government is a strong proponent of 'Power for All'. We are already offering 24x7 quality and reliable power to all domestic, commercial and industrial sectors. We are also committed to provide seven hours of supply to agricultural sector. It is noteworthy that our Government has transformed the power sector in the state from being deficient to surplus. We aim to complete the electrification of 4.6 lakh households by June 2016.

78. We have reduced the Aggregate Technical & Commercial (AT&C) losses to 10.29 per cent in 2015-16 from 11.81 per cent in 2014-15. We aim to bring the losses down to a single digit in 2016-17. We have added an additional capacity of 2,290 MW in 2015-16 and are aiming to target an additional capacity of 4,800 MW in the next three years.

79. I am happy to inform this House that our state has become the leader in achieving energy efficiency and has won five National Awards. We have distributed 1.87 crore LED bulbs to 93.5 lakh households and intend to cover all households by March 2016. We have also replaced 3 lakh streetlights in 110 Urban Local Bodies and intend to complete the replacement by June 2016. We plan to replace one lakh agricultural pump sets with energy efficient ones in 2016-17.

80. Our special emphasis on renewable energy with the formulation of solar and wind energy policies has resulted in two Solar Parks of 1,000 MW each in Anantapuram and Kurnool, which will be commissioned during 2016-17. Further, we are going to add an additional capacity of 619 MW of solar power to the grid by April 2016.

81. I wish to inform the House that the works on Floating Storage and Regasification Unit (FSRU) and the Gas Pipeline from Kakinada to Visakhapatnam will commence during 2016-17 and city gas

distribution in East Godavari, West Godavari and Krishna districts will also commence in 2016-17. This will mark the initial stage of the Gas Grid in the state.

82. Our Government is also committed to ensuring energy security to the BPL women who are still reeling under the smoke of the wood burning in their cooking stoves. Therefore, we offered 11 lakh Deepam connections in 2015-16. We are committed to ensure that all households are provided with LPG in 2016-17. I have provided Rs 4020.31 crores to the Energy and Infrastructure department in the 2016-17 Budget.

83. **Fibre Grid.** Broadband revolution is an important instrument through which our Government seeks to transform Andhra Pradesh. A World Bank study has found that a 10 per cent increase in broadband penetration in low and middle-income countries has resulted in a 1.38 per cent increase in GDP. In an era where Internet is fast becoming a human right, we see a significant need for providing broadband access for faster development and to reduce digital inequalities. Therefore, our Government has taken up a programme to lay the Fibre-Grid across the state that would provide 10 to 15 MBPS connectivity before the end of 2016 with an out lay of Rs 320 crores. I am proud to inform this august House that Andhra Pradesh is the first state to do so and the Union Government is seeking our support to implement a similar project across the country.

84. **Housing Sector.** Construction sector registered 9.46 per cent growth over the previous year in 2015-16. The housing sector is slated to become an important growth driver in the state. Every lakh invested in Housing is expected to generate around 4 jobs in the economy directly and indirectly. Further every rupee invested in housing sector will add Rs. 1.54 to GSDP and with household expenditure, this can go up to Rs. 2.84.

85. Therefore our Government is committed to providing 'Housing for All by 2022'. This requires a total of 10 lakh houses in urban areas and 30 lakh houses in rural areas to achieve this vision between 2016 and 2022. In pursuit of this vision, we have launched NTR Housing Scheme by increasing the subsidy six times to Rs. 1,25,000 for general category beneficiaries and eight times to Rs. 1,75,000 for Scheduled Caste and Scheduled Tribe beneficiaries with a total unit cost of Rs. 2,75,000. These houses will be equipped with all major requirements like tiled flooring, kitchen platform etc.

86. Under Pradhan Mantri Awaas Yojana, we received approvals from Government of India for 1,20,106 Economically Weaker Section (EWS) houses and in principle approval for another 73,041 EWS houses for beneficiary led construction. In total, we will take up 110 projects in 59 Urban Local Bodies with a total project cost of Rs. 10,623 Crores.

87. To ensure that beneficiaries face minimal hassles in constructing their houses, we are providing support for raw materials, facilitating supply of cement at concessional rates by negotiating directly with cement companies, geo-tagging, imparting training to construction personnel, constructing demo projects reflecting various technological options, transferring stage wise payments electronically etc.

88. I have earmarked Rs 1,132.83 crores for the housing sector with focus on weaker sections housing programme. In addition, we intend to resort to extra-budgetary resource mobilisation by the Housing Corporation in partnership with the central government and housing and infrastructure financial institutions.

8. Human Development

89. We believe every citizen is entitled access to quality education, health care and nutrition security, as they are the most critical services essential for human development. These human development functions form the foundation of any inclusive society, the reason we are committed to their promotion in letter and spirit. We are committed to improving the Human Development Index of Andhra Pradesh by implementing the sustainable development strategy.

90. **School Education.** Our Government envisions a society where every child has access to quality education. In pursuit of this vision, we have undertaken several initiatives. We have filled vacancies of teachers, implemented the School Information Management System (SIMS) with rigorous monitoring of student and teacher performance based on key performance indicators, rationalized the schools for optimal utilization of resources, revised the curriculum to be in tune with the emerging requirements, introduced Art and Yoga for all round development, etc. We have partnered with institutions of repute such as Isha Foundation, MIT's Abdul Latif Jameel Poverty Action Lab (J-PAL) and Pratham to help us improve quality outcomes. Our education campaign, *Badi Pilusthondi*, has focused on preventing school dropouts, and restoring the dropouts to the stream of education. As a result of our initiatives, we lowered the school dropout rate, increased the Pupil-Teacher Ratio (PTR), thus improved the learning outcomes.

91. As a result of our initiatives, the drop out rate at high school level has dropped from 25.23 per cent in 2014-15 to 23.87 per cent in 2015-16; the Pupil-Teacher Ratio at Secondary level has improved from 23 to 22 and Primary Level from 21 to 19. In 2016-17, we intend to bring down the High School dropout rate to at least 21.5%.

I am providing Rs 17,502.65 crores for the promotion of secondary education in 2016-17 Budget, which amounts to about 12.9 per cent of the total BE for the year and an increase of 12.5 per cent over 2015-16 budget estimates.

92. **Higher Education.** Our Government has been instrumental in getting sanction for seven institutions of Higher Education from Government of India, of which five have become operational in record time. They include IIT, IIIT, NIT, IISER, and IIM. We have facilitated the way for private sector to establish higher education institutions through the Private Universities Bill, which was passed by this House. Further, we are establishing collaborations with international institutions like National University of Singapore, University of California at Berkeley etc. We have also ensured that for the first time, Andhra University has been ranked globally amongst the top universities.

93. **Collegiate & Technical Education.** To enhance the employability of our graduates, we have fostered a longer-term partnership with Tata Institute of Social Sciences (TISS) for a three-year parallel degree programme wherein they are imparted management skills and soft skills. We are also imparting IT, Communication and Soft Skills through Jawahar Knowledge Centres, English Language Labs etc. We are also offering apprenticeship training to students in vocational education. We are implementing quality reforms in Higher Education arena, such as introducing Choice Based Credit System, updating the curriculum to enhance employability, filling vacancies of faculty, introducing key performance indicators, grading the colleges etc. To encourage excellence amongst students and lecturers, government has instituted *Yuvatarangam* and *Pratibha* awards. I am providing Rs 2,644.64 crores in the 2016-17 financial year budget estimates for the promotion of technical, collegiate and higher education.

94. **Health Care.** Our Government's principal objective is to ensure affordable health care to the citizens duly ensuring equitable access to health care. In this direction, we have strengthened the existing programmes like NTR Vaidya Seva, which offers 1,044 surgical and medical procedures to the poor people, 108 for Emergency Health Services, 104 for Fixed Day Mobile Health Services, Family Welfare Programmes under National Health Mission etc. In addition, we have launched new programmes such as e-Aushadi, 102 Talli Bidda Express for Maternal and Child Health, NTR Vaidya Pariksha, Tele Radiology etc.

95. The bifurcation has resulted in significant loss of tertiary care institutions. Our Government has secured sanction for AIIMS at Mangalagiri, which is under construction. The commissioning of Visakhapatnam Institute of Medical Sciences (VIMS) and Sri Padmavathi Government Medical College for Women at Tirupathi is under process.

96. The Government is also implementing Employees' Health Scheme, which provides cashless treatment to all the State Government Employees, Pensioners and their dependent family members through a network of empanelled hospitals. While retaining focus on strengthening the public health sector, we are also facilitating the establishment of private medical institutions. I am proposing an allocation of Rs 6,103.76 crores in the 2016-17 Budget for the Health Sector, with Plan allocation being increased from Rs 1,986.80 crores in 2015-16 financial year to Rs 2,933.73 crores in 2016-17 financial year.

97. **Food and Nutritional Security.** Our Government is committed to ensuring food and nutritional security of every citizen, especially of women and children. The high prevalence of

malnutrition and micronutrient deficiency amongst women and children is unacceptable to the government and therefore it accords high priority to addressing this vexatious problem.

98. As part of the Integrated Child Development Scheme (ICDS), Supplementary Nutrition Programme is being provided to 26.45 lakh children and 8.56 lakh pregnant & lactating women. We are also implementing Anna Amrutha Hastam, which provides one full meal to Pregnant & Nursing Mothers in 104 high burden ICDS projects with high IMR, MMR and low birth babies. This scheme was availed by 3.45 lakh mothers at an expenditure of Rs. 91.04 Crores in 2015-16. I propose an allocation of Rs. 772 Crores for ICDS, with a significant increase of 45%.

99. A new scheme, 'Giri Gorumuddalu' (GG), with special and supervised feeding, was launched on August 15, 2015 to meet the nutritional needs of children in Tribal Areas in the age of 6 months to 6 years. This has benefitted 1,33,733 children in tribal areas. We will sustain this scheme and continue to cover all children in this age group.

100. While the above initiatives cover pre-school children and pregnant and lactating mothers, we recognize the importance of Mid Day Meals (MDM) scheme in not only improving the nutritional status of children but also in reducing school dropout rate. Therefore, we intend to expand the nutrition content of the Mid Day Meals by including an egg every day. I propose an allocation of Rs. 750 crores for Mid Day Meals in 2016-17, which is an increase of 67% over 2015-16.

101. **Public Distribution System.** We are committed to providing nutritional security to all BPL families. In addition to those covered under the ICDS, AAH and GG, we are providing essential

commodities to 4.01 crore people through the Public Distribution System with an expenditure of Rs. 2,459.39 crores in 2015-16. In 2016-17, this expenditure is estimated to be Rs. 2,702.20 crores. To ensure that the prices of essential commodities do not hurt the purchasing power of citizens, we are intervening in the market where necessary. We have automated the public distribution system during 2015-16 and intend to strengthen the delivery system and plug the deficiencies in 2016-17.

9. Poverty Alleviation and Empowerment

102. I recall with all sincerity at my command what President Franklin D Roosevelt said, “*the test of our progress is not whether we add more to the abundance of those who have much; it is whether we provide enough for those who have little*”. Indeed, this is the test our government would pass with flying colours. Our government believes that poverty alleviation and empowerment of all socially and economically weaker sections is the way to build a just and fair society. With this belief, we are making earnest efforts to eradicate poverty in the State by 2029.

103. **Scheduled Caste Welfare and Empowerment.** We are undertaking various programmes for the educational advancement, socio-economic development, welfare and protection of the Scheduled Castes. We are providing pre-matric and post-matric scholarships, educating children in the ‘Best-Available Schools’ in English Medium, hostel accommodation for those coming from distant places for pursuing education, financial support to students going abroad for higher studies under *Ambedkar Overseas Vidya Nidhi*, professional guidance for civil service aspirants under *NTR Vidyonnathi*, skill upgradation for professional graduates and placement linked skill development for youth under *Chandranna Cheyutha*.

104. We propose to convert all hostels into residential schools in a phased manner to improve the educational outcomes. In addition to educational programmes, we are providing economic support schemes for the economic development of SC families. We are also providing subsidized power to SC households whose electricity consumption is less than 50 units a month.

105. I am allocating Rs 8,724 crores for the welfare and development of the Scheduled Castes in 2016-17 financial year, which represents an increase of 59 per cent over the 2015-16 allocation. Of this, Rs 2,382.27 crores is allocated to the Social Welfare Department and Rs 6,342 crores is allocated as the Scheduled Castes Sub-Plan amongst all major departments for the purpose of Scheduled Castes welfare and development.

106. **Scheduled Tribes Welfare and Empowerment.** We are committed to the holistic development of Scheduled Tribes. Considering the low literacy levels amongst the tribal people, we are providing quality education to all tribal children through Ashram and residential Schools, pre and post matric scholarships, skill development programmes for youth, etc.

107. I am proposing an allocation of Rs 3,100 crores for the welfare and development of Scheduled Tribes in 2016-17, which represents an increase of 75 per cent over the 2015-16-budget provision. Of this, Rs 980 crores is being allocated to the Tribal Welfare Department and the remaining Rs 2,120 crores is being allocated as the Tribal Sub-Plan (TSP) to all major departments for the development programmes that would benefit the Scheduled Tribes.

108. **Backward Castes Welfare and Empowerment.** Our Government is committed to the welfare and all round development

of Backward Castes (BCs). We are implementing a number of educational programmes for the BC students like hostels, Mahatma Jyothiba Phule BC Residential schools, scholarships, coaching for competitive examinations and skill development programmes for youth. The scholarship programmes benefitted 6,49,573 students in 2015-16.

109. In the 2016-17 Budget, I am providing Rs 8,832 crores for the welfare and development of Backward Castes, which represents an increase of 31.5 per cent. This represents 17.76 per cent of the total Plan allocation in 2016-17. Of this, I am earmarking Rs 3,047 crores directly to the BC Welfare Department and the remaining Rs 5,678 crores is being apportioned amongst all major departments for the welfare and development activities that would directly benefit the members of Backward Castes.

110. Minorities Welfare and Empowerment. Considering the educational and economic backwardness of minority communities, we are implementing a number of educational programmes like residential education, scholarships, skill development programmes for youth. With an expenditure of Rs. 8 Crores, we imparted skills to 5,714 candidates of minority community in 2015-16 with a placement rate of 70% and an average salary of Rs. 6,250 per month. In addition, we are implementing the Shadikana scheme and assisting Haj pilgrims. We have implemented economic support schemes benefitting 14,287 beneficiaries with an expenditure of Rs. 48 Crores in 2015-16. In 2016-17, we intend to assist 100,000 families with an outlay of Rs. 250 Crores.

111. We will provide major impetus to the welfare and development of the Minorities in 2016-17 financial year and thereafter. I am providing Rs 710.57 crores for the welfare and development of Minorities in 2016-17, which represents an increase of 87.53 per cent over the 2015-16 allocation of Rs 378.81 crores.

112. **Other Castes Development.** Our Government has recognized the need for empowerment of other communities, which are not economically advanced and have taken measures for their upliftment. In this direction, we established the Andhra Pradesh Kapu Welfare and Development Corporation and the Andhra Pradesh Brahmin Welfare Corporation in 2015-16. During 2015-16, we have assisted 12,000 Brahmin families to advance economically. We propose to enable 50,000 Brahmin families to progress economically in 2016-17. For this purpose I am allocating Rs 65 crores as grant to the AP Brahmin Corporation, which represents an increase of 85.7 per cent over 2015-16 financial year.

113. Similarly, my government is committed to the all-round development of families belonging to the Kapu Caste. We assisted 32,000 Kapu families with an outlay of Rs 100 crores during 2015-16 to help them advance on the economic front. I am allocating Rs 1,000 crores to the Kapu Development Corporation, an increase of ten times the allocation in 2015-16.

10. Social Security Assistance

114. **Social Security – Pensions.** Our Government is committed to ensuring a life of grace and dignity to all the poor and vulnerable, particularly the old and infirm. To support the minimum needs of these persons and to bring happiness in their lives, we introduced the *NTR Bharosa programme* by enhancing the social security pension by five times. I am providing Rs 2,998 crores for social security pensions to the senior citizens, widows and differently abled persons under *NTR Bharosa Scheme*. Further, we are providing social security assistance under *Aam Admi Bhima Yojana* and *Abhayastam*.

115. Differently-abled, Senior Citizens and Juvenile Welfare.

For differently abled, we are undertaking measures such as enhanced scholarships, special sports meets, enhanced incentives for marriages between normal and differently abled, supply of assistance aids. I have provided Rs 77.31 crores in 2016-17 Budget for the welfare of the persons who are differently abled and senior citizens. I am allocating Rs 23.66 crores for the Juvenile Welfare, as we would like to see the Juveniles being treated humanely for their eventual integration in the mainstream society as productive citizens.

11. Women Empowerment

116. I strongly believe in what the former Secretary-General of the United Nations Organisation (UNO) said, *“there is no tool for Development more effective than the Empowerment of Women.”*

117. The Hon’ble Members of this House are aware that nearly twenty years ago, our Hon’ble Chief Minister had given a major impetus to women empowerment through DWCRA groups. Ever since, Andhra Pradesh has earned quite a few laurels by supporting, nurturing and promoting the Self-Help Groups of women in both rural and urban areas. Currently, we have 86 lakh members in 8.7 lakh SHG groups with a total corpus of Rs. 5,500 Crores. In order to bring synergy in implementation of poverty reduction programmes, we have established Andhra Pradesh Mahila Sadhikara Samstha (APMSS) in 2015-16, which is the focal institution for all women empowerment programmes in the state. We will strengthen APMSS to be a vibrant institution for women’s empowerment.

118. To accelerate the economic empowerment of self-help groups, we have decided to infuse a capital of Rs. 10,298 Crores into the groups, and provided Rs 3,760 crores in 2015-16. Taking advantage of the capital infused, the DWCRA groups have leveraged Rs. 12,288

crores from the Banks for their economic advancement in 2015-16. We propose to double this performance in 2016-17, taking the SHG movement to a new high. We will provide the second phase of capital infusion in 2016-17 based on the utilisation of first phase infusion.

119. The SHG groups have taken up several livelihood activities such as Generics Medical Stores under Anna Sanjeevani Scheme, Food Joints, School Sanitation Enterprises, Dairy, Small Ruminant development, Livestock Units, Paddy Procurement, Tailoring and Sewing Training in every constituency etc. We have also launched a digital literacy mission to educate all SHG members of mobile Internet and computer literacy.

120. Besides, we are implementing the World Bank assisted Andhra Pradesh Rural Inclusive Growth Project (APRIGP) with a total project cost of Rs. 642 Crores in 150 backward mandals of the state. This project aims to implement Rural Value Chains and Rural Retail Chains, interventions to enhance incomes of 250,000 SHG members, farmers and small retail shop owners. In addition, it aims at improving Human Development outcomes and improved access to citizens' entitlements through One Stop shops at Gram Panchayat level for 5 lakh members.

121. Beyond the major nutritional programmes provided for the food and nutritional security of Women and Child Welfare, we are taking steps to mitigate domestic violence, provide family support, encourage girl children etc.

12. Youth Empowerment

122. President Franklin D Roosevelt had said, "*we cannot always build the future for our youth, but we can build our youth for the future.*" Our government's resolve is that '*we will not only build our youth for the future, but we will ensure that the future is built for our youth.*'

123. Our State enjoys the best demographic dividend in the country with a working age population (15-59 years) of 3.4 crores, which is 67 per cent of the population. And 31 per cent of our State's population is in the age group 18-35 years. We will achieve the goals of Vision-2029 only by making the youth of our state the principal stakeholders and by enabling them to advance to their highest potential. In this direction, we propose to focus on their mobilisation and organisation, career counselling, skill development, entrepreneurship and sports and cultural activities, among other empowerment initiatives.

124. We propose a comprehensive youth empowerment policy and an institutional framework - similar to the Mahila and Rythu Sadhikara Samstha - for translating the policy into reality. We have issued orders for filling 12,358 posts in the public services through direct recruitment and propose to notify another 20,000 posts in the near future. Our principal endeavour is to create millions of jobs in the private sector for which we have created a favourable ecosystem.

125. I am earmarking Rs 252.38 crores in the 2016-17 Budget exclusively for the purpose of youth empowerment, which is twenty times the amount allocated to youth in 2015-16. In addition, the budget estimates earmarked for skill development, entrepreneurship promotion and sports promotion, which together amounts to Rs 888 crores will be utilised for activities that would directly empower the youth. This is the twice the allocation made in 2015-16. Further, we will earmark five per cent of the funds provided for the economic development of SC, ST, BC, Minority, Kapu and Brahmin community groups for the development of youth in the age group of 18 to 35 years.

126. **Skill Development.** Our government's vision is to establish Andhra Pradesh as the 'Skill Capital' of India by 2020 and be

counted among the top ten global hubs for the highly skilled manpower by 2029 by creating a future-ready and globally competitive workforce of two crore people. We aim to address the skilling and training needs and aspirations of all key learner segments, including the drop outs, ITIs, diploma holders, degree students and engineering students from all sections of the population, with due attention to SC, ST, BC, Minorities, Women, Disabled etc.

127. We are perhaps the first state in the country to create a corporation, Andhra Pradesh State Skill Development Corporation (APSSDC), on PPP mode to drive these initiatives. Our strategy is to involve the industry in training our youth so that they gain employable skills improving their placement rate. We are partnering with the Sector Skill Councils (SSCs) in establishing Sectoral Advisory Committees and promoting Centres of Excellence (COEs) in sectors relevant to the state. Further, we are making efforts to link the needs of upcoming industries with training programmes so that the required skilled manpower is available to the industry by the time it goes into production. We are upgrading the Employment Exchanges and Industrial Training Institutes (ITIs) and linking the candidates with placement agencies.

128. Among our prominent initiatives, the foremost is the agreement with Siemens-India for establishment of six Siemens Centres of Excellence for training more than 100,000 technicians and engineers in the state in areas like Cyber Security, Data Analytics, etc. We are also training candidates in the electronics and manufacturing areas, high-end areas in IT sector, like Cyber Security and Data Analytics.

129. In 2016-17, we will establish a Model Skill Development Centre in each district by leveraging the centrally sponsored schemes to enhance the training infrastructure by an additional 50,000 annually. Along with other programmes in construction, textiles etc., in total,

we intend to increase the candidates covered under skill development programmes from around 20,000 this year to 1,00,000 next year.

130. Entrepreneurship. In addition to skill development programmes, we are focusing on promoting entrepreneurship so that the job seekers can become job creators. We have signed an agreement with University of Texas at Austin to build a world-class incubator with an investment of Rs 100 crores under PPP mode in Tirupathi. We have set up four incubation centres in Visakhapatnam, Tirupathi, Kakinada and Anantapuram with a combined built up area of around one-lakh square feet. These incubation centres are currently promoting 177 start-ups. We intend to establish an Entrepreneurship Institute and develop 1,000 entrepreneurs and innovators in 2016-17. I am proposing Rs 376.39 crores for skill development and promotion of entrepreneurship and innovation in the 2016-17 Budget.

131. Sports. Our government considers sports as events that provide an opportunity to the youth to shape their overall personality, in addition to the obvious benefits of health and recreation. In this spirit, our government bagged the opportunity to host the 37th National Games in 2019 at Amaravati.

132. This opportunity gives us an added incentive to boost the capital's development while promoting sports across the state. Therefore, we are embarking on building world-class sports infrastructure in Amaravati and a few sporting centres to serve this purpose. We are also in the process of formulating a Sports Policy to motivate spirited participation in competitions and to suitably reward such exceptional performance in an outstanding manner.

133. To deepen the Sports Culture in the state, we plan to develop Stadia in all Assembly Constituencies to make sporting facilities

available to all youth. We are targeting to construct 127 stadia in 2016-17. In addition, we are also taking up three Integrated Sports Complexes at Tirupathi, Visakhapatnam and Vijayawada. I have provided Rs 215.38 crores in the 2016-17 Budget for the promotion of Sports in the State.

13. Middle-Classes Empowerment

134. I recall Bharata Ratna Babasaheb Ambedkar's exhortation:

“An ideal society should be mobile, should be full of channel for conveying a change taking place in one part to other parts.”

135. Our society is in great transformation, with the majority movement to being middle class. Most of us who work for the government belong to this class and intuitively understand and appreciate the concerns, frustrations, hopes and dreams of the middle-class. My government would like to assure this group, which really is the future of Andhra Pradesh, that we would do everything to ensure that their and their children's future is protected and promoted by ensuring peace and security, price stability, good public services, safe roads, robust infrastructure, good education and health care and excellent job opportunities, etc. In fact, considering that the Budget is not merely a collection of numbers but is a strategic pointer to the future, this Budget is designed for the middle class prosperity and happiness.

14. Decentralised Governance

136. Our Government believes that democracy is at its best when the governance institutions are strong at the grassroots. Accordingly, we are strengthening the Panchayat Raj Institutions (PRI) and Urban Local Bodies (ULBs) with the required human, infrastructure, and financial resources.

137. **Rural Empowerment.** We have taken up measures for building the capacity of PRI elected representatives along with the administrative staff to equip them with the knowledge and skills essential for effective local governance. We have helped the PRIs prepare Gram Panchayat Development (GPD) Plans with an expenditure of Rs. 24.59 crores in 2015-16. In 2015-16, we have constructed 266 Gram Panchayat Buildings, repaired 268 GP Buildings and 10 District Panchayat Resource Centres. In addition, we have taken up construction of 2,043 Gram Panchayat Buildings and 341 Mandal Praja Parishad Buildings under MGNREGS with a budget of 371.65 Crore. We will consolidate and expand these efforts in the 2016-17 financial year.

138. For the first time, we instituted Rapid Assessment of Panchayat Resources (RAPR) system for identifying and assessing all un-assessed resources. We are implementing Digital Panchayat Project where 11 citizen services, namely: House Tax, Trade Licenses, Private Water Tap Connection, Property Value Certificate, Marriage Certificate, Mutation Certificate, No Objection Certificate for Small and Large Scale Industries, Building Permissions, Layout Permissions, Job Cards are provided online. In 2015-16, eleven of our Gram Panchayats secured awards under Panchayat Sashaktikaran Puraskar from Government of India with an award of Rs. 1.58 Crores.

139. In pursuance of the Fourteenth Finance Commission (14-FC) Award, the Government of India has allocated a grant of Rs. 8,654.09 crores for the period from 2015-16 to 2019-20 to the Gram Panchayats. Of this, an amount of Rs. 928.41 crores was released to Gram Panchayats in 2015-16. The GPs will receive Rs 1,463 crores as 14-FC grants in 2016-17. I am proposing Rs 4,467.65 crores for the Panchayat Raj Institutions support in the

2016-17 BE, which represents an increase of 35.6 per cent over the 2015-16 BE.

140. Rural Water Supply. Our government is committed to providing potable drinking water to all citizens of the State. In this direction, we are implementing various water delivery schemes, like bore wells, Protected Water Supply (PWS) and Comprehensive Protected Water Supply (CPWS) schemes for a cluster of villages. Further, we are providing drinking water at a nominal cost of Rs. 2 for 20 litres under *NTR Sujala Pathakam*.

141. In addition, we are executing externally aided projects like Andhra Pradesh Rural Water Supply and Sanitation Project (APRWSSP) with funding assistance from the World Bank, National Rural Drinking Water Project and projects with the assistance of NABARD, apart from projects financed by the State Government. We propose to take up drinking water grid to ensure sustainable delivery of potable water to cluster of villages that are chronically deprived of assured supply of potable drinking water. I have provided Rs 1,195.63 crores for rural water supply in 2016-17 Budget.

142. Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGS) It is with pride that I inform this august House that Andhra Pradesh received the national award for “Effective Initiatives under MGNREGS” in 2015-16. We have utilised more than Rs 3,400 crores during 2015-16, to create not only productive employment to those in need but also to revitalise the rural infrastructure and the consequential public services. This demonstrates not only our commitment to expanding rural employment but also our ingenuity in ensuring maximum benefit to the local communities. We have achieved this by converging MGNREGS with Neeru-Chettu for water conservation, Swatch Andhra Pradesh for construction of Individual Household Latrines

(IHHL), *Wada Wadalo Chandrannabata* for construction of CC Roads, etc.

143. I am also proud to inform that our State is the best performing state in the country in parameters like providing 100 days wage employment (3.1 lakh households), percentage of wages paid within 15 days (78%) and in Aadhar seeding of wage workers (97%). I am earmarking Rs 4,764.71 crores in the 2016-17 BE, an increase of 75 per cent compared to 2015-16.

144. **Urban Governance.** With a rapidly urbanizing society, strong Municipal Bodies are imperative for managing the growth and shaping the development trajectory. Accordingly, we have supported the Municipalities with services related to environmental improvement in slum areas, assistance for civic amenities, essential services, parks, playgrounds and toilets in Municipal Schools.

145. Our Government is determined to prepare our state for the rapid urbanization that accompanies accelerated economic growth. Accordingly, we have geared up our administration to the emerging context and resultantly, 31 urban local bodies have found place in the Government of India's Atal Mission for Rejuvenation and Urban Transformation (AMRUT). The prime objectives of this scheme is to provide tap connection to each household, developing greenery and promoting public and non-motorized transport during the mission period from 2015-16 to 2019-20.

146. Further, our efforts have resulted in Visakhapatnam and Kakinada being selected for the Smart Cities project, which will ensure that these cities will be provided with: i) adequate water supply; ii) assured electricity supply; iii) sanitation including solid waste management; iv) efficient urban mobility and public transport; v) affordable housing especially for the poor; vi) robust IT

connectivity and digitization; vii) good governance especially e-Governance and citizen participation; viii) sustainable environment; ix) safety and security of citizens, particularly women, children and the elderly; and x) health and education.

147. As greenery in cities is a significant factor in improving the quality of life in cities, our Government has created Andhra Pradesh Urban Greening and Beautification Corporation Limited. Kurnool City will be developed as a Smart City with State Funds. Overall, I have provided Rs 4,728.95 crores in the 2016-17 BE for assistance to the Urban Local Bodies, an increase of 49.1 per cent over the 2015-16 BE.

148. **Sanitation and Hygiene.** Our Government has been at the forefront of supporting the Swatch Bharat programme and promoting the Swatch Andhra Pradesh Programme. As part of this commitment, we have constructed/repared 49,000 school toilets. 46,138 school toilets are being maintained by either SHG groups or through school nursery programme. We have also undertaken 62,425 rural Individual Household Latrines (IHHL) in convergence with MGNREGS in 2015-16 and an additional nine lakh IHHL with cost sharing between the State and Central governments. In urban areas, we launched a new scheme to take up four lakh toilets with a budget of Rs. 320 Crores and Community Toilets with Rs. 100 Crores in all Nagarpanchayats, Municipalities and Corporations. Further, we propose to take up 110 units of recreation sites duly converting the dumping sites with a budget of Rs. 275 Crores. With these measures in place, we have created 278 Open Defecation Free (ODF) Gram Panchayats this year. We target to achieve ODF in at least 1,300 Gram Panchayats in 2016-17.

149. In addition, we are undertaking a Solid Waste Management Programme in Gram Panchayats, which entails segregation of waste

at household level, collection and transportation by Gram Panchayat to the Solid Waste Processing Centre (SWPC). We are undertaking this project in 660 Gram Panchayats with a project cost of Rs. 110 Crores and funds pooled from MGNREGS, Swachh Bharat Mission, 14th FC Grants and the finances of Gram Panchayats.

150. Smart Village – Smart Ward. Our Government believes that if every village and every ward is equipped with all essential development characteristics, then the entire State will become developed. We believe that the public should be given an opportunity to become stakeholders in the development of their region for sustainable results. With this belief, our Government launched the Smart-Village Smart-Ward programme with 20 non-negotiable developmental parameters. The unique feature of this programme is that locally motivated and well off citizens are partnering with the village and government bodies to develop the villages and wards. This programme aims to achieve smart infrastructure and service delivery along with social mobilization and utilization of available natural resources leading to faster and inclusive growth.

151. Our Government has established an independent “Smart Andhra Foundation” as a society to serve as a platform for the general and sectoral partners under this programme. This foundation will be supported by a group of international organizations, accomplished corporates, civil society organizations, individuals, community based organizations and other progressive research and academic institutions.

152. This programme has already seen a commitment of Rs. 301 crores with NGOs accounting for 61 per cent of the partners, and NRIs constituting 12 per cent, Corporates five per cent, Officers 3.2 per cent, Locals 3.2 per cent and others 14 per cent. To support this programme, NABARD has come forward to partner in the creation

of rural infrastructure and services. We are also converging this programme with other activities of Panchayat Raj and Municipal Administration departments. More importantly, this programme will result in substantial social capital being generated in the villages/wards, which is our Government's prime motivator for engaging in this programme.

153. **Amaravati – World Class Capital** I am proud to inform you that Amaravati has become the cynosure of all eyes nationally and internationally, and of investors and other governments alike. This is due to the progress we are making and the confidence they have in our ability to develop our capital to the 21st century global standards.

154. The Government of Andhra Pradesh has signed a Memorandum of Understanding (MoU) with the Government of Singapore in December 2014. Accordingly, M/s Surbana International Consultants and M/s Jurong International were engaged by the Government of Singapore to prepare the Master Plan for Capital Region, Capital City and SEED Capital. These were delivered to us on time. The main goals of these plans are to: i) Create employment; ii) Attract Investments; iii) Provide Good Quality Housing; iv) Nurture Nature and Environment; v) Flood Management; and vi) Heritage & Culture.

155. The detailed Master Plan for the Capital City has been approved and notified in the District Gazette for Guntur on 23rd February 2016. The construction of Interim Government Complex has been started. The works on permanent Buildings and other Infrastructure will commence during 2016-17.

156. Our Government would like to use this occasion to formally thank the landowners who voluntarily participated in the Land Pooling scheme, without whom we could not have made this

progress. This scheme has become a successful case study, which other states intend to emulate for their own projects. As part of this scheme, we have provided for returnable residential/commercial plots, pensions, annuity and other benefits.

157. For all the capital development operations, I have provided Rs 1,500 crores in the 2016-17 Budget Estimates. This, however, would be the seed equity of the Government that would enable CRDA to mobilise additional financial resources required for the capital construction from the infrastructure financing institutions and the markets, in addition to the assistance of Government of India

15. Law and Order

158. A developed society can be built and sustained only with robust law and order in the state. Further, a fast growing economy can potentially lead to higher crime rate. Therefore, our Government is making all efforts to ensure the safety and security of all citizens in the state. We are determined to prevent and deal sternly with offences against women and members of the SC/ ST communities. In this direction, our Government has taken measures to strengthen the infrastructure, human resources, and the capacity of the police force. We have procured additional vehicles, constructed additional buildings, fortified police stations, and enhanced the supplies of armoury and established Dial-100 Command and Control Centre. Further, we have also improved the service conditions of Home Guards by offering insurance services up to Rs. 2.50 lakh per family, apart from increased remuneration.

159. I have provided Rs 4,785.41 crores in the 2016-17 BE for the Department of Home Affairs, an increase of 17.9 per cent over 2015-16. I have also increased the Plan allocation for Home Department by 120 per cent. I have earmarked Rs 3 crores for sensitising the police force regarding gender and social inclusion issues.

16. Land Administration

160. Under the *Mee-Intiki Mee-Bhoomi* programme, we have placed the computerized land records in public domain to receive public feedback and rectify errors, if any. Further we have introduced the e-Crop Booking system. We have withdrawn Gramakantam lands from section 22A of the Registration Act to remove hardship to the general public. We are also integrating the records required by the citizens under e-Pragathi so as to deliver hassle-free, certificate-less governance.

161. Apart from these services, we have issued 5 lakh tenant cards that include the fresh and renewed cards in 2015-16. We intend to double this number to around 10 lakh cards in 2016-17. We have enabled 95,299 farmers to obtain Rs 215.48 crores as agriculture credit from the Banks under the Andhra Pradesh Land Licensed Cultivators Act in 2015-16. We propose to double these efforts in 2016-17. I have provided Rs 3,119.72 crores in the 2016-17 BE for the Revenue Department.

17. Public Services

162. We have not only implemented the recommendations of the Tenth Pay Revision Commission (PRC) but also granted enhanced fitment of 43 per cent against 29 per cent recommended by the PRC. Our government is committed to strengthening the public services. In this direction, we have accorded permission to fill about 12,358 posts in different categories of administrative, technical and managerial services through direct recruitment. We are in the process of according permission for filling another 20,000 posts through direct recruitment. With the final allocation of State-Cadre employees by Government of India, the way is paved to fill the vacant posts by promotion wherever appropriate.

163. Our endeavour is to improve the efficiency of public services through extensive application of information technology. Almost every employee has been given hardware and software tools required for this purpose. E-office is being used extensively in the Secretariat in an effort to make the Secretariat paperless. This application will be extended across the government departments in the coming days. We propose to strengthen the skills and competencies of the public servants and prepare the government workforce to effectively meet the challenges of the future. Our government is committed to creating a corruption-free society and would ensure transparent procurement and contract management procedures and systems, apart from dealing sternly with cases of corruption.

164. The Department of Electronics & Information Technology (DEITY), Government of India, has instituted the Electronic Transaction Aggregation and Analysis Layer (e-taal) which aggregates the statistics of e-transactions in the country under various e-Governance projects. As per this system, when analysed from April 2015 to February 2016, we are ranked second in the country with 21,550 e-transactions related to Governance, while the country's average is 3,340. In addition to the current *Mee-Seva* services, we are augmenting Mobile *Mee-Seva* services for providing B2C and G2C services at a reasonable price so that the citizen can avail e-services anywhere. We have established *Mee-Kosam* through which citizen grievances are filed and redressed.

165. Further, we are implementing e-Pragati (AP State Enterprise Architecture (APSEA), which will provide integrated services to government, citizens and businesses. With an expected outlay of Rs. 2,398 crores, covering 33 departments, 315 agencies and 745 services, e-Pragati will be rolled out over a span of two years. This will create a comprehensive data management system, including land

management system, citizen services, welfare programmes, etc., that integrates with the geo-spatial mapping, so that the developmental initiatives reach the citizens in a seamless manner across the society and to the last mile of the State and deliver “Certificate-Less” Governance.

18. Governance Reforms

166. We believe that the development programmes we design and implement will yield the expected outcomes only when the executing apparatus is effective and competent. In this direction, we have designed the key performance indicators (KPIs) drawing from the expectations of the people as well as the globally accepted sustainable development goals (SDGs). In designing and applying these goals, we have engaged in a participatory process with all stakeholders.

167. To effectively craft appropriate developmental strategies, we are bringing in best practices from across the world, like Malaysia’s Performance Monitoring and Delivery Unit (PEMANDU) to work with us. PEMANDU has put Malaysia on a fast track to developed country status. In this model, labs are conducted to dive deep into the factors that are hindering progress with active participation of all stakeholders from Government, Industry, and Civil Society. The output of the lab is the practical action plan that will reflect the concerns and ideas of all key stakeholders enabling our state to progress much faster. We are partnering with the World Economic Forum (WEF) to conduct the Competitiveness Assessment of our State, apart from operationalizing the New Vision for Agriculture (NVA). This international engagement is bringing the global best practices for all round development.

168. A strategy can deliver effectively only when the implementation is monitored rigorously. Therefore, we have instituted the CM

Dashboard where the Hon'ble Chief Minister monitors all key development parameters in real-time. This has increased accountability throughout the system and the consequential development impact.

169. While the administration and the political executive formulate policies, their effectiveness is validated by the field level implementation. Accordingly, we have created for citizen level interface through the *Janmabhoomi Maa-Vooru* programme. Further we are undertaking perception surveys to obtain real time feedback from the people in order to modulate and fine-tune the policies in sync with people's expectations.

19. Direct Benefit Transfer (DBT)

170. Our Government is committed to delivering all welfare and development services directly to the beneficiaries duly eliminating the middle agents and removing all fake and ineligible beneficiaries. In this direction, we have taken the lead in implementing Aadhar and Jan-Dhan Yojana linked Direct Benefit Transfer (DBT) of several welfare and development programmes. We have seeded all major welfare programmes' database with Aadhar, secured Aadhar penetration rate of 99.4 per cent, ensured one bank account for every family duly seeded with Aadhar, installed Electronic Point of Sale (E-POS) machines in all Fair Price Shops, deployed Banking Correspondents across the State and created the ecosystem ready for universal Direct Benefit (DBT) Transfer of all beneficiary-centred programmes.

171. I am proud to inform the House that the 2015-16 National Economic Survey released by the Government of India on February 28, 2016, ranked Andhra Pradesh ahead of all other States in Biometrically Authenticated Physical Uptake (BAPU) Readiness

Index, with an index of 96.59 per cent, while the next best state stands at 42.46 per cent. We would like to take advantage of these achievements to universalise DBT across all programmes. We would like to see seamless transfer of cash benefits directly to the beneficiary with ready access for the drawl of cash. We are hopeful that the Aadhar Bill being tabled in the Parliament will give a fillip to the deployment of Aadhar for service delivery.

20. Financial Management Reform

172. During the 2015-16 financial year, we have made far-reaching changes in the way public finances are managed by the government. Comprehensive annual Budget Release Order (CBRO) has replaced the quarterly budget release system, obviating the need for the departments to approach the Finance Department every quarter for release of funds. We have ensured timely availability of funds at the time and place of requirement, which has resulted in increased utilisation of Plan resources and increased capital expenditure. We have neither imposed cuts in non-plan expenditure nor limited any authorised expenditure. Above all, we have adhered to the statutory requirements of the Fiscal Responsibility and Budget Management (FRBM) Act, notwithstanding the difficult financial situation.

173. We propose to consolidate and expand these measures, duly applying the twenty-first century best practises to the public financial management. We will rationalise the Drawing and Disbursement Officers' (DDOs) system and ensure distribution of Budget to the last operational unit for the entire year in the first month of the financial year. Moreover, we will harmonise the cash flow to the monthly expenditure requirements. Above all, we propose to operationalize the E-Nidhi application during the current year that would enable real-time financial monitoring, apart from data analytics and dynamic feedback to all stakeholders.

21. Accounts 2014-15

174. The finance accounts finalised by the Accountant General of Andhra Pradesh show a Revenue Deficit of Rs. 10,417.49 crores, and a Fiscal Deficit of Rs. 11,001.81 crores for the period from April 01 to June 01, 2014 for the pre-reorganised state. Whereas, the Revenue Deficit for the first ten months of the residuary Andhra Pradesh, from June 02, 2014 to March 31, 2015 was Rs 16,200 crores and the Fiscal Deficit was Rs 23,048.98 crores. The Revenue Deficit and Fiscal Deficit for the period from June 02, 2014 and March 31, 2015 was 2.61 per cent and 3.91 per cent of the GSDP respectively.

22. Revised Estimates 2015-16

175. The Revised Estimates for 2015-16 demonstrate that our performance during 2015-16 fiscal year was outstanding and as close to the original budget estimates as could be. This was unprecedented in the budget history of the State. The revised estimates for Non-Plan were Rs 73,544.65 crores, whereas the Plan expenditure was Rs 38,671.43 crores. While the revised estimates for the Plan expenditure is 112 per cent of the estimated Plan budget, the Non-Plan expenditure is 93.5 per cent of the BE. The Non-Plan expenditure was managed with the greatest diligence and without any explicit cuts, notwithstanding the fact that the state government employees and pensioners were sanctioned 43 per cent fitment, fourteen points higher than the level recommended by the tenth pay commission. The Revenue Deficit for 2015-16 is around Rs 4140.12 crores, whereas the Fiscal Deficit for the same period is around Rs 17,004.91 crores, which amounts to 0.69 per cent and 2.82 per cent of the GSDP respectively.

23. Budget Estimates 2016-17

176. For the financial year 2016-17, I propose an expenditure of Rs 1,35,688.99 crores, with Non-Plan expenditure estimated at Rs 86,554.55 crores and the Plan expenditure estimated at around Rs 49,134.44 crores. The 2016-17 Budget estimates entail an overall increase of around 20.03 per cent over the 2015-16 budget estimates. While the Non-Plan expenditure is estimated to increase by around 10.07 per cent, the Plan expenditure is estimated to grow by around 42.78 per cent over the 2015-16 financial year. The estimated Revenue Deficit is around Rs. 4,868.26 crores and the Fiscal Deficit is estimated at around Rs. 20,497.15 crores. The fiscal deficit will be around 2.99 per cent of the GSDP, whereas the Revenue Deficit would be around 0.71 per cent of the GSDP.

24. Conclusion

177. I am confident that the 2016-17 budget will contribute to the growth momentum and ensure sustained double-digit growth for many years to come. It will open new vistas of opportunities to all sections of the society. It will fuel construction boom, especially housing for the economically and socially weaker sections of the society, infrastructure development across the State and launch the construction of Amaravati capital city. It will open opportunities for growth, development and empowerment of the farmers, women, youth, the weaker sections of the societies – SCs, STs, BCs, Minorities, - and the poor amongst the Kapu and Brahmin castes, the middle classes and every citizen of this State. I am confident that the 2016-17 Budget mirrors the hopes, dreams, and aspirations of five crore brothers and sisters of Andhra Pradesh and I am confident that all will join this development bandwagon.

178. All the above initiatives, I am sure, are in the direction of reaching our ultimate goal of bringing happiness to all and making our dreams come true, not only for the present but also for the future generations. I conclude with the exuberant optimism expressed eloquently by Wilfred Peterson:

“Walk with the dreamers, the believers, the courageous, the cheerful, the planners, the doers, the successful people with their heads in the clouds and their feet on the ground. Let their spirit ignite a fire within you to leave this world better than when you found it...”

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

JAI HIND