



GOVERNMENT OF TELANGANA

BUDGET SPEECH
2016-17

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**SPEECH OF SRI EATALA RAJENDER,
HONOURABLE FINANCE MINISTER WHILE
PRESENTING THE BUDGET FOR THE YEAR 2016-17
TO THE TELANGANA STATE LEGISLATURE ON
MARCH 14, 2016**

Hon'ble Speaker Sir,

I rise to present the Telangana State Budget for 2016-17. I deem it a rare privilege and honor that the responsibility of presenting the Budget for the third consecutive year has befallen me. On this occasion, I profusely thank the Honourable Chief Minister, Sri. Kalvakuntla Chandrasekhar Rao garu for entrusting me with this great responsibility.

2. Speaker Sir, Telangana State is the result of several decades of relentless struggle and its formation heralded a new beginning for the people. It is the sacred duty of the Government to prepare the Budget in accordance with the needs and aspirations of people. Though the Budget for 2016-17 is the third Budget of the State, it is the first Budget to be prepared after a comprehensive review of all items of expenditure and a realistic assessment of resources based on the facts and figures available now. As the Hon'ble Members appreciate, the first Budget for ten months of 2014-15 was prepared based on an adhoc assessment of revenue accruals in the absence of any past trends and without any firm idea regarding transfers from the

Union Government. The Budget for 2014-15 was in continuation of the Vote-on-Account Budget presented by the then Government of the undivided State. The first full-year Budget for 2015-16 was prepared without the benefit of having estimates for the full 12 months of the previous year as the State was formed in June, 2014. The reduction in State's share in tax devolution, reduction in plan transfers from the Centre, and additional commitments on account of higher matching contribution for Centrally assisted plan schemes resulted in budgetary constraints in 2015-16. Although relaxation of borrowing limits by 0.5 percent of GSDP as recommended by the Fourteenth Finance Commission has been assured by the Union Government, it has not materialized so far. Assistance for the development of backward areas provided for under the AP Reorganisation Act, 2014 at Rs.450 crore is very much lower than expected. Added to these, the new State had to face numerous problems of legacy from the combined state in terms of total neglect of social, agriculture, irrigation and infrastructure sectors, huge bills left unpaid by the combined State, over 800 plan schemes, most of which have outlived their utility, huge power deficit, to mention a few important ones.

3. In an unprecedented manner, the Hon'ble Chief Minister has himself reviewed the working of each department, the

relevance of each scheme in its minutest detail and the resource potential. I can say confidently that no such detailed exercise has been undertaken by any Chief Minister in the recent past. As a result, the Budget for 2016-17 is totally transformational tailored to address the long pending aspirations of the people of Telangana and entirely bears the mark of Hon'ble Chief Minister.

State Economy

4. Let me now apprise the Hon'ble Members of the current macroeconomic situation and changes since the formation of the new State of Telangana. It is a matter of pride that there has been a significant improvement in the growth of Gross State Domestic Product (GSDP) since the formation of the State, despite below normal rainfall in two consecutive years. The deficiency in south-west monsoon in the years 2014 and 2015 was 31 and 14 percent, respectively. The deficiency in rainfall from the north-east monsoon in 2014 and 2015 was much higher at 58 and 79 percent, respectively. GSDP is estimated to grow at an impressive rate of 11.7% in 2015-16 at current prices, despite a negative growth in the Agriculture and allied sector. This growth rate is more than the national average of 8.6%. With the expectation of a normal rainfall next year coupled with a number of developmental initiatives taken by the Government, there are

good prospects of further improvement in the growth of the State economy.

5. The per capita income of the State at current prices improved by 12.7 per cent in 2014-15 to Rs.1,29,182 and is estimated to further improve by 10.7 percent to Rs.1,43,023 in 2015-16, much higher than the national average of Rs. 93,231.

6. In the past, the growth of Telangana economy has been much lower than its potential because of deliberate neglect of its infrastructure and social sectors and diversion of its resources to other regions of the erstwhile combined State. With the formation of our own State, we have gained control over our water for irrigation, resources and employment - Neellu, Nidhulu and Niyamakalu. With this, the economy has been unshackled and poised for a big leap in its growth trajectory as is evident from the growth rates achieved since the formation of the State. Fortunately, the State has several drivers of growth in all the sectors of the economy, namely, agriculture and allied sectors, industry and manufacturing and services sectors.

7. As the Hon'ble Members may recall, in his first address to the people of Telangana after assuming the office, our Hon'ble Chief Minister envisioned Bangaru Telangana where everyone in the State will be prosperous, healthy and happy and where no

one suffers any distress. The vision of Bangaru Telangana is not a mere statement of intentions but a determined effort to transform the potential of Telangana into reality, to regain our past glory and unique rich cultural identity, which remained suppressed in the combined State. Within 21 months of the formation of the State, Telangana has undergone major transition towards achieving this goal: from shackled to a growth-oriented economy, poor governance to strong and people-centric governance, from mere launching projects to effectively implementing them in a time bound manner and from promises to delivery.

Resources and their Utilization

8. As indicated earlier, we have now a complete understanding of the resource position of the State. That the State is endowed with rich land resources is evident from the resources mobilized by the Telangana State Industrial Infrastructure Corporation from the limited sale of lands. The average price realized was about Rs.29 crore per acre. Some of the government lands are in court litigation. The State has gained possession of 380 acres of prime land as a result of the recent judgment of the Hon'ble Supreme Court of India, We are taking necessary steps to get the pending court cases resolved at the earliest. The arrears of VAT are about Rs.4,000 crores. A

special drive is proposed to be launched to realise these arrears. Steps will also be initiated to get the court cases resolved. Thus, the Budget for 2016-17 is the result of all out efforts to augment resources without imposing any burden on people.

Unending Wait for Our Due Share in Resources in the Past

9. All along, our Party stand has been that there will be no shortage of resources in Telangana. We thought that with available resources, a number of welfare and developmental programmes could be taken up. Our election manifesto has been prepared accordingly. With the formation of Telangana State, we have a great opportunity of utilizing our resources for the welfare of our people. The reality is now before us. Plan expenditure had never been so high in Telangana. There is no instance of even Rs.10,000 crore being spent in Telangana under the Plan in any year. People in Telangana waited all these years and had to literally beg for their due share in resources. In contrast, we could allocate an amount of Rs.52,383 crore under the Plan in 2015-16. Even in 2016-17 we propose to spend a much higher amount for the development and welfare of people. This is our befitting answer to all those who expressed serious doubts about the benefits that would accrue to the people in Telangana State.

10. Before presenting the Budget Proposals for 2016-17, let me briefly recapitulate the several initiatives taken by the Government since assuming office in June, 2014 to reorient and reinvent Telangana towards achieving the ultimate goal of 'Bangaru Telangana'. The measures for the welfare of weaker sections of society include, Aasara pensions at substantially increased rates, provision of two-bed room houses to eligible families with no beneficiary contribution, Kalyan Lakshmi, Shadi Mubarak, increase in the quantity of rice to 6 kgs per head with no upper limit per family at Re.1 per kg, supply of sanna biyyam to student welfare hostels, among others. For alleviating hardship to farmers, the Government introduced crop loan waiver scheme, launched Mission Kakatiya to restore and rejuvenate nearly 46,000 tanks in the State and taking up new irrigation schemes. A massive programmes christened as 'Mission Bhagiratha' has been taken up on war footing to provide piped drinking water to all the households in the State. Despite inheriting huge power deficit, it goes to the credit of the State Government that uninterrupted power is being supplied to the industry and the domestic consumers. A slew of initiatives have been taken like launching of the most investor-friendly and first of its kind industrial policy, TS-iPASS to promote industrialization and T-HUB - a unique public-private partnership to nurture and promote start ups. Safety, security

and maintenance of supremacy of law are essential to promote growth and ensure justice to the downtrodden. Government's efforts have not lagged behind in these areas too.

11. I will now present the main highlights and allocations proposed for 2016-17.

Irrigation

12. During the struggle for statehood for Telangana, we time and again expressed anguish over lack of utilization of our share of river waters. Our share in the Krishna and the Godavari waters is 1250 TMC. There is an additional share of 150 TMC in the surplus waters. As the Hon'ble Members are aware, utilization of river waters in the Godavari and the Krishna basins has been much below our due share because of deliberate attempts in the combined State. Under the pretext of inter-state disputes, construction of projects was not taken up. People felt that unless separate statehood is achieved, parched fields in Telangana would not get water from the Godavari and the Krishna. After the formation of Telangana, our Hon'ble Chief Minister took up the task of redesigning the projects. Plans have been drawn up to provide irrigation to about one crore acres.

13. With the construction of over 400 barrages across the rivers Godavari and Krishna and its tributaries by the

Governments of Maharashtra and Karnataka, not even a single drop of water has flown into Jurala and SRSP irrigation projects in the current year. Tapping the water from the Godavari and the Krishna in future is also problematic. The only option left now is to utilize the waters from Pranahita and Indravati rivers. Tapping the water from these rivers is the ultimate goal for redesigning the projects. A comprehensive survey has been conducted by the Government of India Organisation, Water and Power Consultancy Services (WAPCOS). LIDAR (remote sensing technology that measures distance by illuminating a target with a laser and analyzing the reflected light) surveys have also been conducted. Based on these surveys and consultations with Engineers and Technical Experts, projects are proposed to be taken up with proper planning.

14. The Government of Maharashtra is extending support with regard to the projects proposed to be constructed on the rivers, Godavari, Pranahita and Penganga. Hon'ble Chief Minister has reached an understanding with the Chief Minister of Maharashtra on 8th March. This relates to the formation of one common Inter State Board to resolve issues related to joint irrigation projects of both the States, speedily and amicably. As a result of this understanding, way has been eased for taking up projects at Medigadda on the river Godavari, Tummadihatti on

the Pranahita, Rajapet, Chanakha-Korta and Pimprad on Penganga. Palamuru Lift Irrigation Scheme will cover southern Telangana while Kaleswram project will cover northern Telangana. Adilabad district will receive irrigation from the Pranahita project and the Sri Sitarama Project and Bhakta Ramadasu projects will provide irrigation facilities to Khammam district. Along with these new projects, efforts are being taken to complete the ongoing major and medium projects expeditiously. Alongwith major and medium irrigation projects, steps have already been taken to rejuvenate and restore tanks. About 9,000 tanks are being taken up every year for restoration. This year, restoration was done on a mission mode with active participation of people. The second phase of restoration will commence very shortly. For the construction of projects and Mission Kakatiya, the amount proposed in 2016-17 is Rs. 25,000 crores. Such a huge allocation of resources to the irrigation sector is unprecedented. This more than demonstrates the commitment of our Government to provide irrigation water to farmers.

15. Out of the proposed outlay of Rs.25,000 crores, allocations proposed are Rs.7861 crores for Palamuru-Rangareddy lift irrigation scheme, Rs.6,286 crore for

Kaleshwaram project and Rs.1152 crores for Sitharama and Bhakta Ramadasu lift irrigation projects.

Mission Bhagiratha –Brainchild of KCR

16. As the saying goes, prevention is better than cure. Most of the preventable diseases are water borne. This Government is of the firm belief that provision of safe and adequate drinking water is the primary responsibility of the State and such provision will go a long way in improving the health and thereby economic standards of vulnerable sections of society. When the Hon'ble CM represented Siddipet Assembly Constituency, he ensured that every village was provided with a tap connection. The extension of this concept as 'Mission Bhagirata' to the entire State is intended to ensure that no female member of a household will have to walk miles and carry a pot of water on her head. 'Mission Bhagiratha' is conceived to provide 100 litres per capita per day (LPCD) treated and piped water to every household in rural areas, 135 LPCD in municipalities and 150 LPCD in municipal corporations. The innovative and ambitious 'Mission Bhagiratha' has received accolades from HUDCO, Niti Aayog and CMs of other States like Uttar Pradesh, West Bengal, Bihar and Madhya Pradesh.

17. The project has been divided into 26 segments and will be drawing about 42.27 TMC of water from perennial rivers like the Krishna, the Godavari and major reservoirs. The ambitious project is expected to be completed in the next three years at an estimated cost of Rs.40,000 crore. So far, administrative sanction has already been accorded for works amounting to Rs.36,976.54 crore. Nearly 6,100 villages are likely to receive water from the Mission by December, 2016. Efforts are on to cover nearly 95 percent of the villages by December, 2017. In this context, I will be failing in my duty if I do not express my gratitude to the Hon'ble Chief Minister for his commitment to the Mission and compliment my Cabinet colleague KTR and the officials of the PR Department for their dedication and tireless efforts towards the completion of the project.

18. Innovative extra-budgetary financing options have been drawn up to fund the entire cost of 'Mission Bhagiratha' with committed financial assistance from HUDCO, NABARD, Bank of India and other financial institutions. The commitment of the State Government to complete the project in the next three years is total and irrevocable as announced by the Hon'ble Chief Minister.

Energy- Darkness to Light

19. Power shortage was the major problem at the time of the formation of the State. Power cuts to households, agriculture and cuts in the working hours of factories were common because of the acute shortage of power. The Government of Andhra Pradesh denied our share of power in violation of the AP Reorganisation Act. It took determined efforts of the Government to address this problem and ensure uninterrupted power to the industry and agriculture within nine months of the formation of the State. There will never be any power cuts in future. Within the next three years, it is the determined effort of the Government to achieve a power generating capacity of 23,912 MW. The new power projects taken up in the State include Lower Jurala, Pulichintala, Bhadadri Thermal Power Station, Kothagudem Thermal Power Station and Yadadri Thermal Power Station with a combined generating capacity of 6,160 MW. A Memorandum of Understanding has been signed with Bharat Heavy Electricals, Ltd for the establishments of 6,000 MW capacity thermal power plants at various locations in Telangana on EPC basis. Since the formation of the State, 680 MW of power generation has been commissioned.

20. Apart from augmenting the generating capacity through conventional sources, plans have been drawn up for generating

power through non-conventional sources. The Telangana Solar Power Policy 2015 has recently been announced with the main objective of harnessing the vast solar power potential in the State. Under the policy, solar parks are proposed to be developed with proper infrastructure facilities for developers. The Solar Policy Cell to be set up will undertake single window clearance for all solar power projects. The Solar Policy provides for 100 % refund of VAT on all inputs for a period of five years and 100% refund of stamp duty for land purchased for setting up of solar plants. It has been targeted to add 5000 MW of solar power generation by 2017-18.

21. As a result of the steps taken by the Government including purchase of power to tide over the immediate crisis, power cuts are a thing of the past. A total financial closure amounting to Rs.91,500 crore has been achieved so far by TSGENCO, Singareni Collieries, NTPC and the solar power units. The Government has made an unwavering commitment to provide nine hours of power supply to agriculture from the next khariff season itself.

Agriculture and Allied Sectors

22. Majority of the population in the State depends on agriculture. That is why this sector has been accorded a very

high priority. Farm loan waiver amounting to Rs.17,000 crores is being implemented. Out of the four installments, two installments of waiver amount have been deposited into the bank accounts. Third installment will be released in 2016-17. By 2017-18, 100 percent of loan waiver will be achieved. As indicated earlier, an unprecedented amount of Rs.25,000 crore has been proposed for the irrigation sector in 2016-17 with the ultimate objective of providing irrigation water to every acre of cultivated land in the State and making agriculture in the State totally drought-proof. Value addition provides the key to enhancing agricultural incomes. In this direction, a number of innovative policies, such as, developing the State as a seed bowl of the country, establishing crop colonies for paddy, maize, pulses and oil seeds, encouraging greenhouse cultivation, developing post-harvest and marketing facilities have been taken up. Subsidies are being given to farmers. Government proposes to cover 600 SC and ST farmers under poly house cultivation in 2016-17 with 100% subsidy. Plans have already been formulated to provide Soil Health Cards to farmers in the next year to facilitate judicious use of chemical fertilizers and to improve soil productivity.

23. Recognising the importance of micro irrigation, subsidy has been extended up to 5 hectares to all categories of farmers in

relaxation of the earlier limit of Rs. 1 lakh per family and coverage of 1 hectare. Horticulture is one of the focus areas from the point of view of value addition in the agriculture sector. Though the State is bestowed with good soil types suitable for horticulture crops, more than 70 % of the vegetables needed in the State are being imported. The Government has decided to establish Telangana State Horticulture Development Corporation to promote cultivation of horticulture crops, procurement, storage, processing and marketing of horticulture produce. The Corporation will also facilitate implementation of water saving technologies like micro irrigation. The Government is also committed to develop spices in the State by establishing a Food Processing Unit.

24. To address the credit needs of farmers, government is taking proactive steps to ensure increase in the annual agricultural credit disbursements by banks and NABARD. The Pradhan Mantri Fasal Bhima Yojana introduced by the Union Government will help the farmers in the State. With a low premium of 2% to be paid by farmers for khariff crops and 1.5% for rabi crops and the balance premium being by the Government, the farmers will get full claim insured against crop loss on account of natural calamities.

25. With assistance from NABARD, the Marketing Department has taken up construction of godowns with storage capacity of 17.075 lakh metric tonnes at 330 locations in the State at an estimated cost of Rs.1,024.50 crore.

26. With the restoration of tanks, potential for the development of fisheries will considerably expand. Suitable policies to tap this potential will be drawn up. With the assistance from NCDC, Government proposes to encourage the rearing of goat and sheep in the State.

27. The amount proposed in the Budget for 2016-17 for the Agriculture and Cooperation and Marketing Departments is Rs. 6759 crores.

Medical and Health Sector

28. Our Government is of the firm conviction that development is not mere growth in the GSDP of the State. Renowned Economist and Nobel Laurite Amartya Sen once remarked that though India stands at second place in terms of growth rate, its position in Human Development Index (HDI) is 138. Provision of better education and health facilities is the only means to bridge the gap in the growth rate and the HDI. The Government is spending huge amounts of money on welfare. Improving the health of people is one of the many

planks of any welfare policy. The public health care system which has a large interface with the public round the clock has suffered neglect in the combined State and is presently in a pathetic state. Stabilisation, standardization and consolidation of medical and health services in the State are the main focus areas in 2016-17. At present even poor patients hesitate taking treatment in government hospitals. We want to change this so that the poor on their own prefer government to private hospitals.

29. The Government comprehensively reviewed the health system in the State from the Primary Health Centre to NIMS. The measures proposed to improve the health system in the State on par with private health care include provision of best diagnostic facilities in teaching and district hospitals, improving the availability of medicines as well as surgical facilities in all hospitals. Provision of beds, bed sheets and improvement in sanitation will also be ensured. The Hon'ble Chief Minister's resolved to totally revamp the health system in the State, which suffered total neglect in the Combined State. About 40 Dialysis and 40 Diagnostic centres are also proposed. It is proposed to fill up vacant posts including those of doctors and to provide suitable incentives for doctors working in rural areas. In

addition, it is proposed to transfer Community Health Centres to Telangana Vaidya Vidhana Parishad.

30. All these measures are proposed to be implemented in a time bound manner. Once these improvements are in place, the facilities at government hospitals will match those available at most private hospitals. As part of the rejuvenation and modernization of government health care system, a substantial increase in the provision for the health sector has been proposed in 2016-17. A provision of Rs.600 crores for the replacement/purchase of equipment, Rs.316 crores for diagnostic equipment, replacement of old beds and carrying out repairs to civil works has been proposed. A substantial increase in the provision for the purchase of drugs, surgical and disposals has been proposed from Rs. 117 crores in 2015-16 to Rs. 225 crores in 2016-17. In addition to the increase in the provisions, an amount of Rs.56 crores is proposed to be provided to the three Heads of Departments in the Medical and Health Department to meet emergent needs as and when they arise without losing time in seeking funds from the Government. Suitable powers are proposed to be delegated to Superintendents of hospitals.

31. The number of government hospitals in Hyderabad city has remained more or less the same despite a multifold increase in its population. To meet the growing needs of health care, in

addition to the present Osmania, Gandhi and King Koti hospitals, four new multi-specialty hospitals are proposed to be taken up with the assistance of Rabo Bank of Netherlands on annuity basis. It is proposed to upgrade the MGM hospital in Warangal into a super-specialty hospital. A similar arrangement is proposed to be entered into with this agency for the construction of modern hospitals at Khammam and Karimnagar. A team led by the Health Minister visited Sri Lanka where modern hospitals have been constructed with the financial assistance of Rabo Bank. The team has also recently visited Tamilnadu to study the health system in the State with a view to considering replicating some of their best practices in our State.

32. The amount proposed in the 2016-17 Budget for the health sector is Rs. 5967 crores, which is significantly higher as compared with the provision of Rs.4932 crores made in 2015-16.

Education - A Secure Path to the Future

33. The Government firmly believes education is an important sector like health and that no State can achieve social transformation without making its citizens educated and healthy. Education empowers the poor. Children of the rich any way go to good schools. The Government is taking the responsibility of

providing education to all and books, clothes and food to the students belonging to SC, ST, minority and other backward classes. Though considerable amount of money is being spent every year, there is no visible improvement in the quality of education. The focus of the government is to consolidate the existing facilities and strengthen them to meet the needs of quality education and to make students employable. As part of consolidation and stabilization, it is proposed to entrust the responsibility of all institutions with the exception of those in the areas of medical, agricultural and pharma to the Education Department. The Government is determined to revamp the entire education system in the State. SC, ST and BC hostels are proposed to be converted into residential schools in a phased manner. It is also proposed to entrust the maintenance of sanitation facilities in schools to respective gram panchayats.

34. The total amount proposed under plan is Rs. 1694 crores and that under non-plan is Rs. 9044 crores. I request the Hon'ble Members not to look at these provisions in isolation. In addition to the secondary, higher and technical education, Government is spending on medical education, agricultural and veterinary education, education for minorities, SC / ST Residential Schools, Welfare hostels, the provisions of which are not part of the demands for grants of the Education Department.

Welfare Programmes

35. Within a short period, we succeeded in creating confidence in the people that this is a government which accords highest priority to the welfare of people, and that it is always ready to extend a helping hand to the poor, helpless, orphans and other down trodden sections of the society.

Two-Bed Room Housing

36. Moved by the plight of people living in shabby houses and to provide dignity to the poor, the Government took a very path breaking decision of providing Two-Bedroom houses consisting of two bed rooms, a hall, a kitchen and two toilets to all eligible poor families in a phased manner without any beneficiary contribution. This is unprecedented and I am proud to state that such a programme is being taken up only in our State. In accordance with this policy decision, the Government has already accorded administrative sanction last year for the construction of 60,000 two-bedroom houses in the state, of which 36,000 houses are in the rural areas and 24,000 houses in the urban areas. This was done notwithstanding the delay in the finalization of guidelines by the Government of India. 377 two-bed flats have already been constructed at IDH colony in Secunderabad in record time and inaugurated by the Hon'ble

Chief Minister. Encouraged by the overwhelming support and demand for the scheme, the Government took an unprecedented decision to construct one lakh houses in the areas covered under GHMC and another one lakh houses in other parts of the States during 2016-17. The entire cost of two lakh two-bed room houses proposed in 2016-17 will be met through extra-budgetary resources from HUDCO and other financial institutions. Selection of beneficiaries will be done in a very transparent manner without any political or bureaucratic interference.

Welfare of Scheduled Castes, Scheduled Tribes and Backward Classes

37. Telangana is one of the two States with a pre-devolution revenue surplus as assessed by the Fourteenth Finance Commission. Our Budget size in 2015-16 year is Rs. 1,15,000 crores. In 2016-17, a higher budget size is proposed. It is the earnest effort of the Government to ensure that the benefits reach the poor. Our Government considers expenditure on welfare as an investment for human development. Development which is not inclusive is not sustainable. Therefore, the Government is focusing more and more on welfare schemes and has emerged as one of the leading welfare States in the entire country. In the Budget for 2016-17, an amount of Rs. 13,412 crores is proposed for the welfare programmes. In addition, in tune with the

changing economic conditions, we have increased the eligibility criteria for being considered as BPL. In rural areas, the income limit has been raised from Rs.60,000 to Rs.1,50,000 per annum and in the urban areas the increase in the income limit is from Rs. 75,000 to Rs.2,00,000 per annum. As a result, Aanganwadi workers, Home guards, private employees, etc., are also eligible to avail the welfare schemes of the Government.

SC Welfare

38. Our Government is committed to uplifting the scheduled castes from years of social and economic neglect. The important schemes being implemented for the welfare of scheduled castes include, economic support schemes, land purchase scheme, skill development of scheduled caste youth, Kalyan Lakshmi, financial assistance for studies abroad and provision of free power to SC households (upto 50 units). In addition, under the two-bed room housing programme, a substantial number of beneficiaries will be from the SC community. The amount proposed for the welfare of scheduled castes is Rs. 7122 crores in the Annual Plan 2016-17.

ST Welfare

39. Effective implementation of the programmes for the upliftment of tribals will be the main focus. After the receipt of

the report of the Commission of Inquiry, Government will examine the recommendations with regard to the measures needed to improve the social economic conditions of tribals and the feasibility of including 'Valmiki Boya' and 'Khaithi Lambada' communities in the ST category. The total amount proposed for tribal welfare is Rs. 3752 crores in 2016-17.

BC Welfare

40. The majority of population in the State consists of backward classes. Suitable provisions are being made towards financial support to the corporations catering to the needs of different sections of the backward classes. Apart from the reimbursement of tuition fees, free coaching is being provided at 10 BC Study circles in the State. Land has been allocated for the construction of buildings for Study Circles at Adilabad, Karimnagar, Nizamabad, Medak and Khammam. The total amount proposed for the welfare of the backward classes is Rs. 2538 crores in 2016-17.

Welfare of Minorities

41. Welfare of minorities is very dear to our government and the number of measures initiated for their welfare since the formation of the State bears ample testimony to our commitment. I am happy to inform the House that the amount of

Rs.100 crores provided for 'Shadi Mubarak' in the current year has been fully utilized and the Government has allocated an additional amount of Rs.50 crore for the scheme. The Government has initiated a new scheme of Overseas Scholarships for the students of minority students and an amount of Rs.25 crore has been released. A Minority Study Circle has been started in September, 2015 for imparting coaching to civil services and state services. After the submission of the Sudhir Committee Report, Government will examine the measures required to improve the socio-economic conditions of minorities on a permanent basis.

42. As education holds the key for upliftment of any society, an important decision sanctioning 70 new English Medium Residential Schools for minorities has been taken by the Government recently. These schools will become operational in 2016-17. The amount proposed in the Budget for the new residential schools is Rs. 350 crores in 2016-17. The total provision for the welfare of minorities is Rs. 1204 crores in 2016-17.

Aasara Pensions

43. The Aasara pension scheme introduced by the Government has more than secured life with dignity to the old

and infirm, disabled people, widows, weavers, toddy tappers, beedi workers and people with HIV-AIDS. At present, 35.74 lakh people are covered under Aasara pensions. The amount proposed for the scheme in 2016-17 is Rs.4693 crores.

Kalyan Lakshmi

44. Everyone knows how much burden the marriage of a girl imposes on a poor family. It is the intention of the Government to share a part of the burden. It is gratifying to note that the Kalyana Lakshmi scheme has more than met the objective of addressing the problem associated with the marriage of girls. So far, under this scheme the amount of Rs.51,000 paid at the time of marriage is applicable to girls belonging to SC, ST and Muslim communalities. I am very happy to inform the House that from 2016-17, the scheme will be extended to brides belonging to BPL families. The total amount proposed under Kalyan Lakshmi in 2016-17 is Rs.738 crores.

Women and Child Welfare

45. As the Hon'ble Members will recall, a number of initiatives were announced in the Budgets for 2014-15 and 2015-16, which included increase in the number of eggs and quantity of milk supplied to children and pregnant and lactating mothers. A substantial increase was also effected in the remuneration to

Aaganwadi workers. It is proposed to improve the service delivery considerably. An amount of Rs. 1553 crores is proposed in the Budget for 2016-17.

Welfare of Brahmins

46. Telangana Government is committed to the welfare of all sections of society irrespective of caste, creed or religion. Towards this end, the government feels that, like others in the society, even among Brahmins, sizable number of them face problems due to poverty. In view of this Honorable Chief Minister has decided to allocate a budget of Rs. 100 crores, a Fund to be known as “Brahmin Samkshema Nidhi”. Shortly, Government will work out modalities for the welfare of Brahmins and decide on the action plan.

Roads and Buildings

47. As the Hon’ble Members are aware, the Government has decided to undertake laying of double lane roads from Mandal headquarters to district headquarters and laying of four lane roads connecting each district headquarters to the State capital. The R&B Department has taken up the construction of new roads with a length of 2,570 kms in a phased manner. About 4,000 kms of roads are being repaired. During the six decades of existence of combined State, only 2,600 kms of national

highway roads were constructed in Telangana. The Hon'ble Chief Minister has taken this neglect to the notice of Hon'ble Prime Minister and the Union Transport Minister. Due to the efforts of the Hon'ble Chief Minister, 1,650 kms of State Highways could be sanctioned. Important new buildings proposed to be taken during 2016-17 include new Secretariat Complex, new building for the Legislative Assembly, a new international convention centre, offices for MLAs, CM's camp office, residential buildings for officers, additional buildings at Raj Bhavan and Telangana Kalabharati. The provision proposed for roads and bridges is Rs. 3333 crores and that for buildings is Rs. 457 crores in 2016-17.

Police, Public Safety and Security

48. Security and safety apart from providing a sense of security to the citizens has a multiplier effect in terms of attracting industry and services sectors and tourist arrivals. Accordingly, the Government has assigned top priority for the modernization of the police system and has been providing adequate funds for the same in an unprecedented manner. In the first two years of the formation of the State, over 4,000 modern vehicles have been procured and 3,896 posts have been sanctioned for four new Indian Reserve battalions. Other initiatives include installation of city wide CCTV system at all

vital installations and public places. An amount of Rs.225 crores has been proposed in 2016-17 for city wide CCTV Surveillance system. Reception centres are being modernized with all amenities to the people visiting the police stations. For the first time by any State, the health hazards of traffic police personnel has been recognized and the Government issued orders providing for an incentive of 30 percent of the basic salary for personnel engaged in traffic regulation duty. Similarly, an incentive of 25 percent of the basic salary has been sanctioned to personnel working in the CID and the intelligence wings. The duty allowance of the Home guards has been enhanced from Rs.9,000 to Rs.12,000 per month, which is the highest in the country.

49. A Modern Integrated Command and Control Centre and City Police Headquarters with twin towers has been planned on a seven acre plot of land in Banjara Hills. Hon'ble Chief Minister laid the foundation stone for the iconic 24 storied command centre on November 22, 2015. An amount of Rs. 140 crore has been proposed for the construction of this centre in 2016-17. For the construction of quarters for police personnel, the amount proposed is Rs.70 crores in 2016-17.

50. To address unanticipated events requiring immediate measures, it is proposed to place an amount of Rs. One crore

with each District Superintendent of Police and each Commissioner of Police, in addition to the amount of Rs. 10 crores, proposed to be placed at the disposal of the Director General of Police.

51. Apart from strengthening the police services, it is also proposed to strengthen the Fire Services Department in 2016-17. At present 22 Assembly Constituencies do not have fire stations. Considering the growing needs for fire safety, it is proposed to establish 63 new fire stations in 2016-17 for which the provision proposed is Rs. 64 crores. It is also proposed to equip the department with three modern vehicles equipped to fight fire in high rise buildings. The total budget proposed for the Fire Services Department is Rs. 223 crores in 2016-17.

Panchayati Raj and Rural Development

52. As a logical conclusion of 'Mana Ooru-Mana Pranalika', Gram Jyoti Programme has been launched in August, 2015 to empower gram panchayats to deliver better services to people. Central to the concept of Gram Jyoti is the preparation of a 'Village Development Plan'. The major programmes under the Panchayati Raj Engineering Department are conversion of WBM roads to BT standards, renewal of existing BT roads and maintenance of rural roads. The Government has raised the

honorarium to Sarpanches, MPTCs, MPPs, ZPTC members and Z.P Chairpersons and the enhanced honorarium is being paid by the Government. The Total provision proposed for the PR&RD department in 2016-17 is Rs. 10,731 crores, which is inclusive of the provision for MGNREGS.

Urban Development

53. Telangana has been witnessing a significant growth in urban population. Nearly 40 of the population in the State is urban and it is projected to grow further. Amenities in urban areas have not kept pace with the growth in population as a result of which many urban areas lack basic minimum facilities. Unless the urban infrastructure is strengthened many urban areas will become unlivable to a vast majority of urban poor. Realising this imperative, it is proposed to provide Rs. 100 crore per annum each to Khammam, Ramagundam, Karimnagar and Nizamabad municipal corporations. The amount proposed for the Municipal Corporation of Warangal is Rs. 300 crore in 2016-17. In addition, an amount of Rs.500 crore is proposed in 2016-17 towards assistance to other municipalities in the State.

54. Drinking water supply in urban areas will improve considerably with the completion of Mission Bhagirata. It is proposed to provide drinking water to about 190 villages along

the outer ring road through the Hyderabad Metro Water Works. Proposals are afoot to construct dedicated drinking water reservoirs. Traffic congestion in Hyderabad will ease with the completion of metro rail and the proposed Strategic Road Development Plan.

55. The amounts proposed towards annuity payments by the Hyderabad Metro is Rs. 200 crore and the amount proposed for Hyderabad Metro Water is Rs.1,000 crore. An amount of Rs.650 crore is proposed towards assistance to the Hyderabad Metropolitan Development Authority. The total amount proposed for the Municipal Administration and Urban Development Department is Rs. 4815 crores for the year 2016-17.

Industrial Development

56. As apprised to the Hon'ble Members in my last Budget Speech, Telangana State had unveiled the most investor-friendly industrial policy- TS-iPASS with statutory backing conferring right to single window clearances in a time-bound manner. The new industrial policy has started yielding results. MNCs as well as Indian companies, such as, Amazon, Micromax, Foxconn, ITC are setting up units in the State. Since the launching of the new industrial policy, all clearance certificates have been issued

to 1,609 units involving an investment of Rs.33,101 crores and an employment potential of 1,20,169. Out of these, over 100 approvals relate to large and medium industrial units involving an investment of Rs.8491.66 crore and employment potential of 34,479. Out of these, 32 units have already commenced their production and eight units are under trial production. Work on New Pharma City and the Textile Hub at Warangal are on track. I am happy to inform the House that final approval has been received from the Government of India for setting up of a Mega Food Park in Khammam district. Proposals have been drawn up to set up three Aerospace parks. Work on Phase-I of NIMZ at Medak is expected to commence in 2016-17. With uninterrupted power supply, the industrial sector in the State is poised for an impressive growth. An amount of Rs. 967 crores has been proposed under the Plan for the promotion of industries in 2016-17.

Information Technology and Communications

57. Telangana, more particularly, Hyderabad is a major centre for information technology in the country. The number of IT units registered in Telangana is 1,300 and the value of IT exports from the State is Rs. 68,258 crore. Telangana is home to major MNCs like Microsoft, Google, IBM, Oracle, etc., besides Indian IT majors like Infosys, Wipro, TCS and Tech Mahindra to

mention a few. Google is committed to building its largest campus outside the USA in Hyderabad at an investment of Rs.1,000 crore. Similarly Amazon is setting up its biggest campus outside the US in our State. The investor-friendly policies of the Government yielded these results. We will be further building on these strengths.

58. The T-Hub launched in November, 2015 is a unique and innovative public-private partnership between the Government of Telangana and three of India's premier academic institutions, namely, Indian Institute of Information Technology, Indian School of Business and National Academy of Legal Studies and Research. T-Hub is designed for technology related start-ups and its mission is to catalyze the creation of one of the brightest and most vibrant entrepreneur community in the world in order to encourage and fuel more start-up success stories in India. The second phase of T-Hub is proposed to be launched soon.

59. Another major initiative in the IT sector is the Digital Telangana Programme launched on July 1, 2015 with the objective of ensuring availability of digital facilities to every person in the State and to make each person digitally empowered. The amount proposed for the IT Department in the plan Budget of 2016-17 is Rs.254 crores.

Culture, Tourism and Sports

60. The rich cultural heritage of Telangana remained neglected and soon after the formation of our State, several initiatives were taken to regain the past glory. Keeping with the Ganga Jamuna Tehjeeb, Government of Telangana is celebrating Ramzan and Christmas as State festivals. Apart from this, to develop prominent pilgrim centres of Yadagirigutta and Vemulavada, the Government had set up the Yadagirigutta Development Authority. The Government has recently set up Vemulavada Development Authority. After the formation of the State, there is much greater awareness about rich cultural heritage and places of tourist attraction and historic importance. Facilities will be developed at these places in a phased manner. As the balances in the Common Good Fund are not adequate to fund restoration of historic temples, an amount of Rs. 50 crore has been proposed as a one-time grant in the Budget for 2016-17.

61. To encourage sports persons, the Government has increased the amount of cash awards substantially in January this year. Sportspersons winning gold medals in Olympics, Asian Games, Commonwealth Games and National Games will now be given cash awards amounting to Rs. 2 crore, Rs.30 lakh, Rs.25 lakh and Rs.5 lakh, respectively. In addition,

transparent guidelines have been framed for recognizing genuine Telangana State Sports Associations, extending support to Sports Associations and conducting tournaments in the State.

62. The total amount provided to the YA,T&C Department is Rs. 232 crores in 2016-17.

Special Development Fund

63. As the members are aware, preparation of the annual Budget is a very detailed exercise and takes into account the expenditure needs under various activities of the Government. Despite all the care taken to make provisions for all essential requirements, contingencies will arise in the course of the year which cannot be anticipated in advance and which need to be immediately addressed to. As the funds available in a year are already allocated, it becomes difficult and often time consuming exercise to find resources for such emergent needs and to address them urgently. Keeping these imperatives in view, Hon'ble Chief Minister felt that an untied amount should be available to meet any emergent situation. Therefore, an amount of Rs. 4675 crores has been proposed under the Special Development Fund.

Accounts 2014-15

64. The accounts for the ten months of 2014-15 as certified by the Accountant General show a revenue surplus of Rs. 368.66 crore and a fiscal deficit of Rs.9410.48 crores, which is 1.8% of GSDP and within the FRBM limit. The total expenditure of the State amounted to Rs. 62,306 crores on account of less than budgeted receipts from the Government of India and the teething problems associated with a new State, more particularly delay in the allocation of officers, resulting in shortfall in expenditure as compare with the B.E.

Revised Estimates 2015-16

65. The Revised Estimates for 2015-16 indicate an expenditure of Rs.1,00,062 crore, which is nearly 86 percent of the Budget Estimates. The shortfall in expenditure is mainly on account of lower plan transfers from the Centre and lower than expected proceeds from the sale of land because of litigations in courts. There was also shortfall in realizing of arrears of commercial taxes because of pending court cases. These were beyond the control of the State Government. As per the Revised Estimates for 2015-16, the revenue surplus is likely to be Rs.60.54 crore and the fiscal deficit is likely to be Rs.912 crores which is the same as budgeted.

Budget Estimates 2016-17

66. State's own Revenue Receipts are proposed at Rs. 72,412.23 crores in 2016-17 as compared with Rs. 54,256.71 crores in RE 2015-16. Transfers from the Centre proposed in the BE 2016-17 are Rs. 28,512.52 crores as compared with Rs. 25,223.49 crores in 2015-16 BE. An amount of Rs.1,30,415.87 crores is proposed as total expenditure for the year 2016-17, of which Non-Plan Expenditure is Rs.62,785.14 crores and Plan Expenditure is Rs.67,630.73 crores. This is unprecedented as the proposed expenditure under Plan is higher than that under Non-Plan. This has been done without compromising on non-plan commitments by a combination of rationalization of expenditure and resource augmentation. With the adoption of 2011-12 as the base year for the estimation of GSDP as was done by the Centre last year, the borrowings under the FRBM legislation are likely to be a little higher in 2016-17.

67. The Budget Estimates for 2016-17 indicate a Revenue Surplus of Rs.3,718.37 crores and a Fiscal Deficit of Rs.23,467.29 crores, which is 3.5 percent of estimated GSDP. The higher revenue surplus is entirely on account of the proposed allocation of Rs.25,000 crore to the irrigation sector, which is mostly capital.

68. I request the Hon'ble Members that the provisions proposed next year and provisions for this year are not strictly comparable department-wise for two reasons. As part of the rationalization of expenditure, a number of plan schemes with similar activities have been clubbed together in a number of departments and a few schemes with only a salary expenditure have been shifted to non-plan from plan. Secondly, 'Mission Bhagiratha' and Two-Bed Room Housing are proposed to be funded entire from extra budgetary resources. Therefore, no provisions have been made under the Plan for these schemes, except the provisions required for counterpart funding. As compared with the plan expenditure of the combined State, the proposed plan expenditure in Telangana for the year 2016-17 is higher. This is a record. Cutting down wasteful expenditure, revenue augmentation and enhancing allocations for welfare are our goals.

69. Speaker Sir, it is immense sense of satisfaction that the policies formulated and being implemented on a mission mode by the Government have been well received by the people. Nothing satisfies a committed government like ours more than an endorsement of its policies by the people to whom they are meant. In addition to such an endorsement, our government received several ratings and accolades both from within the

country and outside. The State has been rated as the most inclusive State by the India Today State of the States Conclave. Hyderabad has been ranked the best city in India by Mercer based on quality of living. It has also been rated as the best city for MICE in Asia. Speaker Sir, we are not resting on these laurels. These have made us more determined and conscious of our duty towards achieving 'BangaruTelangana'.

70. This Budget is a combination of statesmanship of Kautilya, the vision of Emperor Ashoka and the commonsense of an ordinary house wife in running her household. Telangana has embarked on path breaking and innovative steps to give the much needed boost to the economy, which remained neglected so far. Perhaps, there is no other State in the country which has embarked on such a wide ranging initiatives within the shortest possible time. Telangana remained a caged Tiger till 2nd June, 2014. Now that the State is free of all shackles, it is poised to emerge as one of the fastest growing and welfare States in the country. Several studies have indicated that good governance matters more than resources for a country's development. Telangana has good governance, strong leadership, unstinted support of people and resources to forge ahead. With these words, I commend the Budget for the approval of the House.

// JAI TELANAGANA JAI JAI TELANGANA //