

SPEECH OF SRI EATALA RAJENDER, HONOURABLE
FINANCE MINISTER WHILE PRESENTING THE
BUDGET FOR THE YEAR 2017-18 TO THE STATE
LEGISLATURE ON MARCH 13, 2017

Hon'ble Speaker Sir,

I rise to present the Telangana State Budget for 2017-18. I consider it as a great privilege that the honour of presenting the fourth consecutive Budget of the new State of Telangana has befallen me. I am grateful to the Hon'ble Chief Minister, Sri Kalvakuntla Chandrasekhar Rao garu for reposing confidence and trust in me and entrusting me with this great responsibility. It will be my earnest duty to live up to the trust reposed in me. This Budget reflects the Hon'ble Chief Minister's concern for the welfare of the poor and the economic development of the State, as was the case with the previous three Budgets.

2. The Telangana people gave this Government the mammoth task of fixing an economy totally neglected on all fronts in the combined State, fulfilling their long suppressed aspirations and regaining the past glory. After 58 dark years, people of Telangana believed that they would see bright future in their own State. It has been our constant endeavour to live up to the confidence reposed in this Government. When the State was formed in June, 2014, there were a number of uncertainties and it was a mammoth task taking stock of the resource position and putting the administrative

machinery on track, pending the division of staff between the two successor States. We have now a complete grasp of the working of the State economy, its resource potential and what needs to be done to provide a permanent solution to the distress being faced by the poor and the avenues that are needed for a decent and dignified livelihood. I am glad to share with the Hon'ble Members that our revenue growth has been impressive thanks to the proactive policies put in place by the Government under the leadership of Hon'ble Chief Minister to rejuvenate the economy and the economy firing on all cylinders. In the first eight months of the current fiscal, own tax revenue of the State recorded an impressive growth of 19.61 percent, which is higher than that recorded in most of the major States in the country. What is noteworthy is that this impressive growth could be achieved despite the adverse impact of demonetisation on the collections from stamps and registration. This is testimony to the resilience of the State economy, nurtured over a short period of less than three years.

3. The Hon'ble Chief Minister has been constantly guiding us to make administrative machinery people-centric and to focus on the problems of people. Accordingly, our concern to ensure that the benefits of development reach the poor and the downtrodden is evident in all our actions.

4. Since the formation of the State, our Government's endeavour has been to put in place a very transparent and people-centric government based on empathy and compassion for the poor. In Telangana, people are the masters of the government and our commitment is to make the government work for the people.

Changes in the Presentation of Budget 2017-18

5. In the manner of its presentation, the Budget for 2017-18 is different from the previous ones, following the Union Government's decision to do away with the classification of expenditure into plan and non-plan and stick only to the Constitutional mandate of classifying expenditure into revenue and capital. A uniform system of accounting as prescribed by the Comptroller and Auditor General is being followed by the Union and the States. For the sake of uniformity across the nation, our Government has also adopted the new system. With the adoption of new system of budgetary classification, the Central Government has replaced the extant Five-Year Plans and Annual Plans by 15 year vision, 7 year strategy and three-year action plans. These developments have not resulted in the State Government giving up planning. In fact, these developments will strengthen the Government's initiative of 'Know Your District and Plan Your District' and will result in realizing the objective of decentralized planning, which remained on paper all these years despite the 73rd

and 74th amendments to the Constitution. The changes in the Budget formulation have been approved by the Estimates Committee Chaired by Sri S. Ramalinga Reddy garu after a detailed examination.

6. Telangana is in the process of a major transition from a shackled economy to that of an economy which is being nurtured back to fulfilling long pending aspirations of people. Envisioning Telangana's future will recognize the fact that the parameters which determine development have changed and will continue to change. As Edmund Burke, a great statesman had observed long back, "We must all obey the great law of change. It is the most powerful law of nature". The only thing that will remain constant in Telangana is the march toward progress. The initiatives taken by the Government, be it the Mission Kakatiya, Mission Bhagiratha, TS-iPASS or the ambitious target of bringing 1 crore acres of land under irrigation in a time bound manner, will expand the frontiers of growth much beyond our present expectation and will put Telangana among the fastest growing States in the country in the next few years.

7. With the removal of classification of expenditure into plan and non-plan, consequent changes are inevitable in the present system of SC Sub-Plan and Tribal Sub-Plan. The Government has constituted Committees under the chairmanship of Hon'ble

Deputy Chief Minister Sri Kadiam Srihari garu and Hon'ble Minister for Tribal Welfare. Hon'ble Members of Legislative Assembly and the Council belonging to SC and ST communities are the members of these committees. The mandate given to these committees is to recommend measures needed to ensure proper provisions for the welfare of SCs and STs and their utilization. Hon'ble Chief Minister held a meeting with the Hon'ble Members of Parliament, Members of Legislative Assembly and the Legislative Council belonging to the SC and ST communities. Based on the recommendations of the Committees on SCs and STs, allocations are proposed for the welfare of SCs and STs in proportion to their population. It has been decided to constitute Special Development Funds for SC and ST welfare. In an unprecedented manner, it has been decided to carry forward unspent provisions under SC and ST Special Development Funds to the immediately following next year.

8. These decisions are in sharp contrast to the lack of focus and periodic review of expenditure budgeted under SCSP and TSP and the resultant huge shortfalls in expenditure in the past. A Bill is proposed to be introduced in the State Legislature to give statutory status to these decisions. It is also proposed to periodically review scheme-wise utilizations of provisions for the welfare of SCs and STs and to place a quarterly report in the Legislative Assembly and the Legislative Council. This shows that our Government's

commitment does not end at merely making budgetary provisions for the SC and ST development in proportion to their population but extends much beyond to ensuring the utilization of these provisions. The provisions proposed under Special Development Fund for SCs and Special Development Fund for STs are Rs.14,375.12 crore and Rs.8,165.88 crore, respectively.

9. The other major development having a bearing on the Budget for 2017-18 is the demonetization of the high value currency notes on November 8, 2016. This has adversely affected the revenue collections under stamps and registration and to a lesser extent the revenue from VAT in the current year. However, our Government is optimistic that with suitable follow on measures like reduction in cash transactions, the tax compliance will improve and there may be some improvement in the tax devolution from the Centre. There are some uncertainties with regard to the revenue implications of the proposed introduction of Goods and Services Tax (GST) from July, 2017.

10. The Budget being presented today bears the imprint of our beloved Chief Minister and reflects his concern for the welfare of the poor, creation of income generating avenues and employment for them and to realize the Vision of 'Bangaru Telangana' within the shortest possible time.

State Economy

11. It is customary to apprise the Hon'ble Members of the current macro economic situation in the State. It is a matter of great satisfaction that there has been a distinct upward shift in the growth trajectory of the State year on year since its formation in June, 2014. Growth of Gross State Domestic Product (GSDP) at constant (2011-12) prices improved from 5.6% in 2013-14 to 8.7% in 2014-15 and further to 9.5% in the year 2015-16. As per the latest estimates, GSDP growth at constant prices in 2016-17 is likely to be in double digits at 10.1 % as compared with the expected national GDP growth of 7.1%.

12. It is a matter of immense satisfaction that the State could achieve a double-digit growth despite the adverse impact of demonetisation of high denomination currency notes on economic activities. What is also noteworthy and significant is that higher growth has been achieved in the years 2014-15 and 2015-16 despite deficient monsoon and resultant negative growth of 9.5% and 6.3%, respectively in the agriculture and allied sectors. From lower than All-India growth rates in 2012-13 and 2013-14, in the all the three years since the formation of the State, the growth of GSDP is significantly higher than the national average.

13. There has been a significant improvement in the growth of the industrial sector in constant prices from 0.6 percent in 2013-14 to

7.5 % in 2016-17, because of the improvement in power availability and proactive policies of the government. Though there was a slight delay in the onset of the monsoon, rainfall in the State was copious and above normal resulting in the growth of the agriculture and allied sectors at constant prices picking up to 12.1% in the current year. Let us all pray for a very good rainfall and a bumper crop in 2017-18.

14. Overall, the GSDP at current prices in 2016-17 is expected to be Rs.6,54,294 crore as compared with Rs.5,75,631 crore in the preceding year, recording a growth of 13.7%. The State's per capita income at current prices is estimated to increase from Rs. 1,40,683 in 2015-16 to Rs.1,58,360 in the current year. The State's per capita income in 2016-17 is significantly higher than the national average of Rs.1,03,818. I am happy to share with the Hon'ble Members that the annual growth in the State's per capita income which was lower than the national average has picked up momentum since the formation of the State and is now growing faster than the national average. While the growth in all-India annual per capita income declined from 11.5 % in 2013-14 to 10.2 % in 2016-17, that of Telangana improved from 11.2 % to 12.6 % in the same period.

15. These are hard facts about the significant revival of the State's economy since its formation and ample proof of total neglect of

Telangana in the combined State. With full control over water for irrigation, resources and employment- Neellu, Nidhulu and Niyamakalu, the State is poised to realize its full potential and even expand the growth frontiers, much beyond its present potential. In less than three years, we have moved decisively from the neglect of people's concerns to designing and implementing people centric policies, from despondency to hope on the face of people, from below potential growth to expanding growth frontiers and from drought prone agriculture to drought proofing agriculture.

Major Administrative Reform

16. Speaker Sir, keeping in view the conviction of Dr. Babasaheb Ambedkar that only smaller administrative units will ensure social justice, our Government has taken a major step. Towards decentralized administration, better governance and convenience to common man, the Government has undertaken major administrative reforms. Reorganisation of districts has been done on the basis of geographic closeness, cultural integration, and better utilization of local resources. Along with the formation of new districts, 25 new revenue divisions, 125 new mandals, five new police commissionerates, 23 new police sub divisions, 28 circle offices and 94 new police stations have been sanctioned. The ten districts of Telangana have been reorganized into 31. This

reorganization has taken the administration to the door steps of people. Our Government is planning for integrated office complexes in each district.

Budget 2017-18

17. Speaker Sir, let me now present the main highlights and the allocations proposed for 2017-18.

Committed Expenditure

18. Expenditure under revenue heads is mainly committed in nature consisting of payment of salaries and pensions to government employees, office expenses, maintenance expenditure, interest payments, other commitments and expenditure liability on new recruitments to government service. A provision of Rs.50,954.61 crore is proposed in 2017-18 towards the committed expenditure under revenue heads. In addition, an amount of Rs.4,659.48 crore for loan repayments and an amount of Rs.5,544.85 crore towards loans and advances and Rs.448.26 crore has been proposed under the capital heads. Thus, the total amount proposed in 2017-18 towards committed expenditure is Rs.61,607.20 crore. The amount of resources left after meeting the committed expenditure constitutes 'Pragati Paddu'.

Farming and Allied Activities

19. Our Government has been according utmost priority to the agriculture and allied sectors. Though nearly 50 percent of the State's population depends on the agriculture sector, its contribution to GSDP at current prices has been in the range of 14.7 percent to 18.3 percent in recent years. The low contribution of agriculture to GSDP relative to the population dependent on the sector is indicative of low levels of income of the farming community. As the Hon'ble Members are aware, our Government has taken a number of initiatives to provide immediate relief as well as to provide a lasting solution to end the plight of the farmers once and for all and to make agriculture in Telangana totally drought proof. Three installments of farm loan waiver have already been deposited into the bank accounts of farmers and the last installment will be released in 2017-18, for which a provision of Rs.4,000 crore has been proposed.

20. The issue of Soil Health Cards has gathered momentum and it will be intensified next year. The Government will also ensure that the coverage of farmers under the Fasal Bhima Yojana will be higher next year. Our Government will continue its efforts to make Telangana the Seed Bowl of the country and establishing crop colonies for major crops. The target for credit disbursal by banks to the farm sector has been fixed at Rs.46,946.98 crore in 2017-18.

The Provision for agriculture and cooperation, excluding the allied sectors is proposed at Rs.5,942.97 crore in 2017-18.

Horticulture

21. As proposed in my Budget speech 2016-17, Horticulture Development Corporation has been set up in the State to promote cultivation of horticulture crops, procurement, storage, processing and marketing of horticulture products. The implementation of schemes for promoting poly house cultivation and micro irrigation by providing subsidies will be strengthened. The expenditure on micro irrigation is proposed to be met through extra-budgetary resources.

Marketing

22. To improve storage capacity of agriculture produce in the State, the State Government has taken up construction of 330 godowns with a storage capacity of 17.07 lakh metric tonnes at an estimated cost of Rs.1,024.50 crore. Out of the 330 godown, 321 have been grounded and 202 godowns with a capacity of 9.80 lakh metric tonnes have been completed so far.

Irrigation

23. As indicated earlier, the goal of our Government is to create irrigation potential of one crore acres, i.e., about one lakh acres in

each Assembly Constituency, by utilizing the waters of the Godavari and the Krishna rivers. For creating such a potential, the Government has taken up 23 major and 13 medium irrigation projects. Out of these, 7 projects have been completed and 14 projects are partially commissioned so far.

24. Hon'ble CM has recently launched the Bhakta Ramadasu Lift Irrigation Scheme. This project was completed in a record time bringing succor to the farmers in a drought prone area. With faster completion of Palamuru pending projects, we have been able to provide irrigation to 4.5 lakh acres ayacut. With the same inspiration, the Government is fully prepared to complete the other irrigation projects. The renovation of tanks under Mission Kakatiya is progressing well. Two phases of the Mission have already been completed. The works on the 3rd phase of the Mission will be commenced soon. Recognizing the importance of the irrigation sector, we propose to allocate Rs.25,000 crore in 2017-18 also.

25. A committee headed by me has visited Sabarmati River Front Project in Ahmedabad under the directions of Hon'ble Chief Minister. On the same model, it is proposed to take up Manair River Front Project at an estimated cost of Rs. 506 crore. A provision of Rs. 193 crore has been proposed for the project in the Budget 2017-18.

Strengthening the Rural Economy:

26. The rural economy of the Telangana has certain unique features. The resources available in the villages have provided livelihood opportunities to people belonging to various social groups. Along with agriculture, people also depend on a number of allied activities. As long as the rural economy remained a centre of activity, people of Telangana were self-sufficient. In the combined State, the rural economy of Telangana has been totally shattered. Life in Telangana villages has become uncertain with the neglect of agriculture and traditional occupations. The skilled people of Telangana had no option but leave the villages in search employment in cities and other countries. Today, the budget that is being introduced is a budget for the welfare of the people, not a ballot box budget. We firmly believe that development of rural economy holds the key for improving the growth of overall economy. Accordingly, we have formulated a number of schemes for encouraging traditional occupations of the village society.

27. There are immense human resources in Telangana. People having great skills in traditional occupations and deriving their livelihood from them is a boon to Telangana economy. If provided with suitable work based on their skills and with suitable encouragement and patronage to their traditional products, the traditional artisans will make a lasting contribution to Telangana

economy. Driven by illusion, the past Governments have failed to utilize their skills. Their policies broke the hands of artisans. The Telangana rural economy has been totally destroyed. It was a common sight to see plants growing on broken walls of houses and the lands turning barren. Our Government has initiated the first step to eliminate distress in the rural economy and to make it vibrant and prosperous.

Promotion of Sheep Rearing:

28. The Government has identified traditional occupations which can not only withstand the test of time but are also profitable. The Government has started focusing attention on the development of animal husbandry and fisheries. The Government has now decided to introduce a major scheme for the development of sheep rearing in the State to improve the incomes of the Yadava community, which is traditionally dependent on sheep rearing. It is proposed to procure and distribute 84 lakh sheep to 4 lakh Yadava families in the State over the next two years. Under the scheme for the development of Sheep Rearing, it is proposed to distribute 20 female and one male sheep to each eligible family enrolled under a Sheep Development Cooperative Society at 75 percent subsidy. The sheep will be bought from the neighboring States of Karnataka, Maharashtra and Andhra Pradesh. Once operational, this scheme will uplift the economic status of 4 lakh Yadava

families. As most of these families possess small extent of land, fodder production will not be a problem. Once fully implemented, the State is expected to become not only self sufficient in meat production but will also become a major exporter of sheep meat. It is proposed to grow stylo-grass in the forest lands to provide sufficient fodder to the sheep. It is planned to provide veterinary facilities and medicines at places where sheep are reared. This scheme will improve the status of Yadava community and also contribute to the growth of the State economy.

Fisheries

29. The Gangaputra, Bestha, Goondla, Bantu, Mudiraj /Tenugu and Boya communities are dependent on fisheries. The scope for the development of fisheries in the State has expanded significantly with the restoration of tanks and the focus on the completion of major and medium irrigation projects in a time bound manner. We have a share in the waters of Nagarjuna Sagar, Srisaillam, Pulichintala and Jurala projects. Besides, there are a number of projects on the rivers Godavari and Krishna. We have restored thousands of tanks under Mission Kakatiya. In addition to Kaleswaram, Palamuru projects, we are taking up number of medium irrigation projects. As a result of these projects, there will be a significant improvement in the water spread area and consequently the scope for fisheries development will expand. The

Government will initiate measures for growing of fish by fishermen in these reservoirs. Fish seedlings will be supplied by the Government. For this purpose, fish rearing centres will be developed across the State. Along with fish rearing, other associated expenses will also borne by the Government. We are building retail markets for fish on a large scale. By these measures, fisheries will attain the status of industry and will transform the lives of lakhs of fishermen for the better.

30. I am glad to inform the house that our Government will extend special assistance to Nayi Brahmins and Washermen, who are rendering valuable services to the society. For establishing modern, cleaner and hygienic hair cutting saloons, the Government will provide financial assistance. This will result in better services in the villages. Necessary steps are being taken to provide facilities to Washermen. With a view to modernizing their occupations, it has been decided to provide washing machines, driers and iron-boxes. In a similar manner, Dhobi Ghats are proposed to be constructed at tanks. For the welfare of Washermen and Nayi Brahmins, an amount of Rs.500 crore has been proposed.

31. The Government has decided to extend financial assistance and to provide modern tools to people belonging to Vishwakarma Community consisting of Avusula, Kammari, Kanchari,

Vadrangi, artisans; tailors, Gouds dependent on toddy-tapping and to those dependent on other traditional occupations. Specific proposals are being drawn up for this purpose.

Welfare of Handloom Weavers

32. The plight of the handloom weavers in the State is well known but nothing has been done to alleviate their hardship in the combined State. With the result, suicides of handloom weavers continued unabated.

33. Moved by their plight, the Hon'ble Chief Minister has conceived a three pronged strategy to improve their economic status on a permanent basis. The strategy consists of Government buying of handloom textiles, provision of subsidy on yarn and dyes and developing marketing facilities.

34. We are taking necessary steps to modernize the power looms and to improve their productivity. The Government has succeeded in convincing the power loom owners to pay their workers at least Rs. 15,000 per month. The Government has decided to procure cloth only from handloom societies. It is also proposed to extend financial support to handloom weavers to take up alternative livelihood avenues.

35. It has been proposed to develop a textile park at Warangal and an apparel park at Sircilla. An amount of Rs.1,200 crore has been proposed towards assistance to weavers in the 2017-18 Budget. This is a significant jump as compared with the previous allocations.

36. The Government is marching forward with a comprehensive plan for the total transformation of the rural economy in the State by promoting agricultural development through irrigation projects and renovation of tanks; development of fisheries to bring light in the lives of fishermen; promotion of sheep rearing to bring happiness on faces of Yadavas and creating adequate livelihood opportunities for those dependent on traditional occupations.

37. Several other backward communities in the society are suffering acute hardships. There is no proper work for these Most Backward Classes (MBCs). There is no land to cultivate. There is no social security. There is no representation in administration. No government has bothered about their plight so far. Apart from insecurity, people belonging to these classes are not even treated as human beings. Despite bringing their plight to the notice of previous governments, their pleading were cries in wilderness. In the hope that their lives will change in future, there is no god whom they have not prayed. For the most backward classes living with no hope, our beloved Chief Minister has committed himself to

stand by them. After several years of darkness, now there is a ray of light. Understanding their plight, the Government has constituted a separate corporation for the welfare of MBCs. I am happy to inform the house that an amount of Rs.1,000 crore has been proposed for this corporation. This will stand as a milestone in our journey towards the development of MBCs.

38. The total amount proposed in the Budget for the welfare of BCs is Rs.5,070.36 crore. If the benefits accruing to the BCs under rice subsidy, power subsidy, farm loan waiver and expenditure incurred on the provision of health facilities and education facilities, the total provision for the welfare of BCs will be substantial.

Kalyana Lakshmi

39. The Scheme of Kalyana Lakshmi, which is the brain child of our beloved Chief Minister, has brought happiness and satisfaction to a number of poor families. There is wide spread appreciation for the scheme by people, which is being implemented in a transparent manner under the supervision of Hon'ble Members of State Legislature and other public representatives. People are blessing the Government wholeheartedly. Under the Scheme which has brought untold happiness, an assistance of Rs. 51,000 is being extended at the time of marriage of girls belonging to poor families. Poor people while sharing their happiness with the

Hon'ble Chief Minister have requested him to slightly increase the amount taking into account the rise in marriage expenses. Affection for girl children and respect for them is an integral part of Telangana culture. With a great pleasure, I inform the House that our Hon'ble Chief Minister, as a representative of Telangana culture, has taken a decision to increase the amount of assistance under the Kalyana Lakshmi/Shaaadi Mubarak from Rs. 51,000 to Rs. 75,116.

Welfare of Women and Children

40. As Hon'ble Members are aware, a number of measures have been taken by our Government towards the welfare of the women and children. With the noble objective of providing sufficient nutritious food to pregnant and lactating women and infants under Arogya Lakshmi, eggs, milk and nutritious food is being made available through Anganwadis. For easy digestion "Sanna Biyyam" is needed for pregnant and lactating women and infants. Recognizing this necessity, the Government has decided to supply "Sanna Biyyam" to all Anganwadi centres henceforth.

41. There is a need to provide complete rest to pregnant women before delivery. But unfortunately poor women keep working even after 7-8 months of pregnancy for running the household. This is a pathetic situation. This is an insulting situation for the society. Because of this situation, the lives of pregnant women and the

baby in the womb are in danger. Our Hon'ble Chief Minister, an embodiment of humanity, has taken stock of the pathetic situation. He has taken a decision to compensate the loss of income during the pregnancy period. This is ample proof of our commitment to welfare of women. On the admission of pregnant women in a government hospital, the Government has decided to extend an assistance of Rs.4000. At the time of discharge from the hospital, further assistance of Rs.4000 will be provided. At the time of vaccination of the child another Rs.4000 will be provided. Altogether, it is proposed to provide Rs. 12,000 to a woman undergoing institutional delivery in a government hospital. To those women who give birth to a baby girl, an additional amount of Rs. 1,000 will be provided.

42. Complications during the time of pregnancy will affect the health life-long. We hope that the Scheme will succeed in reducing the Infant Mortality Rate and encourage institutional deliveries. Another major decision for the welfare of women and children is to provide a kit named as 'KCR Kit' consisting of 16 essential things needed for a new born baby. This kit will be useful to new born child for 3 months. This kit will have soaps useful for mother and child, baby oil, baby bed, mosquito net, dresses, sarees, hand bag, towels, napkins, powder, diapers, shampoo and toys for the kid. The amount proposed under this scheme is Rs.605 crore.

43. Anganwadi workers and helpers are working with salaries lower than that applicable to lower level employees. These functionaries are performing the major duty of extending services to poor women at field level. If decent salaries are paid to Anganwadi workers and helpers, they will render quality service to poor women. Their designation has been changed to Anganwadi Teachers to bring more respectability to their duties. The Government has decided to increase the salaries of the Anganwadi Teachers from Rs.7,000 to Rs.10,500 per month. This is the second increase in their salaries. The salaries of mini Anganwadi workers and helpers has been increased from Rs.4,500 to Rs.6,000 per month. This is also a second increase in their salaries. These increases in salaries will benefit 67,411 staff members working in Anganwadi centres in the State. The total amount proposed for the welfare of Women and Child Welfare is Rs.1,731.50 crore in the 2017-18 Budget.

Welfare of Scheduled Castes

44. In the context of the change in the presentation of the Budget, the State Government is determined to provide statutory backing for the allocation of resources for the welfare of SCs. The Government is implementing a number of programmes for the welfare of the SCs. The major schemes currently being implemented for the welfare of SCs are land purchase scheme, skill

development of SC youth, Kalyana Lakshmi, scholarships, assistance for overseas studies and free power supply up to 50 units per month to SC households, among others. Before the formation of the State, from 1972 to 2014, the total land purchased and distributed was only 1,242 acres and the expenditure incurred Rs.73.66 crore. In contrast, after the formation of Telangana State, the Government has distributed 9,664 acres to 3,671 Dalit families by spending Rs. 406 crore. For the first time, the Government introduced reservations for SCs and STs in the Agriculture Market Committees.

45. Improvement of educational facilities to SCs holds the key to their upliftment. On the occasion of the 125th birth anniversary of Dr. Ambedkar, Government sanctioned 130 Gurukulas to SCs. 103 Gurukula schools have been started for SCs so far. For alleviating the hardships being faced by SC girl students in pursuing higher studies, 23 Gurukula colleges have been started in 2016-17. Seven more such colleges are planned next year. Our Government doubled the amount of overseas studies scholarship from Rs.10 lakh to Rs.20 lakh. At the time of the formation of our State, there was only one SC Study Circle. The Government had sanctioned nine Study Circles, one each in the 9 erstwhile districts of the State, excluding Hyderabad. It is proposed to start new Study Circles from the next academic year. Sanna Biyyam is being supplied to all Social Welfare hostels.

46. As indicted earlier, following the direction of the Union Government, there was no alternative but to introduce changes in the presentation of the Budget. This has necessitated changes in the SC and ST Sub-Plans. In the place of SC and ST Sub-Plans, the Government has decided to allocate resources under Special Development Funds in proportion to their population. The total amount proposed under the schemes for the welfare of SCs is Rs.14,375.12 crore.

Welfare of Scheduled Tribes

47. Welfare of the STs is one of the main priorities of the Government. After the formation of the State, 51 Gurukula schools have been started for ST students. At present there are four ST Study Circles in the State. New Study Circles are proposed to be started in a phased manner in the districts depending on the size of the ST population from 2017-18. By the next Panchayat elections, tribal Thandas are proposed to be converted into Gram Panchayats. On the receipt of the report of the Chellappa Commission of Inquiry, the feasibility of including 'Valmiki Boya' and 'Khaithi Lambada' communities in the ST category will be examined. The provision proposed for the welfare of STs is Rs.8,165.88 crore in 2017-18.

Welfare of Backward Classes

48. Backward classes constitute the majority of the population of the State. Development will have no meaning unless welfare of these classes is taken care of. A separate financial assistance scheme 'Mahatma Jyothiba Phule BC Overseas Vidhya Nidhi' has been started in the current year to extend support to BC students pursuing studies abroad. Free coaching is being provided to BC students. The Government proposes to establish residential schools in each of the 119 Assembly Constituencies from the next academic year. It is expected that 76,160 students will get quality education in these schools starting from class-V to intermediate. An expenditure of Rs.1.05 lakh to Rs.1.25 lakh will be incurred on each student towards provision of proper infrastructure, nutritious food, text books, uniform and other facilities. No other State has established Gurukula Vidyalayas on such a large scale for students belonging to backward classes. The schemes relating to sheep rearing, fisheries, special schemes for MBCs, schemes for washermen, Nayi Bramhmins, handloom weavers, and power loom workers are also intended for the welfare of BCs. Though some of these schemes will be implemented by the Animal Husbandry Department, Industries and Commerce Department, etc., the funds for the schemes will be sanctioned by the BC Welfare Department. As indicated earlier, the amount proposed for the welfare of BCs is Rs.5,070.36 crore.

Welfare of Minorities

49. Telangana is known for its communal harmony and respect for all religions and languages. The Father of the Nation, Mahatma Gandhi described the life style of Telangana as GANGA JAMUNA TEHZEEB. Minorities constitute 14.2 percent of the State's population. Since its formation, the new State of Telangana has initiated several measures to improve the economic status of the minorities. Our Government has been providing post-matric scholarships to 1.08 lakh students belonging to minority communities on par with SC, ST and BC students. The Government has so far sanctioned 201 residential schools for minorities out of which 71 are functional and the remaining are proposed to be made functional from the next academic year (2017-18). The Government proposes to introduce TS-PRIME for encouraging minority business entrepreneurs. For the first time, our Government introduced payment of Rs.1,000 per month honorarium to about 10,000 Imams and Mouzzans. It has been decided to enhance this honorarium to Rs.1,500 per month from the next financial year. It goes to the credit of the State Government that Ramzan and Christmas are being celebrated as State festivals with Government hosting dinners and distributing clothes to the poor on these festive days. The amount proposed for the welfare of the minorities is Rs.1,249.66 crore in 2017-18.

Two-Bed Room Housing

50. With the noble intention of providing a decent living space and privacy to the poor, our Government has sanctioned 2.60 lakh two-bed room housing units. Out of these, 1,426 houses have been completed as of 28th February, 2017, and 16, 068 houses have been taken up for construction. Tender process is under progress. As indicated by the Hon'ble CM in the last session of the Assembly, the response from the contractors has not been encouraging as most of them are busy with Mission Kakatiya, Mission Bhagiratha and other irrigation schemes taken up by the government. To encourage construction of two-bed room houses, the Government is now supplying sand free of cost. Apart from this the Government entered into an MoU with 31 companies for the supply of cement at Rs. 230 per bag as compared with the market price of Rs.320 per bag. The selection of suitable sites by the District Collectors has almost been completed. With these proactive measures of the Government, the pace of tendering and construction has picked up significantly in the last three months and will gain further momentum from 2017-18. The cost of construction will be met through extra-budgetary resources.

Aasara Pensions

51. Aasara pensions have provided dignity to the old, widowed and the Divyanganas. From April 2017, the Government has

decided to extend the benefit of Aasara pensions to eligible single women in the State. This will address the problem of sense of humiliation and helplessness being suffered by single women. The total provision proposed under Aasara pensions is Rs.5,330.59 crore.

Welfare of Brahmins

52. Though Brahmins may be belonging to upper caste, a large number of them earn low incomes. The Government has already sanctioned Rs.100 crore and land for the construction of Brahmin Sadan at Hyderabad. Considering the plight of the poorer sections of this Community, the Government has recently constituted a Brahmin Samskema Parishad to take up welfare schemes. An amount of Rs.100 crore has been proposed in 2017-18 Budget.

Fee Reimbursement

53. At the time of formation of the State, the amount of money payable towards fee reimbursement to educational institutions was Rs. 1,880.97 crore. These arrears have created problems for the State in meeting the obligations towards fee reimbursement. Despite this constraint, an amount of Rs.5,662.07 crore has been paid towards fee reimbursement since the formation of the State. The amount proposed towards fee reimbursement is Rs.1,939.93 crore in the 2017-18 Budget.

Welfare of Employees

54. After the formation of the State, as expected by the employees, their genuine needs are being met one after the other. In the first year of the formation of the State, in an unprecedented manner the Government extended the benefit of 43% fitment. In celebration of the formation of the State, the Special Telangana Increment has been sanctioned. To provide health security to the family members of the employees, Health Cards have been provided. Payments to outsourcing and contract employees have been increased significantly. The increase is much higher than the statutory minimum wages. The payment to outsourced employees has been increased from Rs. 6,700 to Rs. 12,000 per month. The payment to those outsourced employees who were getting Rs. 8,400 per month has been increased to Rs. 15,000 per month and payment to those getting Rs. 10,900 per month has been increased to Rs. 17,000 per month. Monthly payment to contract teachers working in Residential Schools has also been increased. The payment currently being made to SGTs is Rs. 10,900 per month and School Assistants is Rs. 14,800 per month. By increasing the salaries of VRAs working on hereditary basis by 64.61%, the Government has demonstrated its humanitarian approach to the lower-level employees. In addition, Telangana increment of Rs.200 is applicable to them. The monthly remuneration of Village Organisation Assistants (VOAs) ranging from Rs.500 to 1,500 has

been increased to Rs. 5,000. Soon after the formation of our Government, we have increased the salaries of Anganwadi teachers and helpers. Recently their salaries have been further increased. At the time of the formation of the State, the salary of an Anganwadi teacher was Rs. 4,200 and today its stands at Rs. 10,500 per month. Similarly, the salaries of helpers has been increased from Rs. 2,200 to Rs. 6,000 per month. The Government has also increased the salaries of IKP employees and staff. In addition to the increase of salaries of those working SERP, the salaries of the staff working in the employment guarantee scheme has also been increased. The salary of the SERP Cluster Coordinator has been almost doubled from Rs. 6,150 to Rs. 12,000 per month. The salary of field assistants working in employment guarantee scheme has been increased from Rs. 6,290 to Rs. 10,000 per month. At the time of the formation of Telangana, the payment to Home Guards was only Rs. 6,000 per month. In two phases, our Government has increased their salaries to Rs. 12,000 per month. The salaries of GHMC sanitation workers has been increased from Rs. 8,500 to Rs. 12,500. The salaries of drivers has been increased from Rs. 10,200 to Rs. 15,000 per month.

Welfare of Journalists

55. In a first of its kind initiative, the Government of Telangana has taken up a number of steps for the welfare for journalists. For

the health security of family members, Health Cards have been provided and the cost of health care is borne by the Government. Apart from the assistance of Rs. 1 lakh to the family of each journalist who had passed away, an additional assistance is provided in form of a monthly family pension of Rs.3,000. Those families having children pursuing education below 10th class are being provided Rs. 1000 per month. Thus, there is no other state in the country which is providing such assistance to the families of deceased journalists. The amount proposed for the welfare of journalists is Rs.30.00 crore in 2017-18.

Sainik Welfare

56. The Government has taken up a number of schemes for the welfare of Defence personnel, Ex-Defence personnel and the families of deceased Defence personnel, which no other State Government has taken up so far. The Government has decided to implement double pension scheme for defence personnel who have taken up jobs after their retirement. The Telangana Government has increased the reward to gallantry award winners to an extent that, no other State Government has done. With a view to taking up more welfare measures, it is proposed to establish a Sainik Welfare Fund.

Health

57. The Government has comprehensively revamped the status of health care in the State and has put in place a strategy to improve existing facilities and to expand public health care, which has been neglected in the past. Our goal is to restore the confidence of the poor in public health facilities by improving all Government hospitals starting from PHCs to Multi Specialty Hospitals, separate provisions are proposed. The allocations are being made based on the beds of the hospitals. Provisions for purchase of medicines has been doubled. The dilapidated hospital beds, torn bed sheets, Saline stands and other equipment are being replaced. It is proposed to establish 3 more Multi Super Specialty hospitals in Hyderabad. The proposal for the construction of a Multi Super Specialty Hospital at Karimnagar is being considered by the Government. To strengthen 108 services across the State, 145 new vehicles have been purchased. Considering the difficulties being faced by the family members of deceased patients, our Government has started 'Free Hearse Service' which is helping the families in distress. It is proposed to add 50 more vehicles to this service. Special efforts are being made to extend medical facilities in tribal and remote areas. With the efforts of the Hon'ble Chief Minister and the pressure exerted by the Hon'ble Member of Parliament, the Central Government is taking measures to sanction AIIMS to Telangana. The Government is revamping the

entire health sector with the sole intension of providing better medical care. The amount proposed for the medical and health sector is Rs.5,976.17 crore.

Education

58. Education is like a third eye to an individual. Imparting education is the only means to provide knowledge for the new generation and sensitise them to the human values. Education empowers people. Considering the importance of education, our Government has started revamping and strengthening the education system in the State. As already indicated, residential schools are being established on a large scale. Every effort is being made to improve the education facility. For the construction of Centenary Block and for organizing centenary celebrations, an amount of Rs. 200 crore has been proposed to Osmania University. In addition, for improvement of infrastructure facilities in other universities, an amount of Rs. 200 crore has been proposed. The allocation proposed for the education sector is Rs.12,705.72 crore. Apart from this allocation, expenditure on education is also being incurred by other departments.

Panchayat Raj

59. Our focus has been to strengthen the local bodies. The tax collections by Panchayats has improved considerably and they are

now in a position to offer better services in the rural areas. As the Hon'ble Members will recall, the Government has raised the honorarium to Sarpanches, MPTCs, MPPS, ZPTC members and ZP chairpersons considering their important role in developing the rural areas. The major programmes under implementation by the PR Department are conversion of WBM roads to BT standards, renewal of existing BT roads and maintenance of rural roads. The total provision proposed for the PR&RD Department is Rs.14,723.42 crore.

Urban Development

60. The urban population of the State is growing day-by-day. Nearly 40 percent of the total population of the State is urban and Hyderabad city alone accounts for over 20 percent of State's urban population. Providing civic amenities to the growing urban population is a challenging task. The Government is making sincere effort to meet this challenge. Importance is being accorded to meet the immediate needs of urban areas. For this purpose, special provision are being made for the development of infrastructure in Hyderabad and other Municipalities. An amount of Rs.1,000.00 crore has been proposed towards assistance to GHMC and Rs.300.00 crore to Warangal Municipal Corporation. The assistance proposed for other Municipal Corporations is Rs.400.00 crore. An amount of Rs. 350 crore has been proposed

for the Development of Musi River Front. The total allocation proposed to the Municipal Administration and Urban Development is Rs.5,599 crore.

61. In addition, extra-budgetary resources will be raised for the development of urban infrastructure. The present infrastructure facilities are not adequate to meet the growing population of the capital city of Hyderabad. In the monsoon season, there is flooding and water logging in many areas of the city. The road network is also not found to be adequate. To address these problems, it is proposed that the Urban Infrastructure Development Corporation will take up works relating to improvement of storm water drains in the city and road development in and around the city.

Mission Bhagiratha

62. As the Hon'ble Members are aware, the Government has taken up the flagship programme of 'Mission Bhagiratha' to provide piped drinking water to every household in the State. The works under the Mission are progressing well and have gained full speed. The Mission is being implemented with a goal to ensure reach of water from the rivers Krishna and Godavari to all villages by 2017. Thereafter, each household will be provided with piped drinking water. At present drinking water is made available to 52,18,225 families in 24,248 village habitations. Through this Mission, water will be made available to 12.52 lakh families in 65 Municipalities

and families within the radius of Outer Ring Road. In the rural areas, 100 liters of water will be supplied per person per day. The water proposed to be supplied per person per day in Municipalities and Municipal Corporations is 135 liters and 150 liters, respectively. In order to reduce the burden on the State Budget, extra-budgetary resources are being mobilized to fund the Mission. Under the Budget an amount of Rs.3,000 crore is proposed for this Mission.

Roads and Buildings

63. In the past, there was no policy for the development of roadways. Since 13 years before formation of the State, there was virtual stagnation in construction of new roads and maintenance of existing roads. People suffered a lot because of bad roads. Soon after the formation of our Government, we have formulated an integrated road development policy taking into account geographic conditions. We are implementing a plan to connect each village to the Mandal headquarters with a pucca road, connecting each Mandal to the district headquarters with a double lane road and connecting each district headquarters to the State capital with a four-lane road. The Panchayat Raj Department has repaired 14,689 kms of BT roads incurring an expenditure of Rs. 2,247.28 crore. Widening and development of 8,987 kms road works are under progress involving an expenditure of Rs. 4,564 crore. 460

bridges are being constructed with an estimated expenditure of Rs. 891 crore.

64. The R & B Department completed repair of 5150 kms of BT roads at a cost of Rs. 1550 crore. 2,850 kms of road have been widened at an estimated cost of Rs. 4,100 crore. 512 bridges are under construction at an estimated cost of Rs. 2,782 crore.

65. The Telangana Government has achieved significant success in getting assistance for the development of new National Highways. In the past seven decades, the total length of National Highways in Telangana was only 2,527 kms. Within two and a half years of the formation of the State, 2,776 kms of National Highways have been added. Thus, the progress achieved under National Highways in the last two and a half years is higher than that achieved in the last seven decades. With this, the length of National Highways in the State has increased to 5,303 kms. The average length of the National Highways in Telangana currently stands at 4.62 kms per 100 sq.kms area as compared with the national average of 3.81 kms. The total provision proposed for the road sector is Rs.5,033.64 crore.

Energy Sector

66. Telangana, born after nearly 58 dark years of rule by the combined state, is now marching towards light. This is evident

from the significant achievement in improving the power situation in the State. No other government in the past has supplied uninterrupted power to people as our Government. In the combined state power supply without cuts was a distant dream. Today it is a reality.

67. Within the six months of the formation of the State, we have totally changed the power situation. We have unveiled a wonder. In the past, when there is power supply that was news. Today when there is no power supply, it is news. Current cuts have become history now. Today with uninterrupted power supply, Telangana is shining with brightness. We are proud to announce that the agriculture sector is being supplied quality power for 9 hours during the daytime. The electricity utilities are geared to supply power even if the demand goes up from 9500 to 10,000 MW in the summer season. Towards improved power supply, our Government has taken a major step forward. With the improvement in the power situation in the villages, towns and cities, despondency has given way to hope.

68. A long term plan has been drawn for the development of power sector in the State. At the time of the formation, the installed capacity for power generation was only 6,574 MW. In the last two and half years, we have added an additional capacity of 4,190 MW. By the end of current year another 4,130 MW of additional

power will be available. In the coming three years, the total available power will be 16,306 MW. An additional power of 800 MW from KTPS, Palwancha, 1000 MW from Chhattisgarh, 1080 MW from Badradi power plant, 4000 MW from NTPC, 800 MW from Singareni, 4000 MW from Yadadri Power Station, 809 MW from CGS, 3727 MW from solar power plants and 90 MW from hydel power will be available. The line from Warda to Dichpalli has been completed. With this, there is a possibility of getting 2000 MW of power from the Northern Grid. This line enables Telangana Government to procure power from any part of the country. With the initiatives taken by the Government, Telangana will soon become a power surplus State from a power deficit State. In order to help the DISCOMS, the State Government has taken over 75 percent of their outstanding debt amounting to Rs.8,923 out of the total outstanding debt of Rs.11,897 crore under UDAY scheme. With this, the DISCOMS will get an interest relief of Rs.890 crore per annum. For the power sector an amount of Rs.4203.21 crore has been proposed.

Haritha Haram

69. The flagship programme of "Telangana Ku Haritha Haram" launched in 2015-16 aims at increasing the green cover from 24% to 33% in the State. The scheme envisages enrichment of the biodiversity of the State through a massive plantation of 230 crore

trees in four years starting from 2015-16. So far 47.535 crore of seedling have been planted. In the year 2017-18, it is proposed to plant about 40 crore of seedlings both inside and outside of the forest areas. Accordingly action has been initiated to keep sufficient planting stock. The amount proposed under “Haritha Haram” is Rs.50.00 crore in 2017-18.

Industrial Development

70. Within two and a half years of its birth, Telangana has achieved number 1 rank in Ease of Doing Business. The new Industrial Policy, TS-iPASS formulated by the State Government with the objective of providing a single window without grills has paved the way for the faster industrial development of the State. We are giving industrial permission within 15 days. There is a facility of getting the required permission based on the self declaration. The Government has put an end to the license raj. One of the well-known multinational company manufacturing cell phones has written a letter appreciating the State Government and expressing surprise and happiness over the fact that it did not face any difficulty or delay or demands for bribes. This is only a sample of the transparent, simple, hassle and corruption free manner in according industrial sanctions by our Government.

71. So far, approvals have been given to 3,451 companies with an investment of Rs.58,341 crore and employment potential of 2.20

lakh. Out of these companies, 1,097 units have already commenced production providing employment to 43,075 persons. Notable among these companies are M/s Boeing, ITC, Tata Sikorsky, HSIL, Toshiba and Micromax. An amount of Rs.985.15 crore has been proposed for the Industry and Commerce Department.

Information Technology and Communications

72. Telangana is a major IT hub in the country and forging ahead. With the proactive and investor-friendly policies of the Government, world renowned IT companies are establishing their units in Hyderabad. Telangana accounts for 12% of IT exports and stands at second place in the country. Last year, IT exports from the State amounted to Rs. 75,070 crore. IT companies in the State are providing employment to nearly 4 lakh people.

73. To promote the IT industry, State Government formulated ICT Policy, Electronics Policy, Image Policy for animation and gaming industry and other policies related to Open Data and Cyber Security. The amount proposed for the IT Department is Rs.252.89 crore.

Public Safety and Security

74. Telangana Government has accorded utmost priority to improve safety and security to the people. Apart from providing security to people, this will attract investment into the State. We are spending huge amount of money for modernizing the Police Department, improving the working conditions of police personnel, imparting training, providing technical skills and for the purchase of modern vehicles. The SHE teams formed for the protection of women have achieved great success. For putting a stop to Gudumba consumption, the State Government has formulated a three pronged strategy. Apart from banning making and selling of Gudumba efforts are being made to provide alternative livelihood avenues for those engaged in Gudumba making. The efforts made by the Government have yielded excellent results. With improvement in efficiency of the Police, the crime rate in the State has been declining. The amount proposed for the Home Department is Rs.4,828.18 crore.

Tourism and Culture

75. In the past, places of tourist attraction and pilgrimage have suffered neglect. With the formation of our own State, a number of tourist and pilgrimage centres are being developed. The number of tourist arrivals has improved significantly after the formation of the State. The initiatives taken to promote tourism include

establishment of tourist information centres, development of infrastructure facilities and conducting heritage walks. The State has hosted international kite festivals.

76. The amount proposed for the Youth Advancement, Tourism and Culture Department is Rs.198.03 crore in 2017-18.

Accounts 2015-16

77. The Finance Accounts of the State Government as certified by the Accountant General show a revenue surplus of Rs.238.09 crore and a fiscal deficit of Rs.18,856.15 crore, which is 3.21 percent of the GSDP. These are within FRBM limits. The total expenditure of the State Government amounted to Rs.97,922.87 crore.

Revised Estimates 2016-17

78. As per the Revised Estimates, the total expenditure in 2016-17 is estimated at Rs.1,12,191.07 crore, which is 86.02 percent of the BE. There is a reduction in the grants from the Centre. Because of court cases, sale of lands did not take place. Arrears of commercial taxes could not be recovered because of litigations. The demonetisation of high value currency notes has also affected revenue collections. All these matters are beyond the control of the State Government. Revised Estimates indicate a revenue surplus of Rs.199.40 crore and a fiscal deficit of Rs.21,892.83 crore.

Budget Estimates 2017-18

79. In the Budget Estimates for 2017-18, State's own revenue receipts are proposed at Rs.69,220.37 crore as compared with Rs.58,636 crore in RE 2016-17. Transfers from the Centre are proposed at Rs.43,862.67 crore as compared with Rs.28,433.78 crore in RE 2016-17. An amount of Rs.1,49,646.00 crore is proposed as total expenditure consisting of an estimated committed expenditure of Rs.61,607.20 crore and an expenditure of Rs.88,038.80 crore under 'Pragati Paddu' or expenditure on schemes. It is noteworthy that the expenditure proposed under the Pragati Paddu is higher than that under Committed Expenditure. This has become possible because rationalization of expenditure and efforts to mobilize additional resources. The Government of India has taken 2011-12 as base year for estimating GSDP. Therefore, it is expected that there will an increase in the net borrowing limits under the FRBM Act in 2017-18.

80. The Budget Estimates for 2017-18 indicate a revenue surplus of Rs.4,571.30 crore and a fiscal deficit of Rs.26,096.31 crore, which is 3.48% percent of the estimated GSDP. As provisions for the irrigation sector are treated as capital in nature, there is an increase in the Revenue Surplus.

81. As indicated earlier in my speech, a number of programmes are being implemented by raising resources through extra-budgetary

resources. I request the Hon'ble Members not to look at the Budget provisions in isolation but also take into account the amount being spent by Corporations by raising their own resources. Thus, the expenditure that will be incurred in 2017-18 will be significantly higher than the budgeted amount.

Conclusion:

82. It is a matter of great satisfaction and pride that the new state of Telangana has become a role-model in a number of areas. Apart from appreciating the Mission Bhagiratha and Mission Kakatiya, NITI Aayog has commended these missions for adoption by other states. In the rankings of Ease of Doing Business, Telangana ranks at No.1 place. The central government has appreciated the innovative programmes being implemented in Telangana, a number of times. Awards have been declared. Our State will stand out as role model for other states. With the implementation of more than 30 special programmes, which account for significant proportion of State Budget, Telangana stands first among all other states in terms of welfare programmes.

83. In the discourses on economic development, the Kerala and Gujarat models are being talked about quiet often. I am confident that Telangana will be the role model within a very short time.

84. The plan for spending government income for the welfare of the people and the development of the State in a more economical and innovative manner is our State Budget. In the absence of commitment and dedication, spending hundreds of crores will only result in waste of public money. Eliminating wastage and spending money effectively and productively is corner stone of our Budget. The Budget stands for rejuvenating rural economy and improving lives of those dependent on traditional occupations. Our ultimate aim is to ensure that all those who left the State in search of livelihood opportunities leaving their family members behind will return to the State. This Budget is a step towards paradigm shift from migration to reverse migration.

85. To herald a destitute, poverty and drought free era in the state, we are all striving hard under the leadership of Hon'ble Chief Minister. This Budget has been formulated with the objective of achieving "Bangaru Telangana". With these words, I commend the Budget for the approval of the House.

// JAI HIND
JAI TELANGANA//