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GOVERNMENT OF ANDHRA PRADESH

BUDGET SPEECH
బడ్జెట్ ప్రసంగము
2019-20



యనమల రామకృష్ణుడు
ఆర్థిక మంత్రి

Yanamala Ramakrishnudu
Minister for Finance

Budget Speech
Vote on Account 2019-20



**FINANCE DEPARTMENT
GOVERNMENT OF ANDHRA PRADESH**

Vote on Account 2019-20
Speech of
Sri Yanamala Ramakrishnudu
Minister for Finance
February 05, 2019

Hon'ble Speaker and Members,

With your permission, I rise to present the Vote-on-Account for the financial year 2019-20 before this august House.

2. It is my privilege and honor to present my eleventh budget and the third consecutive budget from this historical place, Amaravati.
3. Sir, before I go into the details of budget proposals, it is vital to take stock of our journey as a new state in terms of where we were in June 2014 and the challenges we faced. When the state was bifurcated, there was a sense of dejection all around due to loss of capital city, and unfair division of revenues, assets and liabilities.
4. During these tough times, the people had placed their hopes and faith in our Hon'ble Chief Minister Sri Nara Chandrababu Naidu garu. They trusted his extensive administrative experience, national and international standing and his ability to face the challenges head-on, to place the state on a fast track developmental trajectory.

5. In this context, it is pertinent to assess the progress we have made so far. The only way to do this is to ask ourselves what was the general perception, five years ago. Many people feared whether the Government would survive fiscally and whether it would be able to even pay salaries and meet basic expenditure.

6. Under these circumstances:
 - a. Did we imagine that our state would be the fastest growing economy in the country continuously recording double-digit growth?
 - b. Did we predict that our state would rank as the best state to do business in and stand amongst the best states in attracting Foreign Direct Investment, far ahead of many other industrialized states?
 - c. Did we even dream that our state would be constructing a world-class capital, Praja Rajadhani, Amaravati, with designs and master plan matching the global best and which would become a cynosure of all eyes, and highlighted in major global gatherings like World Economic Forum?
 - d. Did we imagine that 28,074 farmers would voluntarily come forward to pool their land and 2,28,559 people would contribute financially to this noble endeavor of constructing our new capital?
 - e. Did we even believe that a project like Polavaram Dam, which has never taken off for decades, would be nearing

completion in such a short time and would be amongst the largest projects being implemented in the country?

- f. Did we imagine that our state would be a pioneer and lead the nation in terms of linking of rivers?
- g. Did we expect that our State Government and High Court would be operating out of Amaravati in such a short time?
- h. Did we imagine that the state would have three international airports?
- i. Did we know that our state would become a trendsetter in terms of welfare programmes like loan waiver for farmers, capital infusion for SHGs, increase pensions by 10 times?
- j. Did we imagine that we had the capacity to create transformational infrastructure covering all aspects of rural life, becoming a role model for the country?

But, yes, it's a reality today that all this happened.

Adversity causes some men to break; others to break records.

- William Arthur Ward, an American author

- 7. I take immense pride that I am a member of the Government that enabled these achievements and break records amidst adversity. I can humbly state that this would not have been possible but for the inspiring leadership and vision of our Hon'ble Chief Minister Sri Nara Chandrababu Naidu garu. His leadership guided the administration to deliver its best and this was tremendously amplified by the public support and confidence the people had in

this able administration. We should not forget that we achieved all this despite scant support from Government of India.

8. Hon'ble Chief Minister gave a vision to the Government to be amongst the top 3 developing states by 2022, be the best-developed state by 2029 and to set out a developmental path with citizen happiness and satisfaction as the ultimate goal, with programmes like Samaja Vikasam, Kutumba Vikasam and Sustainable Development Goals.

9. Our Government has been quite conscious of the increasing inequalities in the society. Therefore, we have deliberately opted for a welfare oriented developmental agenda that promotes inclusive development of all the societies, thereby improving our Gini Coefficient. We wholeheartedly committed ourselves to be a womb to tomb companion to people and provide a pro-active Government with focus on poverty reduction, food security, inclusive development, effective service delivery, welfare of farmers, workers in the unorganized sector, Scheduled Castes, Scheduled Tribes, Backward Classes, Most Backward Classes, Economically Backward Classes, women, children, youth, differently abled, transgenders and elderly citizens in addition to providing a conducive environment for businesses.

Women Empowerment & Development

10. Our Government is working towards a society where gender equity is ensured; and women are financially empowered, educated, enjoy good health and nutrition, participate in labour force, and more importantly, feel secure in public and private spaces.
11. Hon'ble Chief Minister has always been a strong advocate of women empowerment. The Velugu project initiated by him almost two decades ago, evolved into the largest poverty reduction initiatives in the world with an outreach of close to 94 lakh SHG members spanning all social categories – around 17 lakh SCs, 5 lakh STs, 46 lakh BCs, 5 lakh Minorities and 21 lakh from general category.
12. When our Government came to power in 2014, there was enormous financial burden on the SHGs. In spite of the fiscal stress faced by Government, with a strong belief that Samaja Vikasam and Kutumba Vikasam cannot be achieved without financial empowerment of women, we have launched Pasupu Kumkuma programme. Under this programme, we have provided Rs. 10,000 per SHG member. With an expenditure of Rs. 8,604 crore, this scheme has benefitted 86,04,304 SHG members.
13. Shouldering the responsibility of **Anna (elder brother)** of DWCRA and MEPMA **Aadapaduchulu** (women members), the Hon'ble Chief Minister Sri Nara Chandrababu Naidu garu decided to financially

empower the SHGs and give another assistance of Rs. 10,000 in three spells of Rs. 2,500 in February, Rs. 3,500 in March, and Rs. 4,000 in April 2019. This would benefit 93.81 lakh SHG members with an outlay of Rs. 9,381 crore.

14. Our Government enhanced the coverage of bank linkage to 20,50,794 SHGs with an amount of Rs. 63,283 crore. Through StreeNidhi, we have doubled the number of beneficiaries to 16.77 lakh and increased the amount of loans disbursed by 5 times to Rs. 4,313 crore compared to 2014-15 levels. We also paid Rs. 2,514 crore to 8.5 lakh SHGs under Vaddi Leni Runalu programme.

15. Our Government enhanced the paid maternity leave for 180 days for outsourcing and contract employees. This will enable greater labour force participation from women in the Government workforce, and will have a salutary effect on private sector.

16. With an objective to minimize dropout rate and to increase enrolment especially among girl students, in Government schools, we have introduced the Badikosta scheme. Under this scheme, bicycles have been provided to 1.87 lakh girl students.

17. Our Government has launched Talli Bidda Express, which benefitted 7.19 lakh postnatal women and distributed NTR Baby kit to 6.91 lakh mothers. Under Supplementary Nutrition Programme, 30.49 lakh children below 6 years and 6.19 lakh pregnant women &

Lactating mothers are being provided Supplementary Nutrition. The Anna Amrutha Hastham, a nutrition enhancement programme, aims to reduce IMR, MMR and low birth weight babies.

18. In addition to the existing supplementary nutrition programme, Balasanjeevani (special diet) is being provided to address the malnutrition of the children, pregnant, lactating women in Scheduled Caste, Scheduled Tribe populations as well as for the malnourished children, anemic and high risk pregnant women in general categories. The Gori Gori Mudhalu scheme is implemented for eradication of malnourishment among 1.45 lakh children of the tribal areas.

19. Our Government considers Deepam scheme not only as a way to provide cooking fuel security, but also as an avenue to safeguard the health of women and households from the smoke emitted while burning wood, apart from environmental protection. Therefore, while 25.82 lakh LPG connections were issued in the previous 15 years, this Government released 30.61 lakh LPG connections in the past four and half years alone. At present there are 1.53 crore LPG connections in the state and I am happy to inform this august House that our state is declared as a kerosene and smoke free state with 100% of the families as LPG enabled.

20.To facilitate health and hygiene, our Government introduced a new scheme “Raksha” to distribute sanitary napkins to 15 lakh SHG women and 10 lakh adolescent girls, with a budget of Rs. 100 crore.

21.One Stop Centers (OSC) were established in 13 Districts to provide support and assistance to women affected by violence, in private and public spaces. We also set up a Women Helpline to provide 24 hours immediate and emergency response to women affected by violence.

Farmers Welfare

22.Andhra Pradesh has about 58% labor workforce engaged in agriculture & related which produces about 32% share of GSDP. Therefore, our Government considers this sector to be crucial for promoting inclusive development. Our main strategies have been to first alleviate farm distress through loan waivers and enhanced input subsidy; then work on sustainable growth of farmers’ incomes through drought proofing, better inputs, farm mechanization; improve credit facilities for tenant farmers and protection from price fluctuations.

23.Recognising the prevailing farm crisis in Andhra Pradesh in 2014, our Hon’ble Chief Minister, as ***Annadatha ki Apathbandavudu***, decided to alleviate the debt burden of farmers with an outlay of around Rs 24,000 crore. The final two installments will be credited

shortly. For horticulture debt redemption Rs.384 crore have been credited into 2.23 lakh loan accounts of farmers.

24. Our Government is introducing a new scheme called ***Annadatha Sukhibhava*** to give economic support to *Annadathas*(farmers). I propose to allocate Rs. 5,000 crore for this scheme in 2019-20.

25. Our Government has enhanced input subsidies for paddy, sugarcane, cotton and groundnut crops from Rs. 10,000 to Rs. 15,000, for maize from Rs. 8,333 to Rs. 12,500, pulses and sunflower crops from Rs. 6,250 to Rs. 10,000. This benefitted 39.33 lakh farmers.

26. For sustainable enhancement of farm incomes, we focused on productivity enhancement by increasing micronutrient subsidy to 100%, strengthened our extension services through Chandranna Rythu Kshetralu and Polam Pilusthondi programmes. Our Government also launched Zero Budget Natural Farming, which would boost farm incomes, promote health and protect environment. This model has won accolades across the globe in international fora such as the United Nations and World Economic Forum.

27. To reduce cost of farming, our Government is promoting mechanisation, sharing of mechanical equipment through uberisation and has launched a program to distribute tractors and

rotovators with a maximum subsidy of Rs. 2.5 lakh. To enable the state to become a global seed hub and ensure availability of low cost seed, we have collaborated with Iowa State University, USA to set up a Mega Seed Park in 650 acres in Kurnool district.

28. Our Government sanctioned drilling of solar bore wells under NTR Jalasiri Phase II Programme in the 2016-17 for small and marginal farmers where additional groundwater recharge is available in the State. 35,508 beneficiaries were benefitted and 88,770 acres of land has been brought into cultivation.

29. Our Government is committed to making the drought prone Rayalaseema region as a Horticulture hub adopting micro irrigation with higher subsidy support. These programmes enabled Rayalaseema districts to emerge as the top contributors of Agricultural GVA and covered 7.3 lakh hectares benefitting 7.25 lakh farmers.

30. Our Government believes that value addition will significantly enhance incomes of the farmers and therefore, I propose a sum of Rs. 300 crore as incentives for food processing industries.

31. To ensure that the incomes of farmers are not adversely affected due to market uncertainties, our Government is enhancing the size of market intervention fund from Rs. 500 crore to Rs. 1,000 crore for the crops that do not have a Minimum Support Price.

32. For the first time in India, the Government issued Certificate of Cultivation to tenant farmers to facilitate the availability of institutional credit, crop insurance, farm implements and input subsidy. The tenant loaning has increased from Rs. 272 crore covering 1.34 lakh farmers in 2014-15 to Rs. 4,957 crore covering 11.06 lakh tenant farmers in 2018-19.
33. To promote livestock sector, fodder security policy was introduced to achieve self-sufficiency in fodder production in every village by promoting Ooruura Pasu Graasa Kshetraalu in 83,396 acres. In 2019-20, I propose to allocate Rs. 200 crore for feed and fodder development. I propose a sum of Rs. 200 crore for insurance of the livestock to safeguard farmers against loss due to animal death. To promote the fisheries sector, our Government reduced the tariff for aquaculture from Rs. 4.13 per unit in 2015-16 to Rs. 2 per unit in 2018-19.
34. Effective drought proofing initiatives ensured that the agricultural sector grew by 15 % in spite of rainfall deficit of 33% this year. This prevented distress migration of agriculture labour apart from ensuring stable income to the farmers.
35. Our Government has allocated Rs. 81,554 crore for agriculture and farmer welfare over the last four and half years. Resultantly, AP has emerged as one of the best states in productivity - maize (6,612 kg/ha), jowar (2,041 kg/ha) and rice productivity (3,540 kg/ha). Milk

production increased by 50% to 138.25 lakh MTs, meat production by 45% to 7.08 lakh MTs, egg production by 36% to 1,778 crore. The state emerged as the fastest growing with an average sectoral growth rate of 33.5%. Our Government enabled the state to emerge as 1st in total fish production and value.

Youth Empowerment

36. Our Government's emphasis on youth welfare is reflected in its actions to institute a Youth Policy for the first time. Hon'ble Chief Minister believes that every educated youth should have a job with a dignified lifestyle or should be an entrepreneur. In line with this intention, our Government launched Mukhyamantri Yuvanestham scheme for extending unemployment allowance (Nirudyoga Bhruthi) of Rs. 1,000 per month for the educated unemployed youth of Andhra Pradesh. We have increased this quantum to Rs. 2,000 per month.

37. Under Mukhyamantri Yuvanestham, we have sanctioned the benefit to 4.3 lakh people. We intend to implement this scheme on a saturation basis. In addition to providing allowance, this scheme ensures that the unemployed are linked with necessary entrepreneurship and skill development programmes and placement through a convergence approach across departments – Youth Welfare, Industries, Labour, Skill Development, etc. so that the youth find gainful employment on a sustainable basis.

38. In collaboration with SIEMENS, total 40 centres have been established with a capacity to train 1 lakh and trained 84,852 candidates so far. Our Government has also collaborated with reputed international companies such as Google, Amazon etc., to provide employability-oriented skills. This close collaboration with industry is earning accolades from Industry Associations and the state has been ranked no. 1 in terms of employability by CII. On the whole, through AP State Skill Development Corporation, a total of 8.66 lakh youth were trained.

39. Our Government created a total employment of 7.7 lakhs through private sector – 2.51 lakhs from large and mega projects, 3.3 lakhs from MSMEs, 1.78 lakh placements facilitated by APSSDC and 0.13 lakhs facilitated by APITA. In addition to this, our Government has sanctioned recruitment for 42,000 posts. The major construction activity taken up by Government also is also creating significant number of jobs. I am proud to inform the Hon'ble Members that Andhra Pradesh is the only state that has begun placing the details of jobs created online, employee wise in the spirit of transparency.

Social Empowerment and Welfare

A just society is that society in which ascending sense of reverence and descending sense of contempt is dissolved into the creation of a compassionate society.

– B. R. Ambedkar

40. Under the leadership of our Hon'ble Chief Minister, our Government always strived to deliver inclusive Governance wherein all sections of the population, regardless of their circumstances at birth, live a sense of autonomy and self-confidence. Therefore, our Government has adopted a saturation approach and has enhanced the assistance under welfare programmes for the socially disadvantaged – STs, SCs, BCs, Minorities.

41. **Sub Plan Budget:** Overall, this Government has incurred a direct expenditure of Rs. 32,843 crore on SC welfare, Rs. 8,950 crore on ST welfare, Rs. 28,805 crore on BC welfare in the last four and half years (as on December 2018).

42. **New Corporations:** We have set up new corporations for Yadava, Turpu Kapu/ Gajula Kapu, Koppula Velama/ Polinati Velama, Kuruba/Kuruma, Vanyakulakshatriya (Vannereddi/ Vannikapu/ Pallikapu/ Pallireddi), Kalinga, Gavara, Weavers (Padmasali/ Devangula/ Thogata/ Sali/ Thogata-Veera Kshatriya/ Pattusali/ Thogatasali/ Senapathula/ Salivan), Fishermen (Agnikulakshatriya/ Palli/ Vadabaliya/ Besta/ Jalari/ Gangvar/ Gangaputra/ Goondla/ Nayyala/ Pattapu) and Gandla/ Telikula/ Devatilakula.

43. We will be converting Cooperative Societies Federation Limited to Cooperative Finance Corporation Limited for Washermen, Nayee Brahmin, Vaddera, Sagara/ Uppara, Krishna Baliya/ Poosala, Valmiki/ Boya, Bhatraja, Kummari/ Salivahana.

44. We will also rename AP Toddy Tappers Cooperative Finance Corporation Limited to AP Settibalija/ Gowda/ Ediga/ Goud/ Gandla/ Srisayana/ Kallale/ Goundla/ Yata Cooperative Finance Corporation Limited.

45. I propose to allocate a sum of Rs. 3,000 crore for BC Welfare Corporations. This would be distributed among the corporations in proportion to their population.

46. We have set up Brahmin Corporation in 2014, Kapu Corporation in the year 2015, Most Backward Classes (MBC) Corporation in 2016, Economically Backward Classes (EBC) Corporation and Vysya Corporation in 2018. We have also set up AP Noor Basha/Dudekula Muslim Cooperative Societies Federation. These institutions will serve as a vehicle to uplift the backward classes amongst their respective communities. I propose to earmark a sum of Rs. 1,000 crore for Kapu welfare, Rs. 100 crore for Brahmin welfare, Rs. 50 crore for welfare of Vysyas and Rs. 50 crore for the welfare of the Kshatriyas(Rajus).

47. **Educational Advancement:** Our Government has enhanced the Scholarship (MTF) rates to all categories (SC/ST/BC/EBC/KAPU/MW/DW) under Post Scholarship scheme, up to 33% for Department attached hostels, 131% for college-attached hostels, 150% for day scholars. Overall, our Government has

provided 71 lakh scholarships across all communities (SC – 14.5 lakh, ST – 2.8 lakh, BC – 36.9 lakh, EBC & Kapu – 11.5 lakh, Minorities – 5.4 lakh, Differently Abled – 2,666) at a total cost of Rs. 12,833 crore.

48. A common nutritious menu is being implemented for the boarders. Eggs are provided five days in a week, Chicken is provided 3 times a week in pre-matric hostels and 2 times a week in college hostels and residential schools. We introduced a provision of 200 ml milk, ragi malt and chikki on daily basis.

49. Our Government has also enhanced cosmetic charges, hair cut charges and stitching charges for boarders of hostels and residential schools, up to 150%. Our Government has also started providing cosmetic charges for college post matric hostels.

50. Our Government has extended the coverage of overseas education scheme to include BCs, Minorities, EBCs and Kapus. The scholarship grant for SC/ST/BC/Minority students pursuing higher education abroad is enhanced from Rs. 10 lakh to Rs. 15 lakh under Ambedkar Overseas Education scheme. We have also provided financial assistance of Rs. 10 lakh per BC student for pursuing postgraduate courses in foreign universities. This scheme has benefitted 4,528 students belonging to SC, ST, Minorities, BC and Kapu communities in the last 5 years.

51. Employment Opportunities: Our Government has also introduced a new scheme of **NTR Unnatha Vidyadarana** to provide professional guidance to students appearing for competitive examination like the prestigious UPSC Civil Service Examination through reputed private training institutions. An amount of Rs. 1.3 lakh per student is paid as institutional fee and an amount of Rs. 10,000 per month is paid to the student as stipend for a period of nine months. This scheme has benefitted 9,524 students (2,313 SC, 947 ST, 592 Minority, 2816 BC, 1,443 EBC and 1,413 Kapu) at an expenditure of Rs. 143 crore.

52. Through Chandranna Cheyutha, our Government has launched a skill development program for SC youth to enhance their employability and to develop entrepreneurship. This benefitted 31,815 youth. In convergence with AP State Skill Development Corporation, 20,000 ST unemployed youth benefitted and 4,000 youth placed in different private sector.

53. Livelihoods: In the last four and half years, livelihoods assistance was provided to 2,66,740 SC beneficiaries at an expenditure of Rs. 3,795 crore. These include various schemes such as given around 8,000 transport vehicles, providing 2,386 acres of land, 110 tractors and trailers for safai karmacharis, toolkits to 6,000 cobblers.

54. For the livelihood enhancement of STs, our Government has provided livelihood assistance to 5,42,233 ST beneficiaries at an

expenditure of Rs. 622 crore. These include access to loans for 800 STs, provision of land, coffee cultivation, set up of Farmers Producers Organisation etc.

55. Under the BC component, we have benefitted 6.46 lakh people from financial assistance under various corporations and federations at an expenditure of Rs. 4,823 crore in the past four and half years. We provided modern tools at 90% subsidy to 4 lakh artisans. We have extended economic support programmes for Kapu/Telaga/Baliya/Ontari communities, MBCs, EBCs, Arya Vysyas through their respective corporations, which were set up by this Government. We increased unit cost for economic support programmes for MBCs to Rs. 50,000.

56. For the Minorities, through Multi-Sectoral Development Program (MSDP), projects worth Rs. 279 crore were taken up. Through APSMFC and APSCMFC, economic support schemes were provided to 47,678 Minority beneficiaries at an expenditure of Rs. 264.7 crore. Our Government has introduced a new scheme of incentive of Rs. 5,000 per month to Imams and Rs. 3,000 per month to Mouzans of income-less Masjids and this scheme covered 30,204 beneficiaries at a cost of Rs. 90.11 crore. I propose a sum of Rs. 1,304.43 crore, an increase of 18.57%, to the Minorities Welfare Department.

57. Our Government has provided livelihood assistance to 4,133 differently abled persons at a cost of Rs. 35.87 crore. For the rehabilitation and supply of prosthetic aids to the differently abled, I propose to double the allocation to Rs. 70 crore in 2019-20.
58. **Free Power Scheme:** Under Jagjeevan Jyothi Scheme, our Government increased the free power units from 50 to 100 units per month. Under this scheme, an average of 11 lakh SC families have been given benefit with a budget of Rs. 3,440 crore and an average of 3.89 lakh ST families have availed benefit with a budget of Rs. 97.2 crore in the last four and half years.
59. We are also providing free power up to 100 units to 2 lakh MBC households, 100 units to practicing Gold Smith artisans, 150 units to salons for the welfare of Nayee Brahmins, 150 units to weavers and free power to dhobi ghats.
60. **Community Infrastructure:** Under the SC sub-component, during the last four and half years, 745 km CC roads and 1,225 km BT roads were taken up. 930 SC habitations were provided drinking water. We improved infrastructure in SC localities in Urban Local Bodies and set up new residential school buildings. I propose to allocate Rs. 600.56 crore in 2019-20 for creating infrastructural facilities in SC localities in ULBs.

61. Under the ST component, during the last four and half years, we laid roads to 248 unconnected habitations. 184 mobile towers were set up. In addition, our Government has taken up educational works, improved drinking water infrastructure and created sports facilities.
62. Under the BC component, our Government is setting up Mahatma Jyotiba Phule Smaraka Bhavan and Park with a budget of Rs. 100 crore in 10 acres of Amaravati. We also sanctioned 76 new BC residential schools, started 6 residential schools exclusively for fishermen community, 2 independent residential junior colleges and upgraded 12 junior colleges. For social and cultural integration of BCs, Government is sanctioning BC Bhavans in the districts at Rs. 5 crore budget each and Rs. 50 lakh for community hall at divisional level, Rs. 25 lakh at mandal level and Rs. 10 lakh at gram panchayat level. In total, 549 BC Bhavans and Community halls are sanctioned with an outlay of Rs. 135 crore. In addition, we have sanctioned 308 Kapu Bhavans with an amount of Rs. 123 crore.
63. Under the Minorities component, AP State Haj House is being constructed in Vijayawada and Kadapa with an outlay of Rs. 23 crore and Rs. 13 crore respectively. Our Government has also enhanced financial assistance for construction/repair/renovation of churches to Rs. 5,00,000, wherein 817 works were taken up.

64. Under the welfare of differently abled, our Government has taken up establishment of two homes for the blind at Ananthapuramu and Kakinada, a home for orthopedic at Guntur to cover 100 beneficiaries, a new braille press at Guntur and have distributed retrofitted petrol scooters to 1,224 beneficiaries at the rate of Rs. 80,000 each.

65. **Chandranna Pelli Kanuka/Dulhan Scheme:** This is an emotive gesture from our Government. Hon'ble Chief Minister Sri Nara Chandrababu Naidu garu as *Kutumba Pedda* (Head of the family) wants to ensure that even the poor can wholeheartedly celebrate their joyous occasions and therefore we introduced this scheme to mitigate their financial burden. We have introduced financial assistance up to Rs. 1,00,000 for different sections – Rs. 35,000 for BCs, Rs. 40,000 for SCs, Rs. 50,000 for STs, Rs. 1,00,000 for Differently abled and Rs. 50,000-75,000 for inter-caste couples. So far, we have issued marriage incentives for 68,481 couples with an expenditure of Rs. 282.66 crore under Chandranna Pelli Kanuka. Under Dulhan scheme, we have disbursed to 38,285 couples at the cost of Rs. 191 crore.

66. Our Government is extending Chandranna Pelli Kanuka to Economically Backward Classes (EBC) in saturation mode to cover every poor family.

67. Our Government wants to enhance the festivities in these auspicious occasions of Sankranti, Christmas and Ramzan. Chandranna Sankranti/Christmas Kanuka benefitted 1.25 crore families and Ramzan Thofa benefitted 11.25 lakh families.
68. In the same vein, financial assistance to pilgrimage to Holy Land of Jerusalem has been increased from Rs. 20,000 to Rs. 40,000. This benefitted 1,668 pilgrims at a cost of Rs. 6.09 crore.
69. I propose to allocate Rs. 14,367 crore for SC sub plan for 2019-20, marking an increase of 28% over previous year, Rs. 5,385 crore for ST sub plan, marking an increase of 29% and Rs. 16,226 crore for BC sub plan, marking an increase of 33 %.
70. For the overall development of weavers, the Government is implementing a package worth Rs. 1,004 crore. This includes a wage compensation relief at Rs. 4,000 per family per season towards wage loss due to rains benefitting 90,765 weaver families, free power of 150 units per month per family, health insurance scheme to provide coverage of Rs. 20,000 per annum with a premium of around Rs. 1,000 per family, construction of house-cum-work sheds at the rate of Rs. 2.81 lakh each to 5,000 rural weavers, separate work sheds to weavers in urban areas at the rate of Rs. 1.2 lakh per unit.

71.I propose to establish Drivers Sadhikara Samstha on the lines of Ryuthu Sadhikara Samstha and Mahila Sadhikara Samstha to promote their social and economic wellbeing with an allocation of Rs. 150 crore.

Social Security and Poverty Alleviation for All

The test of our progress is not whether we add more to the abundance of those who have much; it is whether we provide enough for those who have too little.

- Franklin D. Roosevelt

72.Our Government is committed to provide social security through enhanced pensions for the most vulnerable, food security through PDS, health security through NTR Vaidya Seva, livelihood security for unskilled labor through MGNREGS, enhancing housing security, mitigating hardship due to accidental death/disability through Chandranna Bima.

73.**NTR Bharosa Pensions:** Our Hon'ble Chief Minister Sri Nara Chandrababu Naidu garu taking up the role of **Pedda Koduku (eldest son)**, assumed the responsibility to provide a dignified life especially to the most vulnerable families. In line with this belief, our Government enhanced the pension 5 times from Rs. 200 to Rs. 1,000 for old age, widow, weavers, toddy tappers, HIV affected, 2 to 3 times from Rs. 500 up to Rs. 1,500 for differently abled, as soon as it assumed office.

74. We have also introduced pensions to new categories – kidney patients undergoing dialysis, single women, transgender, and fishermen. This programme has benefitted 50.51 lakh beneficiaries at an outlay of Rs. 24,618 crore in the past four and half years. In addition, we started pensions for dappu artists at Rs. 1,500 per month and traditional cobblers at Rs. 1,000 per month.

75. Taking into consideration the rising cost of living, the Hon'ble Chief Minister, like a responsible **Pedda Koduku (eldest son)**, doubled all the social security pensions to Rs. 3,000 per month and to Rs. 2,000 respectively with effect from January 2019. With this the pension amount has increased 10 times in this tenure.

76. **PDS:** The coverage under PDS as sanctioned by Government of India is limited to 2.68 crore people, but our Government extended coverage to another 1.52 crore people and has issued 24 lakh new ration cards. In order to ensure that no family is denied rations due to migration or any other reason, we enabled any ration cardholder to draw rations from any Fair Price Shop in the state. This facility also enhanced the competition and accountability amongst the ration dealers, as the ration cardholders can choose to draw rations from a different shop.

77. In order to improve the health standards and nutritional food habits among the BPL families, ragi at 3 kg per card and jowar at 2 kg per

card has been allotted to all BPL cardholders in all the districts since October 2018. For eradicating the longitudinal anemia caused due to deficiency of iron, double fortified salt at 1 kg per BPL card was introduced in PDS.

78. In addition to PDS, Anna Canteens have been started with an objective to provide subsidized hygienic and affordable food to poor people at a cost of Rs. 5 per meal. A total of 368 canteens, 216 urban canteens and 152 rural canteens, were sanctioned covering all 175 assembly constituencies. Till date, 160 canteens have been completed and have started functioning in 14 Municipal corporations and 4 Municipalities.

79. In **MGNREGS**, out of the 22 crore-person days target approved by Government of India for 2018-19, we have already achieved 20.19 crore-person days. This benefitted 65.96 lakh wage seekers and 40.81 lakh households. We have incurred an expenditure of Rs. 7,437 crore on MGNREGS as on mid January 2019 with Rs. 4,034 crore on wages and Rs. 3,091 crore on material.

80. **Chandranna Bima** provides comprehensive social security scheme for all unorganized workers providing coverage of Rs. 5 lakh in case of accidental death/disability, Rs. 3.62 lakh for partial disability, Rs. 2 lakh for natural death and a scholarship of Rs. 1,200 per child studying in 9th and 12th classes. Between 2016-19, we have covered 2.6 crore workers each year. We have settled claims worth

cumulatively Rs. 2,685 crore, covering 1.2 lakh beneficiaries with bima benefit ranging from Rs. 30,000 to Rs. 5 lakh. In 2018-19, we introduced Rythu Bima covering 9 lakh farmers. We already settled claims worth Rs. 7 crore in this financial year. **I propose to increase the budget under this scheme by 2.5 times from Rs. 140 crore to Rs. 354 crore.**

81. In **housing programme**, we have enhanced unit costs in NTR Housing from Rs. 0.8 lakh to Rs. 3.5 lakh for urban areas and from Rs. 0.7 lakh to Rs. 2 lakhs in rural areas. We also reduced the loan component to reduce the load on the poor. Government has sanctioned 15.78 lakh houses with a Project cost of Rs. 31,793 Crore under NTR Rural Housing, PMAY-NTR Gramin and PMAY-NTR-Urban-BLC schemes. In addition, 4.40 Lakhs pending houses under Pre-NTR housing schemes have also been taken up for completion with project cost of Rs. 2,839 Crore. In Urban Housing under PMAY-NTR Nagar and NTR Urban Housing Beneficiary Led Construction, 10,15,663 houses are being constructed.

Human Development

82. **Health:** The budget allocation for health was nearly doubled to Rs. 8,463 crore in 2018-19 from 2014-15. The major achievements in health sector have been reduction in MMR from 83 in 2014-15 to 65.81 in 2018-19 and also the decrease in IMR from 37 in 2014 to 10.51 in 2018-19.

83.To improve public health and bring down out of pocket expenditure, our Government has launched many programmes to improve healthcare delivery – Talli Bidda Express, NTR Baby Kits, Chandranna Sanchara Chikitsa, Mukhya Mantri Arogya Kendralu, NTR Vaidya Pariksha, NTR Vaidya Seva, Mukhya Mantri e-Eye Kendram, Mukhya Mantri Bala Suraksha (RBSK), E-Aushidhi, Free Dialysis. Under Universal Health Coverage, our Government is implementing schemes such as Arogya Raksha, Employees Health Scheme, Working Journalists Health Scheme and Amaravati Residents Health Scheme. We are also opening cancer centres in every district.

84.We have implemented NTR Vaidya Seva, which benefitted 12 lakh with an expenditure of Rs. 5,330 crore. We have enhanced the limit from Rs. 2.5 lakh to 5 lakh per family. I propose to increase the budget of this programme from Rs. 1,000 crore to Rs. 1,200 crore in 2019-20.

85.Under the dialysis programme rolled out in 2016, free dialysis centres have been increased from 14 to 48 through PPP mode, making quality services accessible to the kidney disease patients. In addition, all dialysis patients are provided a monthly pension of Rs. 2,500 under NTR Bharosa scheme. The pension facility has also been extended to patients undergoing dialysis in private hospitals empanelled under NTR Vaidya Seva scheme.

86.All the above initiatives have substantially reduced the out of pocket expenses for the people.

87.I propose to increase the budget for development of infrastructure in medical institutions to Rs. 329 crore and the budget for purchase of drugs and medicines from Rs. 300 crore to Rs. 402 crore in 2019-20. The allocation for health in 2019-20 is proposed to be increased to Rs. 10,032 crore, which is an increase of 18.53 %.

88.**Education:** In the field of education, by adopting a convergence approach the Government focussed of maximising the outcomes of Sarva Siksha Abiyan, supplemented by decisive actions to increase the gross enrolment and retention ratio by enhancing the dietary supplements under the Mid-Day Meal Scheme, the Badikosta scheme, Mana Vooru – Mana Badi, Badi Pilustondi and improving the quality of education through Digital Class rooms and e-Hazar programmes.

89.The gross enrolment ratio for primary level has reached to 86% and for upper primary level to 84%. The Government is providing mid-day meal to 33,72,372 children covering 45,505 institutions in the State. Mid-day meal has also been introduced in 450 Government colleges of intermediate education during the year 2018-19 covering 1.75 lakh students. Seeing the improvement in nutrition, learning ability and retention rates, we have extended coverage of midday meals to collegiate education and polytechnic colleges.

Further, we have enhanced the protein content of the midday meals offered.

90.Higher Education: Our focus has been to improve quality in existing institutions and infrastructure in new universities. In national rankings, six universities were ranked amongst top 100 and Andhra and Sri Venkateswara Universities were ranked amongst top 50. For infrastructure creation, I propose to allocate Rs. 40 crore each to new universities. To enhance access and quality of higher education, we enacted private universities act and already attracted 11 universities. This initiative is expected to bring investments worth Rs. 11,360 crore with the student strength of over 1,72,982 in next ten years.

91.The allocation for human resource department is Rs. 25,955 crore for 2019-20, around 11.5% of total budget.

Industry and Services

92.Our Government considers Industry and Services sectors primarily from the lens of employment generation. Therefore, we focused on employment intensive sectors such as food processing, apparel, basic electronics and tourism.

93.We have created the best-in-class policy environment, simplified regulatory processes through Single Desk Portal and have been giving permissions within an average of 7 days. Recognizing this, we

are ranked as the best state to do business in by international organizations such as World Bank and Lee Kuan Yew School of Public Policy. Now, we are benchmarking ourselves with the globally top ranked countries to be the best state in the country by a long margin.

94. Resultantly, we signed MoUs worth Rs. 15.77 lakh crore from 2,633 projects over 18 departments with an employment potential of more than 33.3 lakh people in the state. I am happy to inform the Hon'ble Members that the conversion rate of MoUs is one of the highest in the country at around 40% in terms of investment. 820 large & mega projects have already gone into production, with committed investment of Rs 1.82 lakh crore, and committed employment of 2.8 lakhs. Further, 1211 projects, with committed investment of Rs 5.27 lakh crore and committed employment of 7.66 lakhs, are in stages beyond civil works.

95. Such proactive policies and business environment are the main reason why reputed companies like KIA Motors, ISUZU, Hero group, Pepsico, Mondelez (Cadbury's), Jain Irrigation, Arvind Mills, Shahi Exports, Jockey etc., have been attracted towards setting up their operations in the state.

96. Our Government has also attracted one of the largest Foreign Direct Investment Projects in the country in recent times. Asia Pulp & Paper (APP), an Indonesian Group is setting up India's largest

paper mill in Prakasam district with an investment of Rs. 24,500 crore with a potential for 4,000 direct jobs and 12,000 indirect jobs. We are also facilitating the set up of a Petrochemical Complex by Haldia Petrochemicals Limited with an investment of Rs. 62,714 crore with a potential for creating 5,00,000 lakh direct and indirect jobs, including those in downstream industries.

97. We are also laying foundation for future industrial growth through development of Visakhapatnam-Chennai Industrial Corridor (VCIC) and Chennai-Bangalore Industrial Corridor (CBIC).

98. **MSME Sector:** MSMEs create around 10 times as many jobs as created by a unit of investment by large and mega enterprises. Therefore, our Government considers MSME sector as a key source of income generation as well as job creation. We created a competitive policy environment and also released Rs. 1,816 crore worth incentives. We are also setting up MSME parks in each Assembly Constituency. We have taken up 31 parks, providing 7,246 plots.

99. Since 2014, there have been a total of 30,349 MSME units established with total investment of Rs 14,292 crore and employment generated for 3.3 lakhs people. A dedicated corporation also been set up for focused development of MSME sector.

100. In 2019-20, I propose to allocate a sum of Rs. 1,000 crore for MSME sector – Rs. 100 crore for revival of stressed MSMEs, Rs. 400 crore for incentives to new MSMEs, and Rs. 500 crore for developing MSME parks.
101. **Information Technology, Electronics and Communications:** Our Government has instituted competitive policies for Information Technology, Electronics, Innovation and Startup, Global In-House Centres, Designated Technology Parks, Integrated Innovation and Technology, Artificial Intelligence Cloud Hub, Animation, Visual Effects, Gaming & Comics (AVGC) and Cyber Security.
102. Our Government has taken up establishment of two Electronics Manufacturing Clusters around Tirupati and is striving to make Tirupati the “Silicon City” of India. I am happy to inform the House that one in every 5 mobile handsets produced in India is now a Made in Andhra product. Currently, over 3 to 3.5 million phones are produced every month in AP. The state has been able to attract marquee investments like Foxconn which employs around 13,000 people.
103. Despite heavy competition from well-established IT hubs, our Government has been able to ground 236 projects with a committed investment of Rs. 3,680 crore and committed employment of 64,335. We also signed a MoU with Adani Group to

set up a data center at Visakhapatnam with a proposed investment of Rs. 70,000 crore.

104. We are also consciously striving to build Andhra Pradesh as a competitive investment region for niche areas like Fintech, startups etc. We hosted the Asia's largest Blockchain conference in 2017 and we have instituted a policy for animation, visual effects and gaming etc. The Government has also focused its efforts on industry 4.0 technologies such as Cyber security, Internet of Things, Analytics etc., which give an opportunity for all the start-ups along with established industry leaders to explore and innovate in the state.

105. **Tourism:** As formulated in the other sectors, our Government has instituted a Tourism Policy to develop tourism and tourist infrastructure. This policy has resulted in an investment of Rs. 5,300 crore grounded creating employment for around 25,000 people. The tourist footfalls placed the state 3rd in the country and are growing at an average growth rate of 15% every year. The hotel rooms have doubled from 6,000 in 2014 to 11,000 in the last four and half years. Another 2,500 rooms will get added by April 2019. The number of 5 star hotels also has increased from 6 to 10. The state is also ranked the best state for comprehensive development of tourism award from Government of India.

Infrastructure Development

106. **Water Resources Management** is key to sustainable development. Hon'ble Chief Minister is personally monitoring Polavaram project every week. It is not an overstatement to refer to Polavaram project as ***Andhrula Jeevanaadi***. It not only provides benefits across all sectors but also across all districts. Overall, the Polavaram project would create new/stabilize ayacut of around 75 lakh acres covering all 13 districts of Andhra Pradesh directly and indirectly: Srikakulam – 0.85 lakh acres, Vizianagaram – 3.94 lakh acres, Visakhapatnam – 4.71 lakh acres, East Godavari – 7.5 lakh acres, West Godavari – 8.6 lakh acres, Krishna – 7.47 lakh acres, Guntur – 9.79 lakh acres, Prakasam - 13.02 lakh acres, Nellore – 6 lakh acres, Chittoor – 6 lakh acres, Kadapa – 5 lakh acres, Anantapuramu – 1.5 lakh acres, and Kurnool – 1 lakh acres. This project would provide drinking water supply to 540 villages covering a population of 28.5 lakh and supply 23.44 TMC of water for drinking and industrial needs of Visakhapatnam. 960 MW of hydroelectric power would also be generated. Of the Rs. 15,587 crore spent on Polavaram project so far, Rs. 10,449 crore was spent after 2014.

107. To realize early benefits of Polavaram Project, we have diverted 263 TMC from Godavari to Krishna through Pattiseema Project and taken up Purushottapatnam lift scheme. Government is determined to complete all ongoing projects like Vamshadhara Project, Thotapally Reservoir Scheme, Pulichintala Project, Telugu Ganga,

Veligonda, GNSS and HNSS and others in a phased manner so as to minimise the impact of droughts or floods in the State.

108. To transfer water from surplus basins to deficit basins, Government has taken the task of interlinking of all major rivers in the State to create a Mahasangamam. We plan to link Godavari – Penna to benefit Guntur, Prakasam and Nellore and Godavari-Champavathi, Nagavalli under Uttarandhra Srujala Sravanthi and Vamsadhara – Bahuda. We are undertaking Vamsadhara – Nagavali, Nagavali – Swarnamukhi, Vegavathi, Champavathi links. These links will ensure water security in terms of drinking water availability, drought proofing agriculture, and economical provision to industries. Overall, our Government has spent Rs. 64,334 crore on this sector so far.

109. **Praja Rajadhani, Amaravati:** Our Government's vision is to develop Amaravati as one of the 5 best global cities. Our model of land pooling of 34,010 acres from 28,074 farmers has won enormous praise and is turning into case studies in the best global business schools.

110. The overall cost of construction of Amaravati is Rs.1,09,023 crore. The Phase I is estimated to cost Rs.51,687 crore out of which construction works of Rs.39,875 crore are under execution on ground. We have started the construction integrated Secretariat and HoD buildings of 5 Towers and target to finish by October 2020.

3,840 housing units for MLAs, All India Service Officers, NGOs, GOs, Class IV employees and low income urban poor are under advanced stages and targetted to be completed by first half of 2019. We have laid foundation stone for iconic bridge to Amaravati at Pavitra Sangamam.

111. Amaravati is rapidly emerging as an educational and health hub, with VIT-AP, SRM, Amrita Univerisities, National Institute of Design, XLRI and eight schools of repute. It is also attracting reputed health institutions such as Indo-UK hospitals, AIIMS, BR Shetty Hospitals, Basavataraka Memorial Cancer Hospital and Hyderabad Eye Institute.

112. Amaravati Marina project, India's largest Marina project, will be a key Tourism destination. It will be operational by June 2019. Land have been allotted out to Eight Hotels (4-star & 5-star) including all major hospitality brands – Hilton, Crowne Plaza, Novotel, Holiday Inn, GRT, Green Park, Daspalla. Land allotment in progress for Hotel brands like Marriott Group, TAJ Group and ITC Group.

113. **Urban Infrastructure:** Our Government has completed urban development projects worth Rs. 4,707 crore in the last four and half years covering water supply, sewerage, roads, drains, solid waste management, and conversion of street lamps to LED lights. We have undertaken Rs. 68,084 crore worth of various urban projects, which are in various stages. In the last four and half years, 668 MLD

of water supply capacity has been augmented, 8,858 km of road network has been laid, 206 MLD sewerage capacity has been added, 3,055 km of sewerage network and 2,381 km of storm water drains network has been laid. Apart from Vijayawada, Kakinada, Tirupati and Amaravati, the Government is developing Srikakulam, Ongole, Nellore, Anantapur, Kurnool and Eluru as Smart Cities.

114. Rural infrastructure: Our Government has adopted a convergence strategy for optimal utilization of funds available under MGNREGS and other flagship programs for creation of basic rural infrastructure with the active involvement of about 24 line departments. This convergence is reflected in the increase in budget under this head from Rs. 750 crore to Rs. 1,000 crore. Flag ship Programmes like 'Panta Sanjivani, Neeru-Chettu, Swachh Andhra Pradesh, Wada Wadalo Chandrannabata, Play Fields, Burial Grounds, Solid Waste Management, Compound Walls for schools, Anganwadi Centres, Horticulture Plantation, Soak Pits, WBM Roads, BT Roads, Gokulams are taken up by the Government under MGNREGS.

115. Our Government has finished construction of nearly 25,000 km of internal roads, and another 8,000 kms are in progress. We intend to saturate all villages with CC internal roads within two years. We have provided BT connectivity to 2,666 habitations with an expenditure of Rs 2,599 crore and intend to cover all remaining 10,755 habitations by 2020.

116. Through Chandra Kanthi, Andhra Pradesh has earned the distinction of having highest number of LED installations in the country. We have installed 21.21 lakh LED bulbs and saturate all remaining villages shortly. This will save 1,881 million units of electricity worth Rs. 1,138 crore.
117. The state achieved the Open Defecation Free (ODF) status in July 2018. With the concerted action of the government and participation of people, 35.64 lakh IHHLs with an expenditure of Rs.4,116 crore have been constructed within a short span of four and half years.
118. Since 2014-15 a total number of 6,10,711 farm ponds have been built with an expenditure of Rs 1,647 crore. AP is the first state to have such large number of farm ponds in the country.
119. **Rural Water Supply:** Our Government aims is to provide every rural household with adequate water by 2024 with an estimated cost of Rs. 22,000 crore. Tender process is going on. It is also planned to cover all water quality affected and stressed habitations by water purification plants on hub and spoke model under NTR Sujala Pathakam. 103 clusters have been identified to cover about 7,787 such habitations.

120. **Energy Infrastructure:** Our Government has transformed an energy deficit state to a surplus state. We are supplying 7 hours of free electricity to agriculture and providing 24x7 power to others. The installed capacity in the State has doubled during last four and half years from 9,529 MW to 19,680 MW. Investments worth Rs. 36,604 crore with employment potential of 13,000 are underway in renewable energy sectors, predominantly in Rayalaseema region. Andhra Pradesh achieved 100% electrification of all households during June 2016.

121. There has been no tariff increase to agricultural and domestic consumers in the 0-900 units per annum consumption range during the last four and half years. To promote electric vehicles charging stations, we have provided a subsidy of Re. 1 per unit from Rs. 6.95 per unit to 5.95 per unit, effective from next financial year. Our Government has not proposed any increase in tariff for the year 2019-20.

122. Through **Fibre Grid**, in the next five years it is aimed to provide triple play connectivity to every household in the state by connecting gram panchayats, to provide high speed internet to every government and private enterprise, free public Wi-Fi access points at 30,000 locations in urban and rural areas, connect additional 6,000 schools through virtual classrooms, provide connectivity to 2,000 remote locations and telecom towers through FSOC technology. As part of the Fibre Grid project, six lakh

households and enterprises in 4,000 villages across 620 mandals are being provided the triple play services at a cost of Rs. 149 per month.

123. **Airports:** Our Government's efforts resulted in air traffic increasing to 5.5 million now, reflecting a growth of 38% when the national average is 12%. Our Government reduced taxes on aviation turbine fuel from 16% to 1%. Besides expansion of existing airports, the Government is developing new airports at Bhogapuram near Visakhapatnam, Orvakal, Dagadathi and is developing an airstrip at Kuppam.

124. **Ports:** Our Government has formulated AP Port Policy 2015 to develop Andhra Pradesh as eastern shipping hub. We awarded 2 new port development projects under PPP - Bhavanapadu Port and Kakinada SEZ port. The cargo handling capacity of Andhra Pradesh Ports has increased from 180 MMT in 2013-14 to 315 MMT in 2018-19 which is 75 per cent growth in capacity addition. By 2025, our Government aims to operationalising 4 additional non-major ports, viz. Bhavanapadu, Kakinada, Machilipatnam and Ramayapatnam.

125. **Natural Gas** is one of the cleanest primary energy resource. We have planning to establish gas grid across the State covering all the districts. For the City Gas Distribution Project, the Government accorded permission to lay pipelines in all cities/towns of East and

West Godavari Districts free of cost and invested over Rs. 330 crore during last four and half years.

126. **Roads:** The Amaravati – Anantapur Greenfield expressway for a length of 384 km with an approximate cost of Rs.20,000 crore has been approved to be executed by the NHAI. Total length of national highways in the State has increased by 2,164 km since June 2014, which reflects an increase of around 50% of existing length. 2,400 km have been upgraded to 2 lane paved shoulders / 4 lane with a cost of Rs.12,729 crore since June 2014. All non-BT roads of length 1,810 km will be converted into BT standards with a cost of Rs. 1,580 crore by 2020. We intend to widen all single lane state highways having traffic intensity of more than 2,000 PCUs to double lane standards.

127. **Forests:** Government launched Mission Haritha Andhra Pradesh with a target of 50% green cover for the State by 2029 through programmes like Vanam Manam and Neeru Chettu programme. Since 2014, massive afforestation activities were taken up with a total of 90.84 crore seedlings. We have taken up 28,821 ha of plantations in reserve forest, 1,65,890 ha horticulture plantations and 1,777 ha block plantations, 23,920 ha bund plantations and 416 village parks.

Law and Order

128. Our Government's efforts to improve law and order are reflected in the reduction in all major heads of crime. This has been possible due to citizen centric policing and adopting a zero tolerance towards crime. To prevent crime against women like eve teasing, ragging, etc., and also for sensitization on women safety, SHE Teams are deployed in all units. Red sanders task force was formed to check smuggling of red sanders, which was rampant in the forest area. Stringent legal measures were initiated to check smuggling of this precious forest wealth.

Employee Contribution and Wellbeing

129. Sir, I would like to take this occasion to thank wholeheartedly all our hardworking and dedicated employees, who have given their best efforts in supporting our Government in rebuilding this state. We should not forget that relocating to a different place after living at a place for decades is not easy. Our employees sacrificed time with their families, took the impact on their children's education in their stride and shifted to Amaravati with eagerness and enthusiasm to play their own historic role in developing our new state.

130. Our Government believes that employee satisfaction is a prominent factor in ensuring citizen satisfaction. Therefore, our Government has taken many steps to promote employee wellbeing

– giving a fitment of 43% of the basic pay for fixing the pay in the revised scales of pay 2015 as against 29% recommended by the 10th PRC, gratuity and family pension to CPS employees, additional pay of 10% for pensioners above 70 years, providing house sites/flats to all Government employees in the state. We have constituted a new PRC and set up a committee to suggest necessary changes to Contributory Pension Scheme (CPS).

131. The Government has enhanced the duty allowance of Home Guards from Rs. 12,000 to Rs. 18,000 per month. The honorarium for Anganwadi workers has been enhanced from Rs 3,000 at the time of bifurcation to Rs. 10,500 now. Similarly, the honorarium of Village Revenue Assistants has been enhanced from Rs. 6,000 to Rs. 10,500 and that of part time VROs has been increased from Rs. 10,500 to Rs. 15,000. The family pension for part time VROs was also given for the first time.

132. We enhanced the promotional avenues for police constables, provided employee health cards for cashless treatment, completed payment of PRC arrears and provided time-bound promotions for Government doctors. We have spent Rs. 860 crore under employee health scheme benefitting 2.8 lakh employees.

133. Our Government also enhanced the remuneration of contract employees by 50%. We offered a substantial increase in benefits and salaries for Archakas, Anganwadi workers, helpers, Aayas, Asha

workers, Home Guards, VRAs, VOAs, Contract and Outsourced employees, Gopal Mitras, etc. We have extended the remuneration equivalent to the minimum of time scale in the revised pay scales, 2015 to the Full Time/ NMR/ Daily Wage/ Consolidated pay/ Part-time/ contract employees, who are appointed before the crucial date of 25-11-1993 and working in Government Departments.

134. A benefit of funeral charges (obsequies charges) of Rs. 15,000 has been extended to the deceased contract and outsourcing persons. Retirement age of contract teaching faculty has been raised from 58 years to 60 years. Our Government had initiated centralized payment of honorarium to the 1.01 lakh Anganwadi Workers and Helpers to avoid delay in disbursement.

135. To enhance employment opportunities for youth in public sector, our Government sanctioned recruitment for a total of 42,000 posts by way of direct recruitment, which includes teaching and police, posts. We also relaxed rules regarding compassionate appointments.

Economy and Public Finance

136. **Comprehensive Financial Management System (CFMS):** Andhra Pradesh is the first state in the country to achieve the rare distinction of implementing an ERP application through a sustained measure of process rationalization, harmonization and standardization in realizing its objectives of overall digital

transformation. Andhra Pradesh Centre for Financial Systems and Services (APCFSS), the special purpose vehicle established under the administrative control of Finance Department, has enabled this path breaking achievement by successfully launching and operationalizing the Comprehensive Financial Management System (CFMS) on the SAP platform. The primary objective of CFMS is to establish a 'single source of truth' through an integrated system of engagement that will reduce the redundancy and shift the focus to more analytical and data visualization. This system improved the effectiveness of budget, expenditure and cash management. More importantly, this system brought a sea change from the stage where visits to treasury was the norm, to a state where both the Government employees as well as people can conduct their transactions in online mode at the comfort of home or office through web, mobile or a tablet.

137. **Revenue:** It needs to be noted that the economic growth of Andhra Pradesh is more pronounced in Agricultural and Allied sectors. However, these sectors do not generate as much tax as industry and service sectors. Therefore, our tax buoyancy is less than one or in other words, our tax revenues are not growing as fast as our economy. Nevertheless, our Government is placing efforts to boost our tax collection. This is reflected in our commercial taxes clocking a growth of 14.61% over last year. We have also been using technology to prevent illegal mining and maximize mining revenues.

138. **Expenditure:** One of the reasons why our Government could enhance the welfare programmes to people is our efficient utilization of resources. We have been a forerunner in using technology for eliminating leakages as well as ensuring that no eligible beneficiary is left out. Our Government saved Rs. 2,585 crore through Aadhar seeding in PDS.

139. **Quality of Expenditure:** Our Government has been closely monitoring the quality of expenditure over the last four and half years. When we assess the state in terms of ratio of developmental expenditure as a percentage of aggregate disbursement, as compiled by Reserve Bank of India, Andhra Pradesh continues to be amongst the top states in 2018-19 (BE). Our Government spent 72.4% of total budget on developmental programmes, when the average of non-special category states is at 61.5%. Further, Andhra Pradesh is ranked amongst the top states with 51.1% in terms of Social Sector Expenditure as a percentage of Total Disbursement amongst 18 non-special category states. This shows that our Government is ensuring the quality of expenditure is quite high.

140. **Debt Management:** The total liabilities of Andhra Pradesh have increased from Rs. 1,48,744 crore in 2014-15 to Rs. 2,23,706 crore in 2017-18. This corresponds to 28.33% of GSDP in 2014-15 and 27.83% of GSDP in 2017-18.

141. **Economy:** Despite the structural challenges, Andhra Pradesh has emerged as the best economic performer by registering an average growth of 10.66% compared to all India growth rate of 7.3% in the past four and half years. The agriculture sector of Andhra Pradesh recorded an average growth rate of 11 % whereas the all India average growth rate was 2.4 %. Also, our industry sector recorded growth rate of 9.52% against the all India average growth rate of 7.1 % and the services sector of our economy recorded an average growth rate of 9.57 % against the all India average growth rate of 8.8 %. This shows that our Government has been ushering holistic growth across all sectors.

142. In 2018-19, the state economy is estimated to grow at 11.5% at constant prices, when the national growth is estimated to be 7.2%. The growth rate could further go up as reforms designed to address the structural weaknesses of the economy start showing their positive impact in the coming years.

Financial Accounts and Estimates

143. **Accounts 2017-18:** The finance accounts finalised by the Accountant General of Andhra Pradesh show a revenue deficit of Rs. 16,151.68 crore, and a fiscal deficit of Rs. 32,372.57 crore for the year 2017-18. The revenue deficit and fiscal deficit for the year 2017-18 were 2.01 % and 4.03 % of the GSDP respectively.

144. **Revised Estimates 2018-19:** The revised estimate for revenue expenditure is Rs. 1,58,858.53 crore, whereas for capital expenditure it is Rs. 25,021.34 crore. The revenue deficit for 2018-19 is estimated to be Rs. 2,494.12 crore, whereas the fiscal deficit for the same period is estimated to be Rs. 29,141.72 crore, which amount to 0.27 % and 3.14 % of the GSDP respectively.

145. **Budget Estimates 2019-20:** For the financial year 2019-20, I propose an expenditure of Rs. 2,26,177.53 crore, with revenue expenditure estimated at Rs. 1,80,369.33 crore and capital expenditure estimated at around Rs. 29,596.53 crore, which includes Rs. 8,994 crore towards principal repayment of public debt. The 2019-20 budget estimates entail an overall increase of around 18.38 % over the 2018-19 budget estimates. While the revenue expenditure is estimated to increase by around 20.03%, the capital expenditure is estimated to grow by around 3.20% over the 2018-19 financial year.

146. The estimated revenue deficit is around Rs. 2,099.47 crore and the fiscal deficit is estimated at around Rs. 32,390.68 crore. The fiscal deficit will be around 3.03 % of the GSDP, whereas the revenue deficit would be around 0.20 % of the GSDP.

Concluding Remarks

147. History has shown us that the developmental trajectory of newly formed countries or states, is predominantly dependent on the

foundation laid in the first 10-15 years. Hon'ble Chief Minister continuously reminds the Council of Ministers of this enormous responsibility placed on us by the people. We had consciously chosen a path to work in coordination with Government of India for the state's benefit and we continued to do so, as long as we saw a promise of support. We are not beggars seeking someone's benevolence, neither are we shirkers, when it comes to fighting for our rights, whether they are assurances provided in AP Reorganisation Act, or assurances provided to us by then Hon'ble Prime Minister on the floor of the Parliament or our share in Central Taxes or our share in Central Schemes.

148. Having said that, true leadership is laying a path for our state to reach its destiny regardless of any hurdles. And our leader, Hon'ble Chief Minister, has set us a Vision 2022 to be amongst the top 3 developed states and Vision 2029 to be the best developed state in India and Vision 2050 to be a global investment and employment hub. These are not just words but guiding light for us to work out appropriate developmental strategies and prepare our state for the future. Our Government has been working not only for the people who voted for us and who did not vote for us, but also for the people who could not have voted for anyone – our children and grand children. This generation of our state has enormous responsibility in ensuring that the future of our state is not just secure, but also thriving in all spheres.

149. If we look around, some of the emerging challenges in the world currently are inequality, automation & jobless growth, climate change and ageing. If we assess our Governance against the standard of preparing our state to address these challenges, the thrust of our welfare programmes is to address inequality. Our saturation approach in regard to pensions, rations, housing, scholarship, insurance, unemployment allowance etc., is an effort in this direction.

150. We have attracted global companies like KIA Motors, which create an ecosystem around them for high quality jobs. We have been investing in new age technologies like Fintech, Artificial Intelligence, Blockchain, Big Data, etc. which will prepare our state as well as our youth to be ready for the emerging world with greater automation. We are also re-orienting our industrial policies to ensure employment and local employment. We are building a world class infrastructure to ensure that the emerging companies make Andhra Pradesh their home, thereby making the state the center of global growth story.

151. In terms of climate change, we have succeeded in drought-proofing agriculture to a large extent and we will continue to do so. We are pioneering Zero Budget Natural Farming (ZBNF) to ensure sustainable and environment friendly growth. Polavaram Dam will enable our state to a significant extent to fight climate fluctuations. We are forerunners in adopting electric mobility to keep our air and

people healthy. In addition, we have been promoting greening in a big way.

152. Hon'ble Chief Minister always reminds us constantly about how our state's fertility rate is below replacement rate and if we do not have a healthy mix of younger population, the state's finances as well as economic development will be at a risk of slowing down. With wider consultations, we will address this challenge as well.

153. Speaker Sir, Hon'ble Chief Minister, my colleagues and I took an oath that we will faithfully and conscientiously discharge our duties in the offices we hold. It is with this conscientiousness that we worked not only to address the issues of the present, but also to build a future, which will work for generations to come. However, what is easily missed is, it is the same conscientiousness with which, our people have come forward in large numbers to support this Government in rebuilding our state. Equally, our hardworking and sincere employees have given their best efforts. Therefore, we dedicate our achievements to all our people.

154. I hope, as a state, we continue to place faith in a leadership, which brings out the conscientiousness within all of us to enable our state to reach its rightful destiny.

Reach high, for stars lie hidden in you. Dream deep, for every dream precedes the goal.

-Rabindranath
Tagore

Sir, with these words, I now commend the Budget to this august House for its consideration and approval.

Jai Hind Jai Andhra Pradesh

State Development Schemes Expenditure				
<i>(Rs. in Crores)</i>				
S.No	Name of the Scheme	BE 2018-19	BE 2019-20	Growth %
1	Total State Development Schemes Expenditure	49103.00	65486.00	33.36
2	Scheduled Castes Component (SCSP)	11228.10	14367.34	27.96
3	Schedule Tribes Component (TSP)	4176.61	5385.31	28.94
4	Backward Classes Component	12200.00	16226.00	33.00
5	Minorities Component	1100.14	1304.43	18.57

Major New Schemes and their allocations for the Year 2019-20				
<i>(Rs. in Crores)</i>				
S.No	Name of the Scheme	BE 2018-19	BE 2019-20	
1	Annadata Sukhibhava	0.00	5000.00	
2	Land Acquisition for House sites	0.00	500.00	
3	Incentives for Industrial Promotion for Micro Small and Medium Enterprises (MSMEs)	0.00	400.00	
4	Drivers Sadhikara Samstha	0.00	150.00	
5	Infrastructure facilities in ULBs under CIIP	0.00	100.00	
6	Welfare of Kshatriyas	0.00	50.00	

Important Schemes with increased allocations for the Year 2019-20				
<i>(Rs. in Crores)</i>				
S.No	Name of the Scheme	BE 2018-19	BE 2019-20	Growth %
Schemes related to Farmers				
1	Andhra Pradesh Market Intervention Fund	500.00	1000.00	100.00
2	Farm Mechanization	258.17	300.17	16.27
3	Live Stock Insurance	50.00	200.00	300.00
4	Fodder and Feed Development	149.00	200.00	34.23
5	Promotion of Horticulture Activities	102.00	124.00	21.57
6	Development of Fisheries	81.68	100.00	22.43

Welfare Schemes				
7	Pasupu Kumkuma to DWCRA (SHG) Groups	1700.00	4000.00	135.29
8	Backward Classes Corporations	1337.81	3000.00	124.25
9	Assistance to Unemployed Youth	1000.00	1200.00	20.00
10	Interest Free Loans to DWACRA Women (Vaddileni Runalu)	1000.00	1100.00	10.00
11	Special Development Fund for welfare and development activities	500.70	800.00	59.78
12	Chandranna Bima	140.00	354.02	152.87
13	Anna Canteens	200.00	300.00	50.00
14	Assistance for Livelihood Enhancement of Weavers	200.00	225.00	12.50
15	Nutritious Meals Programme for IX and X Class	94.93	156.72	65.09
16	Chandranna Pelli Kanuka - BC Welfare	100.00	175.00	75.00
17	Chandranna Pelli Kanuka - Social Welfare	100.00	128.21	28.21
18	Chandranna Pelli Kanuka - Minorities (Dulhan)	80.00	100.00	25.00
19	Chandranna Pelli Kanuka - Tribal welfare (Giriputrika)	8.25	15.00	82.26
20	Chandranna Pelli Kanuka - Incentives for Disabled	8.00	10.26	28.25
21	"NTR Videshi Vidyadharana" for Higher Studies in Overseas Universities	68.08	100.00	46.88
22	Andhra Pradesh State Christian Finance Corporation	75.00	100.00	33.33
23	Incentives to Imams and Mouzans	75.00	100.00	33.33
24	Assistance to Andhra Pradesh Brahmin Welfare Corporation Limited	75.00	100.00	33.33
25	Rehabilitation and Supply of Prosthetic Aids to Differently Abled	35.00	70.00	100.00
26	Nutritious Meals Programme for Intermediate Students	23.00	58.00	152.17
27	Assistance to Vaisya Corporation	30.00	50.00	66.67

Welfare Pensions				
28	NTR Pensions to old age persons & widows	4200.00	10401.05	147.64
29	NTR Pensions to Disabled Persons	740.00	2133.62	188.33
30	Pensions to Dappu Artists	12.00	108.00	800.00
31	Pensions to AIDS Patients	38.00	100.20	163.67
32	Pensions to Toddy Tappers	22.00	76.31	246.85
	Total Welfare Pensions	5012.00	12819.18	155.77
Other SDP Schemes				
33	Convergence Schemes under Mahatma Gandhi National Employment Guarantee Act	750.00	1000.00	33.33
34	Infrastructure Development of Micro Small and Medium Enterprises (MSMEs)	150.00	500.00	233.33
35	Rejuvenation of Micro Small and Medium Enterprises (MSMEs)	50.00	100.00	100.00
36	Core Network Roads (Works)	230.00	331.24	44.02
37	Land Pooling for New State Capital	166.53	226.27	35.87
38	Cost sharing with Railways for construction of New Railway Lines (50%)	100.00	180.00	80.00
39	Upgradation of NREGP works	100.00	124.00	24.05
40	Panchayat Raj Engineering Department Road Assets	25.00	50.00	100.00
41	Reconstruction of Panchayat Raj Roads	25.00	50.00	100.00

Secretariat Department Wise Budget Estimates 2019-20

Category: Revenue & Capital

(Rs.inCrores)

Sl. No	Department	BE 2018-19	RE 2018-19	BE 2019-20	Growth % of BE 19-20 over 18-19
1.	Agriculture Marketing & Co-Operation	10097.42	14585.30	12732.97	26.10
2.	Animal Husbandry, Dairy Development & Fisheries	1743.02	1742.06	2030.87	16.51
3.	Backward Classes Welfare	6213.17	5356.70	8242.64	32.66
4.	Environment, Forest, Science & Technology	523.77	463.45	491.93	-6.08
5.	Higher Education	2834.90	2734.99	3171.63	11.88
6.	Energy and Infrastructure	5139.90	2964.90	5473.83	6.50
7.	Secondary Education	21612.30	18524.10	22783.37	5.42
8.	Food & Civil Supplies	3495.39	1578.82	3763.42	7.67
9.	Finance	42929.75	46253.16	51841.69	20.76
10.	General Administration	808.97	985.68	1177.56	45.56
11.	Health, Medical & Family Welfare	8463.51	8910.18	10032.15	18.53
12.	Home	6258.09	6320.68	6397.94	2.23
13.	Housing	3679.53	3810.87	4079.10	10.86
14.	Water Resources	16978.23	14862.16	16852.27	-0.74
15.	Industries and Commerce	3074.87	6290.29	4114.92	33.82
16.	Information Technology, Electronics & Communications	1006.90	954.55	1006.81	-0.01
17.	Labour and Employment	814.83	782.43	1225.75	50.43
18.	Law	854.18	769.30	918.81	7.57
19.	Legislature	126.91	137.52	149.90	18.11
20.	Municipal Administration and Urban Development	7740.80	7934.63	7979.34	3.08
21.	Minorities Welfare	1101.90	773.22	1308.73	18.77
22.	Public Enterprises	2.52	2.14	2.56	1.57
23.	Planning	1105.17	1153.93	1403.17	26.96
24.	Panchayat Raj and Rural Development	23439.21	31208.82	35182.61	50.10
25.	Revenue	4149.98	3306.99	5546.94	33.66
26.	Department of Real Time Governance	172.00	168.44	172.12	0.07

Sl. No	Department	BE 2018-19	RE 2018-19	BE 2019-20	Growth % of BE 19-20 over 18-19
27.	Skill Development, Entrepreneurship and Innovation	513.71	115.14	458.66	-10.72
28.	Social Welfare	6407.91	5917.60	6861.60	7.08
29.	Transport, Roads and Buildings	4703.45	4599.31	5382.83	14.44
30.	Women, Children, Differently Abled and Senior Citizens	3007.97	2226.41	3408.66	13.32
31.	Youth and Sports	2063.34	1514.73	1982.74	-3.91
Total		191063.61	196948.49	226177.53	18.38

