

**SPEECH OF SRI. EATALA RAJENDER,
HONOURABLE FINANCE MINISTER WHILE
PRESENTING THE BUDGET FOR THE YEAR 2014-
15 TO THE TELANGANA STATE LEGISLATURE
ON NOVEMBER 5, 2014**

Hon'ble Speaker Sir,

This is a profound moment and I rise to present the first Budget of the new State of Telangana. This is also a historic occasion for four crore people of the State, as they take control of their own resources and fate. I convey my heartfelt thanks to the people of Telangana, Hon'ble Chief Minister and Hon'ble Members of the House on this occasion.

2. Our State is the result of prolonged struggle by two generations of people over six decades during which many lost whatever little they had and some even their lives. We salute them all and also place on record the critical contribution made by our respected Chief Minister Sri K Chandrasekhar Rao garu, who successfully led all sections of people in carving out separate Telangana state.

3. This context commands me to ensure judicious use of revenues for fulfilling the hopes and aspirations of not only the present but also future generations. The Budget has been formulated keeping in view the imperative of ensuring a bright future for people of Telangana.

4. As the Hon'ble Members are aware opportunities were lost and problems accumulated as a result of deliberate neglect of Telangana. The immense task before

the government is not only to correct historic wrongs but also to quickly impart social and economic justice for vast majority of the people.

5. Telangana has suffered on all fronts. With the realisation of separate Statehood, people have started realising the fruits of self rule.

6. Though we have direct control over the affairs of the State, a number of indirect forces are still bent on creating hurdles in our efforts to develop the State.

7. The Government is committed and determined and with the active support of people, all the hurdles in the path of development will be overcome. I am confident that the spirit and dedication with which separate Statehood has been achieved will continue to drive the State towards realising the goal of Bangaru Telangana.

8. For reconstructing the State, we need to reinvent and reorient Telangana. As the Hon'ble Members will appreciate, there are no easy solutions or short cuts. Serious and concerted action is needed to address the past neglect.

9. Though this Budget is only for the available 10 months of the current financial year 2014-15, it has been so programmed to integrate seamlessly into the five year perspective plan 2014-2019.

10. We dare not forget today that our State owes its existence to a large part to the martyrs, the Amaraveerulu, who made the supreme sacrifice by laying down their lives for the cause of the State. The greatest homage that

we can pay to these Amaraveerulu is to relentlessly strive to realize Bangaru Telangana thereby keep them ever alive in our hearts, minds and spirits. However, as a token of gratitude, a financial assistance of Rs. 10 lakh to each of the 459 families of the martyrs has been released. An amount of Rs. 100 crore is proposed in the Budget for this purpose.

Mana Vooru- Mana Pranalika

11. This Budget is a major departure from the past both in its approach and content. Realising that a good Budget should reflect the priorities of people and also recognising that people's priorities cannot be determined sitting in Hyderabad, your Government have effected a paradigm shift by adopting the decentralized development model of 'Mana Vooru- Mana Pranalika', through which suggestions were sought from people at village and ward levels to assess their felt needs. To concretise the priorities of the State based on these suggestions and prepare short, medium and long term action plans, the State Government have constituted 14 Task Forces.

12. This Budget which will telescope into the next four budgets has been formulated under the direction and leadership of Hon'ble Chief Minister Sri. K. Chandrasekhar Rao garu, ensuring that the benefit of government expenditure reaches all deserving people, especially the weaker sections, who did not get their due share so far. This is the first time that a new State has attempted to democratize the entire process of Budget making. As the Hon'ble Members are aware, the government in furtherance of the cause of meeting the

aspirations of people and to optimize the limited resources conducted a Comprehensive Household Survey on August 19, 2014. In an unprecedented manner, the survey was completed on a single day with the overwhelming participation of people. The results of the survey will be used to better target welfare programmes.

Socio-Economic Situation

13. Before presenting the new initiatives and budgetary allocations, let me briefly present the socio-economic situation of Telangana State. Nearly, 85 percent of State's population consists of weaker sections. This predominance casts a heavy responsibility on the State government in terms of bringing them on par with other sections. Their continued backwardness inspite of six decades of planning points to lopsided policies and lack of commitment. The growth of the State economy witnessed a sharp fall from an average of 10.5 percent during the period 2005-10 to 4.5 percent in 2012-13 owing to marked deceleration in the growth of industrial sector. Reversal of this trend requires massive infusion of investment funds into agriculture, industry and infrastructure sectors. This is essential from the point of view of food security, employment and revenue buoyancy.

14. The major contributors to the Gross State Domestic Product (GSDP) are the services and the industry sectors contributing about 58 and 28 percent, respectively. The lack of momentum in the growth of industry sector is a matter of grave concern for the new State. The agriculture sector though contributes only 14 percent to the GSDP

supports nearly 50 percent of the State's population either directly or indirectly.

15. The per capita income of the State at Rs. 93,151 in 2013-14, though higher than the national average of Rs. 74,920, masks wide variations across districts. In Telangana, only three out of ten districts have per capita income higher than the national average. In the remaining seven districts, the per capita income is below the national average. As observed by numerous committees appointed by the Government of India, majority of the districts in Telangana continue to remain backward with nine out of ten districts in the State covered under the Backward Regions Grant Fund (BRGF). Despite all the constraints, the State is determined to initiate all necessary steps to regain the growth momentum and to ensure that the benefits of development are broad based. The Government is of the firm belief that mere growth has no meaning and even legitimacy if the deprived sections of the society are left behind. This Budget is a reflection of our commitment.

Redeeming the Election Promises

16. Our Party has made certain promises in the election manifesto after a lot of thinking and taking into account the felt and just needs of people. For our Government, a promise is a promise and meant to be honoured, no matter what the constraints are. Several initiatives in the direction of fulfilling the promises have been taken soon after the formation of our Government and several other initiatives are proposed in this Budget. I will now present before the House the new initiatives and flagship

programs of the State Government to further the cause of “Bangaru Telangana”.

Revival of Tanks and Irrigation

17. As the Hon’ble Members are aware, tanks are crucial to the sustenance of village economy. Following the total neglect of tanks, which used to irrigate nearly 60 percent of the net sown area in the State till the early sixties, dependence of agriculture on well irrigation has increased considerably to the detriment of farmers’ interests. There was no maintenance of tanks in the combined State and many tanks have been encroached upon as a result of which area irrigated by tanks is now less than 9 percent. As a consequence, farmers were forced to borrow and invest huge amounts of money in digging wells and installing pump sets. It is disturbing and alarming to note that over 80 percent of the net sown area in the state now depends on well irrigation created by the poor farmers of the state by investing thousands of crores of their hard earned money. With the frequent occurrence of droughts and depleting ground water levels, many of the wells have gone dry adding to the misery of farmers. There are instances of farmers investing in one well after another, to no end. Compounding the problems of the farmers is the acute power shortage. Agriculture in the State is a risky gamble owing to the neglect of the sector by the successive governments. To put an end to the plight of the farmers, the Government have decided to take up the restoration of over 45,000 tanks over the next five years. Nearly 9,000 tanks are proposed to be taken up for restoration in this financial year to start with. An

amount of Rs. 2,000 crore is proposed in the Budget Estimate (BE) for 2014-15 for this purpose.

18. Simultaneously, the Government are also planning to complete the prioritised major and medium projects during the course of next five years. As a first step, all the four ongoing Lift irrigation Schemes of Nettempadu, Kalwakurti, Bhima and Koilsagar in Mahabubnagar are programmed to be completed during the current year itself bringing 2,97,550 acres of land under irrigation. A total provision of Rs 6,500 crore is proposed for irrigation and command area development sector.

Water Grid and Drinking Water

19. Acute shortage of drinking water at times and prevalence of water quality related ailments such as flourosis are common phenomenon in the State. The present supply of drinking water is neither reliable nor adequate. For lack of protected drinking water, poor Gonds in Adilabad are succumbing to water borne diseases. People in Nalgonda continue to suffer from fluoride contaminated water despite the Krishna river flowing through it. Moved by the plight of the flourosis affected people of Nalgonda, the Hon'ble Chief Minister is determined to provide a lasting solution to this problem. Drinking water is a basic necessity and this Government opines that people cannot be made to wait indefinitely for its adequate provision. Towards this end, Government have decided to earmark 10 percent of water in irrigation projects for the use of drinking water and to establish a State Drinking Water Grid to provide protected and piped drinking water to every household in

the State through a network of pipelines at an estimated cost of Rs.25,000 crore. As a primer, a provision of Rs.2,000 crore is proposed in the BE 2014-15.

Agriculture and Allied Sectors

20. Agriculture in Telangana is largely dependent on erratic rainfall and depleting ground water, thus making it vulnerable to frequent droughts and other unfavourable weather conditions. Low productivity, rising input costs and stagnant public investment have made agriculture unremunerative and very risky to farmers. Large sections of the farm households have been facing great deal of distress as a consequence of a decline in agricultural income, erosion of their repayment capacity and increased debt burden since the mid-nineties. Frequent crop failures because of uncertain weather and pest attacks have driven a large number of farmers to suicide, the incidence of which was one of the highest in the entire country. Unless the farmers are helped to come out of the debt trap, their plight will worsen further and there will be no private investment in agriculture. Consequently, the goal of higher growth in agriculture will remain elusive forever. Majority of farm families are small and marginal. The scope for private investment in agriculture is very limited because of uncertain returns and high incidence of farmer indebtedness in the State. Infusion of investment is the surest way to enhance agricultural productivity, which besides breaking the vicious cycle of rural poverty could also address the macroeconomic problem of persistent high food inflation. Taking into account the plight of the farmers, the State Government put in place a Farmer

Debt Waiver Scheme under which the outstanding crop loans up to Rs. one lakh per family are being waived. An amount of Rs. 4,250 crore has already been credited to the loan accounts as first instalment. Despite the constraints in getting the outstanding loans rescheduled by banks, the State Government has gone ahead with the farmer debt waiver scheme and more than proved its commitment to the welfare of farmers. I may add that this is the first of its kind initiative taken by any State Government in the country to comprehensively address the problem of farmers' indebtedness.

21. A specific instance of inbuilt bias against Telangana farming can be seen in the release of input subsidy. Subsidy due to farmers especially relating to calamities such as hail storms remained unpaid from 2009-10 onwards. To provide relief to farmers, the Government have released an amount of Rs. 480.43 crore towards input subsidy dues from the year 2009-10 onwards.

22. The Government have released an amount of Rs.11.50 crore to Red Jowar seed grower farmers in Nizamabad district to set-off their long pending dues.

23. Another major problem facing the agriculture sector is market risk characterised by wide fluctuations in agriculture produce prices. There are instances of farmers abandoning crops because of steep fall in prices for their produce. Unless there is an assurance of remunerative prices, farmers cannot take a rational decision either with regard to the cropping pattern or the investments on crop inputs. The Government have decided to bring an end to this uncertainty by establishing a Market Intervention

Fund with a provision of Rs. 400 crore in this Budget. With timely and selective market intervention, an era of stable and remunerative prices will set in.

Making Telangana a Seed Bowl of the Country

24. A lasting solution to the low and uncertain incomes of farmers lies in encouraging the cultivation of high value crops and increasing the productivity in general. Fortunately, Telangana is endowed with variety of fertile soils suitable for growing seeds. With proper planning, Telangana has the potential to emerge as the seed bowl of India. To unlock this potential, the State Government has taken the initiative of developing seed chains and an amount of Rs.50 crore has been proposed in the Budget. Plans are afoot to tie up with seed companies for the purpose of marketing. The above measures would help in eliminating market risk to a large extent. I may mention with all humility that no such attempt has ever been made. As agriculture provides direct or indirect sustenance to nearly 50 percent of the State's population, the Government is committed to the revival of the agriculture sector. For this purpose, a multi-pronged approach is being adopted, Apart from farm loan waiver, development of seed chains, a number of other initiatives are being taken up. These include development of crop colonies, strengthening soil testing, promotion of farm mechanization and establishment of farm field schools. While an amount of Rs.100 crore is proposed for farm mechanization, the amounts proposed for crop colonies including soil testing and farm field schools are Rs. 20 crore and Rs.10 crore, respectively.

Kamatala Ekikarana

25. Agricultural holdings in the State are small in size with land located at different places. Consolidation of land is necessary to make agriculture productive and intensive. Therefore, the Government have decided to take up consolidation of agricultural holdings.

Horticulture Development

26. Horticulture has an immense potential in the State. It is proposed to promote green house farming in 1,000 acres in the areas surrounding Hyderabad on a pilot basis in the current year for the cultivation of exotic and unseasonal vegetables at an estimated cost of Rs.200 crore. Provision has been proposed for this amount in the Budget. Under this programme, it is proposed to extend 75 percent subsidy on the cost of establishing green houses to farmers.

27. Apart from the promotion of green houses, the State Government has taken a decision to promote drip irrigation to optimize the use of ground water in 1.36 lakh acres with a subsidy of 100 percent to SC and ST farmers, 90 percent to small and marginal farmers and 80 percent to other farmers. An amount of Rs. 250 crore has been proposed in the BE 2014-15.

Poultry Sector

28. Poultry farming is an important sector in Telangana. As a poultry farmer, I am aware of the acute distress in the sector because of increase in the feed prices and fluctuating prices for poultry products. I will be failing in

my duty if I leave out the sector. Therefore, an amount of Rs. 20 crore has been proposed towards power subsidy to poultry farmers. The modalities of dispensing the subsidy are being worked out. So far, 1.5 lakh tonnes of maize costing Rs.14 per kg has been supplied to poultry farmers at a subsidised price of Rs. 10 per kg.

Dairy Sector

29. Milk production in the State is inadequate to meet the rising demand. With a view to encouraging the farmers to take up milk production in a sustainable way, an amount of Rs. 16.30 crore has been provided in the Budget as incentive to milk producers at the rate of Rs. 4 per litre of milk supplied to Vijaya Dairy.

Fisheries Development

30. Taking into account the need to develop fisheries sector in the State, two of my Cabinet colleagues have visited West Bengal and Jharkhand to get first hand information about the best practices being followed there. It is proposed to modernise and develop the sector. The revival of tanks proposed by the Government will give a boost to the development of fisheries in Telangana. Government will consider making suitable provision for the development of fisheries sector.

Welfare Programmes

Welfare of Scheduled Castes

31. The economic and social status of scheduled castes, who constitute 15.4 percent of the state's population,

continues to remain pathetic because of lack of a focused approach to address their plight. No meaningful initiative has been taken by any Government so far to provide a lasting solution to their plight. The Government is convinced that there cannot be a better policy to address their poverty on a lasting basis than by providing them with a permanent source of livelihood. Accordingly, Government have taken a path breaking policy decision to provide three acres of cultivable land to each landless SC family, develop the same with irrigation and provide the total cost of cultivation for the first year as a grant. As you all know, the scheme was launched on August 15, 2014 on a pilot basis. In the next phase, SC households holding less than three acres of land will be provided the balance extent of land. An amount of Rs. 1,000 crore has been proposed for this scheme. The Government is committed to provide an amount of Rs.50,000 for the welfare of SCs over the five-year period 2014-19. In keeping with the commitment of the Government, the Social Welfare Department has been renamed as SC Development Department.

Tribal Welfare

32. Tribal population continues to remain disadvantaged in the State. Corresponding to rise in the proportion of ST population in Telangana State, the proportion of TSP has been raised to 9.34% amounting to Rs. 4461.21 crore. Plans are afoot to convert Girijan Tandas into gram panchayats and to formulate scheme similar to those in the ITDAs for tribals living in plains. To perpetuate the memory of Gond martyr Komaram

Bheem, administrative sanction has already been accorded for the construction of a tribal museum and memorial in Jodeghat village of Adilabad district at an estimated cost of Rs. 25 crore. An amount of Rs. 245.92 crore has been proposed for the educational institutions in tribal areas under the Plan.

SC and ST Sub-Plans

33. Though provisions are being made under the SC and ST sub-plans in proportion to their population, there are numerous instances of such provisions being diverted or left unspent. To address this issue on a permanent basis, the Government have decided to place the funds earmarked under SC and ST sub-plans at the disposal of the SC Development and the Tribal Welfare departments, respectively. The concerned nodal agencies will now be able to rebalance and reappropriate these amounts according to the actual needs and benefits. The amounts proposed under the SC and ST sub-plans in this Budget are Rs.7579.45 crore and Rs.4559.81 crore, respectively.

Welfare of Backward Classes

34. People belonging to backward classes constitute about 45 percent of the total population of the State. No concerted policy initiatives have been taken so far to improve the lot of backward classes except establishing a number of cooperative societies and financial corporations to cater to the needs of various sections. Most of these corporations remained ineffective in discharging their responsibilities for want of adequate funding and policy framework from the Government.

While concentrating on the educational development of BCs, Government proposes to enhance equitable flows of various development programmes towards these sections in an active manner. Overall, an amount of Rs.2,022 crore is proposed to this sector under plan and non-plan.

Welfare of Minorities

35. Minorities constituting about 11 percent of the State's population continue to suffer from social and economic inequities putting a question mark on the secular credentials of the successive Governments. Though the past cannot be undone, the Government is determined to address the issues relating to the welfare of minorities head on. In an unprecedented manner, we propose to provide an amount of Rs.1,030 crore in this year's Plan Budget for the welfare of minorities. This is a substantial jump from the notional provision for Telangana amounting to Rs. 501.98 crore made in the Vote on Account Budget of the combined State for the full year.

Kalyana Lakshmi

36. Women constituting 50 of the population suffer many socio economic handicaps even till date. Families across different castes and religions consider girl child as an unbearable burden especially when it comes to the expenses connected with marriage. To give a decent start to this important and crucial phase in her life, the Government decided to introduce a new scheme called, 'Kalyana Lakshmi'. Under the scheme, an amount of Rs.51,000 will be handed over to each bride belonging to

SC, ST and minority communities at the time of her marriage. The amounts proposed under the scheme in the BE 2014-15 for SC, ST and Muslim brides are Rs.150, Rs. 80 crore and Rs 100 crore, respectively. The component pertaining to Muslim girls is named as “Shadi Mubarak”.

Women and Child Welfare

37. A society in which women are not treated with respect and care cannot claim to be civilized. The common perception is that women are not safe if they are alone. Concerned about the lack of safety to women and high incidence of rapes, the Government have constituted a Committee on issues relating to safety and security of women and girls in Telangana. The Committee has made a number of recommendation for enhancing the safety and security of women and girls and these are under the active consideration of the Government. In the meantime, a Special Task Force has been formed in Hyderabad city to protect women from eve teasing and assaults. An amount of Rs. 10 crore has been proposed in this Budget for strengthening safety and security measures for women.

38. Concerned over the nutritional deficiency, Government have decided to pay special attention to women and children. At present eight eggs per month are being provided to children in the age group of seven months to three years. Government have decided to double the number of eggs per month from eight to sixteen. Children in the age group of three to six years are currently being supplied 16 eggs per month. This has been increased to 30 eggs per month. For pregnant and

lactating women, the present supply is 25 eggs per month and 200 m.l. of milk per day. This covers only 45 percent of women. Government have decided to cover all eligible pregnant and lactating women and to increase the supply of eggs to 30 per month. An amount of Rs. 221 crore has been proposed for this purpose in BE 2014-15. This represents nearly 300 percent increase over theTelangana portion of the provision made in the VoA Budget for the full year. Under the ICDS, the amount proposed is Rs. 1103.88 crore.

39. The poor families in the rural areas are still using dung and firewood for cooking which is a health hazard. To address this problem, an amount of Rs.100 crore has been proposed for one-time free supply of LPG connections to poor women.

Aasara

40. Government of Telangana as part of its social safety net strategy have introduced 'Aasara' pensions with a view to ensuring dignified life to the old and the disabled. At present, the pension paid to the old aged, widows and the disabled are inadequate even to meet the bare minimum necessities of life. Under the Aasara pension scheme being introduced by the Government from November 8, 2014, an amount of Rs. 1,000 per month will be paid to eligible old aged and widows. For the disabled, the monthly pension will be Rs. 1,500 per month. These enhanced pensions will secure a dignified life to the beneficiaries. It is proposed to increase the pensions to handloom weavers and toddy tappers. An amount of Rs.1317.77 crore has been proposed for the

payment of pensions to the aged and the widows. The amount proposed for pensions to the disabled is Rs. 367.75 crore in the BE for 2014-15.

Education

41. Our Government is of the view that the amount spent on education should be treated as investment for human resource development and not as expenditure.

42. There is no better way to empower people than to provide them with quality and affordable education. A well-educated and employable youth can change the fate of the society within one generation spectacularly. Late Prof. Jaya Shankar was of the firm belief that by developing and expanding educational system, fresh class of citizens could not only be nurtured but also be meaningfully engaged in evolving society. Public provision of education has suffered a great deal in terms of quality, driving even the poor away from government schools. Education in Telangana suffered a great deal because of neglect. The dropout rate in schools in Telangana is much higher than the national average. The higher dropout rate among the SC and ST school children is a matter of grave concern. The Government is committed to overhauling and strengthening the public education system from KG to PG in a phased and systematic manner. A token amount of Rs.25 crore is proposed in the Budget to roll out the new strategy for improvised KG to PG education. Government intends to integrate and improvise the otherwise splintered and marginalised education system in the State by putting the interests of the students on top of the agenda. Under the

Centrally assisted plan scheme, a provision of Rs.940.73 crore has been proposed for setting up of model schools at Mandal level as benchmarks of excellence. Under the Rashtriya Madhyamik Siksha Abhiyan, an amount of Rs.906.40 crore has been proposed in BE 2014-15. The Government is planning to improve the quality of technical education in the State thereby enhancing the employability of students passing out of technical institutions. An amount of Rs.212.86 crore has been provided under the Plan for Technical Education. An amount of Rs. 119.63 crore has been proposed for the IIIT at Basara.

Medical and Health

43. Our Government is of the firm belief that expenditure on health care is an investment in human development which will result in lasting benefits to the population. In old Hyderabad State, Government provided necessary health care with no cost or minimum cost to all the sections of the society. With the total neglect of government hospitals and inadequate funding, private sector gained prominence as a result of which cost of health care to the common man has increased considerably with attendant malpractices. Years of neglect cannot be set right overnight. However, the Government is committed to the revival of public health systems and make them affordable and reliable for the common man. The Government has made a beginning in the direction of reviving and strengthening public health care by proposing a substantial increase in the provision under plan to the health sector to Rs. 2282.86 crore in the BE

2014-15 as compared with the provision attributable to Telangana in the Vote on Account Budget of the combined State amounting to Rs. 1277.39 crore. Within the overall provision, for the first time substantial provisions have been proposed for Government Hospitals. For Gandhi and Osmania hospitals, the provisions proposed in the Budget are Rs. 100 crore each. For strengthening the Maternity Hospitals at Petlaburz and Sultanbazar, an amount of Rs. 50 crore has been proposed and the proposed amounts for Niloufer and King Koti Hospitals are Rs. 30 crore and 25 crore respectively. Efforts are being made for upgradation of district hospitals into super speciality hospitals. An amount of Rs. 1 crore each amounting to Rs 42 crore is proposed for the upgradation of 42 area hospitals. In addition, an amount of Rs. 40 crore has been proposed for strengthening of Eye, Mental, Chest and ENT Hospitals. The amount provided for medical college buildings is Rs.152 crore. As the Hon'ble Members will appreciate, this is the first time that such higher provisions are being made for strengthening of government hospitals. I may also add that the Government have decided to establish a Health University at Warangal.

Industry

44. The Government is of the firm view that industrialization alone holds the key for the higher growth trajectory and employment generation. There was negative growth of industry sector in Telangana by 0.9 percent in 2012-13. Though growth marginally picked up to 2.7 percent in 2013-14, it remains much below the

desired level. For giving industrial growth a momentum, the State Government is in the process of unveiling most attractive, effective and investor friendly industrial policy. A Chasing Cell will be established with the task of monitoring industrial approvals on day to day basis and the Cell will act as a link between the prospective investors and the various Departments of the State Government. It is proposed to establish a land bank with about 5.0 lakh acres of Government land suitable for location of industries and hand it over to Telangana State Industrial Infrastructure Corporation (TSIIC). Provision of facilities in this land such as water and electricity will be provided by the TSIIC. For this an amount of Rs.100 crore is proposed in this budget.

45. I am happy to inform the House that after the formation of our State, there has been good response from the Industry. Hon'ble Chief Minister has recently inaugurated the consumer goods manufacturing unit of Proctor and Gamble involving an investment of Rs. 970 crore and an employment potential of 950 persons. He also laid the foundation stone for the Johnson and Johnson manufacturing plants with an investment of Rs. 450 crore in Mahabubnagar district. Tata Aerospace has entered into a partnership to manufacture Dornier Aircraft main cabin and wing components as well as the major parts for the Pilatus aircraft. Land has been given to Tata Aerospace for this purpose. I am happy to inform the Hon'ble Members that the booster rocket that put the Mangalyan into Mars orbit has been manufactured by a Hyderabad based company.

46. As an important step towards assuring the industry of the commitment of the State, an amount of Rs. 638 crore is proposed in the Budget toward clearing the incentive dues payable to the industry located in the State, which the combined State postponed. In addition, an amount of Rs.100 crore each has been proposed towards power subsidy to industry and for the development of infrastructure facilities. For the Hyderabad Information Technology and Investment Region (ITIR), an amount of Rs.90 crore has been proposed in the BE 2014-15. Efforts are on to make Singerani Collieries diversified and to make it an active player in the industrial growth of the State. Options to acquire coal mines in other countries will be explored by the company. A major national project which has been taken up in Telangana is the National Investment and Manufacturing Zone (NIMZ) in Medak district. This zone will be spread over 12,365 acres and can host major manufacturing anchor clients besides their ancillaries. The NIMZ, Medak has the potential to attract investments of over Rs.40,000 crore and to provide direct employment to 3 lakh people besides supporting 4.50 lakh jobs indirectly.

47. The policy of the Government is to ensure balanced development by developing other towns apart from Hyderabad. A textile Park is being planned to be set up at Warangal. Recognising the gaps in the innovation-entrepreneurship-investment ecosystem resulting in poor socio-economic outcomes, The Government of Telangana proposes to link research institutes, academia and industry in and around Hyderabad under the umbrella of “Research and Innovation Circle of Hyderabad (RICH).

48. Apart from providing land to landless families, the Government have decided to promote entrepreneurship among the SCs. An amount of Rs.19.30 crore has been proposed as an incentive to SC entrepreneurs setting up industrial units.

Power loom Weavers

49. As the Hon'ble Members are aware, powerloom weavers in the State are in dire straits. To provide immediate relief to them, the Government have decided to provide loan waiver up to Rs. 1 lakh per weaver family.

Urban Development

50. Hyderabad with its metropolitan culture and salubrious climate is already on the radar of global investors. The pressure of growing population has stretched the civic infrastructure to its limits. Therefore, there is an imperative to invest in the improvement of infrastructure in Hyderabad to retain its attractiveness to global investors. The goal is to make Hyderabad a safer, smarter and slum free city. Several initiatives are being taken to make this a reality sooner than later.

51. The first and foremost priority is to make the city safe and crime free. As the Hon'ble Members are aware, The Government have released an amount of Rs.350 crore for building a rapid response system capable of reaching any trouble spot within a maximum time of 10 minutes in twin cities. Towards this end, vehicles equipped with GPS and computer systems have already been provided to the city police. Further amounts

proposed in this Budget for installation of CCTV surveillance systems in the areas covered under Hyderabad and Cyberabad city Police Commissionerates are Rs. 44.59 crore and Rs. 25 crore, respectively. It is also proposed to make the police stations in the city citizen friendly, for which an amount of Rs.20 crore has been proposed under the Plan to the Commissioner of Police, Hyderabad. For technology backbone for citizen-centric traffic management and for fighting organized crime, an amount of Rs.31.41 crore has been proposed. For the construction of barracks and camping centres, an amount of Rs.45 crore has been proposed for the Commissionerate, Cyberabad Police.

52. The Government have proposed to step up assistance to Greater Hyderabad Municipal Corporation, Hyderabad Metro Railway, Hyderabad Metropolitan Water Supply and Sewerage Board for improving civic amenities in the city. The proposed assistance to GHMC for taking up slum free programme is Rs. 250 crore in BE 2014-15. An amount of Rs.416.67 crore has been proposed as loans to Hyderabad Metro Rail. The assistance proposed to HMWSSB for improvement of water supply in slum areas of Hyderabad, Krishna and Godavari water supply schemes and sewerage improvement is Rs.581 crore.

53. The Government is equally committed to the development of civic amenities in other municipal areas. Under the Centrally assisted development scheme for small and medium towns, an amount of Rs. 374.73 crore has been proposed in this Budget. An amount of Rs. 200

crore has been proposed under the externally aided Municipal Development Project for improvement of drinking water supply and sanitation facilities in municipal areas. In addition, an amount of Rs, 150 crore is proposed as assistance to municipalities under the award of the State Finance Commission.

Road Network

54. Roads are considered as proxy for culture and prosperity. They become even more important for a State like Telangana whose economy is service sector oriented and has chosen manufacturing as its future. Inadequate provisioning and maintenance over the years have left the road network patchy and degenerated. Government attaches high priority for rectifying the situation immediately and decided to allocate an amount of Rs 10,000 crore over two year period including the Rs 4,000 crore proposed in the current year's Budget with the amount distributed between R&B and PR departments. With a view to completing road improvement, the Government have set up a Cabinet Sub-Committee under the Chairmanship of Dr. T. Rajaiah, Hon'ble Deputy Chief Minister to prepare an action plan and to explore the desirability of setting up of a dedicated organization for this purpose. It is proposed to take up double laning of roads connecting Mandal HQs to district HQs at a cost of Rs. 400 crore during the current year. TSRTC buses are the main means of transport for the common man. To improve the bus services, an amount of Rs. 400 crore is proposed out of which Rs 250 is already released. Shortly,

about 1,000 new buses are proposed to be added to the existing fleet of TSRTC.

Energy Sector

55. Today, it is not at all an exaggeration to say that energy is the basis of life and prosperity. It is even more important for Telangana State where lives of majority of its farm families and lakhs of industrial and service sector employees are closely intertwined with availability of good quality power. The lopsided policies of the erstwhile AP government pushed the state into power penury in spite of it being the home for rich coal mines of Singareni and Godavarikhani. This is adversely affecting the industry as well as the agriculture sector. To overcome the power crisis, the Government has taken several measures and is planning to add 20,000 MW of power generation in the next five years. Hon'ble Chief Minister personally visited Chattisgarh and a Memorandum of Understanding has been signed with the Chattisgarh government for the purchase of 1,000 MW of power. The National Thermal Power Corporation has agreed to set up 4,000 MW power generating plant at Ramagundam. The Government of Telangana has recently signed a MoU with Bharat Heavy Electricals Limited for the erection of thermal power plants with a generating capacity of 6,000 MW on EPC basis. As these initiatives will result in augmentation of generating capacity over the next three to four years, to tide over the present shortage of power, the Government has authorized TSGENCO to purchase power, even though the cost of such power is very high. Apart from augmenting the conventional

sources of energy, the Government is encouraging solar power generation in the State. Our goal is to make Telangana a power surplus State. With a view to augmenting power supply to agriculture, an amount of Rs.200 crore has been proposed to promote the use of solar pump sets. Similarly an amount of Rs. 40 crore is provided to promote roof top solar power. Besides servicing the bonds, a provision of Rs.1,000 crore has been proposed towards investments in TSGENCO under the State Plan. In addition, an amount of Rs.3241.90 crore is provided to the energy sector under non-plan. This includes a provision of Rs.3,000 crore towards power subsidy.

Forest and Environment

56. As the Hon'ble Members are aware, the Government have launched a new flagship scheme called, "Telangana Ku Haritha Haram". The scheme envisages enrichment of the biodiversity of the State through a massive plantation of 230 crore trees over the next three to four years. The scheme is sought to be implemented through a multi-pronged approach consisting of rejuvenating degraded forests, ensuring better protection to the existing forests, intensive soil and moisture conservation measures and social forestry. The Government is confident that all the gram panchayats and people's representative will ensure planting of at least 40 lakh saplings in each Assembly Constituency. About 3,600 nurseries have been identified for raising adequate nursery stock during the 'Mana Vooru Mana Pranalika' programme. A corpus fund of Rs. 300 crore is proposed

for Haritha Haram in the BE 2014-15. Funds from the State plan, CAMPA and MGNREGA are proposed to be tapped for this purpose.

57. A Forest College is proposed to be set up for which the amount proposed in the Budget is Rs. 10 crore.

Culture, Tourism and Sports

58. Formation of our own State is an opportunity to revive our rich culture and traditions and bring alive the past glory. Losing no opportunity, the Government have declared 'Bathukamma' and 'Bonalu' as State festivals. The fervor and spectacular manner with which the Government organized the 'Bathukamma' festival have gone a long way in emotionally integrating the people of Telangana. To promote culture, Telangana Kala Bhavan at Hyderabad and Kaloji Cultural Centre at Warangal are proposed for which the provision proposed in the Budget is Rs. 15 crore. Telangana Kala Bhavan is proposed to be established in an area of 11 acres near Indira Park with best international standards.

59. Telangana Kalakarulu have played a stellar role in taking forward the movement for statehood of Telangana. The Government have taken a decision to utilize the services of Kalakarulu to spread awareness about government programmes and to enlist the support of people. An amount of Rs.11 crore has been proposed for the scheme named as "Samskrithika Sarathi".

60. Yadagirigutta is a holy place revered in Telangana. It is proposed to develop the Yadagirigutta Devasthanam

on the lines of TTD. The proposals are afoot to develop 400 acres as Narsimha Abhayaranyam and to develop parks, marriage halls meditation centres, Veda Patasala and construct cottage in about 1,600 acres of land. For this purpose, an amount of Rs.100 crore has been proposed in BE 2014-15.

61. For Godavari Pushkaralu, the amount proposed is Rs.100 crore.

62. Telangana has immense potential for attracting tourists. This potential remained untapped. To unlock the potential, an amount of Rs.60 crore has been proposed in BE 2014-15 for infrastructure development in tourist destinations and circuits.

63. The Government have demonstrated its commitment to promote sports and youth affairs in the State by suitably rewarding the medal winning sports persons. An amount of Rs.90 crore has been proposed for the construction of sports stadia and modernization of sports facilities at different locations in the State.

Constituency Development Programme

64. I am happy to inform the Hon'ble Members of this House that the provision under the Constituency Development Programme is proposed to be increased from Rs. 1 crore per constituency to Rs. 1.50 crore per constituency per annum. Accordingly an amount of Rs.234 crore has been proposed in this Budget.

Administrative Reforms

65. The present administrative procedures and rules in vogue in the government are archaic and outlived their purpose. They have become more of an hindrance in the smooth and expeditious functioning of the Government. The Government have decided to revise the business rules and procedures to make administration more responsive to the needs of the people. The State Government will shortly put in place a Comprehensive Financial Management System. Once operational, all financial transactions in the State will be online eliminating discretion and delays ushering in a total transparent system of financial management. Evaluation is an important tool to ensure that ongoing schemes result in the achievement of stated objectives.

Employee Welfare

66. One of the commitments of our Government is to be employee friendly and the Government is confident that the employees will more than reciprocate by rededicating themselves to the service of people, thus becoming public servants in true sense of the term. Recognising their role, Government have sanctioned Telangana increment and assured the employees that there will not be any transfers at short intervals except on grounds of administrative expediency. Bringing the pay scales of employees on par with those of the Central Government is also under the consideration of the Government. The Government have decided to issue health cards to government employees, teachers and pensioners as Deepavali gift, which will enable them to get medical treatment in any government

or private hospital without any limit and without any payment. The Government is also examining the issue of regularizing contractual employees.

Housing

67. As the Hon'ble Members are aware, weaker sections housing suffered a great deal because of rampant irregularities and corruption, depriving the poor the benefit of weaker sections housing. Even the houses that were constructed had only one bedroom depriving privacy and causing inconvenience to family members of the poor. The Government is planning to take up the construction of houses with two bed rooms, a hall, kitchen, bathroom and a lavatory at a unit cost of Rs.3.5 lakhs. The amount proposed for weaker sections housing in the BE 2014-15 is Rs.1,000 crore.

68. Many poor people have gone to the Gulf countries in search of a better livelihood after borrowing heavily from money lenders only to return humiliated after failing to secure a job there. They are a pathetic lot. Moved by their plight, the Government is planning to put in place a package for their assistance.

69. Many of the unemployed youth in the State eke out a living as auto drivers. To make their lives easier, the Government have abolished tax on autos. Arrears of tax on autos amounting to Rs.76.26 crore has also been waived. To encourage the use of tractors and to provide relief to farmers owning them, the tax on tractor and tractor trailers amounting to Rs.56.87 crore has also been abolished.

70. Advocates are an important and respected group of professionals in the state helping in proper dispensation of justice. Recognising their invaluable contributions to the society, it is proposed to provide an amount of Rs 100 crore towards their welfare.

71. Journalists have an important role in spreading awareness among people. In recognition of their role, the Government have decided to provide them with health cards and allocate Rs 10 crore for their welfare including construction of Journalist Bhavan at Hyderabad. The Government have also decided to provide food security cards to all eligible families in the State.

Budget Estimates 2014-15

72. For the 10 months of the financial year 2014-15, Government proposes total expenditure of Rs.1,00,637.96 crore of which the non-plan expenditure is estimated at Rs.51,989.49 crore and plan expenditure at Rs. 48,648.47 crore. The estimated revenue surplus is Rs. 301.02 crore. The marginal revenue surplus is entirely on account of additional resource mobilisation proposed in the Budget. The fiscal deficit is estimated at Rs. 17,398.72 crore. As a percentage of GSDP, the estimated fiscal deficit is 4.79 percent. These estimates are contingent on the State Government realising ambitious additional revenue mobilisation targets and receipt of the budgeted grants from the Government of India.

73. Normally, the Budget is more about numbers but this budget is more about our people and their wellbeing. This Budget has been formulated with an objective of

delivering a sustainable future for our children and generations beyond. The new State of Telangana has strengthened the faith of people in their own future and the faith of every citizen in Telangana. The long journey to the realisation of 'Bangaru Telangana' has just started and with the active participation of people, there will be no looking back till we reach our destination, which will be sooner than later. Speaker Sir, with this, I commend the Budget for the approval of the House.

// JAI TELANGANA //