

**SPEECH OF SRI K. ROSAIAH, HONOURABLE
FINANCE MINISTER WHILE PRESENTING THE
VOTE-ON-ACCOUNT BUDGET FOR THE YEAR
2009-10 TO THE ANDHRA PRADESH STATE
LEGISLATURE ON 5TH FEBRUARY 2009.**

Sir,

1. I rise to present the Vote on Account budget of the Government of Andhra Pradesh for the year 2009-10.

2. I had the privilege of presenting five full-fledged annual budgets in this 12th Legislative Assembly. I also had the privilege of presenting annual budgets on several occasions in the past. During the forty odd years that I have been in public life, I had the great opportunity of participating actively in the growth process of our State. We had many ups and downs and passed through many trials and tribulations. At the formation of the State in 1956, AP had the lowest economic and human development indices in the country. Today, thanks to various initiatives taken by our Government in the last 5 years, we have emerged as one of the fastest growing States in the Country, with the economic growth registering 10.64% in the year 2007-08. I can look back with extraordinary satisfaction that these five years have been the most eventful years in the growth story of our State, which has been both absorbing and exciting. There is another matter of personal gratification to me, as in the case of every Telugu speaking person, that thanks to the unceasing efforts of our Chief Minister, Dr. Y.S. Rajasekhara Reddy, Telugu has been

officially accorded 'Classical Language Status' by Government of India.

3. With the elections round the corner, Government wanted to go for Vote-on-Account budget to keep enough money at its disposal to allow it to run the administration of the State.

4. Approximately five years ago, when the new government was installed after the elections in April/May, 2004, the 12th Assembly met for the first time on 1st June, 2004 and His Excellency Sri. Surjit Singh Barnala, the then Governor of Andhra Pradesh, while addressing the inaugural session in his Customary Address said

'My Government pledges to rededicate itself for taking Andhra Pradesh on to a higher growth trajectory, improving the human development index and creating new employment opportunities by re-orienting the strategies, which are more consistent with the core competence of the State and for empowering the Panchayat Raj and local body institutions. Agriculture and Rural Development shall be the main focus areas of growth and development, as these, together, employ 80.8% of the total work force of the State. Thanks to the monumental neglect of these sectors during the last ten years, the per capita incomes of those employed in these sectors have, far from improving, indeed

fallen to 50% of what it was in 1994-95, which should give an idea of the level of pauperization of a large section of the people in the State, leading to an unprecedented spurt in the extremist activities in the State.’ It was further Stated that ‘my Government will endeavor to achieve overall annual agricultural growth of 6% in real terms’

5. Honourable Members are aware that the economic policies of any State have to be structured within the overall economic policy of the country, as it is the Central Government that is authorized under Constitution of India to make policies about banking, finance, industry, foreign direct investments, external commercial borrowings, corporate affairs, fiscal management of States and Centre etc. Members are aware that in May 2004, a new Government was installed at the Centre, which announced a National Common Minimum Programme (NCMP) which spelled out seven clear economic objectives:

- 1. Maintaining a growth rate of 7 - 8 per cent per year for a sustained period;*
- 2. Providing universal access to quality basic education and health;*
- 3. Generating gainful employment in agriculture, manufacturing and services, and promoting investment;*

4. *Assuring 100 days' employment to the breadwinner in each family at the minimum wage;*
5. *Focusing on agriculture and infrastructure;*
6. *Accelerating fiscal consolidation and reform;*
and
7. *Ensuring higher and more efficient fiscal devolution.*

6. As our five years term is drawing to a close, we will do well to make an honest appraisal of our performance vis-à-vis our promises. In any country, more so, in developing countries like ours, budgets play a very crucial role in allocating scarce resources among many competing demands to eventually enhance the human development index and per capita income. It is only through better fiscal management and effective tax administration that we can optimize our allocation on welfare programmes and on items that create long term assets for the State, with the potential not only to generate future revenues but also employment to large sections of population. The ultimate objective of good governance is to empower every section of the population so that they can lead a decent life. It is hardly necessary to emphasize that these good intentions should be backed by an intelligent strategy and a decisive action, which is exactly what has happened in the State in the last five years.

7. The first thing we did in 2004 was to implement a large number of programmes to immediately reach out to the

farmers and other rural artisans who were in serious distress. These included waiver of the power dues of farmers, supply of seven hours free power to farmers, rescheduling of loans and interest, reduction in the rate of interest on crop loans, expanding the rural credit network etc. In the same year, we had embarked upon a massive irrigation programme to utilise every drop of water in the State, thus increasing the public investment on infrastructure by many times. It is globally acknowledged that the best way of stepping up economic growth is by enhancing the public investment on infrastructure and other capital assets, as there is a strong complementarity between public investment and private investment. Private investments always grow in tandem with public investments. Higher investments will lead to higher economic growth, which will lead to higher revenues to the State. We are happy that we could set the virtuous cycle of economic growth on the move in our State through a clear strategy.

8. The recent exhortations of Paul Krugman, the Noble laureate in Economics that developed Nations should immediately step up public expenditure on infrastructure to combat the ongoing recession and slow down in their economies, vindicate the economic strategy adopted by our State. So, our decision to substantially enhance allocations on irrigation and weaker section housing programmes paid rich dividends to the State. Not only did the economic growth rate go up to a near 9% per annum during 2004-08 as against a growth rate of 5.79% per annum for the period

1994-2004, but also the revenues to GSDP ratio has gone up very substantially to 20% during 2004-08 as against 12% during the period 1994-2004, without the State Government increasing/imposing any fresh taxes on the people during any of the last five years. Power tariff indeed has gone down for various classes of consumers during this period despite the supply of 1500 crore units of power free of cost to the farm sector per annum.

9. Thus, the combined effect of GSDP growing at near 9% per annum during this period coupled with substantially improved tax to GSDP ratio was witnessed in the form of increase in the revenues of the State. As against total revenues of Rs.26,868 crores for the year 2003-04, the total revenues for the year 2007-08 reached Rs.54,143 crores. During the current year, the revenues are expected to reach Rs.69,686 crores against the budgeted figure of Rs.70,927 crores, despite the State facing the impact of the global slowdown.

10. One of the greatest achievements of our Government is to restore the fiscal health of the State, which was in a very poor state in the year 2004. The State had a cumulative revenue surplus of Rs.128 crores for the 38 years period ending on 31-3-1994. As against that, most unfortunately, the State ended up with a cumulative revenue deficit of over Rs.22,000 crores in the 10 years period of 1994-2004. Most of the moneys borrowed went towards meeting the revenue deficits and not for capital asset creation during that decade.

Members will be happy to note that the State has met the targets set in the AP FRBM Act 2005 in respect of Fiscal Deficit and Revenue Surplus well in advance. The State earned revenue surplus for the year 2006-07 and 2007-08, while suffering only a marginal revenue deficit of Rs.64.11 crores for the year 2005-06. With the result, the capital expenditure as percentage of fiscal deficit for the period 2004-08 increased to 150% as against 45% during the period 1994-2004. Members will be happy to note that the State Government could carry on its fiscal management without having to resort to ways and means advances or the overdraft facility even once during the last five years which was a matter of routine during the previous regime.

11. As per the latest report of RBI on State finances for the year 2008-09, AP stood first in the country in respect of its allocation on plan expenditure, development expenditure, social sector expenditure and capital expenditure. As per that report, AP's social sector allocation is Rs.38,544 crores for the year 2008-09, as against the actual expenditure of Rs.13,267 crores for the year 2003-04. Even for the year 2007-08, AP stood first in respect of per capita expenditure on all the above sectors for States with more than three crores population. Members will be happy to note that for the third consecutive year, AP's Plan Expenditure has been highest for any State in the country in absolute terms. The total Plan Expenditure in the State has gone up from Rs.10,759 crores in 2003-04 to Rs.36,184 crores in 2008-09 and the budget for the next fiscal is Rs.38,477 crores. Similarly, the capital

expenditure has gone up from Rs.3,804 crores in 2003-04 to Rs.17,359 crores in 2008-09 and the budget for the next fiscal is Rs.18,236 crores.

12. The economic buoyancy in the State is borne out of the fact that the credit deposit ratio of the banking system in the State increased from 62.8% as on 30.09.2003 to 95% as on 30th September 2008. The fact that the rural bank credit is highest for our State in the country with rural credit deposit ratio of the banking system in the State reaching 116% as on 30.09.2008, demonstrates our commitment for development of rural areas through better financial inclusion. Similarly, the bank credit for agriculture in our State is highest in the country.

13. For the Mahatma, true freedom did not mean just political freedom and elections at regular intervals. For him true freedom meant ending of poverty, illiteracy, squalor and removal of inequality of opportunities. The Central Government had therefore rightly chosen the theme of the Eleventh Five Year Plan for the country as *“towards faster and inclusive growth”*. India is one of the signatories to the *Millennium Development Goals* document signed by 189 countries under the auspices of UNDP, inter alia, undertaking to

- *Reduce by half, the proportion of people living on less than a dollar a day;*

- *Reduce by half, the proportion of people who suffer from hunger; and*
- *Ensure that all boys and girls complete a full course of primary schooling*
- *by the year 2015.*

14. Hon'ble members will be happy to note that we have initiated many steps during the last five years for substantially enhancing the social and economic inclusion in the State, which have already started yielding beneficial results. The Weaker Section Housing programme taken up by the Government is unprecedented in its outreach and we have covered every eligible beneficiary on a saturation mode. The Budget under the scheme has been increased from Rs.510 crores in 2003-04 to Rs.5,000 crores for the year 2009-10. The housing scheme is also extended to the urban middle class families. An estimated 80 lakh poor families were benefitted by the scheme in the State. Similarly, the pension scheme for the old aged, widows, destitute, physically challenged, weavers etc., is covering all the eligible beneficiaries on saturation mode. The total amount spent on this head has increased from Rs.171 crores in the year 2003-04 to Rs.1,390 crores for the year 2008-09 so far, 71,52,758 persons have been benefitted under the scheme. Pension amount of Rs.200/- per month has been enhanced to Rs.500/- per month in case of people with disabilities. In B.E. 2009-10 an amount of Rs.2,004 crores is provided for social security pensions. Further, in respect of SHGs, a decision has been taken to introduce contributory pension scheme with

members contributing Rs.365/- per annum and Government contributing an equal amount so as to ensure that every woman member gets minimum pension of Rs.500/- per month upon attaining the age of 60. An amount of Rs.365 crores is allocated for this purpose in B.E. 2009-10.

15. More than 80% of the State's population is covered under white ration card scheme of the Public Distribution System, which is hailed as one of the best in the country. I am happy that our Government has been able to successfully provide rice at Rs.2/- per kg, pulses at Rs.30/- per kg and vegetable oil at Rs.35/- per kg. to an estimated 80% of the population, thus providing the much needed food and nutrition security to all the needy in the State. The total subsidy on account of this during the next fiscal will be Rs.3,000 crores.

16. Similarly, the Rajiv Aarogyasri Community Health Insurance Scheme started by my Government from 1st April, 2007 to take care of health care expenses upto Rs.2 lakhs per annum of families living below poverty line for treatment of serious ailments, is one of the most innovative and noble initiatives taken up by our Government, which is hailed as the greatest scheme by everybody in the country. We have provided a budget of Rs.625 crores for the next fiscal and this benefit will be available to all the white card holders in the State. In addition, we are also implementing Emergency health transport service (108) and Fixed day health service (104) to help the neediest of the society. Various other

initiatives have also been taken to expand the health care network in the State. The total expenditure on Health and Family welfare increased from Rs.1,452 crores in 2003-04 to Rs.3,369 crores in 2008-09, with the budget for the next year at Rs.3,543 crores.

17. We are committed to expanding the women Self Help Groups (SHGs) initiative for empowerment of women and for unleashing their potential. There are 8.09 lakh Self Help Groups, covering 96.46 lakh women in rural areas. In urban areas, there are about 1.8 lakh SHGs covering about 20 lakh women located in 124 urban agglomerations. The State Government is providing interest subsidy to ensure that the lending rate to the SHGs from the banks does not exceed 3% per annum. An amount of Rs.205 crores has been provided in the budget for the next fiscal. In addition our Government wants to provide interest subsidy on loans for Higher Studies abroad for the children of I.K.P. members. Accordingly a provision of Rs.1 crore is made for the same in B.E. 2009-10.

18. Our Government has already started implementing a scheme for saturating scholarships to all eligible students among the BCs, SCs, STs and Minorities. The Government is proposing to extend these benefits to all the students from the economically backward sections of the society. Recognizing that education is a powerful tool for empowerment of people, we have stepped up reimbursement of tuition fees to all eligible students among the BCs, Minorities and the Disabled on par with SCs & STs on a

saturation mode. For medical students, the reimbursement for certain eligible classes is as high as Rs.2.00 lakh per annum per student, while for Engineering students it is Rs.30,200/- per annum per student. This is biggest ever initiative by any State in the country benefitting about 20 lakh post matric students in the State. The Government has also increased the mess charges and dress allowance for the students staying in government hostels. The reimbursement is being extended to the economically backward sections of students on a saturation mode from 2009 onwards. A provision of Rs.370 crores is made in Budget 2009-10 for fee reimbursement and scholarships to economically backward students.

19. Considering the difficulties faced by the first generation self employed families belonging to weaker sections, Government waived all the outstanding margin money dues not exceeding Rs.1 lakh per beneficiary. This measure helped 17,80,842 SC beneficiaries for an amount of Rs.1176.82 Crores, 13,36,379 ST beneficiaries for a sum of Rs.145.00 Crores, 10,28,974 BC beneficiaries for Rs.292.74 Crores, 1,96,174 Minority beneficiaries for a sum of Rs.175.19 Crores, 33,715 Women beneficiaries for an amount Rs.24.75 Crores and 8,598 Disabled beneficiaries for an amount of Rs.5.96 Crores. The total number of persons benefited by such loan waiver is 43,84,682 and the amount written-off is Rs.1820.46 Crores. Government have decided to adopt a new scheme for assistance for income generating activities by contributing 50% subsidy to all categories of SC, ST, BC,

Minorities, Women and Disabled eligible beneficiaries and the balance 50% being bank loan. The budget for BC, SC, ST and Minority welfare increased from Rs.1,631 crores in 2003-04 to Rs.4,825 crores in 2009-10.

20. Similarly, we have implemented many schemes for the welfare of weavers. We are proposing a one time write-off of loans sanctioned to the weavers' cooperative societies and individual weavers under PMRY, Rajiv Yuva Shakti Schemes duly making a provision in the budget 2009-10 for a sum of Rs.312 crores. Our Government has been able to secure death and disability insurance cover to about 80 lakh poor individuals in the rural areas, of which 38 lakh land less agricultural labour are covered under 'Aam Admi Beema Yojana' scheme for which Rs 100 per head premium is paid by the State Government. I am happy that our Government has taken up a number of initiatives to foster *growth with equity*. I am also happy that the State occupies number one position in the country in many of these initiatives. We are committed for further expansion of these schemes.

21. In addition to the above, the State had effectively implemented the Central Government's National Rural Employment Guarantee Scheme. So far, Rs.2039 crores has been incurred in this financial year on this item generating about 19 crore person days. The total expenditure for the current year is estimated to be Rs.3500 crores. We are the first State in the country to arrange payment of wages through postal saving accounts from the beginning of the

22. Sectorally, agriculture and allied activities, continues to be the main focus area of the Government as about 62% of the total work force of the State are employed in this sector, besides the fact that it contributes 25% of the State's GDP. This sector has recorded an average annual growth rate of 7.13% per annum for the period 2004-08, as against 2.18% for the period 1994-2004. We have taken many initiatives like providing free power, subsidizing interest on crop loans by 4% per annum, expanding the irrigation and modernizing the drainage facilities. We have strengthened the seed village programmes, the Rythu Chaitanya Yatralu, the Rythu Sadassulu programmes. We have written off a sum of Rs.1,000 crores as interest waiver as part of Prime Minister's package for the distressed districts. The central government's debt waiver scheme benefitted 63.81 lakh farmers in the State for a sum of Rs.11,100 crores, the biggest for any State in the country. Our Government has, in recognition of the fact that a large number of farmers who repaid their loans promptly did not get any benefit, paid a sum of Rs.5,000/- to each of such farmers during the current year, which entailed a sum of Rs.1850 crores to the State exchequer. We are the first State in the country to implement agriculture insurance through out the State with village as a unit. We have been implementing the Pashukranti and Jeevakranti Pathakams as part of development of livestock. The drip and micro irrigation

programmes in our State continue to rank number one in the country. Several other initiatives have been given to the fisheries sector. The budget on agriculture and allied activities increased from Rs.1,241 crores in 2003-04 to Rs.2,927 crores in the year 2009-10.

23. The Jalayagnam programme has been taken up at a cost of Rs.1,50,998.64 crores to create new irrigation potential of 109.96 lakh acres besides stabilizing 21.75 lakh acres and providing drinking water. 12 projects have already been completed. In addition water has been released and partial irrigation potential has been created in 13 projects. The Government incurred a sum of Rs.37,539.66 crores from 14th May 2004 to 31st December 2008, compared to Rs.10,000 crores spent in the preceding 10 years period. The Polavaram project has received all the clearances. The Government has already initiated work on the prestigious Pranahita-Chevella project. Because of the improved irrigation facilities, better rains and a number of initiatives taken by the State Government, the agricultural production increased from 136 lakh tonnes in 2003-2004 to 198.17 lakh tonnes in 2007-08. Most of the input prices, with the exception of labour costs, have either come down or remained in the same level as in the year 2004, while the MSP has been increased by Rs.400/- per quintal of paddy in the last four years.

24. As part of universalization of higher education, we have promoted as many as 18 new universities including one

Horticulture University and one Veterinary University in the last four years besides several medical and engineering colleges. The Government started eleven 21st century Gurukulam centres, three IIITs besides expanding the Jawahar knowledge centres substantially. We will enhance employability of people by introducing “Community College” concept through starting evening courses leading to diploma/degree for working people in the existing government colleges/universities. The admission to the courses will be based on affordability and flexibility in terms of prior qualifications, age and course load. Also, technical education will be expanded by allowing evening polytechnic courses in existing engineering colleges so as to double the diploma seats in the State and by increasing the Industrial Training Institutes (ITI) with the objective of ensuring one per each constituency in a phased manner. In addition, significant quality up-gradation of graduate education will brought about by enabling broadband connectivity to all graduate colleges in the State and encouraging them to live broadcast/web-cast of popular lectures across all colleges. Many other institutions of repute like BITS Pilani and IIT have come up in the State. The total expenditure on higher education increased from Rs.991 crores in 2003-04 to Rs.1501 crores in 2008-09, with the budget for the next year at Rs.2383 crores.

25. The Government is continuing its focus on school education by initiating many steps like expanding the midday meal scheme to cover students upto 10th class and providing books free of cost to students upto 10th class in the

Government schools, for increasing the enrollment and for reducing the drop outs. The Government has also upgraded 6500 primary schools to CBSE syllabus with English medium. The Government has taken the decision to recruit 52,000 teachers, the biggest initiative in the recent years. The total expenditure on school education increased from Rs.3,434 crores in 2003-04 to Rs.8,516 crores in 2008-09, with the budget for the next year at Rs.9,047 crores.

26. Andhra Pradesh is one of the few States having an independent department for women, children and disabled at Secretariat level with 73,944 Anganwadi centres in 385 projects. Remuneration of the ICDS staff i.e., Anganwadi workers, Anganwadi Helpers was increased beyond the increase given by Government of India as a measure of our recognition of the services rendered by these workers. A total of Rs.1,312 crores is allocated in the B.E. 2009-10 for Women Development, Child Welfare and Disabled Welfare Department.

27. Our Government has established a Society in the name and style of Rajiv Udyogasri Society with an objective to coordinate the activities of various line departments of the Government in implementation of the training programmes as per the demand to provide placement of 10 lakh youth in jobs in private sector. About 5,62,317 candidates have been provided placements so far.

28. Government has given priority for works in Panchayat Raj Institutions like Drinking water and Sanitation in schools, maintenance of PRI buildings, Health Sub-Centres, taking up internal roads etc. An estimated 127141.96 Kms. of rural roads are being maintained under the RRM grant Rs.130 crores has been allocated for this purpose in the proposed budget. In Panchayat Raj Department alone 40230 works have been taken up in the last 5 years in 28262 habitations and Rs.2,780 crores have been spent on them.

29. Our Government has accorded highest priority to manufacturing sector, as it has potential to create substantial employment outside the agricultural sector. We have reduced the power tariff to industry in the last five years. We gave higher concessions to food processing and textile sectors. Marketing Department is converted as Department of Marketing and Food Processing. There were substantial capacity additions in various manufacturing sectors like cement, steel, paper, fertilizers, textiles etc. The mining and construction sectors have relatively performed better than all other sectors. For attracting large investments in manufacturing, apart from promoting Special Economic Zones, we have actively promoted infrastructure – the sea ports, the airports, urban management etc. We have extended Pavala Vaddi scheme for Small Scale sector. The natural gas from the KG basin is expected to catalyze substantial investments in our State, besides providing piped gas as substitute for LPG and CNG for automobile sector. The

30. The total installed electrical energy generating capacity in the State is 12,500 MW with annual consumption levels of 58 billion units, next only to Maharashtra. The State is poised to double the generating capacity in the next five years. Most of the capacity addition will be through coal-based thermal power generation. With Reliance Industries programme to supply natural gas from the third week of February, 2009, an additional 1700 MW capacity, which has been lying idle for a long time for want of gas, will become operational. The Government has approved the scheme of waiver of CC charges due from SC/ST domestic consumers of SC/ST colonies and Tribal habitations whose consumption is up to 100 units per month. Over 14 lakh existing rural households were electrified under INDIRAMMA scheme as part of the Rajiv Gandhi Grameena Vidyudeekaran Yojana (RGGVY) programme. Under RGGVY 17,577 habitations including 5,866 extended habitations and over 20 lakh rural households have been electrified upto December 2008. Despite shortage in generation due to inadequate gas supply, power supply to agricultural farmers during Kharif was satisfactory. Efforts are being made to provide satisfactory power supply during Rabi also. The Government has extended a subsidy of Rs.2,385 crores to APTRANSCO for the current year in order to supply assured and quality power to all classes of consumers. In B.E. 2009-10 an amount of Rs.5,040 crores is allocated for power subsidy.

31. About 27% of our State's population lives in urban areas and their holistic management is a matter of great importance to us. In this direction, we have taken many policy decisions and initiatives to facilitate overall growth. The Government has taken initiatives to access funds under recently launched Government of India schemes i.e. Jawaharlal Nehru National Urban Renewal Mission (JNNURM), Urban Infrastructure Development Scheme for Small and Medium Towns (UIDSSMT), Basic Services for Urban Poor (BSUP) and Integrated Housing and Slum Development Program (IHSDP). Special emphasis has been given on water supply and sewerage, integrated development of slums including housing, development of infrastructure projects, Solid Waste Management etc., under these schemes. Our State has so far been sanctioned 228 projects with estimated cost of Rs.9486.05 crores in 90 urban local bodies and three mission cities. We are also expediting the construction of Outer Ring Road (ORR) with an estimated cost of Rs.6786 crores, Elevated Expressway project with an estimated cost of Rs.600 crores to connect new International Airport in Hyderabad and Hyderabad Metro Rail Project spanning over 71 kms on three high density traffic corridors with an estimated cost of Rs.12,132 crores in order to ease traffic congestion in Hyderabad city. We have taken expeditious action for completion of Krishna Drinking Water Supply Scheme, Phase II with an estimated cost of Rs.1082 crores by adding 90 MGD of water, thereby enabling daily supply of water in the area of Greater Hyderabad Municipal

32. My Government has given top priority to provide protected drinking water to all urban local bodies by strengthening the existing infrastructure and service levels. During last four years, 126 water supply schemes with an estimated cost of Rs.2543 crores have been taken up which will add 1223 MLD of water thereby increasing the average water supply as per norms in urban areas by 2009-10.

33. For a long time, there was total ban on recruitment resulting in large number of vacancies in the Government departments putting a huge stress on the ability of the departments to discharge their legitimate duties and functions. Our Government recognized this problem as soon as we came to power and went in for recruitment, more so in departments which are regulatory, revenue earning and catering to human resources and social development and extension services. Accordingly we have agreed for filling up 1,46,817 posts in different departments during the years 2004-2008. 77,163 new posts are created during this period. This shows the commitment of our government for strengthening the administrative system to deliver the massive programmes of economic upliftment and social development taken up by this government.

34. We are also aware that employees are pillars of administration and unless they are happy and contented, the delivery of services would suffer leading to dis-satisfaction to the public at large. Keeping this in view, our government during its tenure has done everything to take care of the problems of employees. Immediately after coming to power we took up implementation of 8th Pay Revision Commission and implemented its recommendations, which resulted in benefit to the employees. In addition, we have included the teachers, who were earlier drawing their salaries from Panchayat Raj Grants, under 010 salaries head, thus making available the facility of drawal of salaries through treasuries, which was a huge benefit to over 3 lakh teachers working all through the State.

35. A decision has also been taken to cover all the Panchayat Raj employees by payment of their salaries through treasuries from 1.4.2009. This includes the provincialized employees of Grampanchayats as well as the Mandal and Zilla Parishad employees.

36. In addition the municipal employees are also being extended the facility of drawal of salaries through treasury from 1st of April 2009 on wards. The long pending issue of considering the apprenticeship period of the teachers recruited, for counting of their service towards automatic advancement as well as pension has been sorted out by this government and orders in this regard have been issued giving them the benefit with effect from 1-4-2009.

37. We have also constituted the 9th Pay Revision Commission well within the due date. Pending recommendation of the Pay Revision Commission, State government has given a very liberal Interim Relief of 22% to all the State Government employees and pensioners viz., 15% with effect from 1.10.2008 and the remaining 7% with effect from 1.1.2009.

38. After the formation of Greater Hyderabad City, our Government have agreed for sanction of 30% House Rent Allowance to the State government employees who are staying within the GHMC limits with a ceiling of Rs.6,000/- and for the University teachers without any ceiling.

39. In conclusion, I am happy that we have not only delivered on all the promises that we made in our successive policy documents presented in the Governors' addresses, but have also met all the targets set out in the National Common Minimum Programme (NCMP). As against a promise of 6% per annum agricultural growth rate, we have actually achieved 7.13% for the period 2004-08. As against our promised 40% increase in the food grain's production in 5 years period, we have actually achieved 47% by the end of fourth year itself. While all the agricultural input prices, with the possible exception of labour costs, have either come down or have been maintained at the same level as in the year 2004 and with the MSP for various crops having gone up by 80% during the last four years, the incomes of the farmers have

ACCOUNTS 2007-08

40. The final accounts of 2007-08, show revenue surplus of Rs.159 crores. The fiscal deficit during 2007-08 is Rs.8,787 crores which is 2.81% of GSDP.

REVISED ESTIMATES 2008-09

41. Transactions as per the revised estimates of 2008-09, indicate a revenue surplus of Rs.2066 crores against the budgeted revenue surplus of Rs.709 crores. The fiscal deficit is estimated at Rs.10,427 crores which would be 2.90% of GSDP.

BUDGET ESTIMATES 2009-10

42. For the financial year 2009-10, it is programmed for an expenditure of Rs.63252 crores under non-plan and Rs.41892 crores under Plan. This will result in a revenue surplus of Rs.1255 crores. The fiscal deficit is estimated to be Rs.12092 crores, which would be 2.93 percent of GSDP.

43. Sir, with these words, I now commend the Budget to the House for approval.

// JAI HIND //