

**SPEECH OF SRI ANAM RAMANARAYANA REDDY,
HONOURABLE FINANCE MINISTER WHILE PRESENTING THE
BUDGET FOR THE YEAR 2011-12 TO THE ANDHRA PRADESH
STATE LEGISLATURE ON FEBRUARY 23, 2011**

Sir,

I rise to present the Budget of the Government of Andhra Pradesh for the year 2011-12.

2. I feel honoured to present the Budget for the first time in my thirty years long political career. In 1956, Hon'ble Dr. Bejawada Gopala Reddy as Chief Minister and in-charge Finance Minister had presented the first budget of Andhra Pradesh State. It is a matter of great pride for me that, I am the next person from the same district after a gap of more than half a century, to be presenting the budget. I am extremely grateful to the Hon'ble Chief Minister Sri N. Kiran Kumar Reddy garu, for giving me this opportunity.

3. Economies are slowly and steadily recovering from the impact of recession which affected them in the last two years. Indian economy is also reviving and moving towards a higher growth rate. As per advance estimates, the country's GDP is expected to grow at 8.58% in the current financial year 2010-11 as against 7.96% in 2009-10. Advance estimates indicate that the State would perform much better, overcoming all odds like global recession and natural calamities like heavy and untimely rains, floods etc. Our State economy is likely to grow by 8.89% in the year 2010-11 notwithstanding the heavy rains and floods which have adversely impacted the farming and allied sectors. This reflects the inbuilt strength of our State economy.

4. The Gross State Domestic Product (GSDP) at current prices for the year 2010-11 (Advance) is estimated at ₹5,65,066 crores as against quick estimates of ₹4,75,267 crores for the year 2009-10 by registering a growth of 18.89 percent. The per capita income at current prices for the year 2010-11 is estimated at ₹60,224 as against ₹51,025 in 2009-10 (quick) representing an increase of 18.03 per cent.

5. In the current year Andhra Pradesh witnessed four natural calamities like heavy rains and cyclones i.e. Laila Cyclone in May, 2010, heavy rains in June and September, Jal Cyclone in October and again heavy rains in December 2010. Despite, frequent untimely rains and cyclones, agriculture and allied sectors have made considerable progress, yielding good results, due to the untiring efforts of our farmers. In the current year we are likely to witness a growth of 8.39% in Agriculture sector. Food grains production is expected to increase to 190 lakh tonnes as against 156 lakh tonnes, in the last year.

6. During the current financial year the industrial sector is expected to achieve a growth rate of 7.79% as per estimates. The services sector, which has a lion's share in the GSDP, is expected to record 9.61% growth rate during 2010-11.

7. The good growth in the GSDP is also expected to translate into buoyant revenue collections in the coming year at approximately 20% higher than current budget. Increase in receipts is distributed over

both non-plan and plan expenditure because of the inevitability of increased expenditure on salaries, pensions, interest payments etc., and to pursue all our welfare and development programmes without any constraints.

8. Our Government is committed to continue all welfare programmes like Rs.2 per KG rice, free power supply to the farmers, Rajiv Arogyasri, old age pensions, Indiramma housing pavalavaddi under Indira Kranthi Padham, Dr. Y.S.R. Abhayastham, reimbursement of tuition fee etc. It is our endeavour that the fruits of all these welfare schemes should reach the needy and eligible sections of the society. Equal emphasis has been laid on development programmes, by continuing substantial allocations to infrastructure sectors like irrigation, roads, buildings, water supply, power etc., in the budget.

Social Security

9. The fundamental objective of any democratic dispensation is to ensure that people from all walks of life can live with dignity and self-

respect. Our Government strongly believes in ensuring effective delivery of services to the people at the bottom rungs of the society. The entire country has acknowledged the efforts of the State Government in this regard. Many States have tried to emulate the pro-poor schemes of the Government, like ₹2 per Kg rice and Arogyasri. Government have provided food security to all, despite the huge costs. Consistent efforts are being made to provide employment opportunities in both organized and un-organized sectors. Pensions have been sanctioned to the old aged as a social security measure. All the eligible poor have been sanctioned pucca houses on saturation basis with an aim to make Andhra Pradesh free from huts. Women Self Help Groups in rural and urban areas are being supported with bank credit and pavalavaddi. Rachabanda programme was successfully conducted between January 24 to February 12, 2011 in 24,845 Gramapanchayats/wards of the State, as against a total of 26,763 Gramapanchayats/wards, which is a success rate of 93%. The thumping success of Rachabanda programme is a glowing reaffirmation of the public mandate to our Government.

Public Distribution System

10. Food security assumes the highest priority of our Government. 2 crore BPL card holders are being supplied essential commodities at subsidized rates through Public Distribution System. Every month 3.00 lakh metric tonnes of rice @ ₹ 2 per kg, about 20,000 metric tonnes of Red gram dal @ ₹ 50 per kg, 20,000 kilo litres of Palmolein oil @ ₹35 per litre are being distributed through the public distribution system. 49,644 kilo litres of Kerosene per month is being distributed through this system.

11. The UIDAI (Aadhaar) enrolment is going on in full swing in the 7 districts of Srikakulam, East Godavari, Adilabad, Rangareddy, Hyderabad, Chittoor and Anantapur. Based on this, Aadhaar based smart cards would be issued to authenticate the beneficiaries before they get their essential commodities through Point of Sale device at the fair price shop. Presently, Maheswaram Mandal in Rangareddy district has been saturated with issue of Smart cards and essential commodities are being issued on smart cards after authentication on

Point of Sale at the fair price shops. This would enable complete transparency and control in the Public Distribution System.

12. An amount of ₹.2,500 crores is proposed in B.E. 2011-12 for Rice Subsidy Scheme.

Employment for Rural Areas

13. Our Government is making serious efforts to reduce unemployment in the organized and unorganized sector, by providing extensive employment opportunities. Our State is in the forefront in the implementation of Mahatma Gandhi National Rural Employment Guarantee Scheme. So far, 1.19 crore house holds have been issued job cards in the rural areas. Equal wages are paid to men and women. ₹14,069.90 crores has been incurred on the scheme so far.

14. The State Government has taken an important policy decision to implement MGNREGS Scheme more effectively, by enhancing wage employment from 100 days to 125 days per annum. Wages have been enhanced from ₹100/- per day to ₹121/- per day. In the

current year, the Government have conceived a massive programme of development of 25 lakh acres of lands belonging to SCs & STs under the MGNREGS. The programme would be taken up in the next 3 years with an allocation of ₹12,000 crores. This programme would provide wage employment to SC, ST farmers giving them an opportunity to develop their own lands as well leading to an increase in agricultural production. Under Mahatma Gandhi Vana Nursery Project under MGNREGS, 100 crore plants are proposed to be planted in individual farmers' lands in next 3 years as a part of "Harita Andhra Pradesh" programme. The additional income generation and the changed face of all these lands after being fully developed, would be an immense source of happiness for all of us. An amount of ₹600 crores is proposed as State share in B.E. 2011-12 for this scheme (MGNREGS).

Skill Training for Youth

15. The Andhra Pradesh Employment Mission, popularly known as "Rajiv Udyogasri Society" has been established with the objective of imparting training to the youth so that they are better equipped to

take up employment in the industries, services and business sectors. So far it provided training to 13,78,057 persons in skill development and 1,35,546 persons are undergoing training. Placements were provided to 9,30,678 unemployed youth in private sector and the placements for the remaining persons are under progress. This is a unique scheme launched in the State for the first time in the country. With the revival of the economy, the Government will continue efforts during the next financial year to provide maximum placement to the unemployed youth.

16. The Government have established 42 new Government ITIs besides sanctioning of 123 private ITCs in the recent past in order to realize the goal set by the Hon'ble Prime Minister of India to train 50 million youth in Skill Development by 2022. 89 ITIs out of 128 Government ITIs are been upgraded as Centres of Excellence.

17. An amount of ₹.489 crores is proposed in B.E. 2011-12 for Labour and Employment Department.

Housing

18. Hon'ble members are well aware that through the 'INDIRAMMA' programme, every homeless family is being provided a pucca house. The programme has started on a saturation mode from the year 2006-07 in 3 phases. So far, 33.79 lakh houses have already been completed and 13.20 lakh houses are in various stages of progress. Additionally this year we have sanctioned 4.71 lakh new houses to cover the left over eligible beneficiaries. The Government is committed to completion of the remaining houses and it is proposed to complete six lakh houses during the year 2011-12. An amount of ₹2,300 crores is allocated in B.E. 2011-12 for Housing.

Agriculture

19. Agricultural production and productivity have attained new heights in Andhra Pradesh. Andhra Pradesh, which ranked sixth in the country in foodgrain production during 2003-04, has attained third rank consistently during 2005-06, 2006-07 and 2007-08. The State

has recorded an all time high foodgrains production of 204.21 lakh tonnes recorded during 2008-09 as against the normal of 160.10 lakh tonnes, due to several innovative strategies of the State Government like Rythu Chaitanya Yatras, Rythu Sadassulu, Polambadi etc. The State is also in the forefront of farm mechanisation, utilizing both RKVY and State funds for the purpose.

20. Crop Insurance scheme which is operational in all the 22 districts with village as a unit, has been introduced for higher accuracy in assessment of losses. Recently the claims in respect of Kharif 2009 amounting to ₹699.48 crores in favor of 11.54 lakh farmers were released. Apart from the National Agricultural Insurance Scheme (NAIS), for the first time in the State, the Government have issued Notification orders for implementing the “Weather Based Crop Insurance” Scheme since Kharif 2009 season. Modified National Agricultural Insurance Scheme which is operational from Rabi 2010-11 season in 3 districts viz., Nellore, Prakasam and Warangal Districts on a pilot basis for paddy, has many more farmer-friendly features.

21. Credit support to farmers is increasing year by year. During 2010-11, as against the target of ₹26,082 crores for Kharif, ₹24,978 crores against the target of ₹12,630 crores for Rabi, ₹7,630 crores have already been distributed.

22. Government have taken up the maintenance of buffer stocks of fertilizers to ensure their availability to farmers throughout the State through the Co-operative network, meeting the expenditure on storage, transportation and interest charges.

Horticulture

23. Andhra Pradesh with an area of 19.60 lakh hectares, and an annual production of 203.60 lakh MTs ranks first in production of spices and fruits in the Country. Government has taken up various horticulture development activities during 2010-11. I am glad to inform the Hon'ble Members that our State was awarded the State Horticulture Leadership award 2010 for its outstanding policy initiatives and performance in Horticulture development. Under the Andhra Pradesh Micro Irrigation Programme, sanctions have been

given for installation of Micro Irrigation Systems in an area of 99,159 ha. With this, we aim to conserve water and energy and also improve productivity, by continuing the subsidy of 100% to SC/ST farmers and 90% to other beneficiaries.

24. An amount of ₹2,606 crores is proposed for Agriculture Department under plan and non-plan in B.E.2011-12.

Animal Husbandry

25. In Andhra Pradesh livestock sector contributes substantially to rural development. About 92.54 lakh families are engaged in livestock and livestock related activities in the State. 23.63 lakh families are directly dependent upon livestock for their livelihood. It is proposed for induction of 20,000 high yielding milch animals and 5,000 heifers under RKVY programme. It is also proposed to stepup the distribution of milch animals under Chief Minister's package and sheep and goat units under Jeevakranthi padhakam. 11.00 lakh sheep would be insured.

26. A.P. Dairy Development Cooperative Federation Ltd. is undertaking extension, modernization, and strengthening of milk and milk products factory at Hyderabad and Bhimadole Dairy at West Godavari District under Rashtriya Krishi Vikas Yojana. It is also establishing a new dairy at Kankipadu in Krishna district with 50,000 litres per day capacity.

27. An amount of ₹931 crores has been proposed for Animal Husbandry, Dairy Development & Fisheries Department in the budget for 2011-12.

Irrigation

28. Under Jalayagnam programme, our Government have prioritized forty three ongoing Major and Medium Irrigation projects for early completion. On completion of these 43 projects, Irrigation Potential of 29.75 lakh acres would be created and in 13.85 lakh acres, irrigation can be stabilized in about two years duly completing them in all respects.

29. Our Government is pursuing with the Government of India for declaration of Indirasagar Polavaram Project and Dr. B.R. Ambedkar Pranahita Chevella Sujala Sravanthi as National Projects. Of these, Indirasagar Polavaram Project has obtained all the necessary clearances and is in advance stage for consideration as National Project and Dr. B.R. Ambedkar Pranahita Chevella Sujala Sravanthi is being pursued vigorously for clearances under AIBP to become eligible as National Project.

30. Andhra Pradesh Water Sector Improvement project has been taken up with World Bank loan assistance with a total cost of ₹ 4444 crore for modernization of Nagarjunasagar Project system including canal and head works. Out of this, ₹2,025 crore is the loan assistance from the World Bank.

31. A well structured project for modernization of medium irrigation is taken up under Andhra Pradesh Irrigation and Livelihood Improvement Project (APILIP) with the financial assistance from JICA (Japan International Co-operation Agency).

32. The Government has placed special emphasis on Minor Irrigation in the last six years giving maximum importance to create new ayacut for providing irrigation facilities in the drought prone and under developed areas in a shorter duration. A pilot project was implemented for restoration and rehabilitation of Minor Irrigation tanks in two districts with the assistance of Government of India, which was later scaled up to 3000 tanks with 25% grant from Government of India and 75% loan from World Bank under the A.P Community Based Tank Management Project.

33. The total Irrigation potential created from 2004-05 to December, 2010 under all Irrigation sources is 26.81 lakh acres comprising of 22.94 lakh acres of new ayacut and stabilization of 3.87 lakh acres of existing ayacut.

34. The Plan allocation proposed in B.E. 2011-12 for Irrigation sector is ₹15,010 crores.

Industries

35. The State Government recognizes the fact that for the faster growth of the State's economy, the industrial sector must remain vibrant and strong. The Government of Andhra Pradesh has come up with a new Industrial Investment Promotion Policy 2010-15 with various incentives/concessions to new industries set up in the State, in addition to provision of quality infrastructure. Our single window clearance system and the right industrial environment in the State make the State of Andhra Pradesh an attractive destination for both foreign and domestic investors.

36. The Government have also announced incentives under new Industrial Investment Promotion Policy 2010-15 for micro, small and medium enterprises other than those located in three municipal corporations of Hyderabad, Vijayawada and Visakhapatnam under general category as well as special incentives to SC/ST entrepreneurs.

37. Hon'ble Members are aware that Hon'ble Prime Minister of India had recently laid foundation stone for NTPC-BHEL project for manufacture of power equipment at Mannavaram of Chittoor District. The project which is being set up at a cost of ₹6,000 crores would provide direct employment to about 6,000 persons and indirect employment to about 30,000 persons.

38. A total amount of ₹858 crores is provided in B.E.2011-12 for Industries Sector.

Information Technology

39. Currently, the share of Information Technology exports from the State of Andhra Pradesh accounts for 15% of national IT exports. IT sector contributes to more than 49% of total exports from all sectors in the State and it created gainful direct IT employment to about 2.75 lakh educated youth of the State. It is estimated by NASSCOM (National Association of Software and Service Companies) that every direct job in IT creates four indirect jobs in

other sectors, thus resulting in cyclical growth and employment generation in the State.

40. To provide congenial industry friendly climate for IT companies to locate, grow and sustain their operations most competitively in a hassle-free environment in the State, Government have brought new IT Promotion Policy 2010-15. The main objective of the policy is to spread IT to every nook and corner of the State and leverage Information Technology as a tool for the socio-economic development of the State. An amount of ₹51 crores is proposed in B.E. 2011-12 for I.T sector.

Andhra Pradesh State Road Transport Corporation (APSRTC)

41. Realizing the need for replacing the unserviceable old buses, Andhra Pradesh State Road Transport Corporation (APSRTC) proposes to procure about 6000 new buses at a cost of ₹1000 crores. Government have decided to advance a loan of ₹200 crores to APSRTC to enable them to borrow remaining funds from financial

institutions. Accordingly a budget allocation of ₹200 crores is proposed in B.E. 2011-12.

Roads and Buildings

42. The Government have taken up “A.P. Road Sector Project” with World Bank loan assistance with a total cost of ₹8072 crores. For this project World Bank Loan is ₹1,568 crores, State share ₹1,597 crores, and the balance is taken up under Public Private Partnership (PPP) mode, where the Central and State Governments would provide viability gap fund and State Government would provide additionally for land acquisition, shifting of utilities etc.

43. The National Highway numbers 5,7 and part of 9 are taken up for development of four-lane roads in the State under Phase-I & II of National Highway Development Project (NHDP). The total length of roads taken up for development is 1838 km. The part of the Golden Quadrilateral covering a length of 1016 km in the State has been completed and the North-South Corridor covering a length of 702 km is under progress. Further 519 km length of National Highways in NH

9, 189, 202 and 205 are proposed for widening into four-lane on "build, operate and transfer (BOT)" basis under Phase-III of NHDP.

44. The Government of India have identified Khammam district under Left wing extremism affected districts and approved 35 works costing ₹1115.79 crores for improvement of 597 km road length and 11 bridges.

45. An amount of ₹4,108 crores has been proposed for TR&B Department in the budget for 2011-12.

Infrastructure and Investment

46. Development of quality infrastructure for Industrial growth with private participation has been given high priority. In line with this objective, the Government have constituted the Infrastructure Authority for the rapid development of physical and social infrastructure in the State and to attract private sector participation in the designing, financing, construction, operation and maintenance of

infrastructure projects. Sea ports and Airports have been taken up under Public Private Partnership (PPP) mode.

47. The operations of the Phase-II of Krishnapatnam Port are expected to commence by the end of 2011. The development works of Machilipatnam, Nizampatnam and Vodarevu Ports are in progress. The upgradation works of operating Airports are in progress. Hon'ble Prime Minister of India recently laid the foundation stone for upgradation of Tirupati Airport as International Airport. Necessary steps are also being taken for establishment of Regional Airports.

48. An amount of ₹143 crores has been proposed for Infrastructure and Investment Department in B.E.2011-12.

Energy

49. Our Government recognizes the growing demand for power and is taking all necessary steps for capacity addition. The total installed capacity in the State is 14,781 MW. It is proposed to add additional 1033 MW within next one year. During 2010-11 upto

January, 2011 APGENCO added 210 MW in Unit-V of Rayalaseema Thermal Power Project, 39 MW each in 4th and 5th Units of Jurala hydel project and 9 MW in Pochampadu hydel power station (total 297 MW) and has programmed to add 539 MW for the remaining period of 2010-11.

50. Government of Andhra Pradesh is committed to providing quality and reliable power to all categories of consumers. Government is providing 7 hours of quality power supply to 28.35 lakh pumpsets in the State. We have programmed an additional 1.5 lakh connections for the agriculture sector during the present year, of which 66,106 agriculture services were released upto the end of December 2010.

51. Under 'Rajiv Gandhi Grameen Vidyutikaran Yojana' (RGGVY), 13,444 un-electrified habitations and 29.78 lakh rural households including 24.06 lakh BPL households have been electrified, making A.P first in this programme all over the country with 97.8% achievement.

52. The total allocation proposed for power sector in B.E. 2011-12 is ₹4,980 crores.

School Education

53. Our Government is making concerted efforts to realize the goals of providing free and compulsory education to all the children between 6 to 14 years in the State. We distributed 685.35 lakh text books to all the schools during the academic year 2010-2011. Our Government is effectively implementing Mid Day Meal Scheme upto 10th Class to motivate the children to attend school regularly. 74.44 lakh children are benefiting from this scheme in the State.

54. Rajiv Vidya Mission, Andhra Pradesh is implementing three schemes viz., Sarva Siksha Abhiyan (SSA), National Programme for Education of Girls at Elementary Level (NPEGEL) and Kasturba Gandhi Balika Vidyalayaas (KGBVs) in the State for universalisation of Elementary Education. For implementing these schemes, an amount of ₹805 crores is proposed in B.E. 2011-12 towards State share.

55. Government of India has introduced the new scheme of Rashtriya Madhyamik Siksha Abhiyan (RMSA) last year with the objective to provide access to secondary education for the age group of 14 to 18 years. Under this scheme, Government of India has approved for strengthening 355 Model schools in the first phase with an outlay of ₹1394 crores by Central and State Governments in the ratio of 75:25. Besides this, infrastructure facilities such as construction of class rooms, science laboratories etc., are being provided in 1650 High schools under RMSA with an estimated cost of Rs.518 crores. Computer education programme is being implemented in 6,300 high schools to impart computer skills among school going children including rural children. So far 22.63 lakh children have benefited under this scheme.

56. The budget allocation proposed for School Education department in 2011-12 is ₹14,025 crores.

Higher and Technical Education

57. Our Government is committed to expand the opportunities in Higher Education. Keeping in view the aspirations of the present generation, we have set up several higher education institutions. We have already established 14 new universities including Rajiv Gandhi University of Knowledge Technologies (RGUKT). With a view to utilizing the infrastructure facilities available in various universities and Government Institutions on holidays and after working hours, 'finishing schools' have been started in 13 universities in financial services, medical transcription, tourism, hospitality and retail management. English language laboratories have been established in 75 Government degree colleges to impart soft skills and communication skills as part of English curriculum at 'Under Graduate Level' to improve the employability of students. Due to our efforts the State has achieved a higher gross enrolment ratio of 15.64% in higher education compared to the national average of 12.39%.

58. An amount of ₹3,337 crores is proposed for Higher Education in B.E. 2011-12.

Health

59. The Government is committed to achieving the National Rural Health Mission (NRHM) targets relating to infant and maternal mortality reduction and control of communicable and non-communicable diseases. In this direction, the Government has initiated a number of measures to strengthen the primary health system, the most notable being the establishment of three hundred and sixty (360) Community Health and Nutrition Cluster offices (CHNCs), for closely monitoring the health of thirty one lakh pregnant and lactating mothers and for targetting hundred percent institutional deliveries. The Government is committed to ensuring that all Primary Health Centres (PHCs) function round the clock by providing two medical officers and three staff nurses. The Government is strengthening the fixed-day health services popularly known as "104" by ensuring that a medical officer, public health nurse and community health officer visit each of the 12,566 sub-centres and the neighboring villages on a fixed day of every month.

60. The Government is strengthening and consolidating its flagship programme, Rajiv Arogya Sri, which is providing advanced tertiary care for lakhs of patients. The Arogya Sri Trust would also shortly administer the health care needs of the Government employees and pensioners for which a scheme is being worked out. We are strengthening the services of "108" by expanding the scope of emergency medical transport system by establishing emergency medical management system. A comprehensive action plan is being launched by the Government to strengthen health service in the tribal areas of the State and to address the health needs of vulnerable sections of the population like migrant labour, the homeless, fishermen, members of the scheduled castes and scheduled tribes. The Government is also committed to establish Jana Aushadhi and Jana Jeevani Centres in all districts to market quality generic medicines at reasonable prices to all citizens.

61. The Government is making concerted efforts to strengthen the quality of medical, nursing and para-medical education. A new medical college is being established at Nizamabad and the RIMS at Adilabad, Kadapa, and Srikakulam are being strengthened. Work is

also in progress for the construction of RIMS at Ongole. The Government would be taking up construction of a new building at a cost of Rs.200 crores for Osmania General Hospital, Hyderabad.

62. The budget allocation for the Medical and Health Department in 2011-12 is proposed at ₹5,040 crores.

Social Welfare

63. In tune with the primary focus of the Government, Welfare sector has received our greatest attention. Government is implementing important programmes such as construction of welfare hostels for 2.46 lakh school going children, post matric scholarships to the 6.50 lakh college going students, pucca houses for the families living below poverty line etc. All efforts are being made to step up allocations for the welfare sector. The departments are making efforts to increase the coverage of SC beneficiaries under the Scheduled Castes sub plan. In tune with the saturation policy, the Government is sanctioning scholarships to all eligible scheduled caste students, the post matric scholarships scheme has been made

online and all payments to colleges and students are done through online banking facility, thus making all transactions transparent, easy and quick through the e-Pass system.

64. Despite all the welfare measures undertaken, many families continue to live below the poverty line. With a view to uplift their status, Government had granted debt relief for all margin money loans owed to welfare corporations. Government is also assisting the members of Scheduled Castes by facilitating bank loans with 50% subsidy for income generating activities.

65. An amount of ₹2,352 crores is proposed for Social Welfare department in the B.E.2011-12.

Tribal Welfare

66. Development of tribals has been the policy of our Government and the major thrust has been towards improving education among the tribals. During the year 2010-11, 73% of the budget under Tribal Welfare Department has been allocated to educational programs.

During 2010-11 Government have sanctioned 126 new post-matric hostels apart from the 143 already existing. Government have also sanctioned 2151 posts of teachers exclusively for upgraded Tribal Welfare Ashram Schools. During 2010-11 Post-matric Scholarships have been awarded to 1,46,148 ST students. Government has formulated a “Tribal Empowerment Policy” for ensuring the overall development of tribals in the next five years. Economic Support Schemes, are also being taken up for members of Scheduled Tribes.

67. Under Tribal Welfare-MGNREGS convergence providing road connectivity to inaccessible ST habitations in the ITDAs has also been taken up at a cost of ₹391.46 crore. Lands recognized under Recognition of Forest Rights Act are proposed to be developed under ‘RoFR Land Development programme of MGNREGS’. Under the same programme, construction of Gram Panchayat buildings is going on in 272 Gram Panchayats in ITDA areas at a cost of ₹ 37.67 crores.

68. Government of India have sanctioned ₹ 206.77 crores for construction of 42 ashram schools for ST boys/girls in the leftwing

extremism affected district of Khammam. These works are in progress.

69. An amount of ₹1,230 crores is proposed for Tribal Welfare department in B.E.2011-12.

Backward Classes Welfare

70. Hon'ble Members are well aware that our Government is providing scholarships and tuition fee reimbursement to all eligible B.C. and EBC students in saturation mode. There are 1422 pre-matric hostels functioning in the State for B.C.s. Apart from this, schemes are also being implemented for various sections of backward classes in the State.

71. The allocation proposed for B.C. Welfare Department in B.E. 2011-12 is ₹2,104 crores.

Minorities Welfare

72. The State Government is giving utmost priority to the education of the minorities. All the children starting from Class-II to post graduation whose parental income is below ₹1.00 lakh per annum are covered under fee reimbursement and scholarships. The Urdu Academy is disbursing scholarships to students studying in Urdu medium and scholarships to Christian children are extended by the Christian Minorities Finance Corporation. All other minority scholarships are sanctioned and distributed by A.P. State Minorities Finance Corporation.

73. With the support of Government of India, the State Government is proposing to take initiatives to strengthen the wakf institutions and the A.P. State Wakf Board. A 100 % Centrally Sponsored Scheme has been launched for computerization of the Wakf records. With this, the information can be accessed by the public through the internet and would help in the protection and development of the wakf properties.

74. The proposed allocation for Minorities Welfare department has been increased from ₹237 crores in B.E. 2010-11 to ₹301 crores in B.E. 2011-12.

Women Development and Child Welfare

75. Government of Andhra Pradesh has introduced 'Ready to eat' Food Models under Supplementary Nutrition Programme in 231 ICDS Blocks to cover 22,65,604 children and 6,83,492 pregnant and lactating women with vitamins and minerals. Rest of the children and pregnant and lactating mothers are being assisted under the local food model. In addition to this, two eggs per week are provided to all children, pregnant and nursing women in all Anganwadi Centres to improve the nutritional status and to overcome malnourishment.

76. To achieve the Millennium Development goals and to realize our objective of improved nutritional status, an intensive training on Infant and Young Child Feeding and Integrated Management of Neonatal and Childhood Illnesses were given to all field functionaries of

the department to create awareness in the community and among family members.

77. The Indira Gandhi Matritva Sahyog Yojana (IGMSY) a centrally sponsored scheme, will be implemented in West Godavari and Nalgonda Districts. This scheme envisages providing cash directly to pregnant and lactating women, during pregnancy and lactation, to women fulfilling specific conditions. The beneficiaries will be paid ₹4,000/- in 3 instalments between 2nd trimester till the child attains the age of 6 months

78. The allocation for Women Development and Child Welfare Department is proposed at ₹1,948 crores in the B.E.2011-12.

Rural Development

79. It is a matter of great pride that women in our state are advancing economically. At present there are 1,09,78,982 members in 9,75,362 Self Help Groups organized into 38,334 Village Organizations (VOs) and 1099 Mandal Samakhyas (MSs). The

SHGs in our State constitute 28% of all SHGs in the country. Disbursement of loans to the Self Help Groups during the year has been of the order of ₹5,570 crores so far, against the target of ₹7,236 crores, to be achieved by the end of March, 2011.

80. To help the SHG members gain access to social safety nets and entitlements, Dr. Y.S.R. Abhaya Hastham and Aam Admi Bima Yojana (AABY) schemes were designed. 43,00,157 SHG members were earlier enrolled into Dr. Y.S.R. Abhaya Hastham. In addition, during Rachabanda programme, another 5,24,098 members were enrolled. 3,72,805 members were sanctioned pensions under the scheme and are receiving monthly pension amount of ₹500 per month. Under Aam Aadmi Bima Yojana 52 lakh landless agricultural laborers are provided insurance cover.

81. An amount of ₹3,341 crores is proposed in B.E. 2011-12 for Rural Development.

Rural Roads

82. We are committed to provide road connectivity to all habitations in rural areas of the State. During 2010-11, 355 road works were completed so far with an amount of ₹398 crores covering 1660 kms under Pradhana Mantri Gram Sadak Yojana (PMGSY). An amount of ₹627 crores has been proposed for rural roads in B.E.2011-12.

Rural Water Supply and Sanitation

83. Our Government accords highest priority to provide potable drinking water to the people residing in rural areas. To achieve 100% rural sanitation in the State, the Government has taken up construction of Individual Sanitary Latrines (ISLs) and school and Anganwadi Toilets. APRWSS project with World Bank loan has been taken up for augmentation of water supply and improved sanitation in the rural areas with a total cost of ₹864 crores.

84. The allocation proposed for Rural Water Supply and Sanitation in B.E.2011-12 is ₹773 crores.

Municipal Administration & Urban Development

85. The State Government has taken many policy decisions and initiatives to facilitate holistic and inclusive growth of urban areas. The Government has accessed ₹12,525.45 crores funds for 268 projects under Government of India's flagship urban programme of Jawaharlal Nehru National Urban Renewal Mission (JNNURM) to improve the civic infrastructure in the urban areas of the State upto 2011-12. Further "Andhra Pradesh Municipal Development Project" with project cost of ₹1670 crores under World Bank loan assistance and the grants of ₹1919.20 crores as per recommendations of the Thirteenth Finance Commission in the next five years would ensure planned growth of urban areas in our State.

86. Our Government is expediting the construction of Outer Ring Road (ORR) for Hyderabad with an estimated cost of ₹ 6,786 crores, MMTS Phase-II along with Railways at a cost of ₹ 640 crores to

provide rapid transport facilities to the unconnected areas in the city and the prestigious Hyderabad Metro Rail Project spanning over 71 kms on three high density traffic corridors at an estimated cost of ₹12,132 crores are also under implementation. It is expected that these measures would ease traffic congestion in Hyderabad city to a great extent.

87. Our Government has given top priority to provide protected drinking water to all urban local bodies by strengthening the existing infrastructure and service levels duly taking up 140 water supply schemes with an estimated cost of ₹3,320.21 crores during last five years. The Government is also committed to bringing the Godavari waters to meet the current and future requirements of Hyderabad city.

88. Besides taking up improvement of infrastructure in cities and towns, the Government has been working to make development programmes inclusive and pro-poor. Under Indira Kranti Patham – Urban, Government have organized urban poor families into 1.8 lakh self help groups in slums and have provided over ₹ 2,600 crores bank

credit to them in the last two years to help themselves to achieve a better quality of life and to come out of poverty.

89. The Government of India announced the path-breaking scheme of Rajiv Awas Yojana (RAY) in June, 2009 outlining the vision of Slum Free India by 2014. Our State Government has also unveiled a policy for a Slum Free Andhra Pradesh by 2014.

90. The allocation for Municipal Administration and Urban Development Department in B.E. 2011-12 is ₹5,080 crores.

Youth Welfare

91. Our Government has given a special thrust on providing self employment opportunities and skill development training for the unemployed youth. In the financial year 2011-12, ₹57.95 crores have been provided for the implementation of Rajiv Yuva Shakti Scheme and other youth welfare activities.

Comprehensive Financial Management System (CFMS)

92. The Government of Andhra Pradesh have decided to introduce a Comprehensive Financial Management System (CFMS) for providing a seamless interface with all stakeholders and an efficient mechanism of electronic information sharing with external stakeholders in budgeting and accounting processes. An amount of ₹100 crores is proposed in the Budget 2011-12 to implement this project.

Constituency Development Programme

93. The Hon'ble members would be happy to note that the Constituency Development Programme which was taken up with ₹385 crores in the current year, would continue with the same allocation in the coming year also.

Special Fund for development and welfare activities

94. Several innovative development initiatives such as Rajiv Palle Bata and Rajiv Nagara Bata have been implemented by the Government in the recent past. Our Government, with the twin objectives of development and welfare, are launching, a new initiative to fund works/schemes. An amount of ₹400 crores is proposed in this budget for the purpose, under the scheme "Special Fund for development and welfare activities".

REVENUE RESOURCES

95. Our Government has been continuously emphasizing on fiscal prudence and is striving to augment tax revenues by systematically strengthening the revenue earning departments and by increasing their allocations, simplifying rules and procedures, improving staff management, training and other facilities. During the year 2011-12 the expected tax revenue of the State is ₹56,438 crores as against the Budget Estimates for the current year of ₹46,999 crores which represents a growth rate of 20%. In the proposed budget non-tax

revenue of the State is estimated at ₹12,339 crores out of which major share of ₹2,998 crores comes from mines and minerals.

96. Thirteenth Finance Commission had recommended total transfers amounting to ₹13,990 crores to the State for the award period 2010-11 to 2014-15. In the next financial year 2011-12, the State would get an amount of ₹2,359 crores under Thirteenth Finance Commission recommendations.

97. During the year 2011-12 Central transfers to State are expected to an extent of ₹32,218 crores out of which, State share in central taxes is ₹16,826 crores and central grants under AIBP and other Centrally sponsored Schemes is ₹15,392 crores.

Annual plan

98. Our Government believes in deployment of scarce resources judiciously to improve the productivity levels and therefore, the Government have been increasing the annual plan outlays consistently. Total plan out-lay for 2011-12 is ₹47,558 crores out of

which State plan is ₹42,931 crores and centrally sponsored schemes account for ₹4,627 crores. Plan size accounts for 37% of the total expenditure.

99. I am glad to inform the Hon'ble members that as per our promise to the people of our State made in 2009, we have provided adequate funds for all the welfare and development schemes in the proposed budget with a special emphasis on Education, Welfare, specially Minority Welfare, Health, Infrastructure, Animal Husbandry and Youth Advance and sports sectors. The allocation for economic services represent 57.64%, allocation for social services represent 40.78% and allocation for general services represent 1.58% of total plan outlay of ₹47,558 crores proposed in B.E. 2011-12.

ACCOUNTS 2009-10

100. The final accounts of 2009-10, show a revenue surplus of ₹1,230 crores. The fiscal deficit during 2009-10 was ₹14,010 crores which is 3.40% of GSDP arrived at that time i.e. well below the limit of 4% allowed by the Government of India for that year.

REVISED ESTIMATES 2010-11

101. Transactions as per the revised estimates of 2010-11, indicate a revenue surplus of ₹540 crores against the budgeted revenue surplus of ₹3,548 crores. The fiscal deficit is estimated at ₹13,670 crores which would be 2.6% of GSDP.

BUDGET ESTIMATES 2011-12

102. For the financial year 2011-12, it is programmed for an expenditure of ₹1,28,542 crores out of which ₹.80,984 crores is under Non-plan and ₹47,558 crores is under Plan. It is estimated that the revenue surplus would be ₹3,826 crores. The fiscal deficit is estimated to be ₹17,602 crores, which would be 2.95 percent of GSDP.

103. I commend this Budget for the approval of the House.

// JAI HIND //