



**GOVERNMENT OF TELANGANA**

**VOTE ON ACCOUNT  
BUDGET SPEECH  
2019-20**

**K. CHANDRASEKHAR RAO**  
*CHIEF MINISTER*

**SPEECH OF SRI KALVAKUNTLA CHANDRASEKHAR RAO,  
HONOURABLE CHIEF MINISTER WHILE PRESENTING  
THE VOTE-ON-ACCOUNT BUDGET FOR THE YEAR  
2019-20 TO THE TELANGANA STATE LEGISLATURE  
ON FEBRUARY 22, 2019**

*Hon'ble Speaker Sir,*

Telangana, the twenty ninth State of the Indian Union, is taking firm steps towards being a successful and forward-looking State. In a short period of time, we have overcome several adversities, deepened our social and economic foundations, and have become a model for the rest of the country. In furtherance of our commitment to develop the State on all fronts, I rise to present the Vote-on-Account Budget of the Telangana State for the year 2019-20. This is the sixth Budget of the new State of Telangana.

2. At the time of the formation of the State, it was crisis ridden. There was acute power shortage and unscheduled power cuts forcing the industries to work in shifts resulting in negative growth of the industrial sector. Farming sector was in distress resulting in a very high incidence of farmer suicides, and the economy growing at a very slow pace. Farmers' suicides, stressed rural economy, stalled irrigation

projects, tanks in a state of disrepair, successive droughts, migrant labour, non-availability of clean drinking water – this was the face of the State. We were not deterred by the crisis staring at us and the challenging task of addressing it. We acted fast and decisively despite numerous constraints.

3. We started our difficult and challenging journey of rebuilding Telangana and reinventing Telangana. With God's blessings, benign nature and the support of the people of Telangana, the journey has been very rewarding. We have created history by introducing a large number of development and welfare schemes in a very short period of time. I am proud that through a number of welfare and developmental schemes, we were successful in moving from darkness to light by providing uninterrupted and quality power 24×7, addressing farmer distress, taking care of the disadvantaged sections of the society and putting the economy on high growth trajectory. There is nothing more satisfying to me than seeing happiness on the faces of our people. This further strengthens our government's determination to serve the people of Telangana even better.

4. It is a matter of immense pride that within a period of less than 5 years, Telangana has become a trailblazer and a role

model for the entire nation. Previously, the Gujarat and Kerala models of development were talked about. Now, the Telangana model of inclusive development has taken center-stage. Our Government has set an unprecedented record by not only fulfilling all the promises in the election manifesto but even delivering more than what was promised. It is no exaggeration to say that every household is getting the benefit from one programme or the other introduced by our Government. The people of Telangana reposed immense trust and gave the TRS party a massive mandate in the recently held elections.

**State Economy:**

5. The average annual GSDP growth rate of the Telangana region at constant prices in the combined State was barely 4.2% in the two years (2012-13 and 2013-14) immediately preceding the formation of the new State, as compared with the national average of 5.9 per cent. However, after formation of Telangana, the growth rate more than doubled to 10.6 percent in 2018-19. This is an undisputable proof that our Government has done lot more in a very short period of less than five years in putting the economy on a higher growth trajectory

6. The growth of Gross State Domestic Product (GSDP) at current prices has improved from 14.2% in 2016-17 to 14.3% in 2017-18. Keeping the same trend, this year, Telangana is estimated to grow at 15% in 2018-19 as against country's growth rate of 12.3%. The GSDP of the State during 2018-19 is estimated at Rs.8,66,875 crore.

7. The primary sector of the GSDP at current prices is expected to register a growth rate of 10.9% in 2018-19. This growth can be attributed mainly due to improvement in power situation, rejuvenation of irrigation facilities, distribution of sheep among the Sheppard community, supply of fish seed to the fishermen community and investment support to the farmers.

8. The secondary sector has improved significantly and is likely to register a growth rate of 14.9% at current prices in 2018-19. This growth is because of assured power supply, liberalized industrial policy TS-iPASS, improvements in ease of doing business and availability of skilled manpower. The tertiary sector is likely to register an impressive growth of 15.5%.

9. As per the latest estimates, the State's per capita income at current prices is estimated at Rs.2,06,107 for the year

2018-19, as against Rs.1,81,102 in 2017-18 showing an increase of 13.8%. This is significantly higher than the national growth of 8.6%.

**Aasara Pensions:**

10. People were helpless due to lack of livelihoods opportunities in the combined State. The previous Governments have given a meagre monthly pension of Rs 75/- for some time and Rs. 200/- per month as old age pension thereafter and indulged in great publicity that they did a lot for the poor. This money was grossly insufficient. After the formation of Telangana, the Government enhanced pensions from Rs. 200/- to Rs.1,000/- per month to the aged and widows and increased the pensions to the differently abled persons to Rs.1,500 per month.

11. As a student, I stayed at the home of a beedi worker in Dubbaka. As I was aware of the agony of these women beedi workers, without any demand from them, we have extended financial assistance of Rs.1000/- per month to beedi workers. A single woman is subjected to lots of difficulties in the society. That is why an amount of Rs 1000/- per month is also being given as financial assistance to them. This has become a great support to these women. Taking a

humanitarian view, we have extended pensions to cover those suffering from filariasis. The Aasara pensions are providing support to the helpless and needy. The pensions are directly reaching all the beneficiaries without any middlemen. These pensions have filled them with happiness. All those receiving Aasara pensions consider KCR as a son and God given blessing to them. This is a great fulfilment in my political life. Aasara pensions are closer to my heart. As every paise is being utilised properly, we have promised in the last election that amount given under Aasara would be doubled.

12. In fulfilment of our promise, the Assara pensions now covering aged, widowed, single women, beedi workers, people suffering from filariasis, handloom workers, toddy tappers are proposed to be increased from Rs.1,000 per month to Rs.2,016. For differently abled persons, I propose to increase their monthly pensions from Rs.1,500/- to Rs.3,016/-. We are reducing the age limit for old age pensions from 65 years to 57 years. This will benefit more people. The total outlay proposed towards Aasara pensions is Rs.12,067 crore in 2019-20.

### **Six Kilograms of Rice**

13. The Government has dispensed with the limit on the rice supplied through ration shops. Now, 6 kgs of subsidized rice is being provided per person without any limit on the number of members in a family. An equally important decision was to supply 'Sanna Biyyam' to all welfare hostels and for the mid-day meal programme in the State.

14. The total outlay proposed in 2019-20 towards food subsidy is Rs.2,744 crore.

### **Kalyanalashmi / Shhadimubrak:**

15. The Members are aware how much burden the marriage of a girl imposes on a poor family. To provide relief to the poor family, Kalyan Lakshmi/Shaaadi Mubarak scheme has been introduced. Under this, an amount of Rs.1,00,116/- is being paid at the time of marriage to all poor girls. So far, 3,28,923 were benefited under Kalyan Lakshmi and 1,08,702 women benefited under Shaadi Mubarak.

16. This scheme, apart from providing relief to the poor has almost eliminated the menace of child marriages in the State as it is applicable to girls of above 18 years of age. The total

outlay proposed towards Kalyanalakshmi and Shaadi mubrak is Rs.1450 crores in 2019-20.

### **Unemployment Allowance**

17. Redeeming yet another election promise, the Government proposes to introduce unemployment allowance of Rs.3,016/- per month to the eligible. The details of the scheme are being worked out. Instructions have been given to officials in this regard. An amount of Rs.1810 crore is proposed in the Budget.

### **SC and ST Development Fund**

18. A Special Development Fund has been created in proportion of the population of SCs and STs. An enactment has been made to carry forward unspent balances of funds allocated in a year to next year. No State Government in the country could enact such legislation to protect the interests of SCs/STs in the society. This Act is being implemented effectively for the past two years. In 2019-20, Rs.16,581 crore is proposed for SC Special Development Fund and Rs.9,827 crore for ST Special Development Fund.

## **Minorities Welfare**

19. In a revolutionary move, the Government has decided to extend all the schemes meant for the welfare of SCs and STs to the poor people belonging to the minority communities. Minorities Development Corporation is working to generate self-employment opportunities. Laying special focus on the education of minorities, the Government has set up 206 residential educational institutions for minorities in the last 4 years. On par with corporate schools, these schools have been set up with international standards. Future generation of minority children will be immensely benefitted from these schools. Every year, Ramzan and Christmas festivals are being celebrated as official festivals. New clothes to about six lakh people are being distributed. The Government is paying honorarium at a rate of Rs.5,000/- per month to Imams and Mouzans working in Mosques. An amount of Rs.2004 crore is proposed for minority welfare.

## **Agriculture**

20. In terms of the initiatives taken, Telangana has become a trail blazer for the entire nation. The schemes being implemented in Telangana are receiving accolades from all corners of the country. Through Rythu Bhandu, Rythu

Bhima, Land Records Updation, Farmers' Coordination Committees and other programmes, the Government has infused confidence in the farming sector. Telangana is considered as a State which is pro-farmer. We will strive hard to meet their expectations. To enable farmers to get remunerative prices for their produce, we will be establishing food processing units State-wide. These will be established in partnership with farmers.

21. Soon after the formation of the State, the Government has decided to revive agriculture sector in Telangana for strengthening rural economy. To provide immediate relief to farmers, our Government has waived crop loans in the first instance. The crop loans of over 35,29,000 farmers amounting to Rs.16,124 crore were paid by the Government to the banks. This was one of the first promises made in 2014 and fulfilled. Seeds and fertilisers are being supplied on time. Waiting in long queues for fertilisers is a thing of the past. Manufacturers of spurious seeds and fertilisers were dealt with a firm hand. Government has undertaken many initiatives to strengthen the Marketing Department. Our government has increased the capacity of godowns considerably. At the time of formation of Telangana State, there was a storage capacity of 4.17 lakh tonnes only. In the

last 4 ½ years, our Government has newly constructed 364 godowns which enhanced the storage capacity to 22.50 lakh tonnes. Apart from these immediate measures for relief, permanent steps have been taken. To improve irrigation facilities, massive projects have been taken up. We are renovating tanks which were neglected and destroyed in the combined State. I take immense pride in sharing with this August House that Telangana is the only State in the country to supply free and quality power to farmers 24× 7.

### **Farm Loan Waiver**

22. This Government will support the farmers till their situation improves. That is why we have made a promise of loan waiver during the recently held elections also. Redeeming our promise, we are proposing to waive off all agriculture term loans up to one lakh rupees, outstanding as on 11<sup>th</sup> of December, 2018. Towards this, an amount of Rs.6000 crore is proposed.

### **Investment Support Scheme: Rythu Bandhu**

23. Keeping in view the imperative of ensuring timely investment in farm inputs, Telangana Government introduced a novel investment support scheme, named as

“Rythu Bandhu”. Under this scheme, an investment support of Rs. 8,000 per acre has been extended to all the farmers in the State. Rythu Bandhu is appreciated by the United Nations. This is a matter of pride to all of us. The scheme has been lauded as innovative by economists like Dr. Aravind Subramanian, former Chief Economic Adviser, Dr. Ashok Gulati, former Chairman of the Commission on Agriculture Costs and Prices and Dr. Ramesh Chand, Member, NITI Aayog. Now Rythu Bhandu has become a national agenda. A number of States are implementing this scheme. But, under the recently introduced Pradhan Mantri Kisan Samman Nidhi (PM-Kisan) by the Government of India, the assistance is much smaller. In State legislatures, media coverage and other fora, this scheme has been considered a Role Model. This is a matter of immense pride to the people that Telangana model of development is being talked about extensively. I am happy to inform the House that the Government has decided to increase investment support under Rythu Bandhu. Currently, the Government is extending investment support of Rs.4,000 per acre per crop season amounting to Rs.8,000 per annum. I propose to increase this support to Rs.5,000 per acre per crop. The total support in a year will be Rs.10,000 per acre. The amount

proposed in 2019-20 towards Rythu Bandhu is Rs.12,000 crore.

### **Rythu Bima**

24. The Government has introduced Rythu Bima to ensure that in the event of an unfortunate death of a farmer, his family should not be on the roads. Under this scheme, in the event of farmer's death due to any cause, the insurance amount of Rs. 5 lakh will be paid to his family within ten days. So far an amount of Rs.5675 has been disbursed to 283 farmers. The Budget provision for Farmer Group Insurance Scheme proposed in 2019-20 is Rs.650 crore.

### **Land Records Updation Programme :**

25. To provide a permanent solution to land disputes and litigations, our Government took up the gigantic and courageous step of comprehensive Land Records Updation Programme (LRUP) in the State. Working day and night, the teams have surveyed and certified/purified 95% of land records as litigation free and up to date. We are working hard to update the remaining land records. With a view to supporting poor farmers, the Government has taken up regularisation of Sada Bainamas. The sale and purchase of

land done through Sada Bainamas have been given legal status with their registration by the Government without any charges. Fundamental reforms in registration of lands are being undertaken to make the system transparent. The Government is shortly launching “DHARANI” website with details of all land records in the State which is similar to core banking solution of the commercial banks.

### **Crop Colonies**

26. The Government has decided to form crop colonies taking into account agro-climatic and environmental conditions and soil types in various districts. In this direction, the Agricultural University and the Agriculture Department are making serious efforts. The objective of the crop colonies is to align the cropping pattern to meet the requirement of people and the international demand. This will help the farmers in getting a remunerative price for their produce. As part of implementing this concept, small, medium and large scale food processing units will be set up in all parts of the State. In these units, it is proposed to make IKP employees, Women Organisations working in the State as partners.

27. With an objective of providing unadulterated food to the people and remunerative prices to farmers, ‘Rythu

Samanvaya Samithies (Farmer Coordination Committees) have been formed. The intention of the Government is to bring the farmers under a single platform. It is the conviction of our Government that organised farmers will be able to protect their rights on their own. These Committees will also help farmers in getting remunerative prices for their produce and formation of crop colonies.

28. The entire country is appreciating the commitment of the Government towards the farm sector and the expenditure incurred for the development of the sector. As a historic step, an amount of Rs.20,107 crore is proposed in 2019-20 Budget for Agriculture.

### **Irrigation**

29. The injustice done to Telangana in respect of irrigation sector in the combined State was unprecedented. Our people faced the indignity of being subjected frequent droughts and calamities. In the combined State, many official notifications notified clearly that the share of Telangana in the Krishna and Godavari waters was 1,350 TMC. But no steps were taken to take up projects to utilise our share. To utilise our share in river waters, our Government has taken a firm decision to provide irrigation facilities to one crore twenty

five lakh acres and taken up irrigation projects accordingly. Previously, it used to take decades to complete a project. But our Government is able to complete 90% of the works of the projects in 4 ½ years. All the projects have forest, environmental and CWC clearances from respective central government authorities. Palamuru project has got most of the clearances. The Sita Rama Lift Irrigation project on the Godavari river is progressing rapidly to make Khammam agriculturally prosperous. The Central Water Commission and recently the Fifteenth Finance Commission visited the Kaleswaram project and appreciated and lauded the pace of works. Our Government is making effort to provide irrigation through Kaleswaram by the monsoon season. The Government is determined to complete all irrigation projects in the next five years.

### **Mission Kakatiya**

30. Through Mission Kakatiya, 20,171 tanks have been rejuvenated. Water storage has increased in all these tanks and ground water recharge has dramatically improved. Mission Kakatiya has won accolades across the country.

31. To fill up all the tanks, the system of chain of tanks is being revived. We have prepared an action plan to fill up all

tanks in the State through chain linkages. There are 27,800 tanks under 12,150 chain tanks. Plans are ready to take water from the first to the last tank through canals. Shortly, we will take up these works to fill up all tanks. The tanks will now have multiple sources to feed them; rain water, water coming from projects through lift irrigation and from tanks in the upstream and stagnant water. It is proposed to provide an allocation of Rs.22,500 crore for Irrigation.

### **Reviving Rural Economy**

32. The rural economy of Telangana was totally destroyed in the combined State. Social life was disrupted. Driven by the distress, people who had the skills and proficient in their caste-based occupations had to leave the villages in search of livelihood in cities and other countries. In such a situation, the Government formulated a special plan to provide support to these occupations and to revive their activities

### **Sheep Breeding:**

33. Government has formulated and implementing an important scheme to improve the incomes of Sheep breeding communities. Each sheep rearing family is supplied 20 female sheep and one male sheep with 75 per cent subsidy.

So far, 3,58,000 people have benefitted from this. These sheep so far have given birth to 55 lakh baby sheep. The benefit reaped by the Golla and Kuruma communities is Rs.2,600 crore.

### **Fish Farming (Pisciculture):**

34. Gangaputra, Mudiraj, Boya and Bantu communities depend on fish farming for their livelihood. There are enough water resources for fish farming in the State. So far 128 crore fish seedlings and 4.27 crore prawn seed have been distributed freely.

### **Encouraging Other Occupations**

35. Nayee brahmins and Rajaka community provide important services to the society and they are being extended assistance by the Government. Viswakarma community consisting of ousula, kammari, kanchari, vadrangi, shilpakarulu, mera who stitch clothes and all other artisan communities would be given necessary financial assistance and tool kits. The tree tax on toddy trees was abolished for the benefit of kallu geetha artisans.

## **Welfare of Handloom Workers**

36. The Government has adopted a three-pronged strategy to address the difficulties being faced by the handloom workers. This strategy consists of first, the Government placing orders with the handloom workers for its requirements, second, providing subsidy on yarn and chemicals and third providing marketing facilities.

37. Government is taking steps to modernise power looms. The Government has convinced the management to provide a monthly wage not below Rs.15,000 per month to each power loom worker. By placing orders for sarees distributed during

Bhatukamma, Ramzan and Christmas festivals with handloom workers, they are assured of year long work. The work on the Warangal Mega Textile Park and Apparel Park in Sircilla is progressing at brisk pace.

## **MBC Corporation**

38. For the welfare of nomadic and the most backward classes, the Government has established the MBC Corporation. An amount of Rs.1,000 crore is proposed for this Corporation.

## **Energy**

39. The Government solved the power crisis within the shortest possible time. Within nine months of its formation, the Government is able to ensure 24 hour uninterrupted quality power. To make the state power surplus, we are going ahead with the enhancement of power generation to 28000 MW. We have completed KTPS 800 MW power plant within a record period of 42 months. The generation of electricity started in this plant. The Bhadradi Power Plant, with a generation capacity of 1080 MW is expected to commence its generation very shortly. Work is at brisk pace for the completion of 4000 MW Yadadri ultra mega power plant. We have set a target of creating 5000 MW solar power capacity. Of this, 3,613 MW power has already become available. After Karnatka, Telangana stands at number two position in Solar power. At the time of the formation, the installed capacity of the generation was only 7,778 MW. Within four and half years, a generating capacity of 16,503 MW has come into operation with consistent efforts put in by the government. As per the assessment made by the Central Electricity Authority, Telangana stands at number one position in per capita consumption of electricity. In the Human Development Index, electricity consumption is

considered as an important variable. This is a matter of pride that our state stands at number one position in the per capita consumption of electricity.

**Mission Baghiratha:**

40. In an unprecedented manner, the Government of Telangana took up Mission Baghiratha to provide treated drinking water to every household in the state. The Mission provides treated drinking water to all the villages, municipalities and habitations in the state. So far, all the households in 19,750 habitations are receiving drinking water through the pipes fitted with taps. In other municipalities and villages, the works are nearing completion. I am happy to share with you that we are expecting to supply water to the remaining habitations by the end of April 2019.

**Double Bed-room Houses:**

41. In the implementation of the scheme - Housing for All, Telangana has set an example for entire nation. Telangana is the first state to build the houses entirely at government cost and allotting to the eligible poor. Under the 2 BHK scheme, the government so far sanctioned 2,72,763 houses. Along with construction of these houses, the government have

decided to provide assistance to those intending to construct houses in places owned by them. Selection of beneficiaries is being done in a very scientific and transparent manner.

**Roads:**

42. Roads are an important means of transport. The government has formulated definite plans to improve the quality of roads. At the time of the formation, the road length under National Highways was only 2,527 KMs. Today, we have 5,677 KMs of National Highways. The addition to the National Highways after the formation of state is 3,150 KMs. Taking into account, the pace of development in Hyderabad, we have decided to lay 340 KMs long Regional Ring Road with international standards outside the existing Outer Ring Road.

43. The government have decided to renovate the existing roadways in the state. We will be working in mission mode to repair all roads and make them look like a mirror. A decision has also been taken to lay BT roads to all the 12,751 gram panchayats.

**Education:**

44. Telangana government firmly believes that the standards of life will improve significantly only with the availability of quality education and health facilities. As these are important components in the Human Development Index, the government is giving utmost priority to the development of these sectors.

45. As a part of providing free KG to PG education, we have started residential schools and colleges in a big way. Before the formation of Telangana, there were only 296 residential schools for SC, ST, BC and Minority community students with meagre facilities. After the formation of the state, we have achieved a record by establishing 542 new residential schools. In 2019-20, we propose to establish 119 more residential schools for BCs. For SC, ST girl students, government have started 51 degree colleges. In residential schools, the government is spending on an average Rs. 1.00 lakh per student per annum on good food, accommodation and provision of other facilities. For all the eligible students going abroad for higher studies, Rs. 20.00 lakh assistance is being provided.

### **Public Health:**

46. The facilities in government hospitals have been improved significantly to provide quality health care to the poor. Necessary equipment, medicines are being provided in the government hospitals. In the combined state, the allocation for medicines in the then 10 districts of Telangana was only Rs. 146 crore. The Telangana government has tripled the allocation to Rs.440 crore. Dialysis centres have been established in 40 government hospitals. MRI, CT scan, digital radiology, 2D echo and other modern equipment are made available in government hospitals. The number of ICU centres in district and area hospitals has been increased. The Government of India has declared that the Government of Telangana is one of the three states which provide high quality health care.

47. We are expanding in the city of Hyderabad. The government is starting Basthi davakanas for every 10,000 population so that the poor people are not deprived of health care. So far 40 Basthi davakanas are in operation. In these, primary health care, diagnostic facilities and medicines are made available free of cost.

48. In order to expand Health education and Health care, the government has sanctioned 4 new medical colleges. The Colleges at Siddipet and Mahabubnagar have already started functioning. The medical colleges at Suryapet and Nalgonda will start functioning from next year. The government is providing “Paramapada” vehicles to transport the dead bodies to their places of residence free of cost. No other state in this country provides such facility.

**KCR Kits:**

49. It is critical to take care of the pregnant women. The necessity to go for work during the pregnancy may result in risk of life to the mother and the child. To avoid this kind of situation, the government have decided that the wages foregone by the pregnant women will be made good by the government. The KCR kit programme has taken birth from this concept. KCR kit has three objectives. The first objective is to eliminate unnecessary C-section surgeries. The second objective is to reimburse the income foregone during the pregnancy. The third objective is to eliminate infant as well as maternal mortality.

50. Under the KCR kit scheme, an assistance of Rs.12,000 is being paid to the poor pregnant women undergoing deliveries

in the government hospitals. In case of a female child, an additional assistance of Rs. 1000/- is being provided. In addition, a kit consisting of 16 items needed for a new born child and mother at a cost of Rs.2000/- is also being provided. As a result of the implementation of this programme, the percentage of deliveries in government hospitals has increased from 33% to 49%. At the time of the formation of the state, the infant mortality rate was 39 per 1000. Today, it has come down to 28. The maternal mortality rate has come down from 91 to 70.

**Kanti Velugu:**

51. With a view to create awareness among the people about eye care and to provide eye testing at the door step of the people, the government has started Kanti Velugu programme. This programme is going on very successfully. So far, eye testing have been done covering 1.52 crore people in the state. Spectacles have been provided to 50 lakh people. Arrangements have been made for free surgeries to those detected with cataract, glaucoma, retinopathy and cornea disorders. There is no other state in the country where there is such a massive programme of eye camps to cover the entire population in such a short period.

### **ENT – Dental Care:**

52. On the lines of Kanti Velugu, we have promised to organise special camps throughout the State for detecting ailments related to Eye, Nose, Throat and Dental. Towards fulfilment of this promise, Government is making all arrangements. An amount of Rs.5536 crores is proposed in this budget for the health sector.

### **Administrative Reforms:**

53. We have implemented revolutionary administrative reforms successfully. There is no other state in the country where such reforms have taken place in such a short time. Firstly, we have reorganised the then 10 districts into 31. Recently, we have formed two more new districts of Narayanapeta and Mulugu. We have increased the number of revenue divisions from 43 to 69. Number of Mandals has also been increased from 459 to 584. In addition to 68 existing municipalities, we have formed 68 new municipalities. At present, there are 136 municipalities and 6 corporations. With the formation of 4,383 new gram panchayats, the number of gram panchayats has increased to 12,751.

54. In order to provide better law and order, the government has created new police commissionerates. At the time of the formation of the state there were only two. The government has newly created 7 police commissionerates. New police sub-divisions, circles and police stations have also been created. The increase in the number of police sub divisions is 139 to 163 and the increase in the number of circles is from 688 to 717. The number of police stations has gone up from 712 to 814.

**Thandas as Gram Panchayats:**

55. There has been a demand for the conversion of Thandas into Gram Panchayats under the banner “Our Thandallo our local governance” and “Our Goodallo our local governance”. Various political parties have promised in their manifestos, but, the demand remained unfulfilled. The Government of Telangana has made their dream for self-governance a reality. The government has converted 1,117 Thandaalu and Goodaalu into Gram Panchayats. As 1,281 habitations are in scheduled areas, these have been reserved only for STs. Taking into account the ST population in villages, 688 villages have been reserved for STs. As a result, in the recently held Gram Panchayat elections, as many as 3,146

STs have been elected as Sarpanches. It is a record of sorts in Indian history that our Government has taken such a progressive measures of assigning village administration to the STs.

### **New Panchyat Raj Act:**

56. Mahatma Gandhi expressed the view that the true spirit of India lies in villages. Previous Governments have neglected the development of villages. Village self rule has remained a dream. To put into practice the goal of village self rule as envisaged by Mahatma Gandhi, our Government has taken concrete steps. The government has enacted a new Panchayat Raj Act. This Act enables assignment of functions and resources and makes the Gram Panchayats accountable for improving greenery and cleanliness in villages. The Act also provides for action for those not performing their duties. The government is working towards converting villages into model villages.

### **Resources to Gram Panchayats :**

57. The government has prepared a plan to ensure that the villages do not suffer for want of funds. Government intends to ensure proper use of the Central Finance Commission

grants, Grants under MGNAREGA and own resources of Panchayats. As per the recommendations of the 14<sup>th</sup> Finance Commission, Rs. 806/- will be available on a per capita basis to Gram Panchayats. Thus, 2.20 crore rural population, Finance Commission grants is likely to be Rs. 1,628 crore in 2019-20. To this amount, we are adding transfers based on the recommendations of the State Finance Commission. The State Finance Commission has recently given an interim report recommending Rs.1629 crore for rural local bodies and Rs.1037 for urban local bodies. But taking into account the requirements of the funds for the development of the villages, we have decided to give additional assistance to the Gram Panchayats in excess of the amount recommended by the State Finance Commission. Government has decided to give Rs.1,628 crore to Gram Panchayats, matching a similar amount from the Central Finance Commission. As a result, the villages will be receiving Rs.3,256 crore in 2019-20 from the recommendations of the Central and State Finance Commissions. This amounts to Rs. 1,606 per capita. Even a village with 500 population will get Rs. 8.00 lakhs. In addition, under MGNAREGA, an amount of Rs. 4,000 crore will be available to the rural population. Through the levy of taxes, Gram Panchayats will be able to raise Rs.700 crore in

2019-20. From these three sources, the total amount available to Gram Panchayats will be Rs.8,000 crore. During the 5 year period, the total resources available to villages will be Rs.40,000 crore. Previously, villages did not receive this kind of amount. We expect that the newly elected Sarpanches and Ward Members will make use of this opportunity and work towards development of villages with dedication and determination. I appeal to the people to become partners in realising the goal of modern villages.

#### **Urban Development :**

58. The urban population is increasing day-by-day. The government has formulated a comprehensive action plan to provide basic facilities in consonance with the growth of population. We are developing master plan for Hyderabad and all the cities in the state. Efforts are on to make Hyderabad a Global City.

#### **Harita Haaram :**

59. As a result of negligence in the combined state, there was destruction of forests in Telangana. The greenery has come down significantly and environmental problems have arisen. With a view to increase the green cover to 33% of the

geographical area, the government has taken up “Telanganaku Harita Haaram” programme. This programme has three objectives; viz., (1) protection of existing projects, (2) rejuvenation of denuded forests and (3) taking up of social forestry on a large scale.

60. Towards realisation of this goal, the government has decided to take stern action against people smuggling wood from forests. It is time that the smugglers realize that their activities will invite huge punishments. The government will assist those smugglers who are looking for alternative livelihoods. The government is going to make stern laws to impose severe punishments to the smugglers. I appeal to the people of Telangana to come forward and participate in Harita Haaram with enthusiasm and zeal.

#### **Industrial Development:**

61. The TS-iPASS single window system is very attractive for those planning to establish industries in Telangana. All the permissions are available within a short period of 15 days. So far, 8,419 industrial units have been given all the permissions involving a total investment of Rs.1.41 lakh crore. With this, potential employment opportunities for 8.58 lakh people have been created.

### **IT Sector – Strength of Telangana:**

62. Telangana has grown in strength in the IT sector. Hyderabad has been recognised as a major IT Hub all over the world. With the new IT Policy and Single Window Industrial Policy, significant investments are taking place in the state in IT sector. Many IT majors are investing in Telangana. Starting of T-HUB to promote Start-Ups has created a sensation all over the country. IT exports from the state have reached Rs.1.00 lakh core this year. The government is succeeding in taking the IT industry to the other parts of the state.

### **Law and Order:**

63. With the strengthening of the Police department, there is no law and order problem in the state. There is unprecedented peaceful atmosphere in the state. Recognising the importance of the law and order, the government has increased the allocation to the Police department. Shortly, the Police Command and Control Centre with international standards will become operational. The police has arrested incidents of gambling and boot-legging effectively. Adulteration and peddling of drugs are dealt with an iron-

hand. To protect women, the SHE teams are working very efficiently.

### **Steady Growth in State's Own Revenue**

64. Telangana is growing by leaps and bounds in its States Own Tax Revenue in comparison with others. The average SOTR growth rate in the first four years after formation is 17.71% and Telangana stands number one in the country. Prudent fiscal management and clamping down on corruption are the main reasons for growth.

### **Huge capital expenditure**

65. If we look at capital expenditure as a proportion of total expenditure, Telangana leads the country. In 2016-17, this was at 28.2%.

66. I would like to present an example of effective utilisation of funds by Telangana before the house.

67. In united Andhra Pradesh, the total capital expenditure on 23 districts, from 2004-05 to 2014 was Rs 1,29,683 crore. The capital expenditure incurred on Telangana region was only Rs. 54,052 crore during the same period. But in a short period of four and half years from 2014 to 2019, the capital

expenditure stands at Rs 1,68,913 crore. This is a symbol of progress and I humbly submit to the August House that we would like to keep the same spirit.

### **GSDP growth rate doubled after Telangana formation**

68. The growth rate of GSDP, at constant prices, was 4.2% in the two years prior to state formation. By 2017-18, this accelerated by more than twice to 10.4%. These are based on the published figures of Central Statistical Organisation.

### **Why Vote on Account Budget**

69. There are special reasons as to why vote on account budget is being presented. When the state was formed, we did not have an idea about the size of the economy, its growth rate and its tax base. The resource envelope was difficult to assess. After a period of five years, we have a very clear idea of the size of the economy, its dynamics, priorities for expenditure.

70. Keeping the situation of the state in view, a medium-term development and expenditure plan is prepared. From that only, the next five annual budgets would be prepared. Union Government introduced a vote on account budget for the next year. There is no clarity as to what the priorities for

expenditure would be, policies, centrally sponsored schemes etc. Once the full budget is introduced, then only there would be clarity in these matters. The quantum of allocation to each state would also be clear by then. That's the main reason for our state to introduce the vote on account budget. After the formation of new Government at the Centre, post general elections, there would be a full budget introduced at the union level. I am informing the Hon'ble members that we will also introduce full-fledged budget with complete clarity at that time.

71. Mr. Speaker sir, I now present the Budget Estimates for the year 2019-20.

**Accounts 2017-18:**

72. As per the Finance Accounts of the State Government certified by the Accountant General, the total expenditure in 2017-18 is 1,43,133 crore. The revenue receipts are Rs.88,824 crore. The expenditure on revenue account is Rs.85,365 crore. The revenue surplus is Rs3,459 crore. The total expenditure of the state is Rs1,43,133 crore and capital expenditure is Rs23,902 crore.

**Revised Estimates 2018-19:**

73. As per the Revised Estimates, the total expenditure in 2018-19 is estimated at Rs.1,61,857 crore. Of this, revenue expenditure is Rs.1,19,027 crore while capital expenditure is Rs.28,053 crore. The estimated surplus on revenue account Rs.353 crore.

**Budget Estimates 2019-20:**

74. State's own revenues for BE of 2019-20 are at Rs.94,776 crore in comparison with RE of 2018-19 at Rs.72,777 crore. Transfers from the Centre as per BE 2019-20 is Rs.22,835 crore, while in RE 2018-19 these are estimated at Rs.28,042 crore. The Pragati Paddu proposed is at Rs1,07,302 crore and Niravahana Paddu is at Rs.74,715 crore. The estimated total expenditure in 2019-20 is Rs.1,82,017 crore. Of this, revenue expenditure is Rs.1,31,629 crore and capital expenditure is Rs.32,815 crore. In 2019-20 the estimated revenue surplus is Rs.6,564 crore and fiscal deficit is Rs.27,749 crore. The fiscal deficit is 2.81 percent of GSDP.

75. While continuing all the development and welfare schemes, Government proposes to introduce new schemes as per the promises made during the elections.

76. Government worked with intense focus and delivered programs like a sacred duty. The blessings of the people are a vote on the performance. In future too, people's aspirations will guide us to introduce innovative schemes. Bangaru Telangana- where verdant green crops are swaying in the wind, where there is inclusive growth – is our goal and we rededicate ourselves towards that noble goal. The Budget proposed will lead to balanced development of all sections. I commend the Budget for the approval of the August House.

**// Jai Hind///**

**// Jai Telangana //**

## ERRATA

Errata in speech para 57 of page no 30 line 9 in top in English copy Please Read as Rs. 1400 crores Instead of Rs. 1629 Crores.

And In 10<sup>th</sup> line please Read as Rs. 900 Crores Instead of Rs 1037 Crores

**ఓట్ ఆస్ అకౌంట్ బడ్జెట్ ప్రసంగ ప్రతిలోని 32వ పేజీ 57వ**

**పేరాలోని మొదటి లైనులో రూ.1629 కోట్లకు బదులుగా**

**రూ.1400 కోట్లుగా చదవగలరు.**

**అదేవిధంగా అదే పేరాలోని రెండవ లైనులో రూ.1037 కోట్లకు**

**బదులుగా రూ.900 కోట్లుగా చదవగలరు.**