

Speech of
Sri Payyavula Keshav
Minister for Finance
February 28, 2025

Hon'ble Speaker,

I rise to place before this august House the budget estimates for the financial year 2025-26. It is my honour and privilege to present this budget.

2. We are presenting this budget in the backdrop of the financial destruction caused by the previous regime. This is a highly complex task, because the previous regime created financial chaos in every department. As a result, a great deal of effort was required to understand the scale of mismanagement of finances and set things right.

3. We are not the only ones claiming that there was financial mismanagement. The NITI Aayog also revealed in its report that Andhra Pradesh's debt sustainability has reached zero. This means that ours was the only State which was no longer in a position to take on any more loans. In these circumstances, the challenge of formulating the budget was immense. However, the words of Hon'ble Chief Minister Sri Nara Chandrababu Naidu garu provided the necessary guidance: "If Hiroshima, which was devastated by a nuclear attack, could rise again, why can't we rebuild Andhra Pradesh after this economic devastation?" This budget is prepared with this inspiration.

4. Last year, the people of Andhra Pradesh marked the beginning of a new era by placing their trust in the NDA Government. With an unprecedented mandate, the people of Andhra Pradesh entrusted our government with a responsibility to guide the State on the right path and fulfil their aspirations. That strong mandate has fuelled our commitment to rebuild the Brand Andhra.

5. For five years, the previous regime created an environment of fear and insecurity, where the common man could not live peacefully. The legacy of the past administration can only be described as neglect, destruction, and the ruin of future generations. All of us must remember this every single day. After state bifurcation, citizens struggled and worked hard to move forward. From 2014 to 2019, in spite of all the troubles of bifurcation, the State saw an unprecedented double-digit growth where the aspirations of the people were met.

6. But after 2019, the previous regime put a halt to everything. From a path of development, the State was put on the road to suffering. Democratic institutions were damaged. Industries were chased away. Youth were disoriented. The economy was destroyed. The focus of the previous government was on regime revenge and silencing of opposition rather than on welfare of people. Change of government is a routine matter in a democracy. However, due to hardships experienced on account of the corrupt and inefficient governance in the last five years, the change brought by the people in 2024 has a deeper meaning. People thought not just about their own lives, but also about the future of their children.

7. With a 93% strike rate and 57 % vote share, the responsibility of securing their children's future was given to us by the people. After assuming office, our government took stock of the situation, conducted deeper analysis and exposed the extent of misgovernance of the previous regime through a series of white papers. We found that Andhra Pradesh was left in disarray and disorder with no direction for future. Institutions were destroyed, the economy collapsed and debt burden increased to alarming level.

8. It is a challenging task to rebuild Andhra Pradesh in this difficult time. This is when we require leadership with courage and hope. We feel blessed to be led in this hour by the right man. Hon'ble Chief Minister Sri Nara Chandrababu Naidu garu is a visionary, a reformer, a policy pioneer and a transformational leader. He has a proven track record of overcoming challenges.

9. When he took up the reins of government for the first time as Chief Minister in 1995, it was the time the State was struggling even to pay salaries. He took bold steps and reforms in every sector, to bring the financial position of the State in order.

10. The same scenario has repeated in 2024, when he has taken up the reins of government for the fourth time as Chief Minister. Under the previous regime, financial position of the State was weakened to such an extent that even salaries could not be paid in time. All development activities were stalled and the economy collapsed. Presenting a budget in these difficult times is a challenge.

11. Drawing inspiration from Kautilya's Arthashastra, which emphasizes,

***"The happiness of his subjects is the happiness of the king;
their welfare is his welfare.***

***A king should never think of his personal interest or welfare,
but should ever try to find his joy in the joy of his subjects."***

Much like Kautilya's guidance to Chandragupta Maurya in establishing a prosperous and just rule after the maladministration of the Nanda dynasty, Hon'ble Chief Minister is leading Andhra Pradesh into a new era of governance anchored in transparency, welfare, public service, law and order, progress and trust, after the destructive policies and politics of the previous regime.

12. With great zeal, Hon'ble Chief Minister is spearheading all efforts to rebuild Andhra Pradesh. Under his leadership, our government has carried out consultations, identified economic growth avenues, assessed infrastructure needs, and brought out policy reforms to drive AP's transformation.

13. In the 1990s, Hon'ble Chief Minister Sri Nara Chandrababu Naidu garu had developed the Vision 2020 document for Andhra Pradesh. It was not appreciated by the opposition then too. But one can see the realisation of that vision today in the rise of Hyderabad. It is a testimony to his leadership and ability to convert vision into reality. Again in 2024, giving a direction to a greater vision, Hon'ble Chief Minister has launched the Swarna Andhra @ 2047, giving a road map for development of the State. The target is to consistently achieve GSDP growth rate of 15% plus, increase per capita income, eradicate poverty, and take the fruits of development to the most underprivileged sections.

14. The work towards achieving Swarna Andhra Vision 2047 has already started. As part of the strategy, the deficiencies in policies of the previous regime were set right and many new policies like Sand Policy, Excise Policy, AP Industrial Development Policy 4.0, etc. have been brought.

15. We are correcting the blunders of the previous regime which only knew to borrow but not repay. Generally, contractors are black listed by the government. However, during the previous regime, the contractors black listed the government and showed no interest to work with the government. With our coming to office, the State has escaped this miserable situation. I would like to highlight the key achievements of our government since June 2024, which have been achieved through careful management of state finances.

- i. We have cleared liabilities of Rs. 23,556 crore which were pending as on 12th June 2024.
- ii. 93 Centrally Sponsored Schemes were stopped by the previous regime. Out of these, we have restarted 74 schemes including NREGS, AMRUT, Jal Jeevan Mission, Samagra Siksha, by clearing liabilities of

Rs. 9,371 crore. This has triggered further releases from Government of India.

- iii. Bills of Rs. 12,735 crore relating to irrigation, roads and other works have been cleared to revive economic activity.
- iv. Released Rs. 2,793 crore of Finance Commission grants to strengthen the panchayats and municipalities.
- v. Released Rs. 31,613 crore for the three schemes - NTR Bharosa, NTR Vaidya Seva and Deepam 2.0.
- vi. The NDA is committed to the development of the State. With support of Hon'ble Prime Minister Sri Narendra Modi garu, we have put the Polavaram Irrigation Project and Amaravati Capital City Project back on track.
- vii. Under the Special Assistance to States for Capital Investments, the expenditure in 2023-24 was just Rs. 4,090 crore. I am pleased to inform this august House that in 2024-25, the allocation to AP has substantially increased to Rs. 7,200 crore. This is likely to increase further by 31st March 2025.
- viii. Economic growth is back on track. As per the First Advance Estimates for 2024-25, GSDP has grown at a rate of 12.94%. All key sectors have registered a strong performance - agriculture and allied activities have grown at 15.86%, industries at 6.71%, and services at 11.70%.

16. We have fulfilled the following important manifesto promises in a short span of time from June 2024,

- i. Enhanced NTR Bharosa Pensions to Rs. 4,000 per month.
- ii. Opened 204 Anna Canteens for the poor.
- iii. Provided free cylinders under Deepam 2.0 scheme.
- iv. Increased honorarium to Archakas, Imams and Mouzzains.
- v. Initiated the process for 16,347 teachers recruitment through DSCs.

17. Our Hon'ble Chief Minister believes that everything that the government does should be done with the approval of the people. He often says, "We have to

convince people, today, tomorrow and day after tomorrow, and it is a continuous process in democracy". Budget is not a mere allocation document, but it is a reflection of people's hopes, aspirations, development and welfare. The exercise is to balance these with the available resources. The previous regime had completely abandoned this principle which destroyed the State's economy. The budget for FY 2024-25 laid the corrective foundation for the State. We have counted every rupee, discussed with each department about each requirement in detail, and considered every possible future challenge for preparing budget for 2025-26. Under the guidance of Hon'ble Chief Minister Sri Nara Chandrababu Naidu garu, I proceed to present the department wise allocations.

Agriculture and Allied Sectors

I recall the words of Dr. M.S. Swaminathan,

"If agriculture goes wrong, nothing else will have a chance to go right."

18. This is true for Andhra Pradesh where the agriculture sector supports 62% of the population and serves as the backbone of the State's economy. In spite of the importance of agriculture sector, the previous government failed to implement several important schemes. Payments of Rs. 5,510 crore under different agriculture schemes were left unpaid. Out of this amount, our government has cleared Rs. 693 crore.

19. The previous regime did not understand the importance of drip irrigation. The importance of drip irrigation was recognised by our leader when there was no drip irrigation in the country. In these times, when the entire country was using drip irrigation, we saw a leader who completely neglected it. It is important to bring to the knowledge of this generation how drip irrigation came into this country. In the 1990s, when no one was aware of drip irrigation, he brought this Israeli technology to the State. I was part of the Committee along with three officers which studied drip irrigation in Israel. As per the instructions of the then Chief Minister of the combined State, this drip irrigation project was implemented for the first time in the country in the combined State of Andhra Pradesh. The Congress party had made fun of the initiative. Later, Hon'ble Chief Minister headed the National Task Force on drip irrigation. Today there is no state or farm without drip irrigation. There is no other better example than this to say, "What Chandrababu Naidu thinks today, the Nation thinks tomorrow".

20. The Rashtriya Krishi Vikas Yojana - Per Drop More Crop scheme was not implemented for years. Mere sanctions were given by the previous regime but payments were not made, which we are making now. Further, Rs. 616 crore released by Government of India under Micro Irrigation Fund was diverted. After formation of our government, we have revived the scheme by releasing Rs. 176 crore in July 2024. Our government has also given sanction for bringing an additional 85,000 hectares under micro irrigation for this year.

21. It is said that once in your life you need a doctor, a lawyer, a policeman, and a preacher. But every day, three times a day, you need a farmer. Therefore, let the farmer be happy. With a deep sense of gratitude to our annadatas, I happily announce the fulfilment of our Super Six promise. No matter in what financial situation we are in, our farmers will receive Rs. 20,000 annually under the Annadata Sukhibhava scheme.

22. To support the agriculture sector, 9 hours of free daytime power is supplied to 21.87 lakh agricultural pump sets across the State.

23. I am happy to announce the fulfilment of another manifesto promise of doubling the financial relief during fishing ban period from Rs. 10,000 to Rs. 20,000.

I propose to allocate Rs. 13,487 crore for the Agriculture & Allied sectors for 2025-26.

Civil Supplies

24. Sri Nandamuri Taraka Rama Rao garu, whose foremost belief was that no stomach should go hungry, had started the scheme of distributing rice at Rs. 2 per kg. The whole country went on to follow this model. What started as a scheme in Andhra Pradesh, became the basis for the National Food Security Act 2013 after three decades. Our government is supplying quality rice through PDS. Specially packed fine rice will be supplied to government schools for mid-day meal scheme, and social welfare hostels from the next academic year.

25. The most striking difference brought by our government was improvement of the paddy procurement process, which was neglected by the previous government. We very well understand that paddy payments form an important part of aggregate farm income. It is with pride that I say that for Kharif 2024, we cleared Rs. 7,564 crore for paddy procurement of 32.7 lakh MTs to 5.5 lakh farmers within 48 hours. In fact, 90% of farmers got paid within 24 hours. An amount of Rs.1,674 crore was paid for pending paddy payments of the previous regime.

26. To alleviate the hardships of his sisters, the Hon'ble Chief Minister in 1999 had brought out Deepam 1.0 scheme for the poor to make a shift from conventional biomass cooking fuel to clean LPG cylinders. Now, with a belief in the phrase "Mahilalu Maharanulu", our government is continuing the legacy and has launched Deepam 2.0 scheme, providing 3 LPG cylinders free per year to 90.1 lakh eligible beneficiaries. I propose to allocate Rs. 2,601 crore for Deepam 2.0 in 2025-26.

I propose to allocate Rs. 3,806 crore for Civil Supplies Department in 2025-26.

Welfare

"Power has only one duty, to secure social welfare of the People."

- Benjamin Disraeli

27. Our government has prioritised welfare of all weaker sections of society by implementing manifesto assurances in alignment with vision of Swarna Andhra 2047.

28. The notion of social security of our government is not merely to treat the elderly as vote bank or call them our fathers and mothers for the sake of sympathy, but to stand as a pillar of support for life. The Hon'ble Chief Minister sees social security from a humane rather than a financial perspective, making him the eldest son for lakhs for families. The NTR Bharosa Pensions which started with Rs. 35 have now reached Rs. 4,000 per month. We have become a state with the highest social security pensions supporting the greatest number of people. In line with our manifesto commitment, we are providing enhanced NTR Bharosa Pensions with amounts ranging from Rs. 4,000 to Rs. 15,000 per month, setting the example for true welfare.

29. With a focus on education, social security, and economic empowerment, we are implementing the Pre-Matric and Post-Matric Scholarships for SC and ST students. Our government is committed for the overall socio-economic development of 27.39 lakh Scheduled Tribes, including 4.93 lakh Particularly Vulnerable Tribal Groups. This is being achieved by implementing welfare and developmental activities in different domains like education, health, infrastructure, livelihoods, skill development and self-employment of tribals in ITDA areas.

30. The previous regime kept pending dues of Rs. 90 crore to Imams and Mouzzains for one year. Our government has released honorariums of Rs. 15,000 per month to them. We have reconstituted the defunct Waqf Board. Ten per cent of the liquor licenses are allocated to toddy tappers. We have also increased the allowance for Doopa Deepa Naivaidyam to Rs.10,000 and honorarium for Archakas to 15,000.

31. At the same time, to reduce the burden on the poor, 200 units of free electricity per month is provided to BPL, SC, ST households. Free electricity is extended to professionals under BPL category from BC communities for handlooms, power looms, hair cutting salons, etc.

32. Our government is relaunching the Adarana scheme which had supported artisans, craftsmen and other traditional occupations. This scheme will provide improved modern toolkits and gadgets to ensure sustainable income by improving their productivity.

For 2025-26, I propose an allocation of Rs. 20,281 crore for the SC component, Rs. 8,159 crore for the ST component, Rs.47,456 crore for the BC component, and Rs.5,434 crore for the welfare of minority communities.

Women Development and Child Welfare

Smt. Savitribai Phule, who became the first female teacher in India defying societal norms, said,

'Empower a woman, and you uplift an entire community.'

33. As a firm believer in this philosophy, my leader and Hon'ble Chief Minister was the first in the country to empower women through Self Help Groups. From being confined to their kitchens, women became part of a grand social movement through SHGs. Andhra Pradesh became synonymous with SHG movement and a role model for the country. Today, there are more than 10 lakh SHGs in Andhra Pradesh, enabling a high level of participation of women in economic activities. Such is the empowerment achieved through SHGs that the DWACRA women have become influential stakeholders in shaping the welfare policies and politics of the State.

34. The previous government had disrupted the economic empowerment of women by diverting Rs. 750 crore of Stree Nidhi funds. Our government is taking corrective measures to ensure that SHGs play an important role in financial upliftment of women.

35. Our government is taking numerous steps to ensure adequate nutrition for women, children and adolescents through schemes like ICDS, Mission Shakti, etc. Fulfilling a manifesto promise, our government has sanctioned gratuity for Anganwadi workers. Twelve new Old Age Homes have been sanctioned for the protection of senior citizens.

I propose to allocate Rs. 4,332 crore for Women, Children, Differently Abled and Senior Citizens Welfare Department for 2025-26.

Skill Development

Hon'ble Chief Minister always reminds us that,

***"In a knowledge-driven economy,
staying updated with the latest skills is crucial."***

36. Skilled manpower is important to cater to the changing demands of industry. Skill Census is underway to systematically assess the skill sets of working age population and align them with evolving needs of industries. Skill Hubs have been established in 83 government ITIs to train unemployed youth and college dropouts to meet local industry demands. It is also proposed to establish 4 new ITIs exclusively for minorities under Pradhana Mantri Jan Vikas Karyakram.

I propose to allocate Rs. 1,228 crore for Skill Development and Training Department for 2025-26.

School Education

37. Due to the previous regime's misguided policies and misrule, 2.43 lakh students dropped out of schools in the State. The government's sheer negligence and lack of focus on the education system had put the future of students at risk.

38. In these circumstances, Hon'ble Minister for Human Resources Development Sri Nara Lokesh garu has taken on his shoulders the difficult task of reforming the education system. Believing that today's children are tomorrow's citizens, he started overhauling the system. Our children are getting ready to compete and excel at the global level with his focus on outcome and value - based education, and efforts to bring futuristic technologies like Artificial Intelligence into the mainstream curriculum.

The importance of education for society is expressed through the Chinese proverb,

***"If you are planning for a year, sow rice;
if you are planning for a decade, plant trees;
if you are planning for a lifetime, educate people."***

39. We strongly believe that educating children should not become a burden on parents. We also believe that no child should be deprived of education for any reason. With this objective, to support every mother to send her children to school, I take pride in announcing that the government is launching the Talliki Vandanam scheme, to provide financial support of Rs.15,000 in the academic year 2025-26. The scheme will cover children enrolled in Classes I to XII in both government and private schools.

40. Similarly, Sarvepalli Radhakrishna Vidyamitra scheme reduces financial burden on families by providing free books, uniforms, and essential supplies to 35.69 lakh students, ensuring equal access to education. The Dokka Seethamma Madhyanha Badi Bhojanam enhances students' health and focus on learning by offering nutritious meals.

41. On the strong advocacy of Hon'ble Minister for Human Resources Development, for a teacher-friendly education system, I am glad to announce that our government has decided to provide free electricity for all government schools. This will reduce the financial burden on local bodies and provide a stress-free environment to teachers and students.

I propose an allocation of Rs. 31,805 crore for School Education Department for 2025-26.

Higher Education

42. Our government is dedicated to building a strong, inclusive higher education ecosystem that prepares students for future challenges and ensures equal opportunities for all. Key initiatives under this program include the establishment of Multidisciplinary Education and Research Universities, introduction of a credit-based system for Polytechnic education, modernization of campuses with smart classrooms, advanced laboratories, digital libraries, to prepare global citizens. We also aim to place our State Universities in the top 100 globally.

I propose to allocate Rs. 2,506 crore for Higher Education Department in 2025-26.

Healthcare

43. The health sector has faced significant challenges and mismanagement during the previous regime. Pending payments exceeded Rs.6,400 crore which led to lapses in medical services including Vaidya Seva, sanitation, radiology, linen & laundry, etc. affecting the public health system. Our government has cleared Rs.1,624 crore payments to revive vital health schemes.

44. Our government has also made significant strides in the implementation of key health initiatives aligning with the manifesto commitments. The existing NTR Vaidya Seva is providing quality healthcare to every family and is also providing hassle free services in private hospitals to all the poor and middle-class families. As part of this scheme, our government is planning to implement in the next financial year insurance-based health coverage of Rs.25 lakh per family. We are already providing good healthcare with supply of medicines, sanitation, etc.

I propose to allocate Rs. 19,264 crore for Health, Medical & Family Welfare Department for 2025-26.

Panchayat Raj and Rural Development

"A country's development is incomplete unless its villages are strong, self-sufficient, and empowered."

- Deendayal Upadhyaya

45. The previous regime abandoned its responsibility to address the needs of rural areas. Instead of focusing on basic needs like roads and drinking water, which are people's rights, there was diversion of local body funds, which impacted the rural economy and eroded the status of gram panchayats.

46. Under the guidance of Hon'ble Deputy Chief Minister Sri Pawan Kalyan garu, our government is making strides in rural development with an aim to improve living standards of the people. With active participation of the people, Comprehensive Gram Panchayat Development Plans have been prepared and 30,000 works comprising CC roads, BT roads, cattle sheds, etc. sanctioned. 4,300 km of CC roads were sanctioned, of which 3,000 km are completed and 1,300 km is in the final stage of completion. As a result, rural areas are witnessing revival of economic activities, employment generation and cleaner environment.

47. The previous government had totally neglected the Smart LED Street Lighting program for five years. We have revived this program by paying Rs. 150 crore towards the pending bills.

48. Since the launch of Jal Jeevan Mission from 15th August 2019 to 2024-25, the previous regime utilized only Rs.2,255 crore of central share in spite an allocation of Rs.13,499 crore due to non-release of state share on time. States like Chhattisgarh, Jharkhand, Gujarat, Odisha, etc. had spent more than AP even with lower allocation from the Centre in 2023-24. Our government took initiative to revive the scheme. We are thankful to the Government of India which, upon our request, has extended the timeline of the scheme to 2028. We aim to cover all 95.44 lakh rural households for supplying drinking water from sustainable surface water reservoirs.

49. Under MGNREGS, 72 lakh wage seekers from 45.30 lakh households were provided wage employment. Our government is laying approach roads for farms benefitting farmers. Under the Swacchh Bharat Mission, all villages will take up solid & liquid waste management activities and transform into clean & model villages.

50. We inherited unbearable neglect of infrastructure and basic amenities in rural areas. The villages roads in the State were pothole ridden. In a time when every village is getting connected, the connectivity of our villages was affected due to pothole ridden roads. Now, rural roads constructed under PMGSY, Andhra Pradesh Rural Roads Connectivity Project, NABARD are providing socio-economic gains to the people by improving access to markets and increase in daily wages. PM-JANMAN is being implemented to provide connectivity to PVTG habitations in tribal areas by way of all-weather roads.

I propose to allocate Rs.18,847 crore for Panchayati Raj & Rural Development Department for 2025-26.

Urban Development

51. Efficient urban planning is very important in view of the rapid demographic changes taking place. Emerging cities should be well equipped with the necessary infrastructure to meet the rising demands for urbanisation.

52. The previous regime had killed the spirit of local self-governance by centralising the payments for municipalities wherein, even the bills for construction

of drains were cleared at the Secretariat level. With this there was decentralisation of destruction, but centralisation of bill payments. To implement the idea of Hon'ble Chief Minister to give financial independence to municipalities, from 1st April 2025, we will delink the payment mechanism of municipalities from the State government, giving them financial independence and restoring the spirit of local self-governance. This is a revolutionary decision to increase the efficiency of local bodies through financial independence.

Amaravati - The People's Capital

53. Amaravati was envisioned to be the People's Capital for a state that had lost its capital city due to bifurcation. Having accepted Amaravati as capital city in the past, the same was opposed when they came to power and they also started destruction of Amaravati. We have to remember the struggle of Amaravati farmers against this destructive policy. I am happy to announce that we are ready to start the Amaravati project on a grand scale. Our aim is to develop Amaravati not only as a city, but also a growth engine leading the development of the State.

54. Just as Mumbai is crucial for Maharashtra, Hyderabad for Telangana to drive growth, we have to build Amaravati to drive AP's economy forward. Our government is working with the support of Hon'ble Prime Minister Sri Narendra Modi garu to develop Amaravati into an economic powerhouse like Hyderabad and Mumbai, with world class infrastructure, investments and employment opportunities. I have to remind this house that the previous government has told that three capitals decision was because the government could not fund Amaravati. However, our government, without providing directly from state resources, is restarting the capital city project. The financing for Amaravati has been secured through the Government of India with World Bank, Asian Development Bank and HUDCO. With this, Amaravati has proved to become a self-financing capital city project without state budget assistance, as announced by Hon'ble Chief Minister.

55. Our government has stopped the burden of user fees for waste collection in municipalities. In this context, I would like to bring to the notice of this house that the criticism of user fee for waste collection proved to be true through the historic decision of the people in June 2024. The previous government has not only left "debt", but also "83 lakh ton waste" for us. Our government is marching forward in the direction of Swachh Andhra. 204 Anna Canteens have been started which serve subsidized food to the urban poor.

I propose to allocate Rs. 13,862 crore to the Department of Municipal Administration & Urban Development for 2025-26.

Housing

56. The previous regime did not pay Rs. 4,737 crore for housing schemes impacting nearly 4 lakh beneficiaries. For house construction, our government has decided to provide additional financial assistance Rs.50,000 to SCs and Rs.75,000 to STs.

57. As promised in the manifesto, our government has completed 1.15 lakh incomplete houses for weaker sections during the last 7 months. It is proposed to complete more than 7 lakh houses under ongoing PMAY schemes by March, 2026. Also, 2 lakh houses will be handed over by APTIDCO by June 2025.

I propose to allocate Rs. 6,318 crore to the Housing Department for 2025-26.

Water Resources - Towards a drought proof Andhra Pradesh

"If there is magic on the planet, it is contained in water"

-Loren Easley, American Anthropologist

58. The irrigation sector was grossly neglected by the previous regime. The farmers of Rayalseema and North Coastal Andhra who were waiting for water, were deceived. The previous regime didn't even care about the field channels in villages. We have even encountered washing away of dams, which did not bother the previous regime. In our case, our government was so committed that we took care of the damaged Tungabhadra dam gates overnight. There was a huge pendency of bills of more than Rs.10,000 crore which crippled the progress of all irrigation projects. This includes the long pending Neeru-Chettu bills which were withheld by the previous regime as part of vendetta politics. The stalled projects have been revived by clearing pending payments to the tune of Rs.4,600 crore. The balance bills will be cleared in due course.

59. Our government firmly believes that the Polavaram Project will transform the lives of our citizens with inter-generational benefits and will change the fortunes of both Rayalseema region and North Coastal districts. It has the power to shape the future, protect agriculture and make Andhra Pradesh a water-secure and drought free state. Our government has secured Rs.12,157 crore from the

Central government to support the first phase of the project. The project has progressed 73 % so far and is scheduled to be completed by 2027.

60. Nearly 2000 TMC of water from Godavari flows into the sea, while the Rayalseema area suffers from drought. Towards achieving the ambitious goal of drought-proof state by utilising these waters of Godavari, Hon'ble Chief Minister has planned the mega Polavaram - Banakacherla river linking project and he is exploring all possible financing options to fund this multi- billion rupees project. This project will transfer 200 TMC of flood water from Godavari River to Banakacherla head regulator through a link canal and fulfil water demand in drought prone Rayalseema region and other water shortage districts of Andhra Pradesh. Let us wish his dream becomes reality.

61. Clearance of pending payments coupled with good governance has ensured that progress of several projects is back on track. This includes the Handri Neeva Sujala Sravanthi Project, Pula Subbaiah Veligonda Project, Chintalapudi Lift Irrigation Project, and B.R.R. Vamsadhara Phase II of Stage II which are under different stages of completion.

I propose to allocate Rs. 18,019 crore for Water Resources Department for 2025-26.

Industries and Commerce

62. We have heard about dropouts from schools. During the previous regime, not just dropouts from schools, the industries also dropped out. Employment and jobs also dropped out. Such leaders of the previous regime now dropped out from the house. It is not far to see that they would be dropped out from public life. Many industries were chased away from the State, creating a sense of fear amongst the business community. The previous regime kept more than Rs. 11,000 crore pending dues for incentives to industries, MSMEs, SC & ST entrepreneurs, etc. Out of this, our government has cleared Rs. 377.73 crore already.

63. We once talked about Ease of Doing Business but now, Hon'ble Chief Minister is focussing on Speed of Doing Business. We worked hard then that every household should have one IT employee, but now we are moving ahead with the goal that every family should have one entrepreneur.

64. Two industrial nodes Orvakal and Kopparthi have been approved by Gol for development with financial assistance. Four new nodes - Mulapeta, Donakonda,

Chilamathur and Kuppam - have been designated for development under the Industrial Corridor Development Program.

65. To accelerate industrial growth and build a robust investment ecosystem, our government has unveiled a series of forward-looking policy initiatives. Our government has secured investment commitments worth Rs. 6.3 lakh crore with potential of 4 lakh jobs. The major investors include NTPC Green Energy Ltd., ArcelorMittal Steel Company, NHPC, BPCL, Reliance Industries, LG Electronics, TCS, Tata Power, Greenko Group, Hero Future Energies, Ecoren Energy. At this juncture, I have to make a special mention of Hon'ble Minister Nara Lokesh garu, who played an important role in bringing Arcelor Mittal Steel Company to the State, and is also focusing on bringing reputed companies to establish Data Centres in the State.

I propose to allocate Rs. 3,156 crore to the Industries & Commerce Department for 2025-26.

Energy

66. Under the previous regime, the power sector was ruined from the day of swearing-in itself when cancellation of Power Purchase Agreements was announced. The State suffered losses of more than Rs 1.29 lakh crore due to tariff burden, rising debts and inefficient governance. Due to reckless cancellation of PPAs by the previous regime, the State had to purchase high-cost electricity, placing a heavy burden on the people through true-up charges.

67. AP's energy sector is now undergoing a transformative revival under the visionary leadership of Hon'ble Chief Minister. Our goal is to make AP a Green Hydrogen Hub with an aim to contribute a third of India's total output by 2030. The AP Integrated Clean Energy Policy 2024 will focus on promoting renewable energy by establishing Renewable Energy Manufacturing Zones, attract Rs. 10 lakh crore investments and create 7.5 lakh both direct and indirect jobs.

I propose to allocate an amount of Rs. 13,600 crore to the Energy Department for 2025-26.

Transport, Roads and Buildings

68. The neglect and lack of maintenance by the previous regime left the State's roads in disrepair, reversing years of infrastructure progress. The Mission Pothole-Free Andhra launched to restore road conditions has made remarkable progress. Out of the 20,059 km taken up for repair, work in 17,605 km is completed in just three months.

69. Additionally, double-lane connectivity from District headquarters to Mandal headquarters and between adjoining Mandal headquarters is being undertaken. This includes the widening of 2,522 km of roads and the construction/reconstruction of 464 bridges under the AP Mandal Connectivity and Rural Connectivity Improvement Project and AP Roads and Bridges Reconstruction Project.

I propose to allocate Rs. 8,785 crore to the Department of Transport, Roads and Buildings for 2025-26.

Tourism, Sports and Culture

70. In the tourism sector, our government is driving growth with the Andhra Pradesh Tourism Policy 2024-29, which grants industry status to tourism. Rushikonda Beach has retained its prestigious Blue Flag certification for environmental standards. Additionally, iconic tourism projects like Akhanda Godavari and Gandikota have been sanctioned, enhancing the State's appeal as a top-tier destination. Our government is also committed to build a thriving sports culture and promoting athletic excellence through the Andhra Pradesh Sports Policy 2024-29. This aims to strengthen grassroots participation, enhance professional training, and position Andhra Pradesh as a leading hub for sporting talent.

I propose to allocate Rs. 469 crore to Youth Advancement, Tourism and Culture Department for 2025-26.

Home

71. The previous regime's neglect left the police force demoralized and ineffective, allowing lawlessness and the menace of narcotics to grow unchecked. The previous regime handicapped our police force by not paying even the maintenance cost to access basic forensic services. To boost the morale of the Police Force, all the pending bills relating to SLS, ASLS, GPF, APGLI, Medical Reimbursement, etc. which are more than Rs. 920 crore, are being cleared in a phased manner. Out of this, Rs.250 crore worth of pending bills were cleared recently. The Group Personal Accident Insurance Policy, withheld for two years by the previous regime, has been reinstated. Under the Modernization of Police Force scheme, Rs. 61.20 crore which was pending since 2020-21, was released in October 2024.

72. To bolster law and order and provide employment, the recruitment process for 6,100 police constables is underway. To counter the menace of ganja, the Elite Anti-Narcotics Group of Law Enforcement (EAGLE) has been established to prevent the cultivation and trafficking of ganja and other drugs. With the rising threat of cybercrime, plans are in motion to establish a Cyber Police Station in every district. Our government is working to procure vehicles to make the police force more agile.

I propose to allocate Rs. 8,570 crore for the Home Department for 2025-26.

Revenue

73. The AP Land Titling Act was brought by the previous government in a hurry without due diligence. On vigorous public demand, we have repealed the Act, giving relief to people from fear on their land ownership. Our government conducted Revenue Sadassulu in 17,403 villages to resolve land issues at village level, resolving 90,315 petitions so far. Our government launched a proactive initiative for suo-moto caste verification and made available all families caste certificate online. Reverification of freehold lands was taken up and completed. Gramsabhas were conducted in 6,688 resurvey completed villages to redress grievances and maintain up to date spatial data.

Labour

74. A working committee has been constituted for determining the modalities and methodology for implementation of Chandranna Bima Scheme for primary bread earners of BPL families. Lands have been identified at Guntur, Sricity, Kurnool, Penukonda, Atchutapuram, Srikakulam and Nellore for construction of ESI Hospitals. In principle approval has been accorded for upgradation of ESI Hospital, Tirupati from 50 to 100 beds.

Other Initiatives

With the guidance of Hon'ble Chief Minister, following other important initiatives are being brought by our government.

Viability Gap Funding

75. Budget has terms like revenue expenditure, receipts, deficits, allocations which are confusing to the common people. It is our responsibility to present the budget in a manner that is well understood by everyone.

76. Capital expenditure in layman terms means a farmer purchasing land for agriculture, digging a well or a bore well in his farm. Such capital expenditure will grow crops and provide income. Similarly, capital expenditure for government means expenditure on irrigation, roads, dams, etc. which gives returns in future. This is the goal of capital expenditure. One example, an investment of Rs.1,600 crore on Pattiseema Project gave a return of Rs. 44,000 crore to the farmers in the State. This is real capital expenditure useful for the people which is prioritised by our government.

77. Our capital expenditure is not meant to build palaces worth hundreds of crores or print pictures on survey stones with Rs. 650 crore. This is actually personal expenditure, disguised as capital expenditure by the previous regime. This is the difference between the policies of the previous regime and the current regime in spending every rupee.

78. To overcome the resource constraints, we have planned innovatively to take up large capital expenditure projects. I am glad to announce the innovative Viability Gap Funding Scheme for Public Private Partnership (PPP) projects for up to 20 % of the project cost to any Department, beyond the existing budgetary allocation. I propose to establish a corpus of Rs. 2,000 crore dedicated for the VGF scheme.

Real Time Governance

79. Under the previous regime, transparency and ease of governance was absent. Our government has entered into MoUs with Google, TCS, Meta, etc. The MoU with Google will accelerate adoption of artificial intelligence in various fields including healthcare and also give support to the start-up ecosystem in the State. Through the MoU with Meta, Whatsapp Governance has been launched with 159 services. Efforts are in place to integrate as many citizen services as possible with Whatsapp Governance.

Development of Telugu Language

***"Telugu delayanna desambu Telegenu
Telugu vallabhunda Telugokanda
Ella nrupulu goluva eruguvee basadi
Desa bhasha landhu Telugu lessa."***

- Krishna Devarayalu

80. Telugu, our mother tongue and one of the classical languages, has a rich literary tradition dating back centuries. Mother tongue keeps one connected to native culture and also enhances clarity of thought and learning. Several Telugu poets, writers and scholars have contributed through their works to Indian culture, literature and arts. We recognise the importance of Telugu in preserving and propagating the cultural heritage of Andhra Pradesh. I propose to allocate Rs. 10 crore for the development and promotion of Telugu language.

Navodayam 2.0

81. The Navodayam program, implemented in 2016, was a success. Now, our government has launched the Navodayam 2.0 program with the aim of making Andhra Pradesh free of illicit liquor, drugs, and ganja. The government will engage with reputed organisations which are implementing deaddiction programs and spread awareness among people about ill effects of alcohol, especially the youth, to protect them from the menace of addiction. I propose to allocate Rs. 10 crore for this program.

Ratan Tata Innovation Hub

82. Our government will establish the Ratan Tata Innovation Hub in Amaravati to foster innovation, create entrepreneurial ecosystems, and mentor startups in the region. It will be linked with five other zonal centres, each supported by a prominent business group, and facilitate technology and skill upgradation in emerging sectors.

Pollution Free Andhra

83. The hazard of pollution is evident from the situation in Delhi. Our government is taking measures to prevent Andhra Pradesh from going in that direction. This is being done through promotion of green energy and also initiatives to increase the green cover to 50%. With these measures, we strive to become a net zero economy.

Accounts 2023-24

84. The finance accounts finalized by the Accountant General of Andhra Pradesh show a revenue deficit of Rs. 38,682 crore, and a fiscal deficit of Rs. 62,719 crore, which was 2.72 % and 4.41 % of the GSDP respectively, for FY 2023-24.

Revised Estimates 2024-25

85. The revised estimate for revenue expenditure for FY 2024-25 is Rs. 2,24,342 crore, and for capital expenditure it is Rs. 24,072 crore. The revenue deficit for 2024-25 is around Rs. 48,311 crore, whereas the fiscal deficit is around Rs. 73,362 crore. The revenue deficit is 3.01 % and fiscal deficit is 4.57 % of GSDP.

Budget Estimates 2025-26

86. For the financial year 2025-26, I propose an expenditure of Rs. 3,22,359 crore, with revenue expenditure estimated at Rs. 2,51,162 crore, and capital expenditure at Rs. 40,635 crore. The estimated revenue deficit is around Rs. 33,185 crore and the fiscal deficit is around Rs. 79,926 crore. The revenue deficit will be around 1.82 % and fiscal deficit will be around 4.38% of GSDP.

Conclusion

87. Andhra Pradesh, under the leadership of Hon'ble Chief Minister Sri Nara Chandrababu Naidu garu, is ushering in a new era of governance-built on Healthy, Wealthy, Happy society. Andhra Pradesh, today, has the momentum. Our target of Swarna Andhra @ 2047 is ambitious, but possible. The progressive transformation taking place in Andhra Pradesh since last year gives us all the reasons to be optimistic and move forward with confidence and pride.

88. In 1944, Subhas Chandra Bose boldly declared to the members of the Indian National Army,

"Give me blood, and I shall give you freedom."

This declaration inspired the fight to gain independence. In difficult times, great leaders motivate their people and take them along to a better future. In this context, we may recall the words of Mahakavi Sri Sri,

***"Nenu saitam prapanchagniki samidanokkati aahuthichanu
Nenu saitam Vishwa srushtiki asruvokati dharaposanu"***

With this inspiration, under the leadership of Hon'ble Chief Minister Sri Nara Chandrababu Naidu garu, let each of us join our hands to achieve our Swarna Andhra Pradesh.

With these words, I now commend the budget to the august House for approval.

Jai Andhra Pradesh

Jai Hind