

**Speech of
Sri Payyavula Keshav
Minister for Finance**

February 14, 2026

Hon'ble Speaker, Hon'ble Chief Minister, Hon'ble Deputy Chief Minister and esteemed Members,

Today I stand before this august House not just to present accounts of income and expenditure, but to present a roadmap of hope for the people of Andhra Pradesh.

2. I thank the Hon'ble Chief Minister Sri Nara Chandrababu Naidu garu for giving me the privilege to present my third consecutive budget. For us, a budget is not just a statement of accounts, it is a statement of intent that goes beyond numbers. Today, as I present this budget, Hon'ble members will see that it is about the dreams of a farmer from Rayalaseema; the aspirations of a young graduate of Srikakulam seeking opportunity; the silent resilience of a mother who balances her household with hope and dignity in Nellore; about the courage of a woman entrepreneur in coastal Andhra. Every rupee in this budget carries the story of our people.

3. The deep scars and wounds left by the previous regime are a reminder of what should not be done. In 2024, the budget was presented after a thorough understanding of the damages done by the misgovernance of the previous regime. It laid the corrective foundation to undo the damages done by the previous regime. In 2025, the budget placed the State on the development track in line with the vision Swarna Andhra @ 2047.

4. A short span of two years is certainly not enough to rebuild a state which has faced catastrophic events since inception. First, the irrational bifurcation of in 2014, and second, an even bigger shock of misrule from 2019-24. The former deprived us of a vibrant capital city, growth engines, buoyant services sector which generated revenue for the State. The latter, compounded the agony by policy paralysis and financial recklessness.

5. Today, the budget is shaped by the assessment of where we are, what we have achieved so far and what is yet to be done. It is about the intent to bring in transformations in lives of people from Uttar Andhra to Rayalaseema. Our aim is not growth on paper, but prosperity on the ground.

6. I am proud to say that the turnaround which Andhra Pradesh has witnessed since June 2024, is truly remarkable. In the very first year of our governance, the economy bounced back from an average growth rate of 10.3% in 2019-24 to an impressive 11.75 % in 2024-25. Then came 2025-26, which has been characterised by headwinds of geo-political uncertainties. Be it the terrorist attack to which India gave a befitting response through Operation Sindoor, or geo-political or the tariff war tensions, the leadership of Hon'ble Prime Minister Sri Narendra Modi garu has showed that India will not budge. **Buland Bharat ki Buland Pehchan hai Modi.** Modi represents the identity of a powerful, confident India. The nation should stand behind him because today India stands with great confidence on the global stage. The world knows that India will not compromise on its interests at any cost. His leadership has ensured that India remains a bright spot, growing at 8%, in an otherwise fragile global environment.

7. Along with India, Andhra Pradesh is also shining globally. This can be seen from the biggest, largest, mother of all deals- the Google AI Powered Data Centre coming to Visakhapatnam leaving behind all other countries. This proves that Andhra Pradesh is the destiny. Hon'ble members will agree that this is because of the efficient government driven by the effective leadership of Hon'ble Chief Minister Sri Nara Chandrababu Naidu garu, and a strong reliable partnership of Hon'ble Deputy Chief Minister Sri Pawan Kalyan garu.

8. We believe the people of Andhra Pradesh are the true initiators of this turnaround. It started in June 2024 when the people gave the NDA government an unprecedented mandate. Every vote we got, we see the intention of the people behind it. By voting for NDA government, the people have chosen development to secure not only their own, but also their children's future.

9. Under the previous regime, investors were driven away due to a hostile business environment which made doing business impossible. On receiving harsh treatment, the investors were also disinterested from making investments in the State between 2019-24. Unemployment was at its peak and several industries closed down. Today, in spite of having only 4.2% share in national population, Andhra Pradesh has emerged as one of the most competitive and investor-friendly states in India. As per a report by Bank of Baroda, AP got the highest share of 25 % of the total proposed investments in the country in 2025-26. This is because of **Brand Chandrababu**. We no longer talk of Ease of Doing Business. We now talk about **Speed of Doing Business**. This remarkable achievement reflects policy stability and proactive governance under the leadership and visionary outlook of Hon'ble Chief Minister Sri Nara Chandrababu Naidu garu. There is no doubt that he is playing a historic role in shaping Andhra Pradesh's progress towards vision Swarna Andhra@ 2047.

10. I would like to quote Gurudev Rabindranath Tagore:

"The one who plants trees, knowing that he will never sit in their shade, has started to understand the meaning of life."

Hon'ble Chief Minister is a shining example of this. He is a leader who does not limit himself just with a vision. He believes in action and sees to it that the vision gets executed, knowing very well that his long-term vision will ultimately benefit the generations to come. He works tirelessly, not for short term gains, but for the generations to come. When he talked about the promise of Information Technology in the 1990s and implemented his vision, many in that generation did not understand, but the youth of the day got benefit. They not just progressed in life, but spread throughout the world. Those reformative steps he took then, that lamp he lit, illuminated lakhs of lives. Today, he is repeating his success story, but with a grander vision.

11. He follows the maxim: ***"The best way to predict the future is to create it"***. He is leading Andhra Pradesh into a new development era centered on frontier technologies – Deep Tech, AI, Quantum Computing, concept of One Family One

Entrepreneur. Today, on his directions, we are going to start an **AP Wealth Fund**, which tomorrow will become big like the Norway, Abu Dhabi sovereign wealth funds – possible enough to run the whole state. Today's society, including myself, may not understand the significance of this. But I am sure, the way the 1990s generation benefited, today's youth will benefit tomorrow.

12. From the financial stand point, we are yet to come out of the woods. Things are not all that rosy. I still have my times of struggle while sorting the financial mess left behind by the previous regime. But our intentions are uncompromising. Our will is stronger. Support from Hon'ble Prime Minister Sri Narendra Modi garu has been great in this regard, for which we are immensely grateful. I also take this opportunity to thank Hon'ble Union Finance Minister Smt. Nirmala Sitharaman garu who has helped us to put the Polavaram project back on track; kick start construction of Amaravati capital city; guide us on the Rayalaseema global horticulture project; help us in reducing the debt burden by debt swapping; and innumerable such helps.

Opportunities available to Andhra Pradesh in Union Budget

13. I am compelled to refer to the Union Budget 2026-27 which has plenty of opportunities for states to tap. There are avenues for Andhra Pradesh also such as, the Purvodaya scheme to develop East Coast Industrial Corridor, tourist destinations and get e-buses. The Rayalaseema global horticulture hub is also taking shape. At the same time, Andhra Pradesh will avail allocations to the maximum under new initiatives such as Rare Earth Corridors, Data centres, Regional Medical hub, National Institutes of Pharmaceutical Education and Research, Seaplane manufacturing, Container manufacturing, Girls' hostel in every district, among others.

14. Globally, there is trend to adopt PPP and Challenge modes to improve efficiency of public sector. While the PPP mode improves efficiency by bringing in private sector expertise in public projects, the Challenge mode enables fair price discovery and rewards innovation in execution by promoting competition. The Government of India has announced many projects in the Union Budget in the Challenge mode, which has opened up new opportunities for Andhra Pradesh. We

are fully geared up to take up the Challenge mode and confident to compete with other states to win projects, like Chemical Park, Mega Textile Park, City Economic Regions, University Township. We have already prepared the Visakhapatnam Economic Region plan to compete in Challenge mode for City Economic Regions.

City Economic Regions

15. To implement vision Swarna Andhra@2047 and meet regional aspirations, our government has adopted regional approach to ensure inclusive growth. We have identified three regions – Visakhapatnam, Amaravati and Tirupati as the key regional growth engines of Andhra Pradesh. Working closely with NITI Aayog, we have developed an Economic Master Plan for the Visakhapatnam Economic Region (VER) covering Srikakulam, Parvathipuram Manyam, Vizianagaram, Visakhapatnam, Alluri Sitarama Raju, Anakapalli, Polavaram, Kakinada, East Godavari, and Dr B R Ambedkar Konaseema. It will have seven growth drivers. Together, they translate into 41 high-impact projects across manufacturing, services, infrastructure, urbanization, and agriculture. To achieve this target, we will be mobilising funding from GoI and investments from private sector. We are submitting proposals for nearly Rs. 28,000 crore for VER including metro rail projects.

16. On similar lines, we will develop Amaravati Economic Region covering NTR, Krishna, Eluru, Guntur, West Godavari, Prakasam, Palnadu, Bapatla and Markapuram districts. For the wholesome all-round development of the region, a scientific socio-economic study shall be undertaken to identify the strengths, resources and potential growth engines of the region.

Rayalaseema Global Horticulture Hub

17. Hon'ble Chief Minister was the first to understand the importance of micro-irrigation and brought the concept to India in the 1990s. Today, he has decided to transform the lives of farmers in Rayalaseema region by making this region into a global horticulture hub. The Rayalaseema Integrated Development Plan includes expansion of horticulture area from 8.41 lakh hectares to 14.41 lakh hectares by 2030; assured water through irrigation and micro-irrigation projects, and improvement of road

connectivity to enable access to global markets. More than 200 clusters will be established spread across 303 mandals of Ananthapuramu, Annamayya, Chittoor, Kurnool, Nandyal, Prakasam, Markapuram, Sri Satya Sai, Tirupati, and YSR Kadapa districts.

18. The plan incorporates product perfection, forward and backward linkages, and adoption of global best practices across the value chain. This will benefit lakhs of farmers with higher productivity and better price realization. It will generate nearly 9 lakh direct employment opportunities across farm and non farm sectors. Rayalaseema will no longer be described by scarcity, but by surplus; not by constraints, but by capabilities; not by uncertainty, but by opportunity. We are submitting proposals for Rs. 30,000 crore.

19. I want to remind all my opposition colleagues who talk about debt, that you left us with liabilities of Rs. 9.74 lakh crore. We are forced to borrow to repay your borrowings. However, every rupee that we borrow today, goes in to productive expenditure. It goes in the hands of the farmers, the women, the students, the elderly. From a financial position when even salaries could not be paid in time by the previous regime, we are in the process of achieving financial stability through efficient administration, expenditure rationalisation and resources mobilisation. We are moving from a State in crisis to a State of aspirations.

As I now proceed to present the department wise allocations, I would like to emphasise that every rupee allocated today is hard earned, and we will spend every rupee with purpose and intent to transform the lives of people of Andhra Pradesh.

Water Resources - Making Andhra Pradesh Drought Proof

20. This budget places irrigation at the centre of our growth strategy, recognizing that every drop stored, every canal restored, and every acre brought under assured irrigation transform lives. Climate variability and changing rainfall patterns demand that we move from dependence on monsoons to resilience through storage and efficient distribution. Our irrigation policy is therefore not only about constructing projects - it is about creating long-term water security for generations to come. The

previous regime did not understand the genuine needs of farmers. Irrigation projects were stalled due to unpaid bills and neglect of maintenance, leaving Rayalaseema and North Coastal districts waiting endlessly for assured water. Even routine upkeep and dam safety were pushed to the margins. How can we forget the mayhem caused by the breach of Annamayya dam and damage to the diaphragm wall of Polavaram Project. Such was the apathy of the previous regime.

21. Where there is a will, there is a way. We are blessed to have a Hon'ble Chief Minister who has comprehensive knowledge of the irrigation systems of both Telugu States. He has planned and executed several projects like the Pattiseema, etc. which brought water security to different regions of the State. It was his will again which was instrumental in commissioning, commencement and completion of HNSS project in 100 days, resulting in delivering water to farmers. For the first time, nearly 45 TMC of Krishna water was already successfully lifted through AVR Handri-Neeva, improving water access in Rayalaseema. For Polavaram, Rs. 5,000 crore of pending bills have been cleared and the diaphragm wall has reached 91% completion. Overall progress has crossed 60 %.

22. Parallel progress has been achieved in the Veligonda Project, B.R.R. Vamsadhara Phase-II, and river interlinking works of Vamsadhara–Nagavali and Nagavali–Champavathi, while large-scale O&M, SDMF and FDR works are stabilising irrigation systems statewide. After a gap of five years, 6,047 Water User Associations have been democratically revived.

23. Going forward, we are committed to completing B.R.R. Vamsadhara Phase-II, AVR Handri-Neeva, Poola Subbaiah Veligonda, and Polavaram. We are actively pursuing the Polavaram–Nallamala Sagar link to drought-proof Rayalaseema. The plan for Rayalaseema global horticulture hub also has a significant component of irrigation.

I propose to allocate Rs. 18,224 crore for Water Resources Department for 2026-27.

Agriculture, Animal Husbandry, Horticulture, Fisheries, and Cooperation

If agriculture goes wrong, nothing else has a chance to go right.

-M.S.Swaminathan

24. Farmers are the cornerstone of society, ensuring no one goes hungry. To support our farmers, under **Annadatha Sukhibhava-PM Kisan**, during 2025-26, we released a higher benefit of Rs. 20,000 amounting to Rs. 6,660 crore to 46.86 lakh farmer families. The newly introduced GST 2.0 reforms have significantly reduced taxes on agriculture and allied products, equipment and tractors benefitting farmers.

25. We continue to prioritise the implementation of **Pasu Bima Padhakam** to mitigate livestock health risk. Infrastructure is being strengthened with Rs. 20 crore for new veterinary buildings.

26. Our intent has been so clear, that even though it was not in budget this year, our government implemented the **Matsyakara Sevalo** scheme by enhancing the benefit from Rs.10,000 to Rs.20,000, benefitting 1.2 lakh fishermen families.

Price Stabilization Fund

27. The previous regime only made high allocation to the Price Stabilisation Fund, but never spent anything. Between 2019-24, they made budget allocations of Rs. 7,500 crore to PSF, but spent only Rs. 880 crore in the 5-year period. We have set an example of how the government should respond quickly when the need arises. Though we had initially allocated Rs. 300 crore to the Price Stabilization Fund, we have spent more than 1,200 crore in one year alone to give relief to farmers including Totapuri mango farmers, onion farmers, cocoa beans and tobacco cultivators. That's the priority we give to the farmers.

I propose to allocate Rs. 500 crore to the Price Stabilisation Fund in 2026-27.

28. Since coming to office, we have revitalised the cooperatives' sector by strengthening the three-tier system of APCOB, DCCBs and PACS. They served 53.2 lakh members and extended over Rs. 7,600 crore in agricultural credit during 2025-

26. A major achievement has been the digitisation of 2,021 PACS, with 2,017 societies operating as e-PACS, sharply reducing turnaround time and improving transparency.

I propose to allocate Rs. 13,598 crore for the Agriculture & Allied Departments for 2026-27. The details will be presented by my colleague while presenting the Agriculture Budget.

School Education, Higher Education, Skill Development, Employment & Training

I would like to recall the words of Nelson Mandela, and I quote:

“Education is the most powerful weapon which you can use to change the world.”

29. Education is not just about buildings, syllabi, or examinations. It is about hope in the eye of a mother who believes her child will live a better life. It is about the determination of a rural student dreaming of becoming a doctor, engineer, teacher, or civil servant. Our government sees education not as an administrative responsibility, but as a moral commitment. For us building schools means building future. Under the leadership of Sri Nara Lokesh garu, the education in Andhra Pradesh is becoming outcome focused where the children are getting equipped to compete in the global arena.

30. The public education system suffered serious academic and institutional set back during the 2019–24. Poorly planned reforms created chaos, as the hasty CBSE transition of 1,000 schools resulted in nearly 90% student failure, the TOEFL programme collapsed due to lack of teacher preparedness, and public money was wasted on an unrealistic IB curriculum proposal. Under Nadu-Nedu, governance failure left Rs. 7,876 crore worth of infrastructure works incomplete.

31. Since June 2024, our government has initiated comprehensive, outcome-oriented reforms through flagship initiatives such as Thalliki Vandana, Mana Badi–Mana Bhavishyattu, Dokka Seethamma Mid-Day Meal Programme, sanitation and maintenance funds, curriculum reforms, digital learning, teacher capacity building and governance restructuring to improve learning outcomes and global

competitiveness. A comprehensive KG-to-PG education reform model has been launched under Learning Excellence in Andhra Pradesh.

32. Thalliki Vandnam, introduced in 2025–26 under the Super Six programme, provided Rs.15,000 per child annually benefiting 67.27 lakh students.

33. Governance transparency has been strengthened through Mega Parent-Teacher Meetings, school star-ratings, and community participation.

Thousands of teacher posts remained vacant for several years. Through Mega DSC–2025, our government has successfully filled 15,941 teacher posts out of the notified 16,347.

“Growth is meaningful only when it creates jobs, dignity and opportunity.”

34. We are now developing an integrated skilling framework aligned to future workforce requirements, focusing on convergence between education, industry, and emerging technologies. To ensure hands-on exposure, all government ITIs have entered into MoUs with 167 industry partners. In this financial year, 9,188 trainees have undergone in-plant industrial training and 98% of government ITI students have secured placements or apprenticeship opportunities.

For 2026-27, I propose an allocation of:

Rs. 32,308 crore for School Education Department of which Rs.1,500 crore is proposed for overhauling the infrastructure in public schools

Rs. 2,567 crore for Higher Education Department

Rs. 1,232 crore for Skill Development and Training Department

Panchayat Raj and Rural Development

35. Hon'ble Deputy Chief Minister Sri K. Pawan Kalyan garu is spearheading the transformation of the rural landscape of Andhra Pradesh. During 2025–26, Andhra Pradesh secured first rank nationally by training 3.44 lakh elected representatives and functionaries.

36. 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 out of the total project cost Rs. 26,824 crore. 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. To address long-standing sustainability challenges and to ensure 100% coverage, the programme has been revamped through surface water-based multi-village schemes, ensuring 55 litres per capita per day water supply.

37. Rural connectivity has been strengthened, with over 4,000 km of rural roads completed or nearing completion, improving market access, incomes, and resilience in remote habitations. Rs. 2,123 crore is provided under SASCI.

I propose to allocate Rs. 22,942 crore for Panchayati Raj & Rural Development Department for 2026-27.

Environment, Forest, Science & Technology

38. The misgovernance during 2019-24 resulted in smuggling of red sanders, illegal mining and encroachment in forest lands and diversion of mangrove forests for house sites. We aim to make Andhra Pradesh as Harita Andhra Pradesh by securing 37% green cover by 2030 and 50% by 2047 through sustainably managing forests, combating desertification, halting and reversing land degradation. We will implement the Green Cover Wall of Andhra Pradesh as a strategic ecological buffer.

I propose to allocate Rs. 714 crore for the Environment, Forest, Science & Technology Department for 2026-27.

Urban Development

39. Under AMRUT 2.0, 506 projects are being implemented across 117 ULBs, supported by additional UIDF and AIIB-assisted projects, all targeted for completion by December 2027. In this regard, we appreciate the support given by Hon'ble Union Finance Minister to facilitate an additional Rs. 4,000 crore to Andhra Pradesh under UIDF spread over 2 years.

40. N.T Rama Rao garu understood the importance of food security when he introduced food security in 1982 itself. On this philosophy, we are operating 204 Anna Canteens which will be increased to 275 by March 2026 to ensure that even the poorest citizens can afford adequate food and prevent hunger.

41. The dream of travelling in modern metro rail systems in major cities of Visakhapatnam and Vijayawada is enroute to becoming reality.

42. Our government aims to provide 25 lakh house pattas/ houses to EWS under **PMAY (U) – NTR NAGARS** to fulfil their dream of owning a home.

Amaravati – The People's Capital

43. I thank the Hon'ble Prime Minister Sri Narendra Modi garu for supporting the development of our people's capital Amaravati and also initiating the process to introduce legislation to accord statutory status to Amaravati as the permanent capital of Andhra Pradesh. The works are advancing at a rapid pace as funds have been tied up on a self-sustaining model from various financial institutions. We have given administrative sanction for 97 works worth Rs. 57,868 crore. This speaks volumes about the commitment of our government to build our people's capital Amaravati.

I propose to allocate Rs. 14,539 crore to the Department of Municipal Administration & Urban Development for 2026-27.

Law, Home, Prohibition & Excise, Fire Services

“Evil is powerless if the good are unafraid.”

—President Ronald Reagan

44. It is the police force that works round the clock – in extreme weather, during festivals, emergencies, disasters, and public events – putting duty above personal comfort. Carrying the pride and dignity of the khaki on their shoulders, they are the first responders. Our government deeply values their service and sacrifice. Our government is striving to restore the dignity and pride which were dented under the previous regime. As assured by Hon'ble Chief Minister the following modernisation

initiatives and welfare measures are underway to revamp the entire law and order machinery:

- Very soon we will see a fleet of 3,000 new vehicles for our Police Department.
- To make our police ready for modern day crimes like digital arrest, online frauds, etc. we will set up dedicated Cybercrime Police Stations, one in every district.
- Build a tech-savvy police force by setting up SMART Policing Labs, introduce AI enabled policing projects, communication, and security equipment, along with CCTV and drone deployment.
- Sanctioned 94 acres to establish a new AP Police Academy for which we are proposing an allocation of Rs.15 crore this year to start the construction works.
- Operationalised 4 new India Reserve APSP Battalions at Srikakulam, Rajahmundry, Prakasam and Chittoor and sanctioned 3,920 posts.
- To improve citizen to police ratio, 5,757 stipendiary cadet trainee police constables have been inducted. Hon'ble Chief Minister has announced a three-fold increase in the monthly stipend for trainee constables, from Rs. 4,500 to Rs. 12,000, providing meaningful financial support during training.
- We have also cleared nearly Rs.500 crore towards TA, DA arrears, leave-related dues, medical reimbursement and other pending bills of police personnel.
- The Group Personal Accident Insurance Scheme, providing free coverage from Rs.20 lakh to Rs.45 lakh from PC to DGP, has been revived, restoring a critical social security measure which was discontinued earlier.
- The ganja menace, rampant for five years, is being tackled with the special wing EAGLE and deployment of drones.
- To ensure women safety, our government has also launched 'Shakti App' for women's safety, promising a 7-minute response, and strict action against harassers.

45. Our government has undertaken construction of court buildings and residential quarters for district judiciary in a large way. Works worth Rs. 349 crore have been sanctioned for judiciary and 100 new courts were also sanctioned in 2026-27 in Phase-I.

46. The leakages in the liquor sector have been plugged as a result of the revamped Excise Policy. There are no scams and the revenue is now flowing in to the State treasury.

47. As part of modernization of Fire Services, 17 new Fire Stations are being established to improve coverage and reduce response time. Advanced firefighting vehicles equipped with search & rescue equipment will be procured. In addition, the State Training Centre will be strengthened through upgradation of training infrastructure.

I propose to allocate Rs. 9,165 crore for the Home Department for 2026-27.

I propose to allocate Rs.500 crore to the Prohibition & Excise Department for the year 2026-27.

Transformative steps taken by the Finance Department

48. The following measures are examples of careful management of state finances and fiscal prudence:

- i. The previous regime borrowed at exorbitant interest rates, as high as 12.3%. We are now in the process of reducing the financial burden of the State by undertaking measures like reduction of interest rates and debt swapping to bring all high-cost loans down to or below 9%. So far, we have renegotiated loans of Rs. 43,298 crore, resulting in saving of Rs. 327 crore per year. Further, we aim to renegotiate better terms for another Rs. 1.2 lakh crore of debt. This is expected to save about Rs. 1,658 crore per year.
- ii. Released Rs. 3,797 crore of Finance Commission grants to strengthen the panchayats and municipalities.

- iii. Cleared liabilities of Rs. 24,811 crore which were pending as on 12th June 2024.
- iv. Rs. 37,030 crore money has been paid to irrigation, roads and other works to revive economic activity.
- v. Released Rs.18,701 crore to 163 CSS schemes, including revival of 85 schemes, that resulted in further Gol releases.
- vi. It is proposed to set up an **AP Wealth Fund** with a seed corpus of Rs. 100 crore. Private equity investors will be invited to contribute to the fund to invest in opportunities across the country and generate wealth for the State.

Reforms

- i. In line with the ideology of Speed of Doing Business, we are reviewing all the Acts, Rules, Regulations, Government Orders, etc. to optimise and simplify the various processes in government to provide the best investment ecosystem and service delivery for citizens. On these lines, we also intend to revive of PSUs, streamline their accounts and audit, and make them profitable.
- ii. In line with Gol policy, bill discounting through TReDS digital platform will be used by State PSEs, as Gol has done with central PSEs.
- iii. Under the Special Assistance to States for Capital Investments (SASCI), I am pleased to inform this august House that in 2025-26, AP has availed Rs. 6,544 crore till 12th February 2026, and will get another Rs. 1,438 crore in the remaining period. This would be almost double of Rs. 4,090 crore received during 2023-24.
- iv. The first of its kind in the country, **Reimaging Public Finance Summit** was organised in November 2025 in Visakhapatnam saw participation of delegates from other state governments, international and national financial institutions. The deliberations held over 2 days triggered the establishment of AP Logistics Corporation and opened pathways to attract private finance in public sector through innovative financing.

Forward-looking policies

Since June 2024, our government has introduced 26 revamped policies to make AP globally competitive. To name a few:

- AP Industrial Development Policy (4.0)
- AP MSME & Entrepreneur Development Policy (4.0)
- AP Integrated Clean Energy Policy
- AP Innovation & Startup Policy (4.0)
- AP Tourism Policy

Industries, Infrastructure and Investments, Information Technology, Electronics, and Communications – Innovation and Future Readiness

“The future belongs to those who prepare for it today.”

- Malcolm X

49. We believe that investment today is employment tomorrow. With strategic planning and sustained reforms, we are committed to positioning Andhra Pradesh as a leading destination for industry and innovation. This budget reaffirms our commitment to fostering a business-friendly environment, accelerating industrial infrastructure, and attracting both domestic and global investments. Industrial development had completely derailed during the 2019–24. As a result of our governments steadfast efforts, we have revived the Brand Andhra in 18 months. Since June 2024, 1.19 lakh new investment proposals worth Rs. 9.68 lakh crore have been approved, with 5.41 lakh jobs potential.

50. Our vision is a state that competes globally and cares locally. This was reflected at the recently held the Global Partnership Summit 2025, Andhra Pradesh secured investment commitments exceeding Rs. 13.25 lakh crore, with employment potential over 16.13 lakh, and 610 MoUs were signed.

51. Now the world is talking about AP and its largest single FDI investment (\$1.45 bn) in the country. Amongst stiff international and national competition, we have landed the mother of all deals with \$15 billion i.e. Rs. 1.35 lakh crore investment in AI Powered Data Centre by Google in Visakhapatnam. This is a wonderful example of how **Brand Chandrababu** was effectively capitalised by Hon'ble IT Minister Sri Nara Lokesh garu for converting it into reality. Rightly, he humbly calls himself the Chief Job Creator of the State, generating lakhs of jobs for the youth. We have also got other marquee investments like Integrated Steel Plant at Anakapalli, Bulk Drug Park at Nakkapalli, Integrated Solar Cell Project, 500 CBG Plants, Green Aluminium Project in Kakinada, Semi-conductor facility in Orvakal, among others. At the same time, 175 MSME Parks – one in each Assembly Constituency, and industrial nodes at Krishnapatnam, Orvakal, and Koppatty are being developed as anchor growth centres.

52. New port projects are progressing strongly with Ramayapatnam (75%), Mulapeta (65%), Machilipatnam (50%), and Kakinada SEZ Port (32%) under execution. Fishing infrastructure is being modernised through Phase-I harbours worth Rs.1,523 crore, is nearing completion, while Phase-II harbours are being retendered under EPC with support from Sagarmala 2.0, ensuring financial discipline and timely delivery.

53. The Bhogapuram Greenfield Airport, renamed Alluri Sitamaraju International Airport, is 97% complete. We have accorded high priority to the development of India's first integrated Drone City at Orvakal, Kurnool, spread over 300 acres, as a dedicated hub for drone manufacturing, services, testing, and R&D.

54. The Ratan Tata Innovation Hub has been established as the State's flagship innovation platform through a hub-and-spoke model.

55. The launch of **Amaravati Quantum Valley**, with a Quantum Computing Centre positions Andhra Pradesh at the forefront of deep-tech innovation. The way in which the 1990s generation of Andhra Pradesh benefited from IT revolution, today's youth will benefit from these frontier revolutions tomorrow.

56. The **AP State Data Lake** has strengthened real-time, data-driven governance by integrating data from 36+ departments and 139 databases, enabling a consistent view of governance performance. **Mana Mitra (WhatsApp Governance)** has been scaled from 150 to over 900 citizen-centric services in less than a year, significantly reducing physical visits and improving service timelines.

57. I am proud to announce the fulfilment of an important promise. From 1st April 2026, our government will provide free power up to 200 units to handlooms and 500 units to power looms per month. This will benefit more than 1 lakh families.

For 2026-27, I propose to allocate:

Rs. 3,161 crore to the Industries & Commerce Department,

Rs. 1,283 crore to the Infrastructure & Investments Department,

Rs. 536 crore to the Information Technology, Electronics and Communications Department.

Civil Supplies

58. As promised, under Deepam 2.0, 1.08 crore women beneficiaries are receiving three free LPG cylinders per year, with Rs. 2,897 crore already credited directly into their accounts.

59. We have set a trend in the nation when it comes to paddy procurement. Today, we can proudly say that as on 12th February 2026, Rs 10,580 crore has been deposited in the accounts of 8.54 lakh farmers. A record Rs 9,740 crore has been transferred to farmers' accounts in the 24 hours. Notably, Rs 5,833 crore (55%) was paid within 8 hours. This is a testimony to the speed and transparency we have brought in procurement, giving significant confidence to farmers, compared to the previous years.

I propose to allocate Rs. 3,821 crore for Civil Supplies Department in 2026-27.

Social Welfare, Tribal Welfare, BC Welfare, Minorities Welfare

Development is not about buildings alone; it is about dignity in living.

60. Welfare is very close to the heart of Hon'ble Chief Minister. He believes that welfare is not charity – it is the State's commitment to equity, dignity, and social justice. He has aligned welfare programmes with Swarna Andhra @2047, placing education, income security and dignity at the core. The NTR Bharosa pension distribution is a landmark welfare initiative. Like the eldest son of lakhs of families, the Hon'ble Chief Minister personally visits the houses of beneficiaries to hand over the pensions and give them reassurance. Andhra Pradesh is the only State providing pensions ranging from Rs 4,000 to Rs 15,000 through DBT. Pensions worth more than Rs 58,000 crore have been distributed in the last 19 months.

61. When we promised to give greater benefits to the needy, we were criticised for making hollow promises. I am proud to say that in spite of the financial stress, our government has made Super Six a Super Hit. We also ensured educational and social security of SC, ST, BCs, EWS and minorities through reimbursement of tuition fee, Post-Matric Scholarships, Auto Driver Sevalo, Matsyakara Sevalo, free electricity, etc.

62. Our government's care for children in residential schools can be seen in the repairs and renovation of all 743 Social Welfare hostels which we have taken up since June 2024. I propose to allocate Rs. 300 crore to make hostels and residential schools fully equipped with facilities like pure drinking water, CCTV, real-time monitoring, strengthened health and safety systems, and improved learning outcomes.

63. We have spent Rs. 3,766 crore on minorities welfare through various schemes during 2025-2026. We have revived the Pradhan Mantri Jan Vikas Karyakram which was abandoned long ago. We have reconstituted the A.P.State Waqf Board which was dormant for 3 years. Through initiatives like honorarium assistance to Imams (Rs. 10,000) and Mouzzains (Rs.5,000), Pastors (Rs. 5,000), remedial education, entrance coaching, our government will continue to focus on educational advancement, economic empowerment and social inclusion of minority communities across the State.

64. Full tuition fee reimbursement is being given to BC students in higher & professional education as well as maintenance allowance for post-matric students. We have made 10 % reservation in liquor shops for Toddy Tappers. Free power has been enhanced to 200 units for Nayee Brahmin saloons. For the Vaddera community, we have made 15% reservation in mining leases and 50% subsidy on seigniorage charges.

Women Welfare

Dr. B. R. Ambedkar has said:

"I measure the progress of a community by the degree of progress which women have achieved"

65. While Sri. N.T.Rama Rao garu ensured equal property rights, our government has implemented 33 per cent reservation for women in jobs and educational institutions.

66. Women will play a major role to achieve the Swarna Andhra @2047 vision. It is vital to increase their participation in economic activities to achieve the aspirational growth rate of 15% per annum. Hon'ble Chief Minister aims to create 1 lakh women entrepreneurs in a year. Under One Family–One Entrepreneur initiative, SHG women are being transformed into Small & Medium Entrepreneurs. We have provided several incentives for women in the reformed polices introduced since June 2024.

67. During the current year, our government has upgraded 9,958 Anganwadi Centres. Cooking facilities have been improved and 4,687 Mini Anganwadis were upgraded to main centres. Anganwadi helper has been provided in the upgraded Anganwadi Centres. Under PM JANMAN, 192 new Anganwadi Centres were sanctioned in PVTG areas which will be completed in 2026-27.

68. Anganwadi workers, helpers and ASHAs provide crucial services to children and honouring their long years of service, our government issued orders for providing gratuity at the end of their service.

69. Under the leadership of the Hon'ble Chief Minister, **Indradanussu** - an Inclusive Development Programme for Persons with Disabilities", has been launched covering revival of subsidy schemes, sports training, accessible housing, a degree college for the hearing impaired, and Divyang Bhavans. We are introducing free bus travel to disabled male persons also.

For 2026-27, I propose an allocation of:

Rs. 20,644 crore for the SC component,

Rs. 9,190 crore for the ST component,

Rs. 51,021 crore for the BC component,

Rs. 6,090 crore for the welfare of Minority communities,

Rs. 4,582 crore for Women, Children, Differently Abled and Senior Citizens Welfare Department

Employees' Welfare

- i. GPF and Pension processes are being made seamless and paperless after seeking inputs from Employees Associations.
- ii. Promotion processing has been made online through e-DPC module.
- iii. Government has also started paying the long pending arrears to the employees and pensioners. DA and DR arrears of Rs.1,100 crore have been released.
- iv. In addition, GPF and GLI payments are made regularly with focus on the retired employees. The CPS contributions have been brought up to date.
- v. To facilitate a balanced professional and personal lives for women employees, the age limit for children is removed to enable them to avail childcare leave throughout the career.
- vi. For providing additional benefits beyond the government provisions in case of accidental death of an employee, our government has tied up with banks for salary packages.
- vii. Filled 30,607 government jobs in different categories.

Health

70. Under the previous government, health systems suffered from delayed reimbursements, limited focus on preventive and outcome-based care, placing avoidable financial and emotional burden on families. Liabilities of Rs. 6,486 crore in health sector were left by the previous regime. Most of these liabilities have been cleared by our government giving confidence to the people. We believe that prevention is central to sustainable healthcare. Preventive healthcare significantly reduces out of pocket expenditure on health needs. After assuming office, our government has undertaken comprehensive reforms under **Project Sanjeevani**, placing the citizen at the centre of healthcare delivery. The citizen health screening pilot in Kuppam covered 41 diagnostic tests, screened 63,867 individuals, identified over 6,300 high-risk cases and linked them to Project Sanjeevani.

I propose to allocate Rs. 19,306 crore for Health, Medical & Family Welfare Department for 2026-27.

Labour

71. In line with the labour reforms initiated by Government of India, our government has implemented New Labour Codes by subsuming many legacy laws. New ESI healthcare facilities are proposed to be operationalised, including 100-bedded Hospitals at Vizianagaram, Guntur, and Nellore, and 30-bedded Hospitals at Kurnool, Sri City, Atchutapuram, and Srikakulam. The upgradation of ESI Hospital Tirupati from 50 to 100 beds, has significantly improved access to secondary healthcare services in the Rayalaseema region.

I propose to allocate Rs. 735 crore for Labour Department for 2026-27.

Housing

72. During 2019-24, around Rs 3,300 crore of funds meant for housing schemes were diverted for other purposes. Since June 2024, we have rightfully spent the funds for housing resulting in completion of 3 lakh houses. To reduce the financial burden on around 6 lakh beneficiaries, our government is providing additional

financial assistance of Rs 50,000 for SCs and BCs, Rs 75000 for STs and Rs 1,00,000 for PVTGs. It is proposed to complete another 6 lakh houses during next year. Also, all eligible households will be sanctioned under PMAY - Gramin.

I propose to allocate Rs. 6,357 crore to the Housing Department for 2026-27.

Energy

73. Energy is the lifeline of modern development. Energy security is economic security. Every sector- agriculture, industry, services, education, and healthcare- depends on reliable and affordable power. A robust energy sector not only fuels economic growth but also enhances quality of life for every household. It is baffling as to how the previous regime completely destabilised the energy sector with haphazard cancellation of PPAs, causing the government to purchase high-cost electricity, and put a heavy burden on the people through true-up charges. Our government has stabilised the sector by power procurement and higher own generation which have enabled tariff rationalisation, allowing financial benefits to be passed back to consumers. In the current year, our government has released more than Rs. 11,000 crore towards agriculture power subsidy benefiting over 22.5 lakh farmers, and Rs. 890 crore towards aqua tariff subsidy supporting more than 48,500 aqua consumers, besides concessional tariffs for several BPL occupational groups.

74. Andhra Pradesh is fast emerging as a hub for renewable energy Since, June 2024, under the Integrated Clean Energy Policy, 55 projects worth Rs. 2.88 lakh crore have been allotted, covering 15.56 GW Solar, 4.86 GW Wind, 17.7 GW PSP, 1MMTPA Green Hydrogen, etc.

I propose to allocate an amount of Rs. 13,934 crore to the Energy Department for 2026-27.

Transport, Roads and Buildings

75. Under the previous regime, the plight of citizens was unimaginable as they suffered due to pothole ridden roads resulting in poor riding quality, congestion, and avoidable accidents. Our government has taken up large-scale improvement and maintenance of the road network across all categories. 6,036 km of road improvements with Rs. 2,499 crore are sanctioned during the year.

76. Our government will pursue for getting e-buses under Purvodaya. In addition, 750 electric buses will be introduced in 11 major cities under the PM e-Bus Sewa Scheme.

77. With the prime objectives to enhance women empowerment and safety, the **Stree Shakti Scheme** was introduced from 15th August 2025. It has transformed women's mobility and participation in public life. As of January 2026, nearly 40 crore women passengers have benefited from the scheme.

78. Going forward, our government will continue to focus on delivering safer, more resilient, and future-ready infrastructure. During 2026–27, pothole-free roads will be ensured through targeted renewals on MDRs and State Highways. Road safety will be strengthened through traffic calming measures, safety audits, CC cameras, and iRASTE-based technology interventions.

I propose to allocate Rs. 9,856 crore to the Department of Transport, Roads and Buildings for 2026-27.

Mines & Geology

79. The mining industry was used for private profit by the previous regime. Our government accorded highest priority to citizen centric mineral governance by notifying the Free Sand Policy in July 2024, ensuring availability of sand by charging only operational expenses. In spite of free sand policy, we have achieved 33% growth in revenue from mining activities in this year driven by compliance reforms and digital monitoring.

Youth Advancement, Sports, Tourism and Culture

80. Our government has launched one of India's most progressive frameworks through the AP Tourism Policy 2024–29, granting industry status, capital subsidies, SGST reimbursements, stamp duty waivers and transparent land allotment. The Tourism Land Allotment Policy 2025, the first of its kind in India, along with Caravan Tourism, Homestay & B&B, and clear operational guidelines, has unlocked large-scale private participation.

81. As a result, Rs. 20,088 crore has been attracted through 117 MoUs, generating 1,22,637 jobs. Of this, Rs. 6,681 crore worth of projects are under implementation, adding 5,232 hotel keys and 27,856 jobs. With our efforts, Andhra Pradesh received its highest-ever GoI tourism grant of Rs. 428 crore since state bifurcation for infrastructure development across 8 major destinations, including Suryalanka, Akhanda Godavari, Gandikota, Simhachalam, Borra Caves, Ahobilam and Nagarjuna Sagar. The State has created a multi-experience tourism grid with 7 anchor hubs and 25+ thematic circuits. Cultural tourism has been energised through 60+ annual festivals, positioning Andhra Pradesh as India's emerging experience capital.

82. It is my pleasure to announce that tourist infrastructure in Tirupati will be upgraded and strengthened in coordination with Government of India to make it a global destination. In addition to tourist amenities at global standards, this will add hotels and recreation spaces in Tirupati.

83. The government is making elaborate arrangements so that every pilgrim will have a safe, spiritual and peaceful experience of the upcoming Godavari Pushkaram. Though it is a year ahead, I propose an initial allocation of Rs. 60 crore.

I propose to allocate Rs. 439 crore to Youth Advancement, Tourism and Culture Department for 2026-27.

Accounts 2024-25

84. The finance accounts finalized by the Accountant General of Andhra Pradesh show a revenue deficit of Rs. 60,285 crore, and a fiscal deficit of Rs. 81,362 crore, which was 3.79 % and 5.11 % of the GSDP respectively, for FY 2024-25.

Revised Estimates 2025-26

85. The revised estimate for revenue expenditure for FY 2025-26 is Rs. 2,38,021 crore, and for capital expenditure it is Rs. 39,498 crore. The revenue deficit is around Rs. 41,118 crore, whereas the fiscal deficit is around Rs. 80,567 crore. The revenue deficit is 2.33 % and fiscal deficit is 4.57% of GSDP.

Budget Estimates 2026-27

86. For the financial year 2026-27, I propose an expenditure of Rs. 3,32,205 crore, with revenue expenditure estimated at Rs. 2,56,143 crore, and capital expenditure at Rs. 53,915 crore. The estimated revenue deficit is around Rs. 22,002 crore and the fiscal deficit is around Rs. 75,868 crore. The revenue deficit will be around 1.11 % and fiscal deficit will be around 3.84 % of GSDP.

Conclusion

“The choices we make today, will define the future we will see tomorrow.”

87. In this spirit, the budget prepares our state not just for tomorrow, but for the next generation. It balances ambition with responsibility. Today's budget is not incremental, it is intentional. It is not reactive-it is visionary. It is designed to build a stronger, self-reliant, and future ready Andhra Pradesh.

88. The journey ahead demands discipline, courage and collective effort. We are confident that we will deliver because we are blessed with the reassuring leadership of Sri Nara Chandrababu Naidu garu who is the master of converting dreams into reality. We also derive confidence from Sri Narendra Modi garu's commitment to the Bharat growth story, and Sri Pawan Kalyan garu – a trusted partner. It's the inspiration of these leaders that is driving us to a better tomorrow.

89. Every vote cast carries aspirations. We remember the aspirations behind every vote. We strive every single day to make them a reality because governance is not about power, it is about service. Let this budget be remembered not for its size, but for its sincerity. Not for its announcements, but for the impact it will have on lives. With gratitude for the trust placed in us, and with unwavering determination, I commend the budget to the august House and to the people we are privileged to serve.

Jai Andhra Pradesh

Jai Hind
