



ANDHRA PRADESH LEGISLATURE

ADDRESS

BY

Shri E.S.L. NARASIMHAN

GOVERNOR OF ANDHRA PRADESH

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**HON'BLE CHAIRMAN, HON'BLE SPEAKER AND
HON'BLE MEMBERS OF THE STATE LEGISLATURE,**

At the outset, I congratulate all the members on their election as representatives to the Legislature. I welcome you all to this maiden joint session of the new State Legislature of Andhra Pradesh. I appreciate the wisdom of people of Andhra Pradesh for having voted for stability, honesty and development. The guiding principle of our administration will be the Statement of the visionary leader Shri N.T.Rama Rao that people are Gods in democracy and serving them should be our first priority.

The decision to bifurcate the United State of Andhra Pradesh and the manner it was done has left behind a deep sense of disappointment and a trail of bitter memories. Popular sentiments, aspirations and expectations of a large section of the populace, remain unfulfilled. Unscientific way of bifurcation has also left a deep scar on the psyche of Telugu people. These wounds would take sometime to heal.

A large section of populace perceiving exclusion does not augur well for the polity. The discords and inconsistencies such as relating to distribution of assets and liabilities, allocating of power generating units, procedure adopted in distribution of personnel and in demarcation of boundaries, warrant a relook to fulfill the aspirations of the people. A more consistent principle and a certain uniformity of basis on apportionment of debt, power sharing, issues in the field of education and more equitable distribution of cadre is the need of the hour.

Telugu speaking people have witnessed a turbulent history of State demarcation and the current reorganization is yet another deep scar on their heart and sentiments. Telugu people had to shift out of Madras to Kurnool for self-identity and then to Hyderabad on linguistic basis. Now, the people of the present State of Andhra Pradesh are without a capital to name. The instability of political geography has repeatedly pushed the Telugu people away from the path of development and progress.

The provisions made in the A.P Reorganization Act, 2014 for the development of State of Andhra Pradesh are wholly inadequate and cannot compensate for the loss of opportunity and would leave the State severely disadvantaged. Income generation, employment opportunities, health and educational institutions, R&D and training facilities and the social infrastructure are significantly short of the requirements of the new State in its endeavors for development. The division is yet to address the vital issue of a new capital, which has also created an avoidable uncertainty.

United Andhra Pradesh, where second generation reforms were initiated during 1995-96, had for almost a decade rigorously pursued economic reforms for stepping up economic growth and alleviating poverty. In mid-nineties, there was a breakthrough in the Information Technology and significant strides were made during this period in respect of participatory management of land, water and forest resources. Women's self help groups and DWCRA of the then State of Andhra Pradesh were a global

success story which through social mobilization community empowerment and capacity building became critical in the poverty eradication strategy. These initiatives earned a great name for united Andhra Pradesh as a harbinger of economic reforms and have led to increased expectations both within the country and abroad. However, this massive movement started fading away rapidly since 2004, due to lack of handholding support from Government.

Sadly, the last decade had also witnessed several lost opportunities on the fiscal front for the State particularly in the domain of allocation of natural resources and failure in optimizing the public finances as well as arresting leakages of public revenue. A large section of people perceive that a large scale of corruption has hindered the process of development in the State. These have hindered the development of the State and are truly missed opportunities. Failure to evolve and adhere to robust systems will have a telling impact on governance. Fiduciary responsibility is an obligation cast

on every Government, which is expected to function as a true guardian of public interest. My Government intends to look into all the above deficits as well as failures relating to public policy and functioning of the Government in several domains such as allocation of natural resources – land, forest wealth, minerals and mines, graft in public works particularly in areas of irrigation and SEZs and will take all the necessary corrective steps and take the processes to logical conclusion to ensure compliance of public accountability. A Cabinet Sub Committee has been constituted to review the decisions of major investments taken by the previous Government in above such cases.

In order to make people understand the severity of the financial and opportunity loss during last decade, my Government has decided to bring out white papers on key sectors. The white papers will critically examine the status and performance under important social and economic parameters pertaining to Human Resource Development, Infrastructure and Industries, Irrigation and Agriculture,

Power and Resource Mobilization sectors. Public would have an opportunity to judge on merits the issues and draw conclusions for the contributing factors that have impacted public exchequer adversely.

The process of bifurcation coupled with frittering away of resources and mal-governance have deeply impacted the State and its finances which are in disarray. The United State of Andhra Pradesh has been a revenue surplus State as far as non-plan revenue is concerned. Unfortunately, the division made the residuary State of Andhra Pradesh a revenue deficit State on non-plan account by an order of more than Rs.15,000 crore. The liability on account of salaries and pensions has jumped from nearly 52% to 73% of the State's own revenue, purely on account of division. The State lacks with reasonable resources for a meaningful plan outlay. Since debt has been allocated based on population ratio, servicing the debt is going to be burdensome.

The criterion adopted in the division of State has left Andhra Pradesh disadvantaged. The State had to forego

major economic assets and inherited huge liability without having the wherewithal to service the debt. Thus, Andhra Pradesh is made to reel under severe financial strain and is set to plunge into a deep financial crisis. The adverse impact is likely to haunt the people, especially the poor, farming community and vulnerable sections for some time to come unless tackled meticulously.

Most of the institutions in the 10th Schedule of the A.P Reorganization Act, 2014, will eventually devolve on Telangana disadvantaging the residuary State to re-build the institutions from a scratch. Assets belonging to a majority of State Corporations and State Public Undertakings including the headquarters are located in Hyderabad. Criterion relating to equitable and fair sharing of these divisible assets is not clearly spelt out in the A.P Reorganization Act. As a result, having to start from a scratch, Andhra Pradesh will be severely dis-advantaged due to the long gestation period needed to re-build the institutions and due to a drain on its resources.

An estimated Rs.1.40 lakh crore public investment by Central Government, an estimated Rs.5.89 lakh crore investment by the State of Andhra Pradesh and an estimated Rs.6.00 lakh crore investment by private sector, since 1956, is made in the capital city of Hyderabad. Commensurate and adequate compensation has not been provided as a measure of equity. As a result, the division will adversely impact the State and its public finances for a long time to come. The enormity of challenge before us cannot be wished away which is a huge challenge.

A more equitable and judicious division particularly relating to public finances would have not placed us in severely disadvantaged position such as the one we find ourselves at present. We look to the support and generous assistance from the present Central Government to address these deficits, undo the wrongs and deliver justice to the people of Andhra Pradesh, rightfully. Therefore, the new State has to be built from a scratch while coping with the colossal deficit of revenue and

infrastructure. I am sure that you will agree with me that it would not be easy for the new State of Andhra Pradesh to manage the massive resource gap. The construction of Andhra Pradesh is possible only with continued liberal financial and moral support of the Government of India till a level playing field is achieved. The Government of India has to step in to redeem the situation and assess the critical needs of the new State in order to survive and grow on par with the neighboring States. Government of India has to create a level playing field for the growth and development of Andhra Pradesh with appropriate liberal financial assistance and policy support apart from ensuring immediate commencement of various institutions and infrastructure projects presented in the A.P. Reorganisation Act. This support should be extended till such time, the State of Andhra Pradesh is able to generate income and provide all the facilities to its citizens on par with the developed States in the Country.

My Government, among other financial proposals, will request the Centre to provide a special grant of over

Rs 15,000 crore to be provided in the ensuing union budget for the period of June, 2014 to March 2015 to bridge the non-plan deficit that is certain to arise because of possible disruption of revenue accruals as a result of State's bifurcation, and the additional commitment on account of pay revision to the Government employees. This may need to be continued till a level playing field is achieved.

The Central Government should hasten up the process of according the status of Special Category State to Andhra Pradesh. 9 coastal districts of Andhra Pradesh are extremely vulnerable and adversely affected by cyclones while the remaining 4 districts fall in rain shadow areas with districts like Anantapuramu, which has the second lowest rainfall in the country. These extreme climatic situations require special investments and attention. Therefore inclusion as a Special Category State would help the State to recover from the financial handicap post division and weather the challenges. My Government, would also request the Centre to sanction

industrial incentives and concessions for a period of fifteen years, in accordance with the provisions of AP Reorganisation Act.

Another important request from the State to the Central Government would be to approve 'a special development package to the State of Andhra Pradesh as assured in the AP Reorganisation Act. Such a package would re-energize the moribund economy. We will request the Central Government to provide the required financial provision in the current year's Union Budget as special development package to the State of Andhra Pradesh.

In addition, a special grant of over Rs 8,600 crore would also be sought as Additional Central Assistance from the Centre to finance critical development projects that are currently under execution, and for meeting the important development needs that have arisen as a result of division.

Related issues like relaxation of Fiscal Responsibility and Budget Management (FRBM) Act, relief from repayment of GOI loans, assistance for new capital city,

key infrastructure, execution of Polavaram irrigation project, institutions and infrastructure projects for Andhra Pradesh also will be posed to the Centre for a quick and positive support.

With the announcement of the capital city still remaining uncertain, and the new State of Andhra Pradesh facing a number of issues of basic infrastructure, employees, severe financial stress, mounting fiscal deficits and other pressing issues, we need to start from the scratch and move forward. My Government is determined to fulfill the promises with determination, public support and Government of India's contribution.

We recall and draw inspiration from the instances of Japan, recovering from horrifying devastation after World War II, Singapore- amazingly evolved from a small fishermen village to an exemplary developed State and many more. The new State building exercise will be a people's movement of State construction. In fact, you may be aware that already people across the world started contributing liberally and voluntarily for

construction of the new capital. My Government fervently appeals to the people of Andhra Pradesh to work for the noble cause without any political agenda.

My Government will make all out efforts to bring harmony among all the Telugu speaking people, irrespective of their geographical nativity and maintain the spirit of oneness. The day is not far off, when the new State of Andhra Pradesh will start contributing in a big way to the Country's exchequer, nation-building and growth.

The people of India have given a massive mandate cutting across the several divides in favour of good governance and development and ushered a new era under Prime Minister Sri Narendra Modi. My Government is working out the strategies to institutionalize corruption-free and good governance practices so that the ideology of less Government and more governance will soon be a reality. My Government will take adequate steps to remove apprehensions in the minds of the people regarding their safety and security.

Let me outline some of our priorities, strategies, development vision and likely interventions of my Government in the key areas of development, welfare and corruption-free governance.

My Government is seeking to work out a new model of governance where the focus will be on decentralization and developing multiple business hubs. As a part of a comprehensive development strategy, investments will be attracted and different cities will be developed as education, knowledge, IT, industrial and logistics hubs while giving equal importance to the manufacturing sectors.

My Government has embarked upon a 100 day development agenda to put the administration back on track for realizing the vision. We will re-draft the vision 2020 document to frame vision that will set standards for a new development paradigm in sync with the changed circumstances to place the State among the best three performing States in the country by 2022 marking India@75. The principal endeavor of my Government will

be to make Andhra Pradesh a developed State measured in terms of citizen life satisfaction and Happiness Index by 2029, coinciding with the next three Finance Commissions.

My Government is working out a special development plan for backward regions of Rayalaseema and North Coastal districts keeping in view their natural resource base. My concern centers around reviving the agriculture sector and help the farming community. The farming sector, subjected to frequent crises, remains the major source of employment supporting lakhs of farm families. My Government will take all measures to end farmer's agony. Initiating immediate action in this direction, my Government has announced farm loans waiver to farmers and is working out the best possible options with bankers. We have appointed a committee to look into these issues of different types of loans to farmers. Discussions are underway with RBI and bankers to expedite and quickly evolve a framework in this regard. The report of the committee will facilitate announcement of a package to

mitigate the distress and the loan burden of the farmers. Additionally, a new land policy will be framed for allotment and regularization of lands for the downtrodden sections.

We are determined to overcome the enduring crisis in agriculture in a deterministic and sustainable way by focusing on key issues like- ensuring timely supply of quality seed, fertilizers and pesticides to farmers, devising area specific strategies with the help of agriculture scientists for achieving food security, managing micro-nutrient deficiency, encouraging horticulture crops, livestock, dairy, poultry and fisheries. Emphasis will be placed on post harvest management like storage, cold storage, processing. My Government will also establish a Market Intervention Fund to help farmers in securing remunerative prices thereby insulating them from vagaries of price fluctuation. My Government will initiate steps for achieving the integration of MGNREGS with agriculture to enhance productivity. With a view to ensure comprehensive agriculture development, my Government has decided to introduce a separate budget for agriculture

and allied sectors. We are working out strategies to tackle possible drought situation and preparing for ensuing kharif.

Water management, water use efficiency in macro watershed on ridge to valley basis will be incorporated for natural resource management. My Government is committed to conserve every drop of water and optimize water consumption. Drip and sprinkler irrigation methods will be scaled up for increasing production using less water. Based on soil tests, micronutrients will be used scientifically for increasing production. The required thrust will be given for horticulture crops, commercial crops with modern technologies and high yielding variety seeds.

My Government is committed to provide quality power for 9 hours a day free of cost to the farming community. My Government will bring shade-net and green-house technologies to the doorstep of farmers. My Government is proposing to set up one Agro Processing Centre in each mandal and one Mega Food Park in each

district. We are planning to provide cold storages / godown facilities in every district depending on the nature of the crops grown.

Irrigation, as an essential input to agriculture, will continue to be the main focus. My Government will review all the pending projects to prioritize for immediate completion of such projects that brings more area under irrigation. Ground water will be protected by constructing water harvesting structures.

To ensure equitable sharing of water between the two new States and other upper riparian States, from the ensuing kharif season onwards, we will request the Central Government to immediately notify and establish two River Management Boards for Krishna and Godavari Rivers and re-constitute the Tungabhadra Board as provided in the AP Reorganisation Act.

With the Polavaram project already being declared as a national project, we are confident of giving assured water supply after the completion of this mega project in a time bound manner. The ordinance by the Government

of India to transfer the areas of 7 mandals of Khammam district to Andhra Pradesh restores only a part of the area that originally belonged to erstwhile Andhra region. My Government will completely address the predicament of the people living in these areas.

The latest evidence shows that the unorganized sector in India contributes about 45% of the national income. It has also emerged that unorganized sector accounts for almost 35% of manufacturing and does a value addition of almost 41% in manufacturing activity. Non-corporate sector, it is pointed out, also dominates service activities and is being termed as the "engine of our economic growth". About 47% of the households in the State, still do not have access to banking facilities thereby excluding them from any formal institutional credit to meet their capital requirements. Moreover, almost 40% of the savings are credited to the informal sector. Looking at the criticality and contribution of this sector, my Government will initiate efforts to incorporate suitable policy options for financial inclusion. Moreover, my

Government will also establish a Price Monitoring Mechanism and Price Stabilisation Fund to insulate the people from the fluctuating prices and inflationary trends. My Government will also start the Annadanam scheme in all major temples to provide free meals.

My Government will put in place a hassle-free and conducive environment to encourage establishment of new industries in the new State. Our focus will be on setting up an ideal environment of infrastructure like roads and transport system, goods (cargo) transport system, railway system, seaport, airport, free trade zones, water transport system, telecommunications and optical fibre systems. Quick decisions will be taken and transparent administration leveraging the latest technology will be ensured.

My Government is contemplating to bring out a new owner friendly land development policy to make him a stakeholder in the project that will come up on the land acquired and thus become a stakeholder in the development process. My Government will ensure that

Andhra Pradesh gets a fair share of smart cities announced by the Central Government. Our plan is to develop 3 mega cities and 12 other cities.

The strategic geographic location and long coastline of 972 kms, with nearly 15 existing and new seaports of Andhra Pradesh will be leveraged to fast track the growth by developing new growth centers through PPP route also and develop the Machilipatnam port. Two LNG terminals will be developed at Visakhapatnam and Kakinada.

My Government will make all out efforts to attain more than 10% annual growth rate in the coming decade, by focusing on building growth corridors for identified sectors for creating jobs. These growth corridors will have requisite transport facilities, technical knowhow, power, water resources and other facilities. These growth corridors will also be connected to the seaports, road, rail infrastructure and integrated with catchment of raw material. With these policy initiatives, my Government is contemplating to develop the State as a world class-manufacturing hub.

We will make all efforts to supply uninterrupted power supply for 24 hours both for domestic and industrial sector. My Government will declare all such suitable areas as Special Power Generation Areas, where solar energy, wind power and hydel power are available. Fuel gas allocation will be obtained from the Central Government for industries, power and fertilizers. Our endeavour will be to provide 75% subsidy for solar pumps to the farmers and to promote solar power for agriculture, domestic needs and cottage industries by providing concessions. It may be noted that the attention and tempo which was accorded resulting in successfully bringing down the distribution losses to 15% a ten years ago, could not be sustained subsequently, will now be addressed. Through effective management and monitoring of the power sector, my Government will have a transparent feedback mechanism at sub-station level. My Government will leverage information technology to attain a position of leadership and excellence in the information age and to transform itself into a knowledge society. My Government will extend Simple, Moral, Accountable, Responsive and

Transparent (SMART) governance for the benefit of common man across all sections of the society. The glorious moments of creating the historic Cyber city in Hyderabad are still etched in our memories. My Government is planning to establish many contemporary versions of Cyber cities in the State. We will leverage the latest technology developments, social media, cloud and mobile technologies for development and governance of the present State of Andhra Pradesh.

IT services will be extensively made use of for effective delivery of benefits under development and welfare programmes. IT professionals will be made active partners in building Swarnandhra Pradesh. Two Information Technology Investment Regions (ITIRs), one each at Visakhapatnam and Tirupati, and two mega IT Centers at Anantapuramu and Vijayawada are being planned to propel the growth of IT sector. Emphasis will be laid to set up hardware parks for manufacture of electronic equipment / goods for tele-communication sector.

The urban sector needs huge investments in developing infrastructure in the key areas like water supply, drainage, solid waste management, recycling, affordable housing and transportation. High speed train connectivity will be provided to all the districts. Desalination plants will be set up in coastal cities to augment their water needs.

The August House may recall that my Government, with a strong commitment to fulfill the election promises, has announced decisions on five items relating to waiver of loans to farmers and DWCRA women, raising the pension amounts, provision of 20 liters of mineral water for Rs 2 through corporate social responsibility of the of private sector under NTR Sujala Sravanthi Pathakam, closing down of belt shops in villages and raising of retirement age of Government employees from 58 to 60. These announcements are part of a holistic development strategy and will become a reality soon.

There are apprehensions and concerns, which are grave in the minds of employees, post bifurcation. My

Government will create a healthy environment for State Government Employees to work and serve people with greater commitment. Considering increase in longevity and working capacity of persons, my Government has raised the retirement age by two years – from 58 to 60 years. With this decision, the Government employees, who are the backbone of the administration, especially in this critical juncture, will have the opportunity to use their experience to serve people for two more years. However, we are equally conscious to ensure better job opportunities for the youth in both public and private sectors and take steps to fill up the Government vacancies at the earliest. My Government will provide an allowance to the unemployed youth. A youth policy will be framed for their career advancement and making them responsible partners in nation building process.

Education has been recognized as a critical aspect for ensuring equitable and sustainable human development. My Government is committed to "Education for All" and will make efforts towards achieving the goal. My

Government will provide *free education* from KG to PG to all poor students. Special efforts will be made for improving quality of education and skill development in order to empower youth, especially women. Additionally, my Government will strive for 100% literacy as a mean to access the better livelihood opportunities and to eradicate darkness of the social evils prevalent in the society. We also strongly feel that education is the greatest equalizer.

Creating a healthy society requires adequate attention to mother and child health. As a part of our efforts to reduce Maternal Mortality Rate (MMR), Infant Mortality Rate (IMR) and ensure healthy growth of infants, we will provide nutritious food to pregnant woman and lactating mothers at Anganwadis under the projects of Integrated Child Development Scheme (ICDS).

In our efforts to ensure better access to health facilities, we propose to expand the scope of Aarogyasri under the NTR Health Card scheme to provide treatment for more diseases. We propose to extend free treatment including operations, up to Rs. 2.5 lakhs in the

empanelled corporate, private and Government hospitals without the burden of making initial payment.

My Government proposes to introduce two important schemes to improve the financial status of women. Under the Mahalakshmi scheme, Rs.30,000/- will be deposited in bank for new born girl child of eligible families. An amount of Rs.10,000/- will be provided for healthy and nutritious food to poor pregnant women under the Pandanti Bidda scheme.

My Government desires to encourage women industrialists and therefore planning to introduce Kuteera Lakshmi scheme for training, financial assistance and special industrial units.

We have always been favourably inclined towards people belonging to the backward classes, scheduled castes, schedule tribes, minorities and other vulnerable sections. My Government, in consonance with our BC Declaration, will implement a special budget for the BCs. We will introduce and implement BC sub plan. My Government will constitute a commission to examine the

issue of reservations to Kapu community without hurting the interests of the BCs. As a part of comprehensive and inclusive development agenda, we will implement various welfare schemes for artisans, handloom workers, weavers, fishermen, washer men, sheppard, vadderas and a host of other backward classes.

We intend to provide scholarships to encourage education among scheduled castes students. We will implement the SCSP/TSP Act in letter and spirit. My Government will encourage SC entrepreneurs to establish industries. We will extend venture capital facility to the MSME sector. We also plan to provide two acres of land to eligible SC families.

In our efforts to help the tribal community, we have plans to provide two acres of land to the landless tribal families. Eligible ST Tandas will be recognised as panchayat. We also plan to provide a monthly pension of Rs. 1000 to poor tribal persons attaining the age of 50 years. Free education will be provided to tribal children from KG to PG level. We are contemplating setting up of a

commission exclusively for STs and establishing a new tribal university.

We have taken a decision to hike social security pension from Rs.200 to Rs.1,000 per month from October 2, 2014, marking the birth anniversary of Mahatma Gandhi. The fivefold hike in social security pension for people below poverty line will become the biggest welfare scheme costing more than Rs.5,000 crore per annum. Increase of pensions from Rs. 500 to Rs. 1500 per month to the disabled persons with more than 80% disability will be of a huge help to them.

My Government will take necessary steps to make minorities as stakeholders in the development process. We will ensure safety and security of religious places of all religions and their properties. Interests of Muslims, Christians and other minorities will be protected.

For ensuring effective governance, my Government will adopt online file monitoring and ensure that an efficient and transparent monitoring mechanism is in place.

My Government will give highest priority for providing protection to women. A mechanism and framework for receiving and responding to the complaints from women in distress through mobile network will be established. Quick and fast action will be initiated through fast track courts against those found guilty of committing atrocities against women.

For maintaining law and order, my Government will effectively implement the existing statutes and strengthen surveillance.

Integrated infrastructure will be rolled out across the State to focus on the cleanliness and sanitation. We will strive to ensure a pucca house to every family with water connection and toilet facility, 24X7 electricity supply and access.

Environment friendly, energy efficient and smart green activities will be promoted to reduce the stress of development on the natural resources. A State Action Plan on Climate Change will be rolled out for sustainable development.

We will evolve strategies to push economic growth in all the three sectors, namely, agriculture, industry and services to exploit the high growth potential of our State. The stage is set for a brighter and prosperous Andhra Pradesh and it is only a matter of time that the State economy will grow faster than, not only its southern counterparts, but also other States.

The policy initiatives of my Government that I have referred to are broadly indicative but not exhaustive. As a committed and disciplined workforce, we are keen to learn and improve upon from the initiatives of other better performing States.

Let us recall the words of wisdom: "Turbulence is a life force. It is opportunity. Let's love turbulence and use it for change." With hard work we will turn the present crises into opportunity and embark on a new journey of growth. I am sure we will catch up with growth trends of the advanced States of this country and be part of nation building with the active support of Government of India

and the grit and determination of the people of Andhra Pradesh.

We will strive to put in place a Government that provides all facilities, resources to the common man and take immediate measures to control price rise and instill confidence among them through ensuring a transparent, accountable and corruption-free governance.

We, in Andhra Pradesh now have a common dream - to transform our State into Swarnandhra Pradesh.

Jai Hind

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