



## **Economic Policies of Telangana: Its Impact and Success**

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### **ABSTRACT**

Telangana had a history as the Telugu-speaking region of the princely state of Hyderabad, ruled by the Nizam of Hyderabad. It joined the Union of India in 1948. In 1956, the Hyderabad State was dissolved as part of the linguistic reorganisation of states and Telangana was merged with former Andhra State to form Andhra Pradesh. Following a movement for separation, Telangana was awarded separate statehood on 2 June 2014. The government of Telangana in the last 3 years had progressively made reforms in policies, processes and the Governance, on the whole, to enhance the business ecosystem in the state across sectors in a simplified manner. The aim of the Government is to increase the potential to run businesses in the State, which in turn would help the growth of the state's economy. The focus of these reforms is to ensure the 'Ease of Doing Business' is attained in its true sense.

### **Telangana: Economic effects of division**

Hyderabad is a joint capital of the states for 10 years in terms of uncertainty in Andhra Pradesh as invested in IT and ITES. Why is this important? With an area of 7,073 sq km, the Hyderabad Metropolitan Development Authority (HMDA) is twice the size of Goa with a population of 7 million, larger than the National Capital Territory of Delhi. It has many 'strategic' public institutions, including 28 national defense and public sector organizations. This also influenced the flow of foreign investments in the state, from \$ 1.2 billion in 2010-11 to \$ 848 million in 2011-12.

The Telangana region has 10 out of the 23 districts of Andhra Pradesh, from financial gains with the manufacturing base of Hyderabad and Rangareddy, which attract investors from Andhra Pradesh and Rayalaseema regions. Telangana's broader economic parameters, Gross Rashtriya Domestic Product

(GSDP), which is the total value of goods and services per annum, and the living standard indicated per capita income in 2009-10. 2,16,281 crores, at that time less than half of Andhra Pradesh is 4,90,411 crores GSDP. However, if Hyderabad's donations are not included, Telangana's share of GSDP will fall sharply. According to the Hindu Business Line, other districts in the Telangana region have recorded per capita income over the rest of the state.

There is a lot of economic expenditure on division and here we explain some of them.

**Industrial Parks:** There are about 27 new industrial parks in Andhra Pradesh now in balance. The Andhra Pradesh Industrial Infrastructure Corporation (APIIC) has launched an exhibition to Chief Minister N. Kiran Kumar Reddy, a Hindu Business Line report on the need to develop new industrial parks a week before the formation of Telangana state. At present, there are 319 IPs and 76 special economic zones in Andhra Pradesh. The APIIC said a "nodal agency for the development of SEZs and IPs in the state" that many IPs are fully saturated and therefore require new industrial parks. 15 of the 27 IPs, 15 seats in Andhra / Rayalaseema have been set up while the rest are in Telangana. It also includes specialty industrial parks for female entrepreneurs.

**Real estate:** Telangana concerns have been exempted from real estate prices since 2009. Investors were driven to other cities like Bangalore and Chennai. Crissy Research has stated that a statement of investor can be improved instantly in a statement, which will have to demand a commercial office space in the medium term. This is a boost to job creation and residential real estate demand.

Land Acquisition: these projects can come into harsh environment, as the land, income, investments are needed, and the respective state governments need to be maintained. At present, APIC has allotted 1.24 lakh acres of land, of which 74,422 acres was allotted. According to the APIIC's senior activist, the entire process is "totally messed up".

The division of the state is also expected to be delayed by the implementation of National Investment Manufacturing Zones (NINGES). Recently, the state government has approved the formula for three (NIManges) in Chittoor, Medak and Prakasam Districts. Chittoor and Prakasam NIMZs are being acquired and it is completed in Medak. Now the state government is preparing special subsidiaries to the APIIC to oversee the activities of NIMZ, which can now be delayed.

However, the number of strikes that have been stopped as an immediate consequence of the division. Government employees are striking from coastal Andhra and Rayalaseema areas so that the power department staff. Four lakh government employees launched an indefinite strike to demand a separate Telangana state. Employees and workers of all government departments joined the strike. The Andhra Pradesh Non Gazetted Officers (APNGO) Association, which called for the strike, excluded emergency services in health, municipal management and power sectors.

With all the squeezing tension in the region, the production of many factories has been affected. In Telangana and Seemandhra, employees do not speak to everyone since the division announcement. This has resulted in total confusion in governance in many departments. State Chief Minister Geeta Reddy urged the industry to reduce the fears.

### **Policies & Reforms in Telangana**

Over the past 19 months, Telangana government has made policies, procedures, and gradual reforms in governance, in addition to expanding the business ecosystem in a simplified manner. This will help to boost the economy of the state and promote the growth of the economy in the state. The vision of these reforms is to ensure that 'true doing business' in its true sense.

The three most influential versions of the state government to facilitate doing business in the last 18 months:

### **Industrial Policy Framework**

Telangana state government launched the "State Industrial Policy Framework" in 2015 - which refers to the frame on how the industrial activity in the state is encouraged. The new Telangana State Industrial Policy strives to provide a framework that will further compete with the existing industries and make it more attractive to attract and attract new international and national investments in the industrial sectors. Urban and rural youth have been focusing on core manufacturing sectors as well as enhancing the value of higher skills on all skills. The most important result of this approach is the high-quality product at the highest quality price, which forms "Made in Telangana-Made in India" as a brand of high global recognition. Some important aspects of the Industrial Policy Framework are shown below.

### **Main Features of the new Industrial Policy Framework:**

- Minimum test and maximum access

An efficient industrial clearance mechanism through an innovative ICT solution called TS-iPASS

- Right to provide single window services. According to the Right to Information Act, penalty facility is a violation of the right. Accountability between officers will be established by creating this right.

- 1.5 lakh acres immediately available land bank

- 10% of irrigation sources have been allocated to industries. Provisions up to 0.2 TMC for units are not required for any clearance from irrigation department.

- 24/7 power supply

Approval for mega projects within 15 days (with over Rs

- Focus on 14 identified thrust areas and core departments

- Special focus on SME's / Micro Industries

- Assistant / seller development

- Prevention of Sickness in the beginning of SMEs

## Telangana State Industrial Project Approval and Self-Certification System (TS-iPASS):

The Telangana government has approved the Telangana State Industrial Project Approval and Self Certification System (TS-iPASS) Act. Telangana is the only state in the country and has the right to get industrial allowances.

*The main features of the TS-iPASS system are*

1. The applicant is based on self-attestation approvals.
2. End-to-End Online System, an investor will be guided at every stage, uploading necessary documents, online payment, view of track status of approval and issued approvals
3. The model documents to be added are provided through the web portal.
4. The number of attachments reduced to 10, which are common to all sections
5. The application will be provided for online survey within 72 hours. This ensures that the applicant will notify any errors before making the payment.
6. The applicant will be able to download and clear the online clearing of any third party.
7. The applicant is entitled to acknowledge the reasons for delay in obtaining clearance in time intervals.
8. Provision of penalties on failures to clearance in time limits
9. Chasing the cell
10. The Telangana Government has set up an Industry Chasing Cell in the Hon'ble Chief Minister's Office, which has strategic significance with the following key tasks in mind with major investments and investments:
11. All protocol requirements and facilitation services for potential potential investors.
12. Coordinate with various organizations and ensure Telangana state industrial project approval and timely approvals according to self-certification system (TS-iPASS).
13. Provide effective access to "clearance rights".
14. Provide facility for the industry to set up and streamline TS-iPASS timelines.
15. Recognize process barriers at various stages of establishment of new industries / expansion / renaissance etc. and make recommendations for regulation.

Document the best practices across the Globe and provide high-quality inputs on policy and practice to Telangana State.

## Versions Effect

Various entrepreneurs / businessmen in the state have appreciated and appreciated our incentives. With strong leadership, the state has developed a success to maximize its development. All pumps have all permits / permits. Maximum 30 days have been resolved to obtain any state permissions, however, permissions are given much earlier. For example - M / s. Amazon India Limited has been issued to all pre-establishment clearance within 15 days. Kumari. Bhagwati Production Limited (Micromax Mobile Manufacturing Company) received all approvals within 15 days, including land allotment in September 2015. The unit is planning to start its production in January 2016. For this purpose, the turn-time-time (tat) is valid for all major industries only within 15 days.

## *Key versions of execution*

The labor reforms are being issued to all applications and approvals, renewals and tests under labor. The joint inspection system is on the risk base. Low-risk firms have checked once in 10 years, medium risk in 5 years, and a high risk check once in a year. These tests are organized jointly by all branches, laboratories, factories, boilers etc. In the past, all units have to undergo multiple checks for all units regardless of the risk level. The checks will be determined by the online computer based risk management system. Introduction of self-certification and third party inspection systems in the Boilers Department

## **Development Permission Management System (DPMS)**

It is part of continuing to initiate business initiatives to the Telangana government to provide the business environment for new and existing investors in the state. The state government is in the mission to simplify the current approaches to the approval passed by various departments in the state. In this case, the Hyderabad Metropolitan Development Authority (HMDA) is a recent citizen / business approval process with an online citizen with a new ICT solution recently known as the "Development Permission Management System" (DPMS), closing assessment process from HMDA and other affiliates.

## *The key results of DPMS*

Transparency in the end-to-end assessment process provides uniformity and commitment to the DCR guidelines through automation of increased Citizen

satisfaction technology by providing 24X7 online services. Money in the process. Integration with Payment Gateways, GIS, Master Plan, Website and RTIs - Real-Time Access to Data and Management of Information Systems.

### **Industry-interface interface**

The Telangana government is responsible for the training and expertise of the people in accordance with the needs of the industry. The government plans to develop industry-specific expertise through industrial industry consultations, where trained candidates meet industry needs. Techniques for Industries and Institutions Interfaces are being worked out by the High-level Task Force Committee chaired by the General Secretary.

### **Industrial Development and Economic Growth**

Telangana state was set up after the split of Andhra Pradesh in June 2014. The former capital city of Hyderabad is part of Telangana. The state has the advantage of having the ready-made capital with ecosystem with the required infrastructure. Gross state Domestic Product (GSDP) between 2004-05 and 2015-16 increased to US \$ 89.1 billion in the 14.49 percent compute annual growth rate (CRRR) while the net district domestic product (NSDP) At 14.79 81.13 billion dollars. The Telangana State Industrial Infrastructure Corporation is responsible for overseeing and implementing Special Economic Zones in Telangana.

### **Impact of the Reforms**

Our initiatives have been very well appreciated and accepted by various industrialists/ businessmen in the state. Under the strong leadership, the state has developed a Vision to enhance its growth multi-fold. All the permissions/ clearances are given according to the time lines. A maximum of 30 days are fixed for obtaining any state clearances, however, the permissions are accorded much earlier. For example – M/s. Amazon India Ltd. was accorded all pre-establishment clearance within 15 days. M/s. Bhagwati Products Ltd., (Micromax Mobile Manufacturing Company) got all the approvals within 15 days including allotment of Land in September 2015. The unit is planning to commence its production in January 2016. The least possible Turn-Around-Time (TAT) for Consent of Establishment for all major industries in only 15 days.

### **Key Reforms under implementation**

Labour Reforms Filing of applications and issue of approvals, renewals and inspections under all labour acts are being made online. Joint inspection system on risk base is under evaluation. Low-risk establishments will be inspected only once in 10 years, medium risk once in 5 years, and high risk once in a year. These inspections will be carried out jointly by all the departments viz., Labour, Factories, Boilers etc., which require inspection. Previously all units irrespective of the level of risk has to undergo multiple inspections by many departments The schedule of inspections will be determined through online computer-based risk management system. Introduction of Self-Certification and third party inspection system in Boilers Department.

### **Development Permission Management System (DPMS)**

As a part of ongoing Ease of doing Business initiative by Telangana Government to create a conducive business environment for the new and existing investors in the state. The State Government is under the mission to simplify the current procedures for providing approvals adopted by various departments in the state. Under this scenario, Hyderabad Metropolitan Development Authority (HMDA) has recently come up with an innovative ICT solution called “Development Permission Management System” (DPMS) an online portal where a common citizen/business organization is empowered to know approval procedures, end-to-end assessment process from HMDA and other linked departments.

### **Key Outcomes of DPMS**

Increased Citizen Satisfaction by providing 24X7 online services Transparency provided into the end-to-end assessment process & ensure data integrity Ensures uniformity and adherence to DCR guidelines through automation of technical scrutiny. The number of visits to the HMDA department is reduced. Increased Efficiency and quality of services Simplification of procedures and processes Project Development Agreement(PDA) enabled Site inspection Increased Accountability and Timely delivery of services. Real time information on dashboards to make better and faster decisions integrated document management process for easy storage and retrieval of digital documents at any date.Integrations with Payment Gateways, GIS, Master plan, Website and RTI - Real-time access to data Maintenance of comprehensive

Data & Information Systems.

### **Industry-institution Interface**

The government of Telangana took the responsibility on its shoulders for providing trained and skilled manpower according to the Industries' requirements. The government is planning to take Industry Specific Skill development programmes in consultation with the Industry so that the trained candidates meet industry requirements. Modalities for interfacing the Industries and Institutions Accordingly are being worked out by a High-Level Task Force committee under the Chairmanship of the Chief Secretary.

### **Industrial Development & Economic Growth**

Telangana state was formed in June 2014 post the split of erstwhile Andhra Pradesh. The earlier capital city of Hyderabad is part of Telangana. The state holds an advantage as it possesses readymade capital with necessary infrastructure and ecosystem. Between 2004-05 and 2015-16, Gross State Domestic Product (GSDP) expanded at a Compound Annual Growth Rate (CAGR) of 14.49 per cent to US\$ 89.1 billion whereas the Net State Domestic Product (NSDP) expanded at a CAGR of 14.79 per cent to US\$ 81.13 billion. The Telangana State Industrial Infrastructure Corporation is responsible for supervision and execution of special economic zones (SEZ) in Telangana.

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