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## State pleased with budget proposals

*Chief Minister says package is 'the best in difficult times', hails it as farmer-frie*

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*Outlay enhanced for AIBP by 75 p.c. JNNURM by 87 p.c. and NREGS by 140 p.c.*

*Expansion of credit to ryots with sop on crop loan interest to accrue saving of Rs. 250 crore*

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HYDERABAD: The budget for 2009-10 presented by Union Finance Minister Pranab Mukherjee on Monday appears to have pleased the State government.

At a time when the State's revenues are on a downtrend, it is relieving that the Centre has incorporated proposals made by the State in four key segments in the budget and enhanced allocations to them. These proposals were: 100 per cent increase in outlays for Accelerated Irrigation Benefit Programme (AIBP) and Jawaharlal Nehru National Urban Renewal Mission (JNNURM), mission mode approach for increasing female literacy and raising the ceiling for fiscal deficit from three to four per cent.

Official sources said that the Centre had gone a long way in accepting these proposals by increasing the outlay for AIBP by 75 per cent, JNNURM by 87 per cent and the National Rural Employment Guarantee Scheme (NREGS) by 140 per cent. This, officials said, would considerably reduce the burden on the State government that has of late been experiencing a resource crunch for some of its flagship programmes like Jalayagnam.

"The State takes a lion's share under the AIBP where it utilises over 70 per cent of funds and under JNNURM where it gets more than 40 per cent funds annually. The increase in allocation to these sectors will ease the burden on the government," an advisor to Chief Minister Y.S. Rajasekhara Reddy said. The Chief Minister himself described the budget as "the best in difficult times" and hailed the farmer-friendly budget that would greatly benefit the State.

**Direct saving**

The enhancement of allocation for these areas would go a long way in mopping up the State's finances that were on the decline due to a fall in revenues from land auction and Stamps and Registration Department.

In addition, expansion of credit to farmers with 1 per cent incentive on the interest on crop loans would result in direct saving of about Rs. 250 crore, while the proposal for supply of rice at Rs. 3 kg under National Food Security Mission would help save about Rs. 600 crore.

Coupled with this is the relaxation of fiscal deficit norms of FRBM Act which would enable the State to raise loans from the open market for spending on Plan outlay and capital expenditure. "Projection of revenue deficit at 4.8 per cent and fiscal deficit at 6.8 per cent will mean that the Centre has provided scope for utilisation of Rs. 1.25 lakh crore on capital expenditure. We should intensify efforts to secure maximum funds from this," a senior official said.

The announcement of the National Female Literacy Mission with emphasis on literacy rate among the SC, ST and Minority community women was another achievement for the State, the official claimed.