

Parliament nod sought for additional spending of Rs 49,715 cr

The government today sought Parliament nod for additional expenditure entailing net cash outgo of Rs 40,967.27 crore for the current financial year, most of which will go for oil, food and fertilizer subsidy.

While gross additional outlay was pegged at Rs 49,715.54 crore, Rs 8,747.29 crore would be matched by savings of ministries, departments or by enhanced receipts, according to supplementaries demands for grants, tabled in both the houses of Parliament.

The demands include Rs 24,773.75 crore for subsidies to oil marketing companies to compensate them for underrecoveries, Rs 9,914.06 crore for food subsidy and Rs 4,753.99 crore for fertilizer subsidy.

As such, almost 80% of gross additional outlay is for the three major subsidies, which account for most portion of total subsidies in India.

The government has pegged the Centre's fiscal deficit at 5.2% of GDP for the current financial year in the Revised Estimate (RE), slightly higher than Budget Estimate of 5.1% but lower than 5.3%, projected in the five-year fiscal consolidation road map laid out by the finance ministry.

Finance Minister P Chidambaram had earlier exuded confidence that when final numbers come, fiscal deficit would be even less than RE.

This is the second and final batch of supplementary demand for grants for the current financial year.

(Business Standard)