

# Budget has not under-funded schemes that help poor: Finance Secretary Somanathan

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Chennai

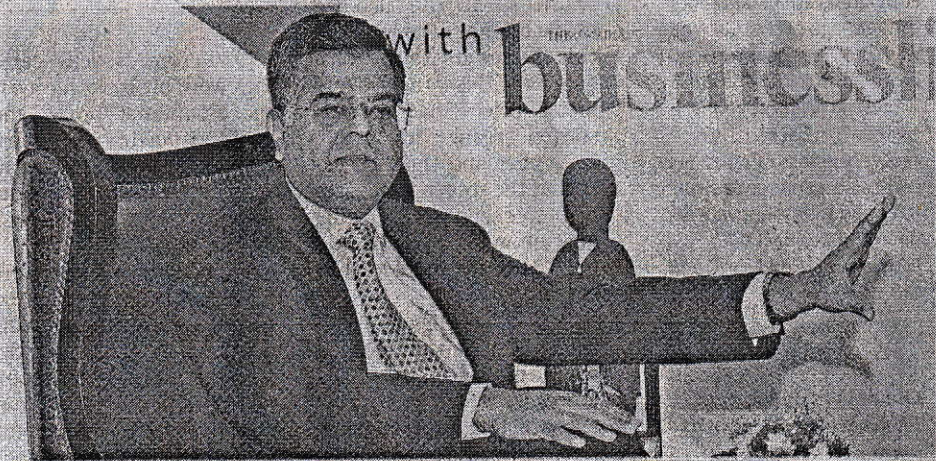
The Budget for 2023-24 has not under-provided for schemes that help the poor, says TV Somanathan, Finance Secretary.

Some reductions, such as in fertilizer and food subsidies, and reduced allocations to schemes like the MNREGS, will have no impact on those they are meant for, said Somanathan, in a conversation with *businessline's* Editor, Raghuvir Srinivasan, at a 'Breakfast with *businessline*' event in Chennai at ITC Grand Chola, an LEED Zero carbon hotel.

The Finance Secretary, who was in Chennai to participate in the event — his only post-Budget event in the city — said that the reduction in the fertilizer subsidy (from the FY23 Revised Estimate of ₹2.25-lakh crore to FY24 Budget Estimate of ₹1.75-lakh crore) only reflected the anticipated fall in the cost of imported fertilizers or in the prices of inputs such as ammonia. The farmer will feel no impact of it, he said.

## FOOD SUBSIDY

As for the food subsidy, (BE



**NO SHORT-CHANGING.** At 'Breakfast with *businessline*' in Chennai on Thursday, Finance Secretary TV Somanathan said the few reductions will not impact the needy. **BUJOY GHOSH**



of ₹1.97-lakh crore vs RE of ₹2.87-lakh crore), what has been provided for in the Budget is enough to meet the promise made under the PMGKAY, a scheme that gives foodgrains and edible oil to the poor.

On MNREGS, (a 100-day

rural employment guarantee scheme), Somanathan said that an additional ₹40,000 crore (RE of ₹89,400 crore vs BE of ₹60,000 crore.) has been provided for two other schemes that also can generate rural employment — the PM Awaas Yojana (housing) and the Jal Jeevan Mission (for water supply). Both employ the same kind of semi-skilled or unskilled people as MNREGS.

"We expect this to have some impact on the need (of rural people) to come into the safety net of rural employment guarantee," Somanathan said, stressing that the government could

provide more funds if needed. Pointing out that the MNREGS is a demand-based scheme that gives employment to a person who wants a job, Somanathan said that it would be unwise to simply allocate more funds to the scheme upfront, because, as it has happened often, "the demand just rises to equal the supply".

On petroleum subsidy (down from BE of ₹5,813 crore to RE of ₹2,257 crore), he said the PM Ujjwala scheme was only for a one-time acquisition of gas connection and hence not a recurring subsidy.