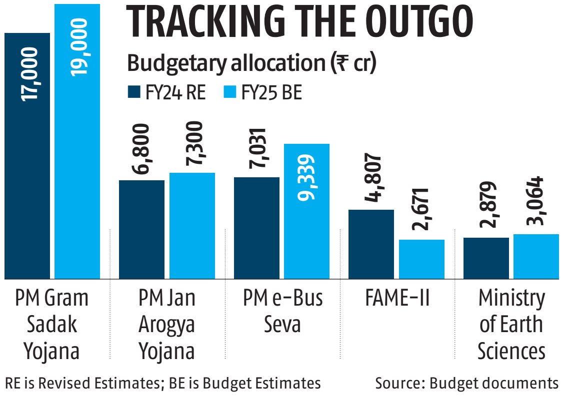
Scheme reset may not shake govt's FY25 fiscal maths

Allocations may be via supplementary demands for grants



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The host of schemes approved by the Union Cabinet on Wednesday across health, electric mobility, rural infrastructure, and renewable energy are unlikely to disturb the Centre's fiscal maths for the current financial year with only six months left to roll out the programmes, experts said.

However, official sources said, higher allocations for implementing ministries — such as heavy industries, health & family welfare, and earth sciences — may be sanctioned through supplementary demands for grants.

With an aim to bringing down the fiscal deficit below 4.5 per cent of gross domestic product (GDP) by FY26, the finance ministry has set the deficit target at 4.9 per cent for FY25.

Madan Sabnavis, chief economist at Bank of Baroda, said there does not seem like any additional allocation for this financial year. "Most schemes already exist in some form or the other. This would not have any major financial impact on the government," he added.

"Financially, the schemes will not have any serious impact on the government this year. For most schemes, it is simply a continuation. Health, roads and FAME together could cost around ₹10,000-20,000 crore this financial year," said former finance secretary Subhash Chandra Garg. Besides, the Department of Economic Affairs still has an unallocated capital expenditure amount of ₹66,197 crore, which is supposed to meet any shortfall or demand by ministries for capex in the remaining period of the financial year.

The highest allocation approved by the Cabinet was of ₹70,125 crore is for the fourth phase of the Pradhan Mantri Gram Sadak Yojana (PMGSY) over the next five years. The government has set a target to construct 62,500 km of rural roads, linking 25,000 unconnected habitations. The Budget for FY25 has allocated ₹19,000 crore to the scheme, which is led by the rural development ministry.

The Cabinet gave its nod to the PM Electric Drive Revolution in Innovative Vehicle Enhancement (PM E-Drive) scheme — a follow-up to the now-terminated FAME programme — with an outlay of ₹10,900 crore for two years.

Senior officials at the Ministry of Heavy Industries said that although the scheme was not included in the Budget for FY25, it will be reflected in the Revised Estimates. "A dedicated budget for the scheme will be outlined in the following year's financial plan," a senior official said.

The financial outlay of ₹3,437 crore marked for expansion of coverage under Ayushman Bharat to 60 million senior citizens aged 70 or above will be spread over one-and-a-half years. According to official sources, more funds will be provided for expansion of coverage under this scheme, if needed. "The outlay is for the remaining six months of this financial year and the next full financial year," another senior official said.