

Govt cautions ministries to be realistic in budgeting

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The government wants all ministries to be realistic while budgeting for the current and next year, a senior government official said, with preparations for the next financial year set to kick off from October.

The first batch of supplementary demands for grants for 2023-24 (FY24) will be tabled in Parliament in the winter session, and a second batch in the Budget session. While these may take care of the expenditure requirements for the current financial year, ministries will not get a window to come up with additional demands until after the full Budget is presented by the next elected government, the official said.

The finance ministry is expected to issue the Budget circular for 2024-25 in the first week of September, and pre-Budget meetings will start in October. Because of the general election next year, the Modi government will present an interim Budget on February 1.

“Ministries should factor in unforeseen contingencies, anticipate requirements of various schemes since the duration of the Budget session is not known yet, and they should not face a cash crunch,” the official said, referring to the paucity of time at hand.

According to the data by the Controller General of Accounts (CGA), the total expenditure of the coal ministry was 87 per cent of the Budget estimates for the first quarter of FY24. The ministries of railway and transport, on the other hand, had undertaken 40 per cent and 39 per cent of the budgeted expenditure, respectively, in the June quarter.

The petroleum ministry spent 1 per cent of the Budget estimates, while the tourism ministry utilised 4 per cent for the same period, the CGA data showed.

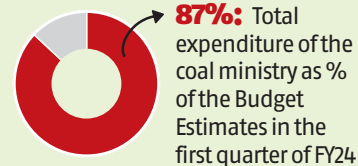


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The Centre hit 25.3 per cent, or ₹4.5 trillion, of its fiscal deficit target at the end of the first quarter of FY24. The total expenditure in Q1FY24 stood at ₹10.5 trillion, or 23.3 per cent of the Budget Estimates.

Of the total expenditure, ₹7.72 trillion was on the revenue account and ₹2.78 trillion was towards the capital account, the CGA data showed. Of the total revenue expenditure, ₹2.43 trillion was on

FISCAL PRUDENCE



- The ministries of railway and transport have undertaken 40% and 39% of budgeted expenditure in the same period
- Petroleum ministry has spent one per cent of the Budget Estimates, while tourism has utilised 4%
- Centre used 25.3% or ₹4.5 trillion of its fiscal deficit target at the end of first quarter of FY24
- Total expenditure in the first quarter stood at ₹10.5 trillion or 23.3% of the Budget Estimates

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interest payments and ₹87,035 crore on major subsidies.

The ministry of law and justice had spent 168 per cent more than the revised estimates in FY23. The ministry spent ₹6,828 crore as its revenue expenditure went up by 223 per cent. This was followed by a 150.6 per cent jump in total expenditure to ₹23,540 crore by the ministry of micro, small and medium enterprises on the back of higher revenue expenditure.