

Govt plans extra ₹50,000 crore spending to revive economy

New Delhi: The Government is considering a plan to loosen its fiscal deficit target to enable it to spend up to ₹500 billion more to halt an economic slowdown, two Government officials with direct knowledge of the plan told *Reuters* on Thursday.

Growth in Asia's third-largest economy slowed to a three-year low of 5.7 per cent in the quarter that ended in June, and Finance Minister Arun Jaitley said on Wednesday that the Government was looking for ways to speed it up.

The officials, who declined to be named as the measures have not been made public yet, said the extra spending was estimated to widen the federal fiscal deficit for the financial year ending next March to 3.7 per cent of GDP from a budgeted target of 3.2 per cent.

"The fiscal deficit is not a sacrosanct number," one of the officials told *Reuters*.