

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

STARRED QUESTION NO:198
ANSWERED ON:10.12.1999
NON PLAN EXPENDITURE
CHANDRAKANT BHAURAO KHAIRE

Will the Minister of FINANCE be pleased to state:

- (a) whether the non-plan expenditure of the Government is increasing rapidly;
(b) if so, the reasons therefor;
(c) whether the Government have been imposing some cuts in its non-planned expenditure over the years;
(d) if so, whether any result as contemplated has been achieved of those cuts; and
(e) if so, the details thereof and if not, whether the Government have identified the reasons therefor?

Answer

FINANCE MINISTER (SHRI YASHWANT SINHA)

(a) to (e): A Statement is placed on the Table of the House. Statement referred to in answer to Starred Question No.198 due for answer on 10.12.99.

(a) The non-plan expenditure during the last five years is as under:

(Rs. Crore)

Sl. No.	Items of Non-Plan Expenditure	Actuals 1995-96	Actuals 1996-97	Actuals 1997-98	Revised Estimates	Budget Estimates
		1998-99	99-2000			
1.	Interest Payments	50045	59478	65637	77248	88000
2.	Defence Expenditure	26856	29505	35278	41200	45694
3.	Subsidies	13372	16364	19487	24683	23838
4.	Grants to States & UT Governments	5967	6230	4416	4534	8159
5.	Police	3082	3855	4903	5628	5899
6.	Pensions	4277	5094	6881	10054	10131
7.	Loans & Advances to State		10538	10606	15817	23897
						121
8.	Other Non-Plan Expenditure & UT Govts.		17764	16341	20572	26297
						25040
	Total Non-Plan Expenditure		131901	147473	172991	213541
						206882

(b) The rapid growth in non-plan expenditure is attributable to growth in interest payments due to continuing high level of fiscal deficit,

increase in Defence expenditure, subsidies, expenditure on internal security and increase in the salary and pension consequent upon revision of pay and allowances and pensionary benefits as a result of Government's decision on the recommendations of the Vth Central Pay Commission. The expenditure growth is also due to larger budgetary support to State Governments and sick public sector undertakings.

Budget Estimates 1999-2000 show some reduction in non-plan expenditure over R.E.1998-99. This is due to revised system of accounting of collections under Small Savings schemes and investments thereof.

(c) During 1998-99, the Government had imposed 10% mandatory cut on non-salary secretariat expenditure i.e. on TA, Office Expenses, POL, OTA/Honorarium etc. Similar instructions have been issued imposing 10% cut on non-plan, non-salary expenditure i.e. on TA, Office Expenses, POL, OTA honorarium etc. during the current year 1999-2000 also. The growth under these items has been restrained.

(d) It is Government's constant endeavour to restrain non-plan non salary expenditure and it is difficult to relate any savings to specific measures.

(e) It may be seen from the composition of non-plan expenditure that bulk of it is of a committed nature and cannot be reduced in short term.