

**GOVERNMENT OF INDIA
PLANNING
LOK SABHA**

UNSTARRED QUESTION NO:2417
ANSWERED ON:15.12.2004
DRIVE TO CONTAIN NON-PAN EXPENDITURE
Nikhil Kumar Shri

Will the Minister of PLANNING be pleased to state:

- (a) whether the Union Government has outlined a major austerity drive in a bid to contain its non-development expenditure;
- (b) if so, the details thereof;
- (c) whether the Non-Plan expenditure of the Government has increased day by day and various Central Government Ministries/Departments and Autonomous bodies have failed to implement the various orders issued from time to time in this regard;
- (d) if so, the facts thereof; and
- (e) the details of steps taken by the Government to put a check on the Non-Plan expenditure.

Answer

MINISTER OF STATE IN THE MINISTRY OF PLANNING (SHRI M. V. RAJASEKHARAN)

(a) & (b): It is Government's constant endeavour to contain non-plan, non-developmental expenditure. Along with other measures, instructions to avoid wasteful expenditure are issued by the Ministry of Finance from time to time to all the Ministries/Departments. The Ministry of Finance has issued fresh guidelines on expenditure management - fiscal prudence and austerity on 24th September, 2004. These measures, inter-alia, include ban on the creation of posts, reduction in the number of sanctioned posts, restrictions on filling up of vacant posts, reduction in office expenses, restrictions on purchase of vehicles, restrictions on foreign travel and on entertainment/hospitality expenses, review by the administrative Ministries/Departments of release of funds to those Autonomous Institutions having substantial balances unutilized with them and kept in deposit with the Banks, reduction in a graded manner of release of deficit grants to Autonomous Institutions.

(c) & (d): After meeting the obligatory / committed expenditure like interest payments, defence expenditure, subsidies, transfers to State and Union Territory Governments, pensions, internal security, the other non-plan expenditure has shown marginal increase due to normal growth.

(e): Government is committed to reduce the non-plan non-developmental expenditure.