

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:319
ANSWERED ON:20.11.2009
AUSTERITY DRIVE
Ram Shri Purnmasi

Will the Minister of FINANCE be pleased to state:

- (a) whether the Government has started any austerity drive and fixed target to reduce their expenditure;
- (b) if so, the details thereof;
- (c) the amount of money saved as a result so far;
- (d) whether Government departments including Ministry of Finance are purchasing stationery and general use items at higher rates and even higher than MRP (Maximum Retail Price) causing avoidable financial loss to the Government;
- (e) whether Government/Central Vigilance Commission(CVC) have received complaints in this regard and if so, the details thereof and the action taken thereon; and
- (f) whether stationery and general use items are available in Kendriya Bhandar at cheaper than the market rates and if so, steps taken to direct Government departments to procure their requirement from them to bring austerity in Government expenditure?

Answer

Minister of State in the Ministry of Finance(SHRI NAMO NARAIN MEENA)

(a), (b) & (c) : Ministry of Finance has advised all Ministries/Departments to effect a mandatory 10% cut in non-plan expenditure on Domestic and Foreign travel expenses, Publications, Professional services, Advertising & Publicity, Office Expenses, POL (except for security related requirement) and other administrative expenses for the year 2009-10. The remaining portion of un-plan expenditure will be subjected to a mandatory 5% cut. Information relating to the amounts saved so far will be available with the Ministries/Departments and their attached/subordinate offices.

(d), (e) & (f): Ministries/ Departments have full powers for incurring miscellaneous and contingent expenditure and data in regard to purchases is not maintained centrally. Since procurements are done by individual Ministries/ Departments, all related complaints are also to be handled by them.

Orders have been issued by DOP&T permitting Ministries/ Departments to make purchases of items required for office consumption directly from Kendriya Bhandar/ NCCF without calling for quotations or for granting purchase preference to Kendriya Bhandar/ NCCFs, depending on the value of procurement.