

**GOVERNMENT OF INDIA  
FINANCE  
LOK SABHA**

UNSTARRED QUESTION NO:2105  
ANSWERED ON:12.08.2011  
PLAN AND NON-PLAN EXPENDITURE  
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**Will the Minister of FINANCE be pleased to state:**

- (a) whether the Government has divided expenditure under plan and non-plan heads;
- (b) if so, the reasons therefor;
- (c) whether the objectives behind such categorization have been achieved and if not, the reasons therefor; and
- (d) the reaction of the Government thereto?

**Answer**

MINISTER OF STATE IN THE MINISTRY OF FINANCE(SHRI NAMO NARAIN MEENA)

- (a) Yes, Sir. While the accounting heads are common to both Plan as well as Non Plan expenditure, the expenditure is distinguished as Plan and Non Plan expenditure separately.
- (b) Non-Plan expenditure covers all expenditure of Government not included in the Plan and is towards meeting obligatory expenditure like interest payments, pensionary charges, subsidies and statutory transfers to State Governments and towards meeting expenditure on essential functions of the State, e.g. defence, internal security, external affairs, revenue collection, etc. On the other hand, Plan expenditure is towards planned economic development and is an affirmation of the role of the government in bringing about the outcome through a variety of social, economic and institutional means. Annual allocations (Gross Budgetary Support) for Plan expenditure is based on the Five Year Plan approved by the National Development Council.
- (c) & (d) Distinct identity of the expenditure as Plan and Non Plan helps the Government in deploying the resources to the targeted objects.