

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:3545

ANSWERED ON:14.12.2012

NON PLAN EXPENDITURE

Das Gupta Shri Gurudas;Lingam Shri P.;Nagar Shri Surendra Singh;Ray Shri Rudramadhab ;Singh Shri Jagada Nand;Siricilla Shri Rajaiiah;Sugumar Shri K.

Will the Minister of FINANCE be pleased to state:

- (a) whether the Central non-plan expenditure has exceeded the planned expenditure during the last three years;
- (b) if so, the year-wise details thereof and the reasons therefor;
- (c) whether any assessment of the said non-plan expenditure has been made in various States;
- (d) if so, the details thereof and the amount of revenue expenditure and capital expenditure in various States, State-wise; and
- (e) the measures taken or proposed to be taken by the Government to address the issue?

Answer

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

(a) Yes, Sir;

(b) The year-wise details of non-plan and plan expenditure of the Union Government during the last three years are as follows:

(Rs crore)

Year	Plan Expenditure	Non Plan Expenditure	Total Expenditure of the Union Government
2009-10	303391	7210%	1024487
2010-11	379029	818299	1197328
2011-12#	413513	884931	1298444

As per provisional accounts.

The reasons for the non-plan expenditure exceeding the plan expenditure are mainly due to obligatory payments made by the Government towards 'interest payments', 'defence expenditure', 'subsidies', 'internal security', 'pensions' and 'non-plan assistance to State and UT Governments'. These expenditure alone constitute 89.3% of total non-plan expenditure of the Union Government in BE 2012-13;

(c) No, Sir. Non-Plan expenditure broadly comprises of Central Government expenditure on Defence, Interest Payments, Salaries, Pensions etc. which cannot be attributed to States;

(d) Does not arise;

(e) Government has taken number of steps towards expenditure reforms. In the current financial year, Government has imposed economy measures like rationalization of expenditure and optimization of available resources with a view to improve macroeconomic environment. This include 10% mandatory cut on Non Plan expenditure in the current financial year, ban on holding of meetings, ban on creation of Plan and Non Plan posts, restrictions on foreign travel, restrictions on re-appropriation of funds, observance of discipline in fiscal transfers to States, Public Sector Undertakings, Autonomous Bodies such as releases to any entity shall be based on furnishing of Utilization Certificates, no release of funds in relaxation of conditionalities attached to such transfers (matching funding), etc. Government also endeavours to restrict the expenditure on Central subsidies in 2012-13. Government has also introduced 'Medium-term Expenditure Framework Statement', setting forth a three-year rolling target for expenditure indicators with a view to undertaking a de-novo exercise for allocating resources for prioritized schemes and weeding out others that have outlived their utility. It would also encourage efficiencies in expenditure management. In implementing the 12 Plan, the recommendations made by the Expert Committee to streamline and reduce number of Centrally Sponsored Schemes and to address Plan and non-Plan classifications, would be kept in view. The Central Plan Scheme Monitoring System would be expanded to facilitate better tracking and utilization of funds released by the Central Government. These measures are expected to economise the overall expenditure of the Government. However, obligatory payments like interest payments, defence expenditure, subsidies, etc. which constitute major component of non-plan expenditure of the Government will have to be met by Government.