

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:4194
ANSWERED ON:22.03.2013
REDACTION IN BUDGET ALLOCATION
Ramkishun Shri

Will the Minister of FINANCE be pleased to state:

- (a) whether the Government has reduced/propose to reduce the budget allocations for various Ministries; and
(b) if so, the details thereof and amount saved/likely to be saved therefrom during each of the last three years and the current year?

Answer

THE MINISTRY OF FINANCE MINISTER OF STATE IN {SHRI NAMO NARAIN MEENA}

{a}& (b): The budget allocations for various Ministries/Departments during last three years and the current year are as follows:

(Rs. in crore)

Year	Budget	Estimates	Revised	Estimates
2009-2010	1020838		1021547	
2010-2011	1108749		1216576	
2011-2012	1257729		1318720	
2012-2013	1490925		1430825	

From the above table it is evident that Government did not reduce the overall budget allocations for various Ministries/Departments during the last three years except in current fiscal i.e. 2012-2013. The reduction in budget allocation has arisen out of the economy measures taken by the Government as part of the fiscal consolidation process. These measures included the following steps:

(a) Rationalization of expenditure and optimization of available resources with a view to improve macroeconomic environment by making a thorough assessment of actual requirements during the course of the year, and avoiding un-necessary parking of funds as these have additional expenditure implications in the form of borrowing costs and adversely impact the fiscal deficit of the government;

{b) Detailed review the position of Unspent balances/pending utilization certificates position of various Ministries/Departments, so as to avoid release of additional funds wherever the funds earlier released remained either unspent or the utilization certificates were pending. The revised estimates ceilings were fixed keeping these under consideration;

(c) Review of the position of funds lying in the pipeline viz. Implementing agencies so as to minimize/rationalize the unspent balances at the close of the financial year;

(d) Mandatory 10% 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 etc. are some other measures taken during the current year as part of the austerity measures to reduce Non-plan expenditure of the government;

(e) This Ministry also stipulated 33% expenditure ceiling in the last quarter and 15% expenditure ceiling in the month of March. From the current financial year, these last quarter /last month expenditure ceilings have been further amplified by laying down scheme wise restrictions for the same. Instructions have been issued to all Ministries/Departments to abide by these expenditure limits scrupulously;

(f) 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. This is also expected to encourage efficiencies in expenditure management;

(g) In implementing the 12th Plan, the recommendations made by the Expert Committee to streamline and reduce number of Centrally Sponsored Schemes has been kept in view, while making allocations for BE 2013-14; and

(h) The Central Plan Scheme Monitoring System is being expanded to facilitate wider coverage of schemes/programmes for better tracking of the utilization of funds released by the Central Government.

With these measures in place, the fiscal deficit in RE 2012-2013 is estimated at 5.2 percent of GDP as against 5.3 per cent of GDP

set under fiscal consolidation roadmap.