

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:353

ANSWERED ON:06.12.2013

AUSTERITY MEASURE

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Will the Minister of FINANCE be pleased to state:

- (a) Whether the Government has recently issued instructions to the Government Departments to follow austerity measures;
- (b) If so, the details thereof along with the details of the savings likely to be made by the Government as a result thereof during the current financial year;
- (c) Whether the Government has taken measures to achieve the requisite level of savings; and
- (d) If so, the details thereof and results achieved therefrom in terms of reducing expenditure and fiscal deficit?

Answer

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

(a) (b) & (c) Ministry of Finance has issued instructions on 18th September, 2013 containing economy measures for expenditure management on holding seminars/conference, ban on purchase of vehicles except against condemned vehicles, domestic and foreign travel, creation of posts, observance of discipline in fiscal transfers to States/PSU/Autonomous Bodies and on balanced pace of expenditure.

The Ministries/Departments have also been advised to effect a mandatory 10% cut on non-plan expenditure excluding interest payment, repayment of debt, Defence capital, salaries, pension and the Finance Commission grants to States. These instructions are also applicable to autonomous bodies funded by Government of India. The responsibility for implementing the austerity instructions rests with the respective Ministries and therefore exact savings from the budget is not quantifiable.

These measures are expected to generate savings which are channelled for schemes requiring more funds.

(d) The mid-year review of receipts and expenditure is in progress and the results thereof will be reflected in Revised Estimates 2013-14 at the time of presentation of Budget for 2014-15 in Parliament.