

BUDGET ESTIMATES 2002-2003

The Budget Estimates 2002-03 show an increase of Rs.45,873 crore over Revised Estimates 2001-02. While increase in non-Plan Expenditure is Rs.31,527 crore, under Plan there is an increase of Rs.14,346 crore, of which Rs.7,751 crore is on Central Assistance to State and UT plans and Rs.6,595 crore is on Central Plan. The main items of variation in non-Plan estimates are given below:-

(In crores of Rupees)

	Revised 2001-02	Budget 2002-03	Variation
Non-Plan			
1. Interest payments	107257	117390	(+)10133
2. Defence	57000	65000	(+) 8000
3. Food Subsidy	17612	21200	(+) 3588
4. Fertilizer Subsidy	11944	11228	(-) 716
5. Petroleum Subsidy	...	6495	(+) 6495
6. Police	7305	8352	(+) 1047
7. Grants to State Governments	16306	18524	(+) 2218
8. Pensions	14628	15035	(+) 407
9. Education	2381	2728	(+) 347
10. Other Non-Plan Expenditure	30849	30857	(+) 8
Total (Non-Plan) Expenditure	265282	296809	31527

1. The increase is due to continuing dependence on debt resources to finance the Government expenditure. The incremental expenditure is required to meet the interest obligation for the fiscal deficit during 2001-02.
2. The increased provision is to meet enhanced expenditure on pay and allowances and modernisation of Defence Forces.
3. Due to high carrying cost on account of large stocks with FCI.
4. Decrease in subsidy is due to adjustment in prices.
5. With the dismantling of the Administered Price Mechanism, subsidies for domestic LPG, PDS kerosene, freight subsidy for far flung areas and other related compensation have been provided, for the first time, in 2002-03. Oil pool deficit will also be partly extinguished on 31st March, 2002 by issue of Government Bonds to the Petroleum Companies.
6. The increase includes normal growth as well as special operation required to maintain internal security.
7. The increase is on the basis of recommendations of the Eleventh Finance Commission regarding non-Plan grants to States.
8. The increase is mainly on account of increase in dearness relief and expected retirements.
9. The increase is mainly on account of increase in salaries of employees of University Grants Commission, Indian Institutes of Technology, Regional Engineering Colleges, Kendriya Vidyalaya, Navodaya Vidyalaya, etc.