

BUDGET ESTIMATES 2004-2005

The Budget Estimates 2004-05 show a net increase of Rs.50,177 crore over Revised Estimates excluding repayment of liabilities to National Small Savings Fund. While there is an increase of Rs.26,094 crore in non-Plan expenditure, under plan expenditure there is an increase of Rs.24,083 crore, of which Rs.15,039 crore is on Central plan and Rs.9,044 crore on Central Assistance to State & UT plans. The main items of variation in non-Plan and Plan estimates are given below:

| <i>(In crores of Rupees)</i> | | | |
|--|---------------|---------------|------------------|
| | Revised | Budget | Variation |
| | 2003-04 | 2004-05 | |
| Non-Plan | | | |
| 1. Interest payments | 120475 | 129500 | (+ 9025) |
| 2. Pre-payment premium | 4080 | ... | (-) 4080 |
| 3. Defence | 60300 | 77000 | (+16700) |
| 4. Food Subsidy | 25200 | 25800 | (+ 600) |
| 5. Fertilizer Subsidy | 11797 | 12662 | (+ 865) |
| 6. Petroleum Subsidy | 6573 | 3559 | (-) 3014 |
| 7. Grants/Loans to State Governments | 15017 | 18821 | (+ 3804) |
| 8. Agriculture & Allied Services | 1081 | 1784 | (+ 703) |
| 9. Police | 8331 | 9940 | (+ 1609) |
| 10. Elections | 461 | 1162 | (+ 701) |
| 11. Other Non-Plan Expenditure | 52830 | 52011 | (-) 819 |
| Total (Non-Plan) Expenditure | 306145 | 332239 | (+)26094 |
| Plan | | | |
| 1. Central Plan | 72847 | 87886 | (+ 15039) |
| 2. Central assistance for State and UT Plans | 48660 | 57704 | (+ 9044) |
| Total (Plan) Expenditure | 121507 | 145590 | (+) 24083 |

Non-Plan

- The increase is due to continuing dependence on debt resources to finance the Government expenditure. It also includes the provision on borrowings under the Market Stabilization Scheme.
- No pre-payment premium is envisaged.
- The enhanced provision is to meet additional expenditure on pay and allowances and to meet the contractual liabilities and for modernization of Defence Forces.
- Due to increased off-take of foodgrains
- Increase is due to anticipated growth in the requirement of urea and decontrolled fertilisers.
- Decrease is in conformity with the decision to phase out petroleum subsidy over a period of time
- Increase is on the basis of the recommendations of Eleventh Finance Commission on non-Plan grants to States.
- Due to normal growth as well as provision for grants through National Bank for Agriculture and Rural Development (NABARD) for strengthening cooperative credit structure.
- Increase is due to normal growth as well as special assistance to States for modernisation of police forces.
- The increase is due to provision for additional expenditure on conduct of General Elections in 2004.

Plan

- The increase is due, among others, to lump-sum allocation of Rs.6,000 crore for new/restructured schemes for Central Ministries/Departments to subserve the objectives of the National Common Minimum Programme, for increased assistance for infrastructure development, for additional allocation in social sector in particular education, family welfare, health and in physical infrastructure, especially in power and roads.
- The increase is mainly due to lump-sum allocation of Rs.4,000 crore for new/restructured schemes for assistance related to National Common Minimum Programme for State/UT Plan, enhancement of Normal Central Assistance and increased provision under Rashtriya Sam Vikas Yojana.