

BUDGET ESTIMATES 2005-2006

The Budget Estimates 2005-06 show a net increase of Rs.70,221 crore over Revised Estimates excluding repayment of liabilities to National Small Savings Fund. While there is an increase of Rs.35,108 crore in non-Plan expenditure, under Plan expenditure there is an increase of Rs.35,113 crore, of which Rs.27,856 crore is on Central Plan and Rs.7,257 crore on Central Assistance to State & UT Plans. The Central Assistance for State and UT Plans shown in Statement 16 includes an amount of Rs.29,003.22 crore for market loans which States/UTs shall be enabled to raise for financing their Annual Plan. The main items of variation in non-Plan and Plan estimates are given below:

<i>(In crores of Rupees)</i>			
	Revised 2004-05	Budget 2005-06	Variation
Non-Plan			
1. Interest payments	125905	133945	(+ 8040)
2. Non-Plan Grants to States	14144	33269	(+19125)
3. Defence	77000	83000	(+ 6000)
4. Police	10542	12237	(+ 1695)
5. Pensions	18338	19542	(+ 1204)
6. Non-Plan Capital Outlay	3354	4460	(+ 1106)
7. Fertiliser Subsidy	15662	16254	(+ 592)
8. Food Subsidy	25800	26200	(+ 400)
9. Expenditure of UTs without Legislature	1636	2228	(+ 592)
10. Other Non-Plan Expenditure	43358	39712	(-) 3646
Total (Non-Plan) Expenditure	335739	370847	(+)35108
Plan			
1. Central Plan	82529	110385	(+ 27856)
2. Central assistance for State and UT Plans	54858	62115*	(+ 7257)
Total (Plan) Expenditure	137387	172500	(+) 35113

* An amount of Rs.29,003.22 crore is included towards loans which the States/UTs shall be enabled to raise as market loans in terms of the accepted recommendations of the Twelfth Finance Commission.

Non-Plan

1. The increase is due to continuing dependence on debt resources to finance the Government expenditure. It also includes interest payment on borrowings under the Market Stabilization Scheme.
2. Due to the impact of the recommendations of the Twelfth Finance Commission on Non-Plan grants to States and compensation to States for revenue losses that may occur on implementation of VAT.
3. The enhanced provision is to meet additional expenditure on pay and allowances and to meet the contractual liabilities and for modernization of Defence Forces.
4. Increase is due to normal growth, increased provision for special assistance to States for modernisation of police forces and for maintenance of border check posts.
5. Increase is mainly on account of normal growth in the number of pensioners and two instalments of dearness relief.
6. Increase is due mainly to enhanced provision for border works involving erection of barbed wire fencing, construction of roads and border out-posts and for purchase of equipment by Central Para-Military Forces.
7. Increase is due to anticipated growth in the requirement of fertilisers.
8. Normal increase.
9. The increase is due to provision for Tsunami related relief work in the UT of Andaman & Nicobar Islands

Plan

1. The increase is due, among others, to increased allocation for social sector in particular elementary education and literacy (Sarva Shiksha Abhiyan and Mid-day Meal Scheme), health and family welfare, rural development (National Food for Work Programme and Pradhan Mantri Gram Sadak Yojana), Agriculture and for physical infrastructure, especially roads.
2. The increase is mainly on account of enhanced Normal Central Assistance and increased provision under Rashtriya Sam Vikas Yojana (RSVY) renamed as Backward District/Areas Fund, Special Central Assistance for Tribal Sub-Plan, Accelerated Irrigation Benefit Scheme, Roads and Bridges, and new schemes of Urban Renewal Sub-Mission for Slum Development and Urban Renewal Sub-Mission for Urban Infrastructure and Transport.