

BUDGET ESTIMATES 2007-2008

The Budget Estimates 2007-08 show a net increase of Rs.98,884 crore over Revised Estimates. There is an increase of Rs.66,514 crore in Non-Plan expenditure, which includes one time provision for payment to RBI towards transfer of its stake in State Bank of India. Under Plan expenditure, there is an increase of Rs.32,370 crore, of which Rs.28,429 crore is on Central Plan and Rs.3,941 crore on Central Assistance for State & UT Plans. The main items of variation in Non-Plan and Plan estimates are given below:

<i>(In crores of Rupees)</i>			
	Revised 2006-07	Budget 2007-08	Variation Decrease(-)/ Increase(+)
Non-Plan			
1. Capital Outlay	10806	49314	(+38508)
2. Interest Payments	146192	156495	(+10303)
3. Prepayment Premium for active debt consolidation	...	2500	(+ 2500)
4. Defence Services	86000	96000	(+10000)
5. Grants to States	35333	37541	(+ 2208)
6. Food Subsidy	24204	25696	(+ 1492)
7. Pensions	22225	23488	(+ 1263)
8. Interest Subsidies	2805	2048	(-) 757
9. Lumpsum Provision for Schemes completed during Tenth Five Year Plan	...	100	(+ 100)
10. Other Non-Plan Expenditure	81342	82239	(+ 897)
Total (Non-Plan) Expenditure	408907	475421	(+)66514
Plan			
1. Central Plan	126510	154939	(+28429)
2. Central Assistance for State & UT Plans	46220	50161	(+ 3941)
Total (Plan) Expenditure	172730	205100	(+)32370

Non-Plan

1. Increase is mainly on account of provision for payment to RBI for acquisition of its stake in State Bank of India.
2. Increase is due to continuing dependence on debt resources to finance Government expenditure, and provisioning for interest on special securities issued to Oil Marketing Companies and Food Corporation of India.
3. The provision is for premium to be paid for buy back of high coupon securities as part of active debt consolidation.
4. Enhanced provision is for normal growth in pay and allowances and maintenance expenditure, and for modernisation of Defence Forces.
5. Increase is mainly due to provision for higher grants as per the Twelfth Finance Commission Award and for compensation to States for proposed phase out of Central Sales Tax.
6. Increase takes into account the carrying cost and the estimated off-take of food grains.
7. Increase is mainly on account of growth in the number of pensioners and provision for anticipated outgo on dearness relief.
8. RE provision includes one time waiver of interest for debt stressed farmers.
9. Provision is for committed expenditure that may arise in respect of Central Plan Schemes completed during Tenth Five Year Plan.

Plan

1. The increase is due, among others, to enhanced allocation for social sector in particular School Education and Literacy, Higher Education, Health and Family Welfare (National Rural Health Mission), Integrated Child Development Scheme and for Rural Development, Panchayati Raj, Agriculture and physical Infrastructure.
2. The increase is mainly on account of enhanced allocation under Accelerated Irrigation Benefit Scheme, Backward Regions Grant Fund, Normal Central Assistance, Roads and Bridges, Jawahar Lal Nehru National Urban Renewal Mission and provision for two new schemes of Brihan Mumbai Storm Water Drain Project (BRIMSTOWA), Mumbai and Commonwealth Youth Games, Pune.