

**BUDGET ESTIMATES 2006-2007**

The Budget Estimates 2006-07 show a net increase of Rs.55,286 crore over Revised Estimates. While there is an increase of Rs.26,349 crore in Non-Plan expenditure, under Plan expenditure there is an increase of Rs.28,937 crore, of which Rs.24,032 crore is on Central Plan and Rs.4,905 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.22,457 crore for loans to be raised by States/UTs directly 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 2005-06	Budget 2006-07	Variation Decrease(-)/ Increase(+)
<b>Non-Plan</b>			
1. Interest Payments	130032	139823	(+) 9791
2. Defence Services	81700	89000	(+) 7300
3. Grants to States	29694	34617	(+) 4923
4. Capital Outlay	3635	7853	(+) 4218
5. Agriculture & Allied Services	1603	2748	(+) 1145
6. Police	12593	13682	(+) 1089
7. Pensions	20232	21312	(+) 1080
8. Food Subsidy	23200	24200	(+) 1000
9. Other Non-plan Expenditure	62225	58028	(-) 4197
<b>Total Non-Plan Expenditure</b>	<b>364914</b>	<b>391263</b>	<b>(+)26349</b>
<b>Plan</b>			
1. Central Plan	107253	131285	(+)24032
2. Central Assistant for State and UT Plans	36538	41443	(+) 4905
<b>Total (Plan) Expenditure</b>	<b>143791</b>	<b>172728</b>	<b>(+)28937</b>

**Non-Plan**

1. Increase is due to continuing dependence on debt resources to finance the Government expenditure.
2. Enhanced provision is for normal growth in pay and allowances and maintenance expenditure and for modernisation of Defence Forces.
3. Increase is due mainly to provision in line with the Twelfth Finance Commission Award.
4. Increase is due mainly to provision for pass-through of disinvestment proceeds to the National Investment Fund.
5. Augmentation is mainly for enhanced provision for assistance through NABARD to States and cooperative institutions for strengthening of co-operative credit structure.
6. Enhancement is due to normal growth.
7. Increase is mainly on account of growth in the number of pensioners and provision for instalments of dearness relief.
8. Increase takes into account the carrying cost and the estimated off-take of food grains.

**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 (National Rural Health Mission), rural development (Rural Employment Guarantee Schemes), Integrated Child Development Scheme, agriculture and for physical infrastructure including roads.
2. The increase is mainly on account of increased provision under National Social Assistance Programme, Special Central Assistance for Tribal Sub-Plan, Accelerated Irrigation Benefit Scheme, Roads and Bridges, Backward Regions Grant Fund and Jawahar Lal Nehru National Urban Renewal Mission.