



OVERSEEING PUBLIC FUNDS

How to scrutinise budgets

154.29%
Cumulative Return
11 years

169%
Cumulative Return
25 years

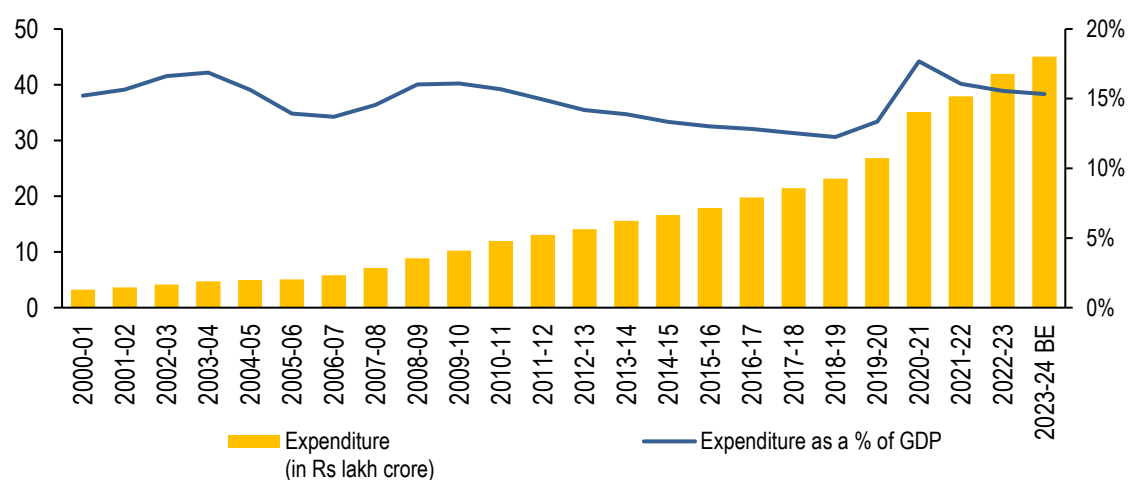
June 2024

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Parliamentary oversight of government finances

The expenditure of the central government has increased from Rs 3.3 lakh crore in 2000-01 to Rs 45 lakh crore in 2023-24. This translates to an expenditure of about Rs 32,150 per person. With the objective of improving the quality of life of citizens, these public funds are spent across various sectors such as defence, security, agriculture, health, social welfare, education, and infrastructure.

Figure 1: Expenditure of the central government is increasing (in Rs lakh crore)



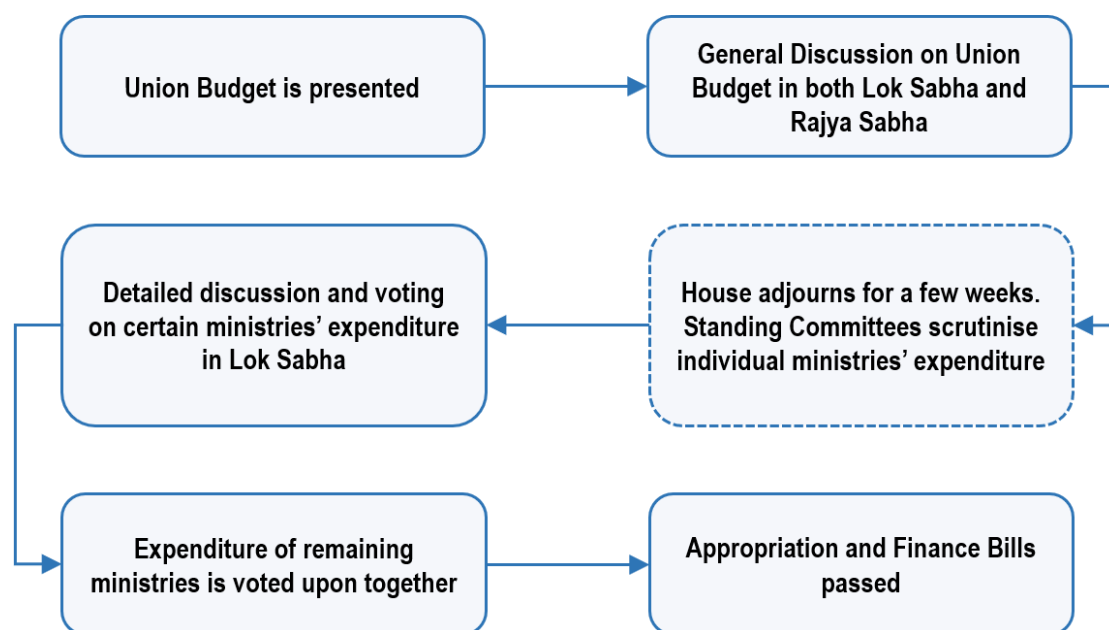
Members of Parliament (MPs) have a core role in examining how this money is being raised, how it is planned to be spent, and whether such spending would lead to desired outcomes. MPs hold the government accountable for use of public funds in two stages. First, before the beginning of each financial year, they scrutinise and approve the Union Budget which contains the expenditure priorities, taxation proposals, and borrowing requirements for the upcoming year. Second, they examine the audit reports on the approved spending to see whether the allocation was used effectively and appropriately.

This primer explains the mechanisms by which MPs conduct financial oversight of the government. It explains key terms used in the budget documents to describe government income and spending and the gap between the two as a surplus or a deficit. The primer also describes the different documents presented in the budget and what information may be gathered from each of them.

Oversight through the Union Budget

Parliamentary oversight of public funds broadly involves two functions: (a) scrutinising and sanctioning the government’s expenditure and taxation proposals through the Union Budget; and (b) examining the utilisation of funds that have been allocated for various activities, through parliamentary committees.

Figure 2: Budget process



What happens once the budget is presented in Parliament?

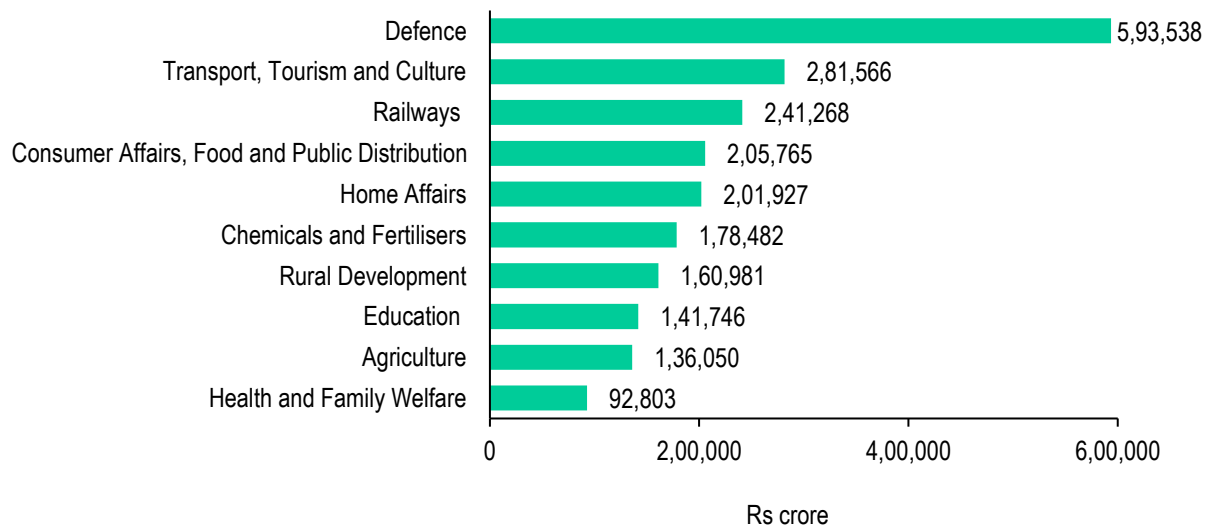
After the budget is presented, a general discussion is held in both Lok Sabha and Rajya Sabha. Discussion at this stage is limited to general examination of the budget and proposals of the government. At the end of the discussion, the Finance Minister gives a reply. No voting takes place at this stage.

After the general discussion, Parliament may go into recess for a few weeks. At this point, detailed estimates of expenditure of all ministries, called Demands for Grants, are sent for examination to the Parliamentary Standing Committees, that comprise members of both Lok Sabha and Rajya Sabha.

What is the role of Standing Committees in the budget process?

At present, there are 24 Standing Committees that together oversee the work of all the ministries. One of the functions of these Committees is to scrutinise the allocation of funds to the ministries under their supervision. For instance, the Standing Committee on Defence scrutinises the Demands for Grants of all departments under the Ministry of Defence, which amounted to Rs 5.9 lakh crore in 2023-24 (i.e., 13.2% of the budget).

Figure 3: Expenditure under the purview of various Standing Committees (2023-24)



These Committees examine the: (i) amount allocated to various programmes and schemes under the Ministry, (ii) trends of utilisation of the money allocated to the Ministry, (iii) scheme design and its outcomes, and (iv) policy priorities of each ministry. During such examination, officials of the Ministry are required to depose before the Committee to respond to queries and provide additional information in connection with the Demands for Grants being examined. While examining a ministry's expenditure, the Committees may also consult or invite views from subject experts.

After scrutiny, the Committees submit their reports to Parliament. The Committees' recommendations are useful for MPs to understand implications of the proposed expenditure across ministries and allow for informed debate before approving such expenditure.

Standing Committee scrutiny of Demands for Grants of the Department of Rural Development

The observations and recommendations of the Committee while scrutinising the 2023-24 Demands for Grants included: (i) increasing allocation of funds under the Mahatma Gandhi National Rural Employment Guarantee Scheme due to a high demand for jobs, (ii) exploring the possibility of increasing the number of days of guaranteed work under MGNREGA, and (iii) better financial prudence to manage huge volumes of unspent balances under major rural development schemes like Deendayal Antyodaya Yojana - National Rural Livelihoods Mission, Pradhan Mantri Gram Sadak Yojana, and Pradhan Mantri Awas Yojana - Gramin.

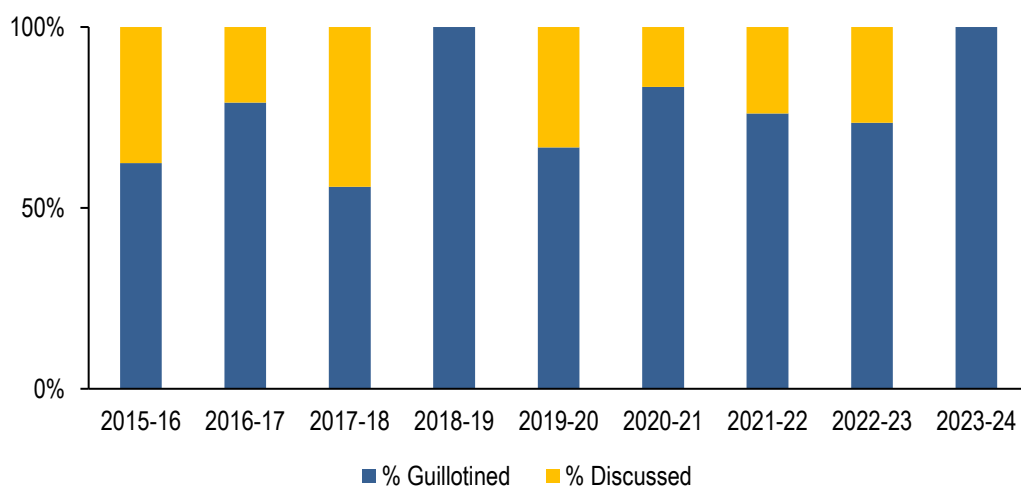
The Committee also observed that the assistance provided under Pradhan Mantri Awas Yojana – Gramin (PMAY-G) was insufficient. Hence, houses could not be completed within the stipulated time. It recommended increasing this assistance so that it would cover the rising cost of construction.

What happens once the reports are submitted?

Typically, the budgets of four or five ministries are discussed in detail in Lok Sabha. The ministries identified for discussion vary every year and are decided by the Business Advisory Committee of the Lok Sabha. This discussion is followed by voting. The demands which have not been discussed and voted on by the last day are ‘guillotined’, i.e., they are voted upon together without any discussion.

The graph below shows the share of budget expenditure that has been guillotined from 2015-16 to 2023-24. In 2018-19 and 2023-24 all Demands for Grants were guillotined, i.e., passed without discussion.

Figure 4: Share of budget expenditure: Guillotined vs Discussed (%)



During the voting on Demands for Grants, MPs can express their disapproval through ‘*cut motions*’. If a cut motion is passed, it signifies loss of confidence in the government and the Cabinet is expected to resign. MPs can move cut motions to reduce the grant amount for the respective ministry: (i) to Re 1 to signify disapproval of the policies of that ministry, (ii) by a specific amount (an ‘Economy’ cut), or (iii) by a token amount of Rs 100 to express a specific grievance.

What are the final steps in the budget process?

After the Demands for Grants are passed, they are consolidated into an Appropriation Bill. This Bill seeks to authorise the government to spend money from the Consolidated Fund of India, which consists of all receipts and borrowings of the government.

After the passing of the Appropriation Bill, the Finance Bill is also taken up for consideration and passing. This Bill includes details of the change in tax rates, and imposition of taxes on various entities.

Once Lok Sabha passes the budget, Rajya Sabha only has a recommendatory role in passing the Appropriation and Finance Bills as they are Money Bills.

Finance Bill

The Finance Bill is introduced with the budget and consists of the government's financial proposals for the upcoming year. The Finance Bill is usually introduced as a Money Bill. The Constitution defines Money Bill as one which only contains provisions related to taxation, borrowings by the government, or funds of the Consolidated Fund of India. A Money Bill only needs the approval of Lok Sabha, after which Rajya Sabha can only give its recommendations.

In the recent past, Finance Bills have included items which had no relation to taxes or to the expenditure of the government. For example, the Finance Bill, 2017 changed the compositions of 19 quasi-judicial bodies such as the Securities Appellate Tribunal, the National Green Tribunal and the Telecom Disputes Settlement and Appellate Tribunal, and repealed seven other bodies including the Competition Appellate Tribunal. The 2017 Bill also introduced Electoral Bonds which allowed anonymous donations to political parties. The Finance Bill, 2022 allowed the Reserve Bank of India to issue bank notes in digital form.

What happens if the government needs to spend additional money during the year?

During the year, if the government needs to spend any money which has not been approved by Parliament or needs to incur additional expenditure, it can introduce *Supplementary Demands for Grants*. Note that, unlike the Demands for Grants presented with the budget, these supplementary demands have never been scrutinised by Standing Committees.

In 2023-24, the government introduced two Supplementary Demands for Grants. These required the Parliament to authorise additional expenditure of about Rs 1.4 lakh crore (i.e., 3% of the 2023-24 budget). For instance, the second Supplementary Demands for Grants provided Rs 9,231 crore and Rs 3,000 crore to fund excess expenditure under food and fertiliser subsidies respectively.

Preparation of Union Budget

The process of budget preparation begins with the publication of a budget circular by the finance ministry. The circular is typically released five to six months before the presentation of the budget. It outlines the timeline within which various ministries have to submit estimates of receipts and expenditure to the finance ministry. Based on these estimates, the budget estimates for the next financial year are prepared.

Oversight after the Budget is passed

Oversight by Parliament after the budget is passed is necessary to make sure that the amount sanctioned by Parliament is being used appropriately. Financial Committees scrutinise and exercise parliamentary control over government expenditure and table reports in Parliament.

Public Accounts Committee

After the financial year ends, the Comptroller and Auditor General (CAG) audits the income and expenditure accounts of the government. Its report is then tabled in Parliament. Every year, several CAG reports are tabled in Parliament. Since it is difficult and time-consuming for Parliament to discuss each of these reports, the Public Accounts Committee (PAC) is entrusted with examining the findings of the CAG audit reports. The PAC scrutinises whether the government is spending money for the purpose for which Parliament sanctioned the expenditure.

While examining the reports, the PAC interacts with officials from the CAG, different ministries, and experts. The government responds to every report of the PAC by stating the recommendations that have been accepted or rejected by them. Based on these responses, the PAC prepares Action Taken Reports and tables them in Parliament.

PAC 151st Report on Ayushman Bharat - Pradhan Mantri Jan Arogya Yojana

The Committee examined the CAG Performance Audit report on Pradhan Mantri Jan Arogya Yojana (PMJAY). PMJAY aims to improve affordability, accessibility, and quality of secondary and tertiary healthcare for the poor and vulnerable section of the population. Observations made by the Committee include: (i) inadequacies in the process of beneficiary identification and verification, (ii) duplication and inclusion of ineligible beneficiaries leading to higher payouts for unintended beneficiaries, and (iii) large volume of pending claims due to lack of bank integration, offline payments, and delay in release of states' share of funds.

The Committee recommended the following: setting up an independent body to oversee coverage of eligible beneficiaries, incorporating inbuilt validation checks to increase accuracy of beneficiary data, and ensuring compliance with financial reporting standards.

Estimates Committee

The Estimates Committee facilitates Parliament's control over the expenditure sanctioned and incurred, and over the general policies of the administration. The Committee's main tasks are to: (a) report on the improvements and administrative reforms that can be made, (b) suggest alternative policies in order to bring about efficiency in administration, and (c) suggest whether the proposed expenditure is within the limits of government policy.

Earlier, this Committee carried out the task of examining proposed estimates of expenditure by various ministries. Since 1993, the Departmentally Related Standing Committees have taken over this function leaving the Estimates Committee to largely examine the working of certain government organisations.

Estimates Committee 29th Report on Preparedness of Armed Forces - Defence Production and Procurement

The Committee made the following observations and recommendations: (i) adequate financial resources for defence preparedness should be allocated, as budgeted defence expenditure in 2017-18 was lowest since 1962 at 1.6% of GDP, (ii) share of capital procurement budget in the defence budget has been continuously declining leading to an adverse impact on the modernisation process of armed forces, and (iii) urgent requirement to replace the obsolete armaments with state of the art weapon systems for which substantial increase in capital budget is essential.

Public Undertakings Committee

The Public Undertakings Committee scrutinises the operations of various public sector companies such as Food Corporation of India, Life Insurance Corporation of India, and Hindustan Aeronautics Limited. The Committee: (i) examines the financial accounts and CAG reports on public sector companies and (ii) examines whether these entities are being managed as per sound business principles.

Understanding Government Finances

Understanding government finances

As part of the budget, the Finance Minister presents the Annual Financial Statement of the government for the forthcoming year. The statement consists of estimates of the money the government expects to spend on various ministries, and how much money will be raised from different sources such as levy of taxes and dividends from public enterprises. The budget also provides an estimate of the borrowing requirements of the government and its overall debt. In addition, the statement also gives an account of how much money the government raised or spent in the previous year, in comparison to the estimates it had given to Parliament.

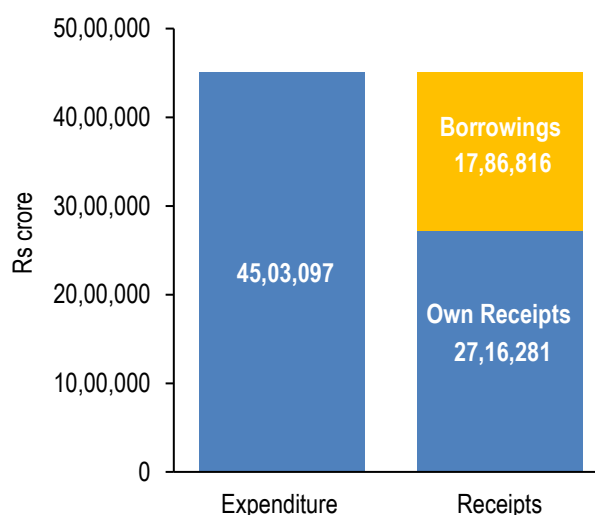
This section explains the central government's finances with the intent of providing a simple understanding of the key concepts and terms involved.

How does the government finance its expenditure?

Government receipts indicate the resources available to the government to finance its expenditure. These are primarily of two types: (i) government's own receipts, and (ii) borrowings.

The government earns money through taxes, fees and fines collected by its various departments, share in profits of public enterprises, and sale of public assets, among other sources. Borrowings are required in case there is a shortfall in the government's own receipts as compared to its spending requirements.

Figure 5: Borrowings fund 40% of the government's expenditure (2023-24)

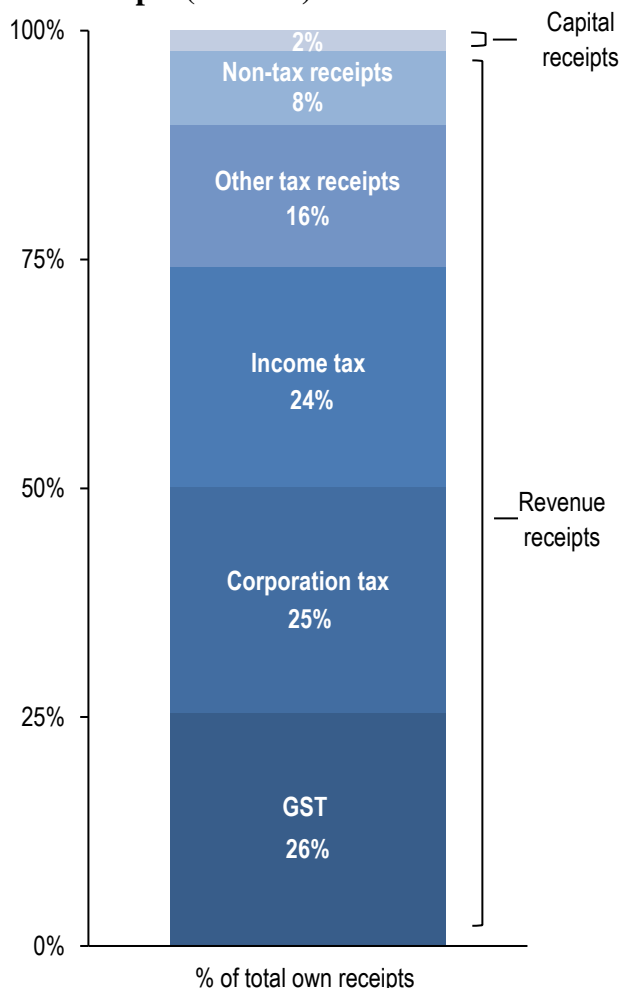


Government receipts may be broadly categorised under revenue and capital receipts. **Revenue receipts** of the government comprise tax receipts and non-tax receipts.

Tax receipts is the largest component in this category, contributing to 90% of the government's own receipts. Taxes such as the Goods and Services Tax (GST), corporation tax and income tax generate most of the government's receipts. They contributed 26%, 25% and 24% of these receipts, respectively in 2023-24.

The government also earns receipts from sources other than taxes. Such non-tax receipts include fees and fines, dividends from public enterprises, royalties from petroleum production, and sale of licenses. Receipts from non-tax sources contributed 8% of the government's receipts in 2023-24.

Figure 6: Breakup of the government's own receipts (2023-24)



Some receipts change the government's assets or liabilities. For example, borrowings taken by the government increase its liabilities, whereas receipts from sale of public assets (also known as disinvestment) decreases the government's assets. Such receipts are called **capital receipts**. Capital receipts (other than borrowings) contributed 2% of the government's receipts in 2023-24.

Over the years, disinvestment receipts have been the major part of these capital receipts. For instance, the disinvestment receipts were 61% of capital receipts in 2023-24.

Transfer to states

The central government collects money by levying certain taxes across the country. These include income tax, corporation tax, central GST, and union excise. This money is divided between the Centre and the states based on a formula recommended by the Finance Commission. The Finance Commission is a constitutional body formed every five years by the President of India to give recommendations on distribution of tax receipts between the Centre and the states.

The 15th Finance Commission recommended that 41% of the tax receipts of the central government be given to the states for the periods of 2020-21 and 2021-26. This implies that 41% of the money raised through such taxes is distributed among the states. The central government gets the remaining 59%.

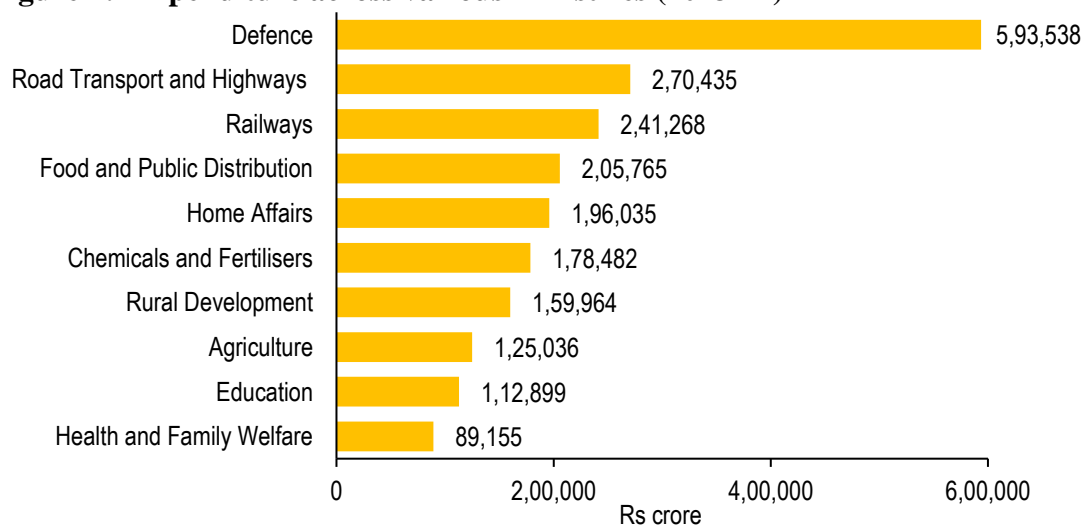
However, certain tax components such as cess and surcharges are not shared with the states. For example, the money earned from levy of the health and education cess (levied on income tax) is not transferred by the central government to states. The entire money is accounted as receipts of the central government.

In December 2023, the 16th Finance Commission (Chair: Dr. Arvind Panagariya) was constituted to give recommendations for the 2026-31 period. The Commission is required to submit its report by October 31, 2025.

How does the government spend its money?

The government spends its money on items such as the defence forces, building infrastructure, implementing its schemes and programmes, providing subsidies, paying interest on the loans it has taken, and administrative expenses including salaries and pension.

Figure 7: Expenditure across various ministries (2023-24)



A large part of government spending (24% as per the 2023-24 budget) goes towards paying interest on the funds that it has borrowed over the years. These interest payments are a form of committed expenditure which the government is obligated to undertake.

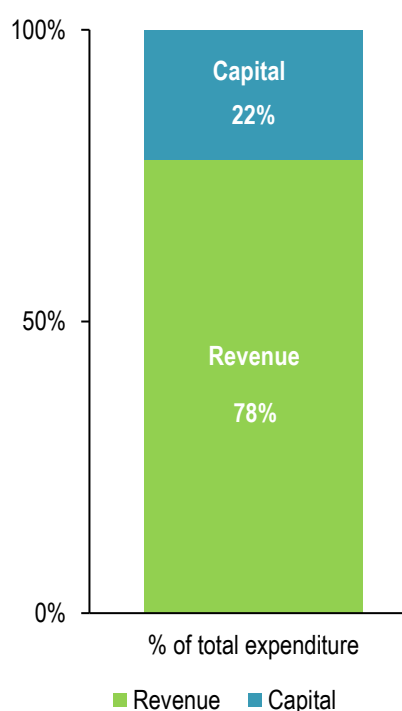
In addition to this, a part of the government's spending also goes towards providing subsidies (9%) and pension (5%). These two components, along with interest payments, incur an expenditure equivalent to 38% of the government's budget (2023-24). Expenditure made on these items comes under **revenue expenditure**, which also consists of other components such as expenses on administration and payment of salaries.

The balance is **capital expenditure**, which goes towards creating assets or reducing liabilities. This would include expenditure on creating infrastructure, such as roads, hospitals, and schools, and repayment of borrowings.

Sectors, such as defence, education, or transport, may have both *revenue* and *capital* components in their expenditure. For example, in education, spending money on construction of a school building is a capital expenditure since it leads to the creation of an asset.

Whereas, money spent on regular expenditure items such as payment of salaries of school teachers is classified as revenue expenditure.

Figure 8: Breakup of the government's expenditure (2023-24)



What happens if the spending is more than the receipts earned?

When the spending planned by the government is more than its receipts, the government finances this gap through borrowings. This gap is known as **fiscal deficit** and equals the borrowings required to be made for that year. A fiscal surplus arises if receipts are more than expenditure.

In some years, fiscal deficit has exceeded the estimates made by the government in the budget. A higher fiscal deficit leads to an increase in the borrowing requirements of the government. As a result, the government has to incur additional expenditure in the form of interest payments on these borrowings. As discussed earlier, a large part of the money spent by the government goes towards paying interest on such borrowings (24% of the expenditure as per the 2023-24 budget).

Revenue deficit occurs when revenue expenditure exceeds revenue receipts. Revenue deficit in a year indicates the borrowings made in that year for the government to meet its revenue expenditure such as administrative expenses, or payment of salaries or interest. These borrowings would not contribute towards creation of assets.

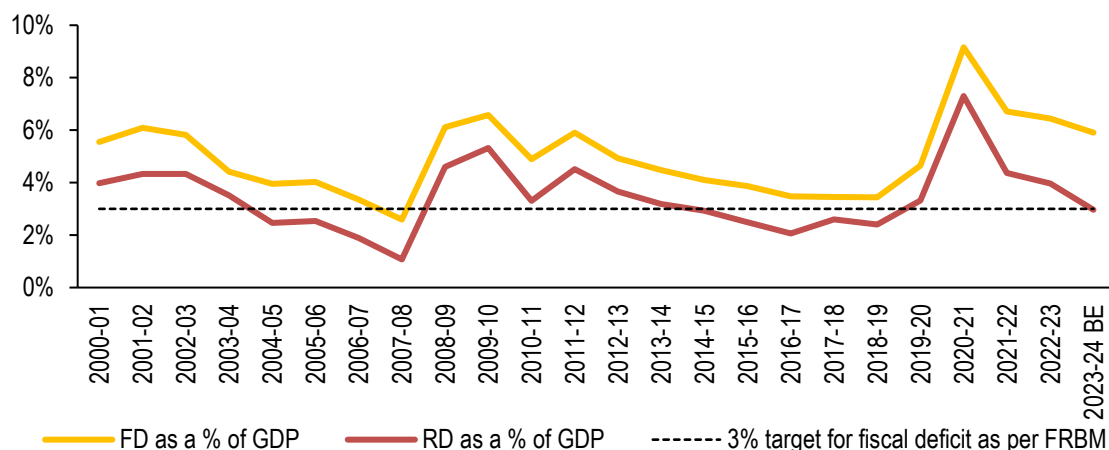
Fiscal targets in the FRBM Act, 2003

The Fiscal Responsibility and Budget Management (FRBM) Act, 2003 requires the central government to limit its fiscal deficit up to 3% of GDP. The initial deadline to achieve this target was 2007-08 which has been extended multiple times over the years.

The Finance Act, 2018 extended the deadline for achieving this target from 2017-18 to 2020-21. It also removed the provision which required the central government to limit its revenue deficit to 2% of GDP. In February 2021, the central government announced a deviation from the fiscal deficit target under the FRBM Act in the backdrop of the COVID-19 pandemic. It announced that the FRBM Act would be amended to reflect the redrawn fiscal consolidation roadmap.

In 2023-24, the gap between the receipts and spending of the government (fiscal deficit) was estimated at 5.9% of GDP. This implies that the government needs to borrow funds equivalent of 5.9% of GDP to meet its spending targets. Of this, borrowings worth 2.9% of GDP were estimated to go towards revenue deficit.

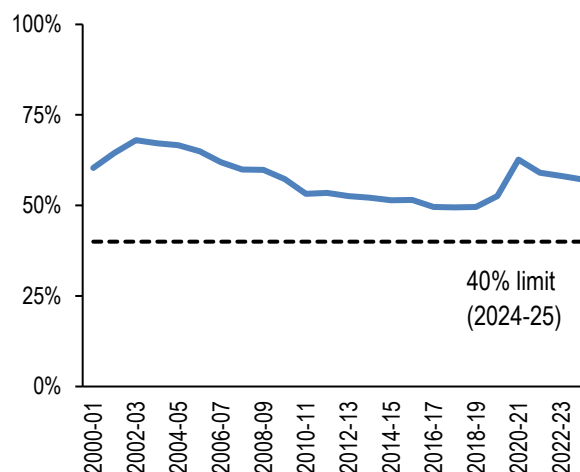
Figure 9: Fiscal deficit and revenue deficit as a percentage of GDP



Outstanding debt

Over the years, borrowings taken by the government to bridge the gap between its receipts and expenditure (fiscal deficit) adds to its outstanding stock of debt. Outstanding debt of the central government at the end of the year 2023-24 is estimated to be at 57.2% of GDP (2023-24 budget).

Figure 10: Outstanding debt as a % of GDP



This is the amount borrowed by successive governments over the years and currently payable at the end of the year 2023-24. Outstanding debt increases when more borrowings are made, or decreases when repayments are made by the government for these borrowings.

The FRBM Act specifies that the outstanding debt of the general government (centre and states combined) be brought down to 60% of GDP by 2024-25. This includes a target of 40% of GDP for the outstanding debt of the central government.

A higher debt indicates a higher obligation for the government to repay loans. It also leads to higher interest outgo, as interest has to be paid on all outstanding debt.

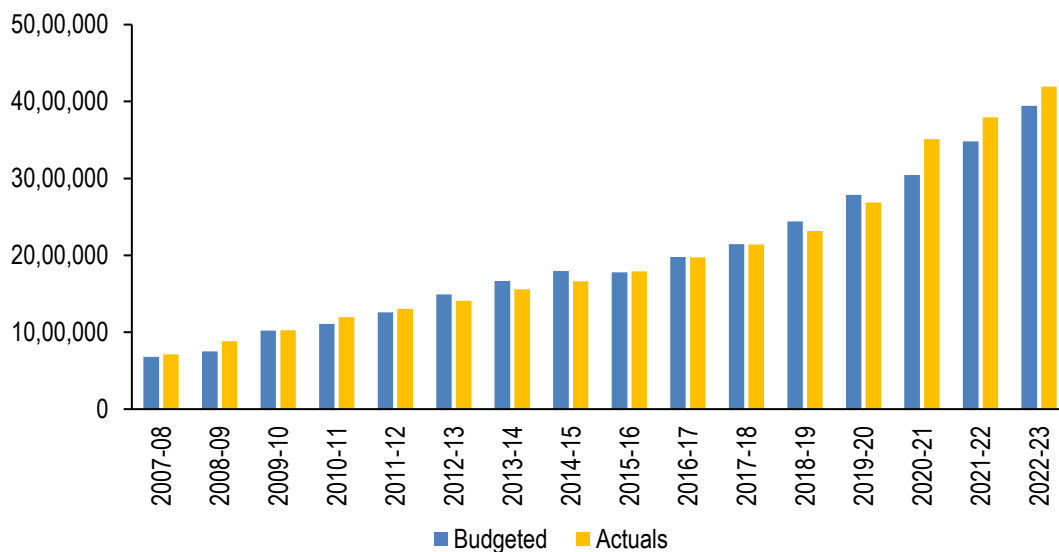
Do budget estimates match actual spending by the government?

In the budget, the government presents its estimates for the upcoming financial year. Once the year ends, the actual numbers are audited by the CAG, post which they are presented to Parliament with the upcoming budget, i.e., two years after the estimates are made.

Some of the estimates made by the government might change during the course of the year, which gets reflected in the actual figures. For instance, once the year gets underway, some ministries may need more funds than what was allocated to them in the budget, or the receipts expected from certain sources might change.

The figure below compares the total expenditure of the government with the budgeted estimates made during the period 2007-08 to 2022-23. While in some years (such as 2018-19 and 2019-20) the government spent less than what it had estimated, in some others (such as 2020-21 and 2021-22), it ended up spending more than what it had budgeted for.

Figure 11: Expenditure of the government (budgeted vs actuals in Rs crore)



Overview of Budget Documents

How are the budget documents organised?

This section describes the budget documents that are presented in Parliament and what information is provided in them. It also helps the reader navigate the documents to find the exact information he may be looking for. While there are as many as 14 separate documents, they can be classified into four broad categories (see Table 1 on the next page).

Summary Documents: These documents summarise the main provisions in the Budget, either in terms of the main policy announcements, tax proposals, or aggregate number for government receipts and expenditure. As these are summary documents, they will not answer specific questions related to allocation for a particular item within a ministry or a program.

Expenditure Documents: These documents present detailed information on the expenditures of the government. Details are provided by sectors, ministries, and schemes.

Receipts Documents: These documents present detailed information on the money raised by the government by way of tax receipts, non-tax receipts, capital receipts, and borrowings.

FRBM Documents: These documents are presented under the provisions of the Fiscal Responsibility and Budget Management Act, 2003 (FRBM). Under this Act, the government is required to follow sound fiscal policies and must set limits on the size of the budget deficits.

Along with the budget documents, the government tables a document called the ***Implementation of Budget Announcements***. It contains details on the progress achieved on budget announcements made across different sectors in the previous financial year.

Table 1: Union Budget documents

Category	Documents in this category
Summary Documents	Budget Speech: Highlights the main expenditure and tax proposals.
	Budget at a Glance: Provides a brief overview on total funds raised by the government (through taxes or borrowing), how that money is to be spent and budget deficit/surplus.
	Annual Financial Statement: Similar to 'Budget at a Glance' but organised in a different way to reflect requirements under Article 112 of the Constitution.
Expenditure Documents	Expenditure Profile: Presents a summary of the total expenditure of all ministries. Also presents expenditure according to different categories of interest, i.e., summary of funds allocated to schemes for women or children.
	Expenditure Budget: Presents a detailed breakdown of the expenditure of each ministry.
	Demands for Grants / Appropriation Bill: Two documents required under the Constitution, asking Parliament to allocate the stated amount of funds to different ministries and schemes. Parliament votes to pass these two documents.
Receipts Documents	Receipts Budget: Presents detailed information on how the government intends to raise money through different sources.
	Finance Bill: A Bill presented to Parliament (and to be voted on) containing the various legal amendments to bring into effect the tax changes proposed by the government.
	Memorandum on the Finance Bill: Explains the various legal provisions contained in the Finance Bill and their implications in simple language.
FRBM Documents	Macro-Economic Framework: Explains the government's assessment of the growth prospects of the economy.
	Medium-Term Fiscal Policy: A statement setting limits on the size of the budget deficits for the next three years, as well as targets for tax and non-tax receipts.
	Fiscal Policy Strategy: A statement explaining the government's efforts to follow sound fiscal policies and reasons for any departure from the targets set by it for deficits under the FRBM Act (see Medium Term Fiscal Policy above).

As mentioned in the table, certain documents are required to be presented to Parliament (and in some cases, voted on) under the provisions of the Constitution or under the FRBM Act. These include the Annual Financial Statement, Finance Bill, Demands for Grants, Appropriation Bill and the FRBM Documents.

How to find the information I want?

This section illustrates how to find information on key parameters in the budget documents with the help of a few examples. The budget documents are available on the website *indiabudget.gov.in*.

What are ‘budget estimates’, ‘revised estimates’ and ‘actuals’?

In budget documents, you will find numbers given across four columns.

(₹ करोड़) (In ₹ crores)

	2021-2022 वास्तविक Actuals	2022-2023 बजट अनुमान Budget Estimates	2022-2023 संशोधित अनुमान Revised Estimates	2023-2024 बजट अनुमान Budget Estimates
1. Revenue Receipts	2169905	2204422	2348413	2632281
2. Tax Revenue (Net to Centre) ¹	1804793	1934771	2086662	2330631
3. Non Tax Revenue	365112	269651	261751	301650

The *budget estimate* for any head indicates the amount estimated by the government for the next year. For instance, the budget presented in February 2023 showed the budget estimates for various heads for the financial year 2023-24.

Once the financial year gets underway, some ministries may need more funds than what was actually allocated to them under the *budget estimates*, or the receipts expected from certain sources might change. These revisions could be on account of an increase or decrease in the expenditure required for existing programmes, introduction of new programmes, or changes in collection of receipts. Thus, the government presents *revised estimates* for the current year with budget estimates for next year. Along with the budget estimates for 2023-24, the government presented *revised estimates* for 2022-23.

Actuals denotes the final audited amount at the end of the year and may exceed or fall short of the estimates. Since the actual figures can only be audited after the financial year is over and final accounts have been prepared, *actuals* presented in the budget is for the previous year. For instance, the 2023-24 budget showed the *actuals* for the year 2021-22.

Where in the budget documents do I find the total expenditure, total receipts, fiscal deficit and other 'big' numbers?

Use Budget at a Glance. The table on the first page of 'Budget at a Glance' summarises the entire budget in one table.

The Budget at a Glance presents broad numbers of the budget in a reader-friendly document. This document shows the major components of receipts and expenditure of the central government. It also shows the deficits of the government such as fiscal deficit, revenue deficit, and primary deficit.

बजट का सार Budget at a Glance

(₹ करोड़) (In ₹ crores)

		2021-2022 वास्तविक Actuals	2022-2023 बजट अनुमान Budget Estimates	2022-2023 संशोधित अनुमान Revised Estimates	2023-2024 बजट अनुमान Budget Estimates	
1. राजस्व प्राप्तियां	1. Revenue Receipts	2169905	2204422	2348413	2632281	
2. कर राजस्व (केंद्र को निवल) ¹	2. Tax Revenue (Net to Centre) ¹	1804793	1934771	2086662	2330631	Tax receipts estimated for 2023-24
3. कर भिन्न राजस्व	3. Non Tax Revenue	365112	269651	261751	301650	
4. पूंजी प्राप्तियां	4. Capital Receipts	1623896	1740487	1838819	1870816	
5. ऋणों की वसूली	5. Recovery of Loans	24737	14291	23500	23000	
6. अन्य प्राप्तियां	6. Other Receipts	14638	65000	60000	61000	
7. उधार और अन्य देयताएं ²	7. Borrowings and Other Liabilities ²	1584521	1661196	1755319	1786816	
8. कुल प्राप्तियां (1+4)	8. Total Receipts (1+4)	3793801	3944909	4187232	4503097	
9. कुल व्यय (10+13)	9. Total Expenditure (10+13)	3793801	3944909	4187232	4503097	Total expenditure estimated for 2023-24
10. राजस्व खाते पर जिसमें से	10. On Revenue Account of which	3200926	3194663	3458959	3502136	
11. ब्याज भुगतान	11. Interest Payments	805499	940651	940651	1079971	
12. पूंजी परिसंपत्तियों के सृजन हेतु सहायता अनुदान	12. Grants in Aid for creation of capital assets	242646	317643	325588	369988	
13. पूंजी खाते पर	13. On Capital Account	592874	750246	728274	1000961	
14. प्रभावी पूंजी व्यय (12+13)	14. Effective Capital Expenditure (12+13)	835520	1067889	1053862	1370949	
15. राजस्व घाटा (10-1)	15. Revenue Deficit (10-1)	1031021	990241	1110546	869855	
		(4.4)	(3.8)	(4.1)	(2.9)	
16. प्रभावी राजस्व घाटा (15-12)	16. Effective Revenue Deficit (15-12)	788375	672598	784958	499867	
		(3.3)	(2.6)	(2.9)	(1.7)	
17. राजकोषीय घाटा [9-(1+5+6)]	17. Fiscal Deficit [9-(1+5+6)]	1584521	1661196	1755319	1786816	Fiscal deficit estimated for 2023-24; in crore and as a % of GDP
		(6.7)	(6.4)	(6.4)	(5.9)	
18. प्राथमिक घाटा (17-11)	18. Primary Deficit (17-11)	779022	720545	814668	706845	
		(3.3)	(2.8)	(3.0)	(2.3)	

Which are the taxes that yield the most receipts to the government?

Use Budget at a Glance (Receipts). The document provides broad information on how the government intends to raise money through different sources.

From the figure below, we can see that the government has estimated to raise a large part of its tax receipts from GST (Rs 9,56,600 crore in 2023-24). We can also notice that Corporation Tax (Rs 9,22,675 crore in 2023-24) and Income Tax (Rs 9,00,575 crore in 2023-24) are major sources of receipts for the government as well.

प्राप्तियां Receipts

(₹ करोड़) (In ₹ crores)

	2021-2022 वास्तविक Actuals	2022-2023 बजट अनुमान Budget Estimates	2022-2023 संशोधित अनुमान Revised Estimates	2023-2024 बजट अनुमान Budget Estimates	
राजस्व प्राप्तियां	REVENUE RECEIPTS				
1. कर राजस्व	I. Tax Revenue				
सकल कर राजस्व	2709315	2757820	3043067	3360858	Corporation tax receipts (2023-24)
क. निगम कर	712037	720000	835000	922675	
ख. आय पर कर	696243	700000	815000	900575	Income tax receipts (2023-24)
ग. धन कर	13	..	..	..
घ. सीमा शुल्क	199728	213000	210000	233100	
ङ. केन्द्रीय उत्पाद शुल्क	394644	335000	320000	339000	
च. सेवा कर	1012	2000	1000	500	
छ. जीएसटी	698114	780000	854000	956600	GST receipts (2023-24)
-केन्द्रीय जीएसटी	591226	660000	724000	811600	
-आइजीएसटी	2119	..	..	..
-जीएसटी क्षतिपूर्ति उपकर	104769	120000	130000	145000	
ज. संघ राज्य क्षेत्रों पर कर	7524	7820	8067	8408	
घटाइए - राष्ट्रीय आपदा आकस्मिकता निधि/राष्ट्रीय आपदा अनुक्रिया निधि को अंतरित एनसीसीडी	6130	6400	8000	8780	
घटाइए - राज्यों का हिस्सा	898392	816649	915798	1021448	
घटाइए - पिछले वर्षों के लिए राज्यों के हिस्से का समायोजन	...	...	32607	...	
1क केन्द्र का निवल कर राजस्व	1804794	1934771	2086662	2330631	

Where can I find the government's expenditure on subsidies and pension?

Use Budget at a Glance (Expenditure). The table on 'Expenditure of Major Items' in the document provides details on the various items on which the government is spending money.

Some of the major subsidises include subsidised fertiliser sold to farmers and food given under the Public Distribution System. Data on the allocation to these subsidies can be found in this document. For instance, Rs 1,97,350 crore has been allocated towards food subsidy in 2023-24. In addition, this document also gives the total expenditure on pension (Rs 2,34,359 crore in 2023-24) across different ministries.

प्रमुख मदों का व्यय Expenditure of Major Items

(₹ करोड़) (In ₹ crore)

		2021-2022 वास्तविक Actuals	2022-2023 बजट अनुमान Budget Estimates	2022-2023 संशोधित अनुमान Revised Estimates	2023-2024 बजट अनुमान Budget Estimates
पेंशन	Pension	198946	207132	244780	234359
रक्षा	Defence	366546	385370	409500	432720
सब्सिडी -	Subsidy -				
उर्वरक	Fertiliser	153758	105222	225220	175100
खाद्य	Food	288969	206831	287194	197350
पेट्रोलियम	Petroleum	3423	5813	9171	2257
कृषि एवं सम्बद्ध कार्यकलाप (पीएम- किसान को छोड़कर) पीएम-किसान*	Agriculture and Allied Activities (Excluding PM-KISAN) PM-KISAN*	76492	83521	76279	84214
वाणिज्य और उद्योग	Commerce and Industry	47068	53116	37540	48169
पूर्वोत्तर का विकास	Development of North East	2653	2800	2755	5892
शिक्षा	Education	80352	104278	99881	112899
ऊर्जा	Energy	53696	49220	70936	94915
विदेश	External Affairs	14146	17250	16973	18050
वित्त	Finance	57364	21354	17908	13574
स्वास्थ्य	Health	84091	86606	77351	88956
गृह	Home Affairs	112301	127020	124872	134917
ब्याज	Interest	805499	940651	940651	1079971
आईटी और दूरसंचार	IT and Telecom	25053	79887	74106	93478
अन्य	Others	108447	113301	108102	120524
योजना और सांख्यिकी	Planning and Statistics	3753	5720	6209	6268
ग्रामीण विकास	Rural Development	228760	206293	243317	238204
वैज्ञानिक विभाग	Scientific Departments	27772	30571	25626	32225
सामाजिक कल्याण	Social Welfare	40595	51780	46502	55080
कर प्रशासन	Tax Administration	177144	171677	177343	194749

Allocation
for pension
(2023-24)

Allocation for
major
subsidies
(2023-24)

How can we find the funds allocated to different heads in a given ministry or department?

Use Expenditure Budget. It gives detailed allocations to different departments and ministries. We take the example of the Department of Agriculture and Farmers Welfare. In the figure below, you can see the total allocation of the given department as well as detailed estimates for different schemes and programmes under it.

MINISTRY OF AGRICULTURE AND FARMERS WELFARE

DEMAND NO. 1

Department of Agriculture and Farmers Welfare

(In ₹ crores)

	Actual 2021-2022			Budget 2022-2023			Revised 2022-2023			Budget 2023-2024			
	Revenue	Capital	Total	Revenue	Capital	Total	Revenue	Capital	Total	Revenue	Capital	Total	
Gross	114827.54	12.89	114840.43	123960.75	39.25	124000.00	110203.20	51.33	110254.53	115489.37	42.42	115531.79	
Recoveries	-372.87	...	-372.87	...	...	...	...	...	...	...	...	...
Receipts	...	...	...	...	...	...	...	...	...	...	...	...
Net	114454.67	12.89	114467.56	123960.75	39.25	124000.00	110203.20	51.33	110254.53	115489.37	42.42	115531.79	
A. The Budget allocations, net of recoveries, are given below:													
CENTRE'S EXPENDITURE													
Establishment Expenditure of the Centre													
1. Secretariat													
1.01	Secretariat	144.79	...	144.79	163.40	...	163.40	168.23	...	168.23	235.89	3.90	239.79
1.02	International Cooperation	39.90	...	39.90	50.73	...	50.73	44.66	...	44.66	45.92	...	45.92
1.03	Other Attached and Subordinate Offices	695.21	...	695.21	380.12	39.25	419.37	662.77	51.33	714.10	1081.14	38.52	1119.66
Total- Secretariat		879.90	...	879.90	594.25	39.25	633.50	875.66	51.33	926.99	1362.95	42.42	1405.37
Central Sector Schemes/Projects													
2. Crop Insurance Scheme													
2.01	Pradhan Mantri Fasal Bima Yojana	13549.24	...	13549.24	15500.00	...	15500.00	12375.76	...	12375.76	13625.00	...	13625.00
3. Interest Subsidy for Short Term Credit to Farmers													
3.01	Interest Subsidy for Short Term Credit to Farmers	21476.93	...	21476.93

Allocation for Dept. of Agriculture in 2023-24

Allocation for Pradhan Mantri Fasal Bima Yojana (2023-24)

How can we find information on funds allocated to a given scheme?

Use Expenditure Profile. Go to the page for Centrally Sponsored Schemes. You should see a table which looks like the one below. This document presents a glossary of all centrally sponsored schemes (schemes that are implemented by state governments but are funded jointly by the central and state governments) in one table.

CENTRALLY SPONSORED SCHEMES

(In ₹ Crores)

MINISTRY/DEPARTMENT	Actuals 2021-2022			Budget Estimates 2022-2023			Revised Estimates 2022-2023			Budget Estimates 2023-2024		
	Revenue	Capital	Total	Revenue	Capital	Total	Revenue	Capital	Total	Revenue	Capital	Total
(A) Core of the Core Schemes	118551.68	...	118551.68	99214.70	...	99214.70	113099.41	...	113099.41	86144.83	...	86144.83
1. Mahatma Gandhi National Rural Employment Guarantee Program	98467.85	...	98467.85	73000.00	...	73000.00	89400.00	...	89400.00	60000.00	...	60000.00
2. National Social Assistance Program	8152.23	...	8152.23	9652.31	...	9652.31	9652.00	...	9652.00	9636.32	...	9636.32
3. Umbrella Programme for Development of Minorities	1428.40	...	1428.40	1810.00	...	1810.00	530.00	...	530.00	610.00	...	610.00
4. Umbrella Programme for Development of Other Vulnerable Groups	1744.65	...	1744.65	1931.00	...	1931.00	1921.00	...	1921.00	2193.97	...	2193.97
5. Umbrella Programme for Development of Scheduled Tribes	3779.16	...	3779.16	4111.38	...	4111.38	3874.02	...	3874.02	4295.40	...	4295.40
6. Umbrella Scheme for Development of Schedule Castes	4979.39	...	4979.39	8710.01	...	8710.01	7722.39	...	7722.39	9409.14	...	9409.14
(B) Core Schemes	337157.73	13.86	337171.59	343556.93	9.56	343566.49	338795.65	6.31	338801.96	389532.00	427.76	389599.76
7. Ayushman Bharat - Pradhan Mantri Jan Arogya Yojna (PMJAY)	3115.55	...	3115.55	6457.00	...	6457.00	6427.00	...	6427.00	6789.01	411.00	7200.01
8. Blue Revolution	1179.17	...	1179.17	1891.00	...	1891.00	1422.00	...	1422.00	2025.00	...	2025.00
9. Border Area Development Programme	216.00	...	216.00	565.72	...	565.72	160.00	...	160.00	600.00	...	600.00
10. Environment, Forestry and Wildlife	657.47	...	657.47	930.19	...	930.19	549.18	...	549.18	758.80	...	758.80
11. Green Revolution	6733.95	12.89	6746.84	...	...	...	...	...	...	...	...	...
12. Infrastructure Facilities for Judiciary	692.60	...	692.60	858.00	...	858.00	858.00	...	858.00	1061.00	...	1061.00
13. Jal Jeevan Mission (JJM)/National Rural Drinking Water Mission	63125.70	...	63125.70	60000.00	...	60000.00	55000.00	...	55000.00	70000.00	...	70000.00
14. Jobs and Skill Development	2073.71	0.11	2073.82	2687.97	0.27	2688.24	1676.43	0.17	1676.60	...	...	...

Allocation for MGNREGA (2023-24)

Allocation for Jal Jeevan Mission (2023-24)

Glossary of key terms

Receipts indicate the money received by the government. This includes: (i) the money earned by the government, and (ii) the money it receives in the form of borrowings or repayment of loans by states.

Capital receipts indicate the receipts which lead to a decrease in assets or increase in liabilities of the government. It consists of: (i) the money earned by selling assets such as shares of public enterprises, and (ii) the money received in the form of borrowings or repayment of loans by states.

Revenue receipts are receipts which do not have a direct impact on the assets and liabilities of the government. This consists of the money earned by the government through tax and non-tax sources (such as dividend income).

Capital expenditure is used to create assets or to reduce liabilities. It consists of: (i) the money spent by the government on creating assets such as roads and hospitals, and (ii) the money given by the government in the form of loans to states or repayment of its borrowings.

Revenue expenditure is the expenditure by the government which does not impact its assets or liabilities. This includes salaries, interest payments, pension, and administrative expenses.

Net borrowings mean the net amount of money borrowed by the government during a year. This equals the total borrowings made in the year minus the repayments made by the government against its existing borrowings.

Outstanding debt is the stock of money borrowed by subsequent governments over the years which the government currently owes. The figure for a financial year indicates the government's outstanding debt at the end of the year.

Fiscal deficit is the gap between the government's expenditure requirements and its receipts. This equals the money the government needs to borrow during the year. A surplus arises if receipts are more than expenditure.

Revenue deficit is the gap between the revenue components of receipts and expenditure, i.e. revenue disbursements and revenue receipts. This indicates the money the government needs to borrow to spend on non-capital components (which do not lead to creation of assets).

Effective revenue deficit is the difference between revenue deficit and the grants given by the government to states, local bodies or implementing agencies for creation of assets.

Primary deficit equals fiscal deficit minus interest payments. This indicates the gap between the government's expenditure requirements and its receipts, not taking into the account the expenditure incurred on interest payments on loans taken during the previous years.

Consolidated Fund of India is the Fund or account into which all government's receipts are credited, and which it uses for financing its expenditure.

Charged expenditure includes expenditure which is not required to be voted on by Parliament and is charged directly from the Consolidated Fund. Such expenditure can still be discussed in Parliament. Examples include interest payments, and salaries and allowances of the President and judges of the Supreme Court.

Voted expenditure consists of all expenditure other than charged expenditure. Such expenditure is required to be voted upon by Parliament in the form of Demands for Grants.

Finance Bill is introduced with the budget and consists of the government's financial proposals for the upcoming year.

Appropriation Bill authorises the government to withdraw money from the Consolidated Fund. It is introduced and voted on after the Demands for Grants are passed.

Sources

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