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| A Glossary of Indian Budget Terms |
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Appropriation Bill: It is presented to Parliament for its approval, so that the government can withdraw from the Consolidated Fund the amounts required for meeting the expenditure charged on the Consolidated Fund. No amount can be withdrawn from the Consolidated Fund till the Appropriation Bill is voted is enacted

Capital Budget: It consists of capital receipts and payments. It also incorporates transactions in the Public Account. It has two components: Capital Receipt and Capital Expenditure.

Capital Expenditure: It consists of payments for acquisition of assets like land, buildings, machinery, equipment, as also investments in shares etc, and loans and advances granted by the Central government to state and union territory governments, government companies, corporations and other parties.

Capital Receipt: The main items of capital receipts are loans raised by the government from public which are called market loans, borrowings by the government from the Reserve Bank of India and other parties through sale of Treasury Bills, loans received from foreign governments and bodies and recoveries of loans granted by the Central government to state and union territory governments and other parties. It also includes proceeds from disinvestment of government equity in public enterprises.

Central Plan: It consists of the government's budget support to the Plan and the internal and extra budgetary resources raised by public enterprises

Consolidated Fund: It is made up of all revenues received by the government, loans raised by it, and also its receipts from recoveries of loans granted by it. All expenditure of the government is incurred from the Consolidated Fund and no amount can be withdrawn from the Fund without authorisation from Parliament

Contingency Fund: It is an imprest placed at the disposal of the President and is used by the government to incur all its urgent and unforeseen expenditure. Parliamentary approval for such expenditure and for withdrawal of an equivalent amount from the Consolidated Fund is subsequently obtained and the amount

spent from the Contingency Fund is recouped to the Fund.

Demands for Grants: It is a statement of estimates of expenditure from the Consolidated Fund and is required to be voted by the Lok Sabha. Generally, one Demand for Grant is presented in respect of each ministry or department.

Expenditure Budget: It contains expenditure estimates made for a scheme or programme under both revenue and capital heads. These estimates are brought together and shown on a net basis at one place by major heads

Finance Bill: This contains the government's proposals for levy of new taxes, modification of the existing tax structure or continuance of the existing tax structure beyond the period approved by Parliament. It is submitted to Parliament along with the Budget for its approval

Fiscal Deficit: It is the difference between the revenue receipts plus certain non-debt capital receipts and the total expenditure including loans (net of repayments). This indicates the total borrowing requirements of the government from all sources.

Monetised Deficit: It indicates the level of support extended by the Reserve Bank of India to the government's borrowing programme.

Non-Plan Expenditure: It includes both revenue and capital expenditure on interest payments, the entire defence expenditure (both revenue and capital expenditure), subsidies, postal deficit, police, pensions, economic services, loans to public enterprises and loans as well as grants to state governments, union territory governments and foreign governments.

Plan Expenditure: It includes both revenue and capital expenditure of the government on the Central Plan, Central assistance to state and union territory plans. It forms a sizeable proportion of the total expenditure of the Central government.

Primary Deficit: It is the difference between fiscal deficit and interest payments

Public Account: It is an account in which money received through transactions not relating to the Consolidated Fund is kept. Besides the normal receipts and expenditure of the government relating to the Consolidated Fund, certain other transactions enter government accounts in respect of which the government acts more as a banker, for example, transactions relating to provident funds, small savings collections, other deposits etc. Such money is kept in the Public Account and the connected disbursements are also made from it. Public Account funds do not belong to the government and have to be paid back some time or the other to the persons and authorities who deposited them. Parliamentary authorisation for payments from the Public Account is not required

Revenue Budget: It consists of the revenue receipts of the government (which is tax revenues plus other revenues) and the expenditure met from these revenues. It has two components: Revenue Receipt and Revenue Expenditure

Revenue Deficit: It refers to the excess of revenue expenditure over revenue receipts. **Revenue Expenditure:** It is meant for the normal running of government departments and various services, interest charges on debt incurred by the government and subsidies. Broadly speaking, expenditure which does not result in creation of assets is treated as revenue expenditure. All grants given to state governments and other parties are also treated as revenue expenditure even though some of the grants may be for creation of assets.

Revenue Receipt: It includes proceeds of taxes and other duties levied by the Centre, interest and dividend on investments made by the government, fees and other receipts for services rendered by the government

Source: Government Budget Documents

