

INTRODUCTORY NOTES

The "Expenditure Profile" compiles relevant data across all Departments/Ministries in order to sketch a profile of the general financial performance of the Government of India. This year, the Government of India took two momentous decisions with regard to budgeting: merging Plan and Non-Plan items of expenditure and merging the Rail Budget with the Union Budget. The Budget 2017-18 does away with the Plan-Non Plan distinction in all budget documents brought out by the Finance Ministry. This document, "Expenditure Profile" is a successor to the erstwhile "Volume 1 of the Expenditure Budget" of the Plan-Non-Plan vintage. The estimates of expenditure in this document include somewhat detailed analysis of transactions of Ministry of Railways to portray the merger of the Rail Budget with the Union Budget in 2017-18.

The "Expenditure Profile" is one of the explanatory documents which aid economic analyses. Including the "Expenditure Profile", the Union Budget of India 2017-18 is laid out in 16 documents: (i) 5 documents, namely, Annual Financial Statement (AFS), Demands for Grants, Appropriation Bill, Finance Bill and Detailed Demand for Grants, which are constitutional requirements; (ii) 4 documents which are statutorily required under the Fiscal Responsibility and Budget Management Act 2003, namely, Macro-economic framework, Fiscal Policy Strategy Statement, Medium Term Fiscal Policy Statement, and Medium Term Expenditure Framework Statement (this last one is presented in the Parliament session, following the Budget session); and (iii) Memorandum Explaining the Provisions in the Finance Bill, 2017, the "Expenditure Profile", the Expenditure Budget, Receipts Budget, Budget at a Glance, Highlights of Budget, which are explanatory documents, published to make the primary documents comprehensible and (iv) the Outcome Budget.

The Detailed demand for Grants is prepared Ministry-wise and brought out by the Departments/Ministries concerned and they present the expenditure of the Government of India in detail till the last unit of appropriation; i.e., the object head. The Expenditure Budget is an intelligible of the voluminous Ministry-wise Detailed Demand of Grants compressed into one document. The "Expenditure Profile" is in the form of reports drawn out of the data presented in Expenditure Budget and some other data of relevance to budgeting.

The Demands for Grants, presented separately under Article 113 of the Constitution, seek the approval of Parliament for "gross" amounts of expenditure without taking into account "recoveries" taken in reduction of expenditure in the accounts. Hence, amounts of these recoveries are also shown in the respective Demands for Grants separately. The expenditure under each major head of account is shown in the Annual Financial Statement net of recoveries. The "Expenditure Profile" also presents expenditure data net of recoveries.

The organisation of the "Expenditure Profile" was a result of a comprehensive relook at the structure of aggregation of budget figures, *apropos* to the Plan-Non-Plan merger. The categories of Centrally Sponsored Schemes and Central Sector Schemes were well-defined by the Department of Expenditure. All the other expenditure of Government of India have been broadly classified into Establishment, Other Central Expenditure covering Central Public Sector Units/ Autonomous Bodies, etc., and Transfers (to States/UTs).

Efforts were concentrated at giving information with minimal repetition, detailed cross-referencing of tables and crisp, concise footnotes so that the information is of maximum utility to both a discerning analyst as well as a lay reader. The "Expenditure Profile" is divided into five parts, namely, Part I- General, Part II- States, Part III- External Sector, Part IV- Establishment and Public Enterprises and Part V - Railways Statements. Footnotes have been provided only where the entries are not self-explanatory and the components or explanations are non-intuitive, and therefore every entry would not entail a footnote.