

Current fiscal trends 2002-03

2.30 The Budget for 2002-03 has envisaged a growth rate of 23.5 percent in personal income tax and 24.5 percent in corporation tax as compared with the revised estimates of the previous year. Revenue from customs duties is targeted to grow by 4.7 percent and excise duties by 22.7 percent in 2002-03. The data on gross collections from major taxes available for the first nine months of the current year (April-December) show recovery in tax collections. Gross tax collections in the first nine months of the current year amounted to 62 percent of BE as compared with 55.3 percent of BE in the corresponding period last year. Improvement in tax collections is noticed in respect of all major taxes except service tax and other taxes. Service and other taxes account for only 3.2 percent of the total gross revenue budgeted for the year. Revenue from corporation tax and income tax amounted to

Rs.53,168 crore, which was higher by 20.8 percent over the collections in the corresponding period last year. Excise duty collections in the first nine months of the current financial year amounted to Rs.55,139 crore registering an increase of 17.6 percent as compared with increase of 4.2 percent in the corresponding period last year. Customs duties increased by 9.5 percent to Rs.33,239 crore compared with a decline of 13.6 percent in the corresponding period last year. In contrast, there is a slippage in the collection of non-tax revenue in the current year. Collections amounted to 64.7 percent of BE compared with 69.4 percent of BE during the corresponding period of last year. In the Budget for 2002-03, receipts from disinvestment of public sector enterprises (PSEs) are budgeted at Rs.12,000 crore. During April-December 2002, an amount of Rs. 3,122 crore was realised by way of such receipts (Table 2.9).

Table 2.9 : Central Government finances

1	2	April-December*		Col. 4 as % of BE 2002-03	% Change over 2001-02 (Col. 4/3)	
		Budget Estimates 2002-03				
			2001-02			2002-03
		(Rs. crore)				
1.	Revenue receipts	245105	132690	150488	61.4	13.4
	Tax revenue (net to Centre)	172965	84996	103844	60.0	22.2
	Non-tax revenue	72140	47694	46644	64.7	-2.2
2.	Capital receipts	165204	101028	105009	63.6	3.9
	of which:					
	Recovery of loans	17680	11734	15618	88.3	33.1
	Other receipts	12000	280	3122	26.0	—
	Borrowings and other liabilities	135524	89014	86269	63.7	-3.1
3.	Total receipts (1+2)	410309	233718	255497	62.3	9.3
4.	Non-plan expenditure (a)+(b)	296809	171778	191025	64.4	11.2
	(a) Revenue account	270169	161131	180472	66.8	12.0
	Of which:					
	Interest payments	117390	71974	73510	62.6	2.1
	Major subsidies	38923	15969	29401	75.5	84.1
	Pensions	15035	9358	9649	64.2	3.1
	(b) Capital account	26640	10647	10553	39.6	-0.9
5.	Plan expenditure (i)+(ii)	113500	61940	64472	56.8	4.1
	(i) Revenue account	70313	38118	38034	54.1	-0.2
	(ii) Capital account	43187	23822	26438	61.2	11.0
6.	Total expenditure [4+5=6(a)+6(b)]	410309	233718	255497	62.3	9.3
	(a) Revenue expenditure	340482	199249	218506	64.2	9.7
	(b) Capital expenditure	69827	34469	36991	53.0	7.3
7.	Revenue deficit	95377	66559	68018	71.3	2.2
8.	Fiscal deficit	135524	89014	86269	63.7	-3.1
9.	Primary deficit	18134	17040	12759	70.4	-25.1
* Provisional and unaudited as reported by Controller General of Accounts, Department of Expenditure, Ministry of Finance.						
Source : Controller General of Accounts.						

2.31 The growth in the total expenditure in the first nine months at 9.3 percent is lower than the budgeted growth rate of 14.3 percent over 2001-02 (Prov.). Non-Plan expenditure up to December 2002 is 64.4 percent of BE as compared with 62.4 percent of BE during the corresponding period last year. This was mainly on account of an increase in the expenditure on food and fertiliser subsidies to Rs.29,401 crore from Rs.15,969 crore in the corresponding period last year. Drought in major parts of the country has necessitated relief measures to mitigate hardship to people. This has exerted considerable pressure on the expenditure front. An amount of Rs. 1,187 crore was released from the Calamity Relief Fund (CRF). An additional

amount of Rs.3,806 crore has been provided in the current year under Sampoorna Gramin Rozgar Yojana and Food for Work Programme.

2.32 The revenue deficit in the first nine months of the current year at 71.3 percent of BE is lower than 84.4 percent of BE recorded in the corresponding period last year. The fiscal deficit in the same period remains lower at 63.7 percent of BE as compared with 76.5 percent of BE in the corresponding period last year. However, higher expenditure on subsidies and pick up in other items of expenditure in the remaining months may exert considerable pressure on the fiscal deficit.