

# 1: Overview of Union Finances 2016-17

## 1.1 Introduction

The annual accounts of the Union Government presented to Parliament, consist of the Finance Accounts and the Appropriation Accounts. The Finance Accounts depict the statements of receipts and payments from the Consolidated Fund, Contingency Fund and Public Account. Appropriation Accounts depict expenditure compared with the amounts authorised by the Legislature and explanations for the resultant excesses/savings under each grant/appropriation.

### Box 1.1: Union Government Funds and the Public Account

Consolidated Fund	<ul style="list-style-type: none"> <li>• All revenues received by the Union Government, all loans raised by issue of treasury bills, internal and external loans and all moneys received by the Government in repayment of loans shall form one Consolidated Fund titled the “Consolidated Fund of India” established under Article 266 (1) of the Constitution of India.</li> </ul>
Contingency Fund	<ul style="list-style-type: none"> <li>• The Contingency Fund of India established under Article 267 (1) of the Constitution is in the nature of an imprest placed at the disposal of the President to enable him/her to make advances to meet urgent unforeseen expenditure, pending authorisation by the Parliament.</li> <li>• Approval of the Legislature for such expenditure and for withdrawal of an equivalent amount from the Consolidated Fund is subsequently obtained, whereupon the advances from the Contingency Fund are recouped to the Fund.</li> </ul>
Public Account	<ul style="list-style-type: none"> <li>• Besides the normal receipts and expenditure of Government, which relate to the Consolidated Fund, certain other transactions enter Government Accounts, in respect of which the Government acts more as a banker. Transactions relating to provident funds, small savings, other deposits, etc. are a few examples.</li> <li>• The public moneys, thus, received are kept in the Public Account, set up under Article 266(2) of the Constitution and the connected disbursements are made therefrom.</li> </ul>

### 1.1.1 Overview of Union Government Finances

This chapter provides an overview of the Accounts of the Union Government during the year 2016-17. It analyses critical changes in major fiscal aggregates in the context of prevalent trends over the period of five years beginning from 2012-13 to 2016-17.

**Table 1.1** summarises the position of finances of the Union Government in terms of revenue receipts, capital receipts, public account receipts and the total disbursement.

Report of the CAG on  
Union Government Accounts 2016-17

**Table 1.1: Estimates and Actuals of Receipts and Disbursements 2016-17: Union Government**

(₹ in crore)

Sl. No.		Budget Estimates (BE)	Revised Estimates (RE)	Actuals	Variation with reference to BE
1.	<b>Total Receipt (7+8+9)</b>	<b>7588743</b>	<b>8886801</b>	<b>9112788</b>	<b>1524045</b> <b>(20.08)</b>
	Revenue Receipts	1632772	1677063	1615988	-16784 (-1.03)
2.	Tax revenue <sup>1</sup>	1060801	1095493	1107968	47167 (4.45)
	Non-tax revenue <sup>2</sup>	571971	581570	508020	-63951 (-11.18)
3.	Miscellaneous Capital Receipts	56500	45500	47743	-8757 (-15.50)
4.	Recovery of Loans and Advances	22495	61686	40971	18476 (82.13)
5.	<b>Total non-Debt Receipts (2+3+4)</b>	<b>1711767</b>	<b>1784249</b>	<b>1704702</b>	<b>-7065</b> <b>(-0.41)</b>
6.	Receipt of Public Debt	4915665	5971210	6134137	1218472 (24.79)
7.	Total receipts in the CFI (5+6)	<b>6627432</b>	<b>7755459</b>	<b>7838839</b>	<b>1211407</b> <b>(18.28)</b>
8.	Contingency fund	0	0	0	<b>0</b>
9.	Public Account Receipt	961311	1131342	1273949	312638 (32.52)
10.	<b>Total disbursement (16+17)</b>	<b>7581937</b>	<b>8927028</b>	<b>9103892</b>	<b>1521955</b> <b>(20.07)</b>
11.	Revenue Expenditure	1987285	1988720	1933018	-54267 (-2.73)
12.	Capital Expenditure	219146	243612	249472	30326 (13.84)
13.	Loans and Advances	39738	88382	60011	20273 (51.02)
14.	<b>Total expenditure (11+12+13)</b>	<b>2246169</b>	<b>2320714</b>	<b>2242501</b>	<b>-3668</b> <b>(0.16)</b>
15.	Repayment of Public Debt	4406431	5491869	5678823	1272392 (28.88)
16.	Total disbursement out of the CFI (14+15)	6652600	7812583	7921324	1268724 (19.07)
17.	Public Account Disbursement	929337	1114445	1182568	253231 (27.25)
18.	Revenue Deficit (11-2)	354513	311657	317030	-37483 (-10.57)
19.	Fiscal Deficit (14-5)	534402	536465	537799	3397 (0.64)
<p>1. Does not include Taxes on Income assigned to States ₹ 5,70,337 crore (BE) and ₹ 6,08,000 crore (Actual) under Article 270 of the Constitution.</p> <p>2. Includes grants-in-aid and contributions.</p> <p>3. Figures in parentheses indicate percentage variation.</p>					

The miscellaneous capital receipts including disinvestments (₹ 47,743 crore) remained lower than the budget projections of ₹ 56,500 crore. On the expenditure side, capital expenditure exceeded (₹ 30,326 crore) what had been provided for in the budget.

The imbalance on the revenue account shows up in revenue deficit viz., which was ₹ 3,17,030 crore as against the budgeted figure of ₹ 3,54,513 crore, lower by 10.57 *per cent* of budgeted figure. Overall imbalance results in fiscal deficit of ₹ 5,37,799 crore as against the budgeted provision of ₹ 5,34,402 crore, which was 0.64 *per cent* higher than the budgeted figure. **Para 1.4** contains detailed comments on indicators of deficit.

### 1.1.2 Gross Domestic Product

The Central Statistics Office (CSO), Ministry of Statistics and Programme Implementation vide its press notes dated 31 January 2017 and 31 May 2017 released estimates of Gross Domestic Product (GDP). Estimates of GDP for 2012-13 to 2016-17 as detailed in **Table 1.2**<sup>1</sup> below.

**Table 1.2: Gross Domestic Product 2016-17**

(₹ in crore)					
GDP	2012-13	2013-14	2014-15	2015-16	2016-17 (PE)
At Constant Prices	9215125	9817822	10536984	11381002	12189854
<i>Percentage change over previous year</i>	5.48	6.54	7.33	8.01	7.11
At Current Prices	9946636	11236635	12445128	13682035	15183709
<i>Percentage change over previous year</i>	13.86	12.97	10.75	9.94	10.98

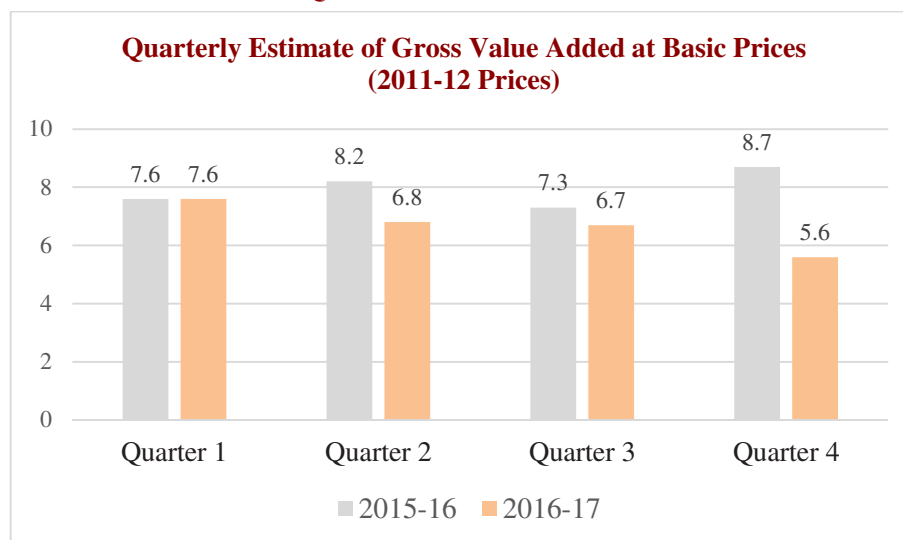
PE- Provisional Estimates.

GDP at constant prices (Base year 2011-12) for the year 2016-17 was estimated at ₹ 1,21,89,854 crore while the GDP for the year 2015-16 was estimated at ₹ 1,13,81,002 crore. The growth in GDP at constant prices declined to 7.11 *per cent* in 2016-17 against the growth rate of 8.01 *per cent* in 2015-16. A quarter-wise analysis of the Gross Value Added (GVA)<sup>2</sup> at constant prices (2011-12) indicates that the growth in the first quarter of 2016-17 was the same as in 2015-16 i.e., at 7.6 *per cent*. However, rates of growth in the subsequent three quarters in 2016-17 as compared with the corresponding quarters in 2015-16 witnessed a decline as shown in the **Chart 1.1** below.

<sup>1</sup> GDP estimates for 2012-13 and 2013-14 are taken from press note dated 31 January 2017 and the 2014-15 to 2016-17 from press note dated 31 May 2017.

<sup>2</sup> GDP net of taxes on product

**Chart 1.1: Quarter-wise GVA in 2015-16 and 2016-17**



As evident from above, the slowdown in GDP started from the second quarter and became more pronounced in the fourth quarter of 2016-17.

GDP at current prices for the year 2016-17 is estimated at ₹ 1,51,83,709 crore while the GDP for the year 2015-16 was estimated at ₹ 1,36,82,035 crore, showing a growth rate of 10.98 *per cent*. The growth of GDP at constant prices is lower in 2016-17 compared to the previous year. GDP at current prices, however, is higher in 2016-17 against the previous year. It should be noted that in this report, the GDP at current prices has been taken as base while analysing the various fiscal indicators as required under the Fiscal Responsibility and Budget Management (FRBM) Act, 2003.

## 1.2 Resource Generation

Revenue and capital are two streams of receipts that constitute resources of the Union Government. Revenue receipts consist of tax revenue, non-tax revenue and Grants-in-aid from external agencies. Capital receipts have two components - debt receipts, which create future repayment obligations and non-debt receipts, which constitute proceeds from disinvestment and recoveries of loans and advances, leading to reduction in the actual or potential asset base.

**Table 1.3: Resources and GDP**

(₹ in crore)

Period	Gross Revenue Receipts* (1)	Non-debt Capital Receipts (2)	Gross Debt Receipts (3)	Gross Accruals into Public Account (4)	Gross Receipts (1+2+3 +4) (5)	Gross Debt Receipt/Gross Receipt (in per cent) (6)	Gross Receipts/GDP <sup>3</sup> (in per cent) (7)
2012-13	1347438 (22)	52513 (1)	3968038 (66)	660784 (11)	6028773	65.82	60.61
2013-14	1536024 (24)	53917 (1)	3994966 (64)	692960 (11)	6277867	63.64	55.87
2014-15	1666717 (25)	64287 (1)	4218196 (62)	850506 (12)	6799706	62.03	54.64

<sup>3</sup> Figure of GDP in Table 1.2 above.

**Union Government Finances: Overview**

2015-16	1942353 (26)	84010 (1)	4316950 (58)	1116692 (15)	7460005	57.87	54.52
2016-17	2223988 (23)	88714 (1)	6134137 (63)	1273949 (13)	9720788	63.10	64.02

\*Includes figures of taxes and duties assigned to States (₹ 6,08,000 crore for current year). Net revenue receipts to the Centre is ₹ 16, 15,988 crore in current year, as reflected in **Table 1.1**.

Note: (1) Figures in parentheses indicate percentage of Gross receipts.

As can be seen from **Table 1.3**, Gross receipt to GDP ratio showed a declining trend during 2012-13 to 2015-16, but improved over previous years in 2016-17 and stood at 64.02 per cent in 2016-17. The year 2016-17 was characterised by a growth of 14.50 per cent in gross revenue receipts as compared to 16.54 per cent in 2015-16. Ratio of gross debt receipts to gross receipts remained above the level of 60 per cent except in 2015-16 (57.87 per cent) which indicates continued dependence on debt to finance the Union Budget.

### 1.2.1 Revenue receipts

Revenue receipts, comprising tax and non-tax receipts, are the most important sources of revenue as no future payment obligations are created by these receipts. Components of revenue receipts are discussed in succeeding paras.

### 1.2.2 Revenue Receipts: Gross and Net

**Table 1.4** presents an overview of the Union Government finances in relation to revenue receipts both gross and net.

**Table 1.4: Revenue Receipts: Gross and Net**

(₹ in crore)						
Period	Gross Tax Revenue	Share of States*	Net Tax Revenue s	Non-Tax Revenues#	Net Revenue Receipt	Gross Revenue Receipts
(1)	(2)=(3)+(4)	(3)	(4)	(5)	(6)=(4)+(5)	(7)= (2)+(5)
2012-13	1036461	291547	744914	310977	1055891	1347438
2013-14	1138996	318230	820766	397028	1217794	1536024
2014-15	1245136	337808	907328	421581	1328909	1666717
2015-16	1455891	506193	949698	486462	1436160	1942353
2016-17	1715968	608000	1107968	508020	1615988	2223988
Annual Rate of Growth (per cent)						
2012-13	16.57	14.15	17.55	12.44	16.00	15.59
2013-14	9.89	9.15	10.18	27.67	15.33	14.00
2014-15	9.32	6.15	10.55	6.18	9.12	8.51
2015-16	16.93	49.85	4.67	15.39	8.07	16.54
2016-17	17.86	20.11	16.67	4.43	12.52	14.50

# includes Grant-in-aid and contributions from external Agencies

\*The transfer to States in the form of share in central tax revenues as shown in Union Government Finance Accounts is subject to final ascertainment and certification under Article 279(1).

During 2016-17, gross tax revenue increased by 17.86 per cent over the previous year and also surpassed the growth of GDP at current prices of 10.98 per cent (**Table 1.2**).

The growth of non-tax revenues of the government showed high fluctuation during 2012-2017 ranging from 4.43 *per cent* in 2016-2017 to 27.67 *per cent* in 2013-14.

Growth in gross revenue receipts in 2016-17 was 14.50 *per cent* as compared to 16.54 *per cent* in 2015-16.

### 1.2.3 Components of revenue receipts: Gap between Actuals and Budget Estimates

Formulating realistic budgetary estimates is vital for expenditure control and cash and debt management. The chart below exhibits the key components of actual revenue receipts vis-à-vis BE.

**Chart 1.2 Actuals of key Revenue Components vis-a-vis BE: 2016-17**



**Chart 1.2** indicates shortfall in the actual realisation in respect of budgeted target of all components, except Excise Duty and Service Tax. The realisation from Excise Duty and Service tax was higher by 19.71 *per cent* and 10.17 *per cent* respectively over the BE in the year 2016-17.

### 1.2.4 Tax revenue

**Table 1.5** depicts components of direct and indirect tax revenue over the last five years in absolute terms as well as annual rate of growth.

**Table 1.5: Components of tax revenue (gross)**

(₹ in crore)

Period	Gross Tax Revenue#	Direct Taxes*				Indirect Taxes					GDP at current prices
		Corporation Tax	Income Tax	Other	Total	Customs Duties	Excise Duties	Service Tax	Others	Total	
2012-13	1036461	356326	196844	5819	558989	165346	175845	132601	3680	477472	9946636
2013-14	1138996	394678	237870	6048	638596	172085	169455	154780	4080	500400	11236635
2014-15	1245136	428925	258374	8493	695792	188016	189038	167969	4321	549344	12445128
2015-16	1455891	453228	280390	8394	742012	210338	287148	211415	4978	713879	13682035
2016-17	1715968	484924	340592	24285	849801	225370	380495	254499	5803	866167	15183709

Period	Gross Tax Revenue#	Direct Taxes*				Indirect Taxes					GDP at current prices
		Corporation Tax	Income Tax	Other	Total	Customs Duties	Excise Duties	Service Tax	Others	Total	
<b>Annual Rate of Growth (per cent)</b>											
2012-13	16.57	10.38	19.64	-12.44	13.16	10.73	21.36	35.99	8.46	20.84	13.86
2013-14	9.89	10.76	20.84	3.94	14.24	4.08	-3.63	16.73	10.87	4.80	12.97
2014-15	9.32	8.68	8.62	40.43	8.96	9.26	11.56	8.52	5.91	9.78	10.75
2015-16	16.93	5.67	8.52	-1.17	6.64	11.87	51.90	25.87	15.20	29.95	9.94
2016-17	17.86	6.99	21.47	189.31	14.53	7.15	32.51	20.38	16.57	21.33	10.98

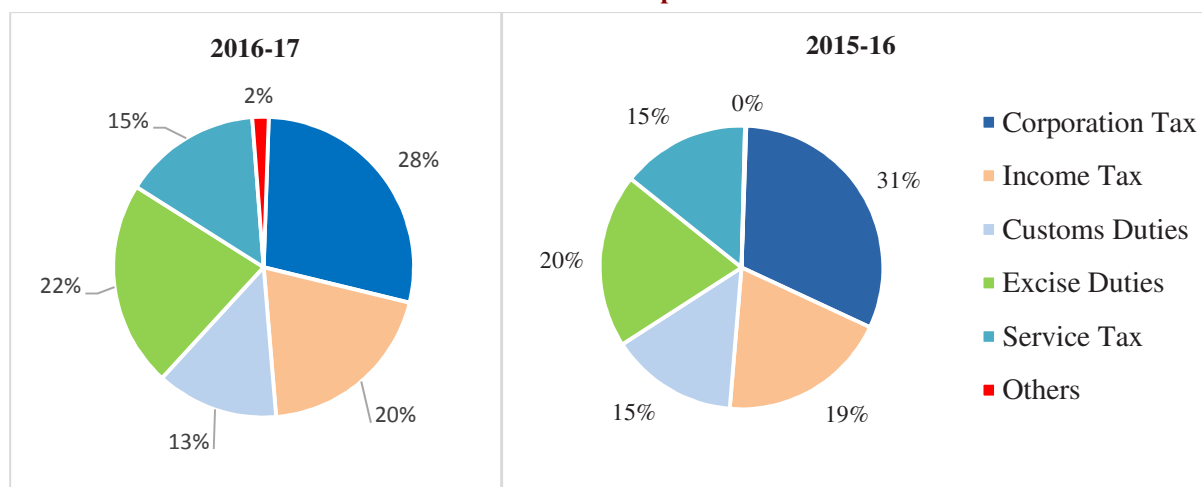
# Includes figures of taxes/duties assigned to States/UTs.

\*Direct Taxes includes Gross of Taxes on Income and Expenditure and Taxes on Property, Capital and other Transaction except Major Heads 0029-Land Revenue and 0030-Stamp and Registration Fees.

All components of direct tax registered a growth in 2016-17 in comparison to the previous year resulting in overall growth in direct tax of 14.53 per cent during 2016-17 as compared to the growth of 6.64 per cent in 2015-16. Income tax recorded the highest growth of 21.47 per cent in 2016-17 during the last five years. In the case of 'Others' which increased by 189.31 per cent during current year, it was mainly due to receipt of ₹ 15,162 crore under Income Declaration Scheme and Pradhan Mantri Garib Kalyan Yojana (₹ 10,098 crore), etc. In indirect taxes, though all components have increased in absolute term yet their growth rate has declined except 'Others' during 2016-17 over the previous year.

A comparison of relative shares of components of tax revenues during 2016-17 and 2015-16 (**Chart 1.3**) shows increase in share of excise duties (two per cent) and income tax (one per cent) and decrease in share of corporation tax (three per cent) and custom duties (two per cent). The share of service tax remained the same for both years.

**Chart 1.3: Components of tax revenue**



Zero per cent denotes value less than 0.5 per cent

### 1.2.5 Tax-GDP ratio (in percentage terms)

Tax-GDP ratio is the indicator of adequacy and effectiveness of Government's resource mobilization efforts and the extent of realisation of the tax potential.

**Table 1.6** presents the trends of Gross Tax-GDP ratio over the period 2012-13 to 2016-17, which remained around 10 to 11 *per cent*.

**Table 1.6: Tax /GDP ratio of major taxes**

*(in per cent)*

Period	Gross Tax Revenue	Corporation Tax	Income Tax	Customs Duties	Excise Duties	Service Tax	Others*
2012-13	10.42	3.58	1.98	1.66	1.77	1.33	0.10
2013-14	10.14	3.51	2.12	1.53	1.51	1.38	0.09
2014-15	10.01	3.45	2.08	1.51	1.52	1.35	0.10
2015-16	10.64	3.31	2.05	1.54	2.10	1.55	0.10
2016-17	11.30	3.19	2.24	1.48	2.51	1.68	0.20

\*Others includes Hotel Receipts Tax, Interest Tax, Other Taxes on Income and Expenditure, Stamps and Registration Fees, Securities Transaction Tax, Taxes on Sales, Trade, Other Taxes and Duties on Commodities and Services etc.

### 1.2.6 Collection of Cess

A cess is an additional tax levied by the Government to raise funds for a specific purpose. Cess collections are initially credited to the CFI. In the Union Finance Accounts, there exists a separate segregation of union excise non-shareable duties. An amount of ₹ 1,31,216 crore has been shown as union excise non-shareable duties in Union Government Finance Accounts for the Financial Year 2016-17. The total collection of cess during the period 2012-13 to 2016-17 is shown in **Table 1.7** below.

**Table 1.7: Collection of Cess**

*(₹ in crore)*

Year	Primary Education Cess	Higher and Secondary Education Cess	Clean Energy Cess	Cess on Crude oil	Road Cess	Others*	Total
2012-13	20946	9867	3053	14510	19979	2990	71345
2013-14	22837	11266	3082	14533	20478	4489	76685
2014-15	24219	11960	5393	14655	25122	4035	85384
2015-16	18783	9240	12676	14311	69540	7847	132397
2016-17	20220	10028	26117	12618	72400	30785	172168
<b>Annual Rate of Growth (per cent)</b>							
2012-13	23.95	22.31	18.33	78.65	8.81	-7.11	24.62
2013-14	9.03	14.18	0.95	0.16	2.50	50.13	7.48
2014-15	6.05	6.16	74.98	0.84	22.68	-10.11	11.34
2015-16	-22.45	-22.74	135.05	-2.35	176.81	94.47	55.06
2016-17	7.65	8.53	106.04	-11.83	4.11	292.32	30.04

\*Others comprises Cess on Export, Infrastructure Cess, Cess on Coal and Coke, Cess on Jute, Cess on Tea, Cess on Copara, Swachh Bharat Cess, Krishi Kalyan Cess, Receipt under Research and Development Cess Act, 1986 etc.



**Table 1.7** shows an overall growth in cess collection by 30.04 *per cent* during 2016-17. Clean Energy Cess showed a growth of 106.04 *per cent* during the same period. The growth in Primary Education Cess and Higher and Secondary Education Cess has increased by 7.65 *per cent* and 8.53 *per cent* respectively over the previous year. However, the growth in cess on crude oil has decreased by 11.83 *per cent*. The increase of 292 *per cent* in annual growth under ‘Others’ was primarily due to collection of Krishi Kalyan Cess (₹ 8,379 crore) and Swachh Bharat Cess (₹ 12,475 crore).

### 1.2.7 Non-tax revenue

Non tax revenues comprised of two components: income from sovereign functions like judiciary, police, currency and coinage and those arising from assets/investment or dividends or from user charges collected by Railways, Post and Departmental Undertakings. Composition of non-tax revenue is given in **Table 1.8** below.

**Table 1.8: Composition of Non-tax revenue (Share and growth rate)**

Period	Total Non-tax Revenue#	Interest Receipts	Dividends and Profits	Social Services	Economic Services	Sovereign and Other Functions**
						(₹ in crore)
2012-13	310977	38860	53762	4819	184662	28874
Relative share( <i>per cent</i> )	100	12.50	17.29	1.55	59.38	9.28
2013-14	397028	44027	90442	1316	227661	33582
Relative share( <i>per cent</i> )	100	11.09	22.78	0.33	57.34	8.46
2014-15	421582	48007	89861	1735	243512	38467
Relative share( <i>per cent</i> )	100	11.39	21.32	0.41	57.76	9.12
2015-16	486462	46325	112136	10100	279710	38191
Relative share( <i>per cent</i> )	100	9.52	23.05	2.08	57.50	7.85
2016-17	508020	43496	123021	11998	286597	42908
Relative share( <i>per cent</i> )	100	8.56	24.22	2.36	56.41	8.45
<b>Annual Rate of Growth</b>						
2012-13	12.44	(-)2.98	6.23	387.75	16.67	8.39
2013-14	27.67	13.30	68.23	(-)72.69	23.29	16.31
2014-15	6.18	9.04	(-)0.64	31.84	6.96	14.55
2015-16	15.39	(-)3.50	24.79	482.13	14.86	(-)0.72
2016-17	4.43	(-)6.11	9.71	18.79	2.46	12.35

# includes Grant-in-aid and contributions from external Agencies.

Social Services: include education, health, water supply, sanitation, social security etc.

Economic Services: include dairy development, animal husbandry, fisheries, forestry, plantation, food storage and warehousing, agricultural and rural development programmes, user charges for irrigation, provision of energy, receipts of Departmentally managed Government Undertakings, etc.

\*\* Fiscal services and General Services (Police, Public Works, Defence, Other Administrative Services, Grants-in-aid and Contributions etc.)

In 2016-17, the largest share of non-tax revenue (56.41 *per cent*) came from user charges levied by various departments which offer Economic Services to the general public (**Table 1.8**). Interest receipts constituted 8.56 *per cent* of non-tax revenue (0.96 percentage points lower than the previous year), while dividends and profits accounted for 24.22 *per cent* (1.17 percentage points above previous year).

The non-tax revenue grew by 4.43 *per cent* during 2016-17 as against the growth of 15.39 *per cent* in 2015-16. This was mainly due to decline in the growth of all components of non-tax revenue except Sovereign and Other Functions.

Growth in Social Services of 18.79 *per cent* over previous year was mainly due to receipt of ₹ 3,428 crore in Social Security and Welfare services.

Receipts from Dividend and Profits witnessed a growth of 9.71 *per cent* during 2016-17 due to excess receipt of ₹ 13,297.97<sup>4</sup> crore under the head 'Dividend from Public undertakings' over the previous year.

Receipts from Economic Services, Social Services and Dividend and Profits are the major constituents of non-tax revenue. The important components of Economic and Social sectors are given in **Table 1.9** below.

**Table 1.9: Major components of revenues under Economic and Social Sector**

(₹ in crore)

Period	Indian Railways-Commercial Lines	Petroleum	Road and Bridges	Other General Economic Services	Coal and Lignite	Medical and Public Health
2012-13	122953 (39.54)	14806 (4.76)	4007 (1.29)	3148 (1.01)	88 (0.03)	311 (0.10)
2013-14	138776 (34.95)	16525 (4.16)	5298 (1.33)	3368 (0.85)	136 (0.03)	345 (0.09)
2014-15	155904 (36.98)	14480 (3.43)	6103 (1.45)	4774 (1.13)	6179 (1.47)	348 (0.08)
2015-16	163497 (33.61)	9492 (1.95)	6889 (1.42)	5231 (1.08)	545 (0.11)	363 (0.07)
2016-17	161583 (31.81)	10797 (2.13)	7326 (1.44)	7802 (1.54)	433 (0.09)	413 (0.08)

Figures in the parentheses show percentage of non-tax revenue.

Under Economic Services, the main schemes/programme/functions responsible for the annual growth of 2.46 *per cent* (**Table 1.8**) were receipts from 'Petroleum', which increased from ₹ 9,492 crore in 2015-16 to ₹ 10,797 crore in 2016-17, 'Roads and Bridges' which increased from ₹ 6,889 crore to ₹ 7,326 crore and 'Other General Economic Services' which increased from ₹ 5,231 crore to ₹ 7,802 crore during the same period. However, revenue from 'Indian Railways (Commercial Lines)' and Coal & Lignite decreased in 2016-17 over previous year by ₹ 1,914 crore and ₹ 112 crore respectively.

The details of non-tax revenue received by way of dividends and profits are detailed in **Table 1.10**. It increased from ₹ 1,12,136 crore in 2015-16 to ₹ 1,23,021 crore in 2016-17.

<sup>4</sup> ₹ 53,194.91 crore during 2016-17- ₹ 39,896.94 crore for 2015-16 under heads 0050.00.101

**Table 1.10: Composition of Dividend and Profit***(₹ in crore)*

Period	Share of surplus profits from RBI	Dividends from Public Undertakings	Share of profit from nationalised Banks	Dividend from Others	Total Dividend and profits	Non Tax Revenue
2012-13	16010 (5.15)	30630 (9.85)	5656 (1.82)	1466 (0.47)	53762	310977
2013-14	33010 (8.31)	47333 (11.92)	8184 (2.06)	1915 (0.48)	90442	397028
2014-15	52679 (12.50)	32996 (7.83)	2456 (0.58)	1730 (0.41)	89861	421582
2015-16	65896 (13.55)	39897 (8.20)	4214 (0.87)	2129 (0.44)	112136	486462
2016-17	65876 (12.97)	53195 (10.47)	1445 (0.28)	2505 (0.49)	123021	508020

*Figures in parentheses show percentage of Non Tax Revenue.*

The share of dividend from Public Undertakings increased from ₹ 39,897 crore (8.20 per cent of non-tax revenue) in 2015-16 to ₹ 53,195 crore (10.47 per cent of non-tax revenue) in 2016-17. However, transfer of surplus profit from RBI, which was ₹ 65,896 crore (13.55 per cent of non-tax revenue) in 2015-16, decreased to ₹ 65,876 crore (12.97 per cent of non-tax revenue) in 2016-17.

The government account recognises transactions on the basis of 'as and when received'. Due to the difference in the financial year of the Union Government (April-March) and the Reserve Bank of India (RBI) (July-June), the RBI surplus of ₹ 65,876 crore declared for the year ended 30 June 2016 has been recognised in 2016-17. However, the surplus declared for the RBI's FY 2016-17 (1 July 2016 – 30 June 2017) by the RBI would be reflected in the Finance Accounts of the Government of India for the year 2017-18. As can be seen from **Table 1.10A** below, the share of surplus profits from RBI for its financial year ended 30 June 2017 declined to ₹ 30,663 crore from ₹ 65,876 crore in financial year ended 30 June 2016. The fall in surplus payable by RBI was due to the fall in its income as well as increase in expenditure on printing of currency notes and transfer to the RBI Contingency Fund.

The details of net income of RBI, expenditure and surplus transfer to Union Government up to the financial year ending 31 March 2018 is detailed in **Table 1.10A** below.

**Table 1.10A: Surplus transferred by RBI**

(₹ in crore)

Description	2013-14*	2014-15*	2015-16*	2016-17*	2017-18*
Net Income of RBI RBI Financial year (1 July 2016 to 30 June 2017)	45564	64617	79256	80870	61818
Expenditure	12549	11934	13356	14990	31155
Surplus transferred to the Union Government Govt. Financial year(1 April 2017 to 31 March 2018)	33010	52679	65896	65876	30663

\* Refers to Financial Year of the Union Government

### 1.2.8 Non-debt capital receipts

Non-debt capital receipts consist of miscellaneous capital receipts (bonus shares, disinvestment, etc.) and recovery of loans and advances from States and Union Territories, Foreign Governments, Government corporations, non-government institutions and government servants. During the period 2012-13 to 2016-17, there was shortfall in miscellaneous capital receipts as compared to the BE. On the other hand, the recovery of loans and advances was significantly higher than the BE during the same period, (Table 1.11).

**Table 1.11: Realisation from Non-Debt Capital Receipt**

Period	Miscellaneous Capital Receipt			Recovery of Loans and Advances		
	BE	Actual*	Percentage of Actual to BE	BE	Actual	Percentage of Actual to BE
	(₹ in crore)			(₹ in crore)		
2012-13	30000	25408	84.69	23095	26624	115.28
2013-14	55814	29368	52.62	22054	24549	111.31
2014-15	63425	37737	59.50	22817	26547	116.35
2015-16	69500	42132	60.62	22714	41878	184.37
2016-17	56500	46249	81.86	22495	40971	182.13

Source: Annual Financial Statement and Union Government Finance Accounts.

\*Does not include receipts from bonus shares.

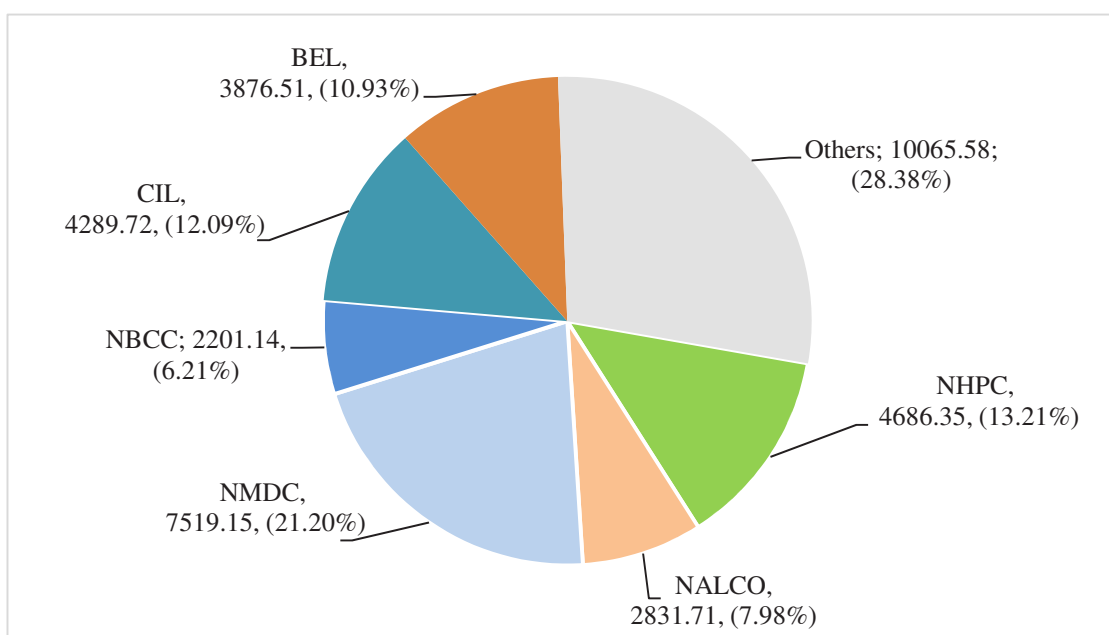
Disinvestment constitutes a major portion of the miscellaneous capital receipt. **Chart 1.4** indicates that only four units viz. NMDC Limited, NHPC Limited, Coal India Limited (CIL) and Bharat Electronics Limited (BEL) contributed 57.43 per cent (₹ 20,371.73 crore) of the total disinvestment proceeds of ₹ 35,470.16 crore.

Other Central Public Sector undertakings, equities of which were disinvested, were National Aluminium Company Limited (NALCO) (₹ 2831.71 crore, 7.98 per cent), NBCC (India) Limited (₹ 2,201.14 crore, 6.21 per cent) and others<sup>5</sup> (₹ 10,065.58 crore, 28.38 per cent).

<sup>5</sup> Others include IOCL, NTPC, HCL, MOIL, Engineers India, CONCOR, DCIL, Neyveli Lignite Corporation Ltd, GAIL, ONGC, PFC, REC, Oil India etc.

**Chart 1.4: Component of disinvestment proceeds**

(₹ in crore)



### 1.2.9 Return on Investments

The number of statutory corporations, government companies, other joint stock companies, co-operative banks and societies and international bodies. Ministry/Department wise along with dividend received during the year 2016-17 are given in **Table 1.12** below.

**Table 1.12: Number of CPSEs paying dividend**

(₹ in crore)

Ministry/ Department	Number of CPSEs	Dividend received	Ministry/Departments	Number of CPSEs	Dividend received
Civil Aviation and tourism	4	1063	Coal	3	11018
Finance	9	3911	Industry	4	238
Petroleum and Natural Gas	8	19442	New and Renewable Energy	2	102
Steel & Mines	8	8283	Shipping	3	133
Railways	8	1406	Urban Affairs	3	344
Defence	8	1773	Atomic Energy	3	692
Power	8	8262*	Others**	37	67741
<b>Total</b>				<b>108</b>	<b>124408</b>

Source: Statement No 11 of Union Government Finance Accounts.

\*Dividends of ₹25 crore pertains to DONER.

\*\*Others includes State Co-operative Banks/Institutions and other units.

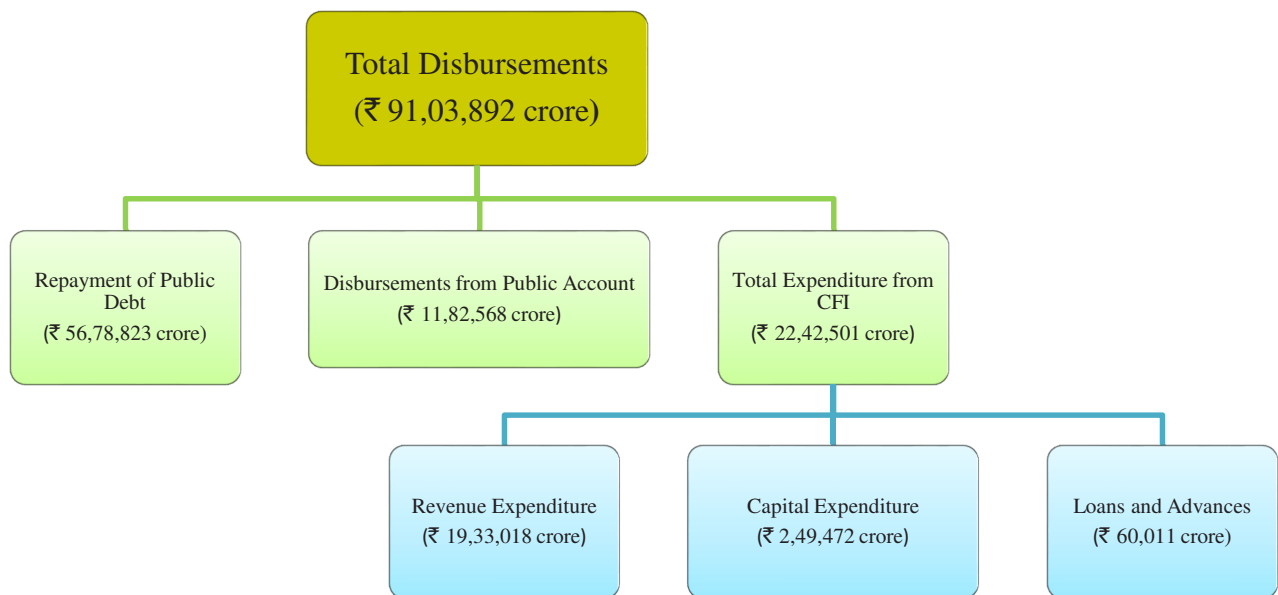
During 2016-17, the Union Government received a dividend of ₹ 1,24,408 crore from 108 Government companies and corporations against the total investment of ₹ 6,68,744.42 crore in 342 Central Public Sector Enterprises (CPSEs) which was 18.60 per cent of investment as on 31 March 2017. The progressive total

investment increased from ₹ 6,07,604.78 crore on 31 March 2016 to ₹ 6,68,744.42 crore on 31 March 2017. The major contributors of dividend were Reserve Bank of India (₹ 65,876 crore), Coal India Limited, (₹ 9,771 crore), Hindustan Zinc Ltd (₹ 6,664 crore), Oil and Natural Gas Corporation Ltd, (₹ 6,544 crore), Indian Oil Corporation Ltd. (₹ 6,231 crore), Bharat Petroleum Corporation of India Ltd. (₹ 3,098 crore), NTPC Ltd (₹ 2,507 crore), Life Insurance Corporation (₹ 2,502 crore), National Hydro Electric Power Corporation Ltd. (NHPC) (₹ 1,881 crore), Hindustan Petroleum Corporation Ltd (₹ 1,777 crore), Nationalised Banks (₹ 1,445 crore), Neyveli Lignite Corporation Ltd (₹ 1,183 crore), Rural Electrification Corporation Ltd (₹ 1,126 crore), and Airport Authority of India (₹ 1,042 crore).

### 1.3 Expenditure Analysis

The total disbursements from the Consolidated Fund of India and the Public Account were to the tune of ₹ 91,03,892 crore in 2016-17 as shown in **Box 1.2**.

**Box 1.2: Components of Total Disbursements**



During 2016-17, total disbursements increased by 30.67 per cent as compared to ₹ 69,66,982 crore in 2015-16. Of the total disbursement of ₹ 91,03,892 crore, disbursement from CFI was 87.01 per cent (towards repayment of public debt 62.38 per cent and total expenditure from CFI 24.63 per cent). Remaining 12.99 per cent of disbursement was from Public Account. The contribution of the Public Account was 16.13 per cent in 2015-16, which declined to 12.99 per cent in 2016-17.

**Table 1.13** depicts that the share of total expenditure from CFI (does not include repayment of public debt) in total disbursements has decreased from 30.22 per cent

in 2015-16 to 24.63 per cent in 2016-17, though in absolute terms, it increased by ₹1,36,834 crore.

**Table 1.13: Share of various components of total Disbursement**

(₹ in crore)

Particulars	2012-13	2013-14	2014-15	2015-16	2016-17
<b>Components of Total Disbursement</b>					
Repayment of Public Debt	3426893 (60.27)	3511291 (59.11)	3707700 (56.70)	3737657 (53.65)	5678823 (62.38)
Disbursements from Public Account	656403 (11.54)	654239 (11.01)	922899 (14.11)	1123658 (16.13)	1182568 (12.99)
Total Expenditure from CFI (TE)	1602918 (28.19)	1774941 (29.88)	1909144 (29.19)	2105667 (30.22)	2242501 (24.63)
<b>Components of Total Expenditure from CFI</b>					
Revenue Expenditure (RE)	1420473 (88.62)	1575097 (88.74)	1695137 (88.79)	1779529 (84.51)	1933018 (86.20)
Capital Expenditure (CE)	150382 (9.38)	168844 (9.51)	172085 (9.01)	278866 (13.24)	249472 (11.12)
Loans and Advances (LA)	32063 (2.00)	31000 (1.75)	41922 (2.20)	47272 (2.24)	60011 (2.68)

Figures in parentheses show percentage of total disbursement/total expenditure

The proportion of repayment of public debt in the total disbursement has gone up from 53.65 per cent in 2015-16 to 62.38 per cent in 2016-17. Revenue expenditure as a proportion of the total expenditure increased from 84.51 per cent during 2015-16 to 86.20 per cent in 2016-17 whereas capital expenditure decreased from 13.24 per cent to 11.12 per cent during same period.

### 1.3.1 Sectoral Expenditure

In the accounts of the Union Government, expenditure is accounted under various heads which, in turn, are grouped into three sectors, namely General Services, Social Services and Economic Services.

**Table 1.14** presents the details of sectoral expenditure. In relation to the total expenditure, General Services showed an increase from 47.42 per cent in 2012-13 to 53.07 per cent in 2016-17 while expenditure on Economic Services has remained between 40 to 44 per cent during the same period. In Social Services, the expenditure share remained below 10 per cent for the period of 2012-13 to 2016-17.

**Table 1.14: Sectoral expenditure of Union Government**

(₹ in crore)

Year	General Service		Social Service		Economic Service		Total
	Amount	As % of Total Expenditure	Amount	As % of Total Expenditure	Amount	As % of Total Expenditure	
2012-13	666406	47.42	124725	8.87	614306	43.71	1405437
2013-14	767915	49.14	142426	9.12	652316	41.74	1562657
2014-15	843093	54.16	68663	4.41	645003	41.43	1556759
2015-16	896486	50.56	100682	5.68	775879	43.76	1773047
2016-17	1025561	53.07	116023	6.01	790729	40.92	1932313

Notes: The sectoral classification excludes loans to Foreign Governments, State governments, UTs, loans to Government Servants and revenue expenditure on account of Grant in Aid which do not fall under any specific group.







































































