

GLOSSARY

Glossary

| | |
|---|---|
| Annual Financial Statements (Budget) | In terms of Article 112 of the Constitution the President shall in respect of every financial year cause to be laid before both the Houses of Parliament a statement of the estimated receipts and expenditure of the Government of India for that year, referred to as the “annual financial statement”. Receipt and disbursements are shown under three parts in which government accounts are kept, viz. (i) Consolidated Fund, (ii) Contingency Fund, and (iii) Public Account. |
| Budget at a Glance | This document shows in brief, receipts and disbursements along with broad details of tax revenues, other receipts and details of resources transferred by the Central Government to State and Union Territory Governments. This document also shows deficits of the Government. |
| Capital Expenditure | Expenditure of a capital nature is broadly defined as expenditure incurred with the object of either increasing concrete assets of a material and permanent character or of reducing recurring liabilities. |
| Capital Receipt | Capital receipt comprises of loans raised by the Government, borrowing from the Reserve Bank of India and loans taken from foreign Governments/institutions. It also embraces recoveries of loans advanced by the Government and sale proceeds of government assets, including those realized from divestment of Government equity in PSUs. |
| Consolidated Fund of India | All revenues received by the Government of India, 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. |
| Effective Revenue Deficit | Effective Revenue Deficit is the difference between revenue deficit and grants for creation of capital assets. It can be interpreted as the difference between the government’s current expenditure (on revenue account) and revenue receipts less grants for creation of capital assets which is recorded as revenue expenditure. |
| External Debt | Bilateral and multilateral debt contracted by the Government from foreign Governments and financial institutions abroad, mostly in foreign currency. |
| Finance Accounts | The Finance Accounts presents the accounts of receipts and disbursements together with the financial results disclosed by the revenue and capital accounts, the accounts of the public debt and the liabilities and assets as worked out from the balances recorded in the accounts. |
| Finance Bill | The Finance Bill is a money bill presented in fulfillment of the requirement under Article 110(1)(a) of the Constitution, detailing the imposition, abolition, remission, alteration or regulation of taxes proposed in the Budget for the next financial year. Once the Finance Bill is passed by both the houses of the Parliament and assented to by the President, becomes the Finance Act. |

| | |
|-------------------------------------|---|
| Fiscal Deficit | Excess of total disbursements from the Consolidated Fund of India, excluding repayment of debt over total receipts in the Fund, excluding the debt receipts, during a financial year. |
| Fiscal Policy | The fiscal policy of a Government is concerned with the raising of government revenue and the incurring of government expenditure, to ensure how well the financial and resource management responsibilities have been discharged. |
| Gross Domestic Product (GDP) | Gross Domestic Product (GDP) is the monetary value of all finished goods and services produced within a country's borders in specific time period, generally calculated on an annual basis. It includes all private and public consumption, government's outlays, investments and exports less imports that occur within a defined territory. GDP is worked out at constant prices with reference to specified base year and also at current prices (which includes changes in prices due to inflation or a rise in the overall price level). |
| Guarantees | Article 292 of the Constitution extends the executive power of the Union to giving of guarantees on the security of the Consolidated Fund of India within such limits, if any, as may be fixed by the Parliament. |
| Internal Debt | Internal Debt comprises loans raised in India. It is confined to loans raised and credited into the Consolidated Fund of India. |
| Loans and Advances | This include loans and advances given by the Union Government to the State and UT Governments, Foreign Governments, Public Sector Undertakings, Government Servants, etc. |
| Public Account | All other public moneys than those credited in the Consolidated Fund, received by or on behalf of the Government of India, are credited to the Public Account of India in terms of Article 266 (2) of the Constitution. These are the moneys in respect of which the Government acts more as a banker. |
| Public Debt | Government debt from internal and external sources contracted in the Consolidated Fund of India is defined as Public Debt. |
| Revenue Deficit | Excess of revenue expenditure over revenue receipts. |
| Revenue Expenditure | Charges on maintenance, repair, upkeep and working expenses, which are required to maintain the assets in a running order and also all other expenses incurred for the day to day running of the organisation, including establishment and administrative expenses are classified as revenue expenditure. Grants given to State/UT Government and other entities are also treated as revenue expenditure, even if some of the grants may be meant for creating capital assets. |
| Revenue Receipts | These include proceeds of taxes and duties levied by the Government, interest and dividend on investments made by the Government, fees and other receipts for services rendered by the Government. |