



SUPREME AUDIT INSTITUTION OF INDIA
लोकहितार्थ सत्यनिष्ठा
Dedicated to Truth in Public Interest

**Report of the
Comptroller and Auditor General of India
on
Compliance of the Fiscal Responsibility and
Budget Management Act, 2003
for the year 2023-24**

**Union Government
Department of Economic Affairs
(Ministry of Finance)
Report No. 19 of 2025**

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Comptroller and Auditor General of India
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PREFACE

The Comptroller and Auditor General of India (C&AG) was, vide Rule 8 framed under Section 7A of the Fiscal Responsibility and Budget Management (FRBM) Act 2003, entrusted with the responsibility of an annual review of the compliance of the provisions of the FRBM Act 2003 and present such reviews before both Houses of Parliament beginning with the Financial Year 2014-15.

This is the Ninth report of the C&AG on compliance with the provisions of the Act and the Rules made thereunder, by the Central Government for the year ending March 2024. The report examines the achievements vis-à-vis FRBM targets and compares actuals with projections made in fiscal policy statements and adequacy of information in disclosure statements.

The Report contains findings arising from the review of compliance of the provisions of the Act and the Rules. The instances mentioned in this Report are those which came to notice during test audit for FY 2023-24. Matters pertaining to the period earlier than FY 2023-24, which have a bearing on fiscal indicators have also been included, wherever relevant.

Executive Summary

Executive Summary

The Fiscal Responsibility and Budget Management Act, 2003 was enacted with a view to provide a legislative framework for reduction of deficit and thereby debt, of the Central Government to a sustainable level over a medium term so as to ensure inter-generational equity in fiscal management and long term macro-economic stability.

The present Report is an annual review conducted by the Comptroller and Auditor General (C&AG) of India on the compliance of the provisions of the Fiscal Responsibility and Budget Management (FRBM) Act by the Central Government for the FY 2023-24.

Through an amendment in 2018, the target for reduction in Central Government Debt and General Government Debt was set to be achieved over a period of seven years. The targets being limiting the General Government debt to 60 *per cent* of GDP and the Central Government debt to 40 *per cent* of GDP by the end of FY 2024-2025.

Our review showed that the Central Government debt as a percentage of GDP has steadily decreased over the last two years to 57.00 *per cent* by the end of FY 2023-24. Debt, however, increased by ₹15.58 lakh crore or 9.98 *per cent* over the previous year, primarily due to an accumulation of internal debt.

At the end of FY 2023-24, an amount of ₹31.11 lakh crore was reportedly raised as taxes but was yet to be realised (Statement D1 Tax raised but not realised). This unrealised amount registered an increase by ₹9.81 lakh crore over the previous year, of which ₹6.63 lakh crore was not under dispute. Some transparency issues were noticed in D2 Statement (Arrears of interest), where the figures varied from those figures in the Union Government Finance Accounts. Also, the amount of financial assets (loan to Foreign Government and States & UTs) disclosed in D4 Statement, varied within the Receipt Budget. Finally, we found variations in Budget Estimate figures of various fiscal parameters used in Half Yearly Statements (H1, H2), and Medium-Term Fiscal Policy Statement from the Annual Financial Statement 2023-24.

Chapter

1

Introduction

Chapter

1

Introduction

1.1 The FRBM Act

The Fiscal Responsibility and Budget Management (FRBM) Act of 2003 was passed on August 26, 2003. The Act and its Rules took force on July 5, 2004. Since 2003, the original Act has been amended four times during 2004, 2012, 2015, and 2018. **Annexure 1.1** summarizes the amendments made to the Principal Act and Rules since 2003.

The Act aims to promote long-term macroeconomic stability and inter-generational equity. The targets specified in the FRBM Amendment Act, 2018 and relevant for FY 2023-24 are as follows:

The Central Government shall ensure by the end of FY 2024-2025 that:

- ❖ The General Government debt does not exceed 60 *per cent* of Gross Domestic Product (GDP).

[Section 4(1)]

“General Government debt” is defined as the sum total of the debt of the Central Government and the State Governments¹, excluding inter-Governmental liabilities².

- ❖ The Central Government debt does not exceed 40 *per cent* of GDP.

[Section 4(1)]

- ❖ Not give additional guarantees with respect to any loan on security of the Consolidated Fund of India in excess of one-half *per cent* of GDP, in any financial year.

[Section 4(1)]

- ❖ The Finance Minister shall review, on half-yearly basis, the trends in receipts and expenditure in relation to the budget and place before both Houses of Parliament, the outcome of such reviews.

[Section 7(1)]

¹ Under Article 293(3) of the Constitution of India, “A State may not without the consent of the Government of India raise any loan if there is still outstanding any part of a loan which has been made to the State by the Government of India or by its predecessor Government or in respect of which a guarantee has been given by the Government of India or its predecessor Government”. Accordingly, the Government of India sets annual ceiling for borrowings for each State Government based on set parameters.

² What Governments, State and Union owe each other.

- ❖ If the outcome of half yearly review (i.e. end of September) shows that (i) total non-debt receipts are less than 40 *per cent* of Budget Estimates (BE), and (ii) Revenue Deficit (RD)³ and Fiscal Deficit (FD)⁴ are higher than 70 *per cent* of the BEs for the year, the Finance Minister shall make a statement in Parliament during the session immediately following the end of first half detailing the corrective measures taken.

[Rule 7]

For FY 2023-24, a mid-year (i.e., end of September) review was presented before both houses of the Parliament. The detailed outcome presented in H1 Statement is given in **Annexure 1.2**.

- ❖ The Central Government shall limit the fiscal deficit up to three *per cent* of GDP by 31st March 2021. However, in the absence of any further amendment to the Act, the Government has committed to pursue a broad path of fiscal consolidation to attain a level of Fiscal Deficit *lower than 4.5 per cent of GDP by FY 2025-26, as laid out* in the Budget Speech for FY 2021-22 and reiterated in Medium-Term Fiscal Policy (MTFP) Statements for FY 2023-24 and FY 2024-25 as well. The Government stated in MTFP 2025-26 that the country is well on track to attain a fiscal deficit to GDP ratio below 4.5 *per cent* in FY 2025-26.

1.2 Other obligations prescribed under the FRBM Act and Rules

The Central Government shall lay before each House of Parliament:

- ❖ The Medium-Term Fiscal Policy cum Fiscal Policy Strategy (MTFP cum FPS) Statement (in Form F1):

This Statement contains a three-year rolling target for fiscal indicators viz. Revenue Deficit, Fiscal Deficit and Primary Deficit⁵, Tax Revenue and Central Government Debt as a percentage to GDP.

- ❖ The Macroeconomic Framework Statement (in Form F2)-MEF Statement:

The Macro-economic Framework Statement shall contain an assessment of the growth prospects of the economy with specification of underlying assumptions.

- ❖ The Medium-Term Expenditure Framework (MTEF) Statement (in Form F3):

This Statement (in Form F3) provides a three-year rolling target for prescribed expenditure indicators along with the underlying assumptions

³ "Revenue deficit" means the difference between revenue expenditure and revenue receipts.

⁴ "Fiscal deficit" means the excess of total disbursements, from the Consolidated Fund of India, over total receipts into the Fund during a financial year excluding the debt receipts and debt repayments.

⁵ "Primary Deficit" means the fiscal deficit minus the interest payments.

and the risks. With the exception for FY2018-19 the Government has not been presenting this Statement(s) before the Parliament. This fact was acknowledged by the Government for FY 2023-24 in MTFP 2024-25. Government stated in MTFP 2024-25 that budget FY 2024-25 was presented at a time when global uncertainty continued to linger with newer geo-political challenges coming to fore. Thus, government was unable to place MTEF 2023-24 reasoning that the same was “in order to retain requisite fiscal flexibility to effectively respond to the emerging challenges”.

- ❖ The Central Government shall not borrow from the Reserve Bank except in certain⁶ circumstances.

[Section 5(1)]

- ❖ The Central Government shall prepare a monthly statement of its accounts.

[Section 7(1A)]

- ❖ Five disclosure Forms (D-1 to D-5)⁷ in respect of Tax Revenue, non-Tax revenue, Guarantee, Asset Register and Liability on Annuity projects have been prescribed in the rules to be laid in Parliament along with the Budget.

[Rule 6]

1.3 Audit Scope and mandate

As per Section 7A⁸ (2018 Amendment Act) read with Rule 8 of the FRBM Act, 2003, the CAG of India is mandated to carry out an annual review of the compliance with

⁶ The Central Government may borrow from the Reserve Bank by way of advances to meet temporary excess of cash disbursement over cash receipts during any financial year in accordance with the agreements which may be entered into by that Government with the Reserve Bank:

Provided that any advances made by the Reserve Bank to meet temporary excess cash disbursement over cash receipts in any financial year shall be repayable in accordance with the provisions contained in sub-section (5) of section 17 of the Reserve Bank of India Act, 1934 (2 of 1934).

The Reserve Bank may subscribe to the primary issues of Central Government Securities due to ground or grounds of national security, act of war, national calamity, collapse of agriculture severely affecting farm output and incomes, structural reforms in the economy with unanticipated fiscal implications, decline in real output growth of a quarter by at least three *per cent* points below its average of the previous four quarters.

The Reserve Bank may buy and sell the Central Government securities in the secondary market or convert Central Government Securities held by it with other Securities of the Central Government as mutually agreed between the Reserve Bank and the Central Government.

⁷ Disclosure Forms (D1) – Tax Revenue raised but not realised, (D2) – Arrears of Non-tax Revenue, (D3) – Guarantee given by the Government, (D4) – Asset Register and (D5) – Liability on Annuity Projects. These disclosures provide data which is not captured in the Finance Accounts (being prepared on cash basis) except Guarantees but hold relevance to fiscal indicators.

⁸ Laying of FRBM review reports – The Central Government may entrust the Comptroller and Auditor-General of India to review periodically as required, the compliance of the provisions of this Act and such reviews shall be laid on the table of both Houses of the Parliament.

the provisions of the Act and the rules made thereunder by the Central Government, beginning with the FY 2014-15. The review shall include:

- ❖ Analysis of achievement, compliance of targets and priorities set out in the Act and the rules made thereunder, Medium-Term Fiscal Policy cum Fiscal Policy Strategy Statement, Macro-economic Framework Statement and Medium-Term Expenditure Framework Statement.
- ❖ Analysis of trends in receipts, expenditure and macro-economic parameters in relation to the Act and the rules made thereunder.
- ❖ Comments related to classification of revenue, expenditure, assets or liabilities having a bearing on the achievement of targets set out in the Act and the rules made thereunder.
- ❖ Analysis of disclosures made by the Central Government to ensure greater transparency in its fiscal operations.

Accordingly, the CAG has prepared Eight (8) reports (**Table 1.1**) so far.

Table 1.1: CAG reports tabled in both houses of Parliament

Sl. No.	CAG Report	Financial year to which the report pertains
1	Report No. 27 of 2016	2014-15
2	Report No. 32 of 2017	2015-16
3	Report No. 20 of 2018	2016-17
4	Report No. 06 of 2021	2017-18 & 2018-19
5	Report No. 18 of 2022	2019-20
6	Report No. 32 of 2022	2020-21
7	Report No. 01 of 2024	2021-22
8	Report No. 03 of 2025	2022-23

1.4 Audit Methodology

The review was undertaken primarily in the Department of Economic Affairs, Ministry of Finance which is the nodal Department for administration of the FRBM Act. The report is based on data derived from Union Government Finance Accounts (UGFA) 2023-24 and successive Budget documents for FY 2021-22 to FY 2025-26. In addition, certified annual accounts of the PSEs and GDP data released by National Statistics Office (NSO) for the concerned financial year have been used for analysis.

An entry meeting was held with the Ministry on 24 March 2025 and field audit was conducted between 18 February and 11 April 2025. The draft report was issued to MoF on 02 June 2025 and replies thereon were received on 25 June 2025 followed by discussion in an exit meeting held on 01 July 2025.

1.5 Acknowledgement

We acknowledge the cooperation of the Department of Economic Affairs in providing the records and facilitating the conduct of this compliance audit.

1.6 Structure of the Report

The present Report is the annual review by the CAG of India as per Rule 8 of FRBM (Amendment) Rules 2018 to examine compliance with the provisions of the Act, by the Central Government, for the FY 2023-24, containing:

Chapter 1: Introduction and mandate drawn from FRBM Act and Rules.

Chapter 2: FRBM Targets and Achievements.

Chapter 3: Disclosures and Transparency.

Chapter

2

FRBM Targets and Achievements

Chapter

2

FRBM Targets and Achievements

2.1 Central Government Debt and General Government Debt

The FRBM Act amended in 2018, introduced a new section 2(aa) which defined the concept of Central Government Debt at any date, that included:



Similarly, Section 2(bb) defines General Government Debt as “the sum total of the debt of the Central Government and the State Governments, excluding inter-Governmental liabilities”. The target laid down under FRBM Act is to limit the Central Government Debt (to 40 *per cent* of GDP) and the General Government Debt (to 60 *per cent* of GDP) by FY 2024-25.

2.1.1 Outstanding Central Government Debt

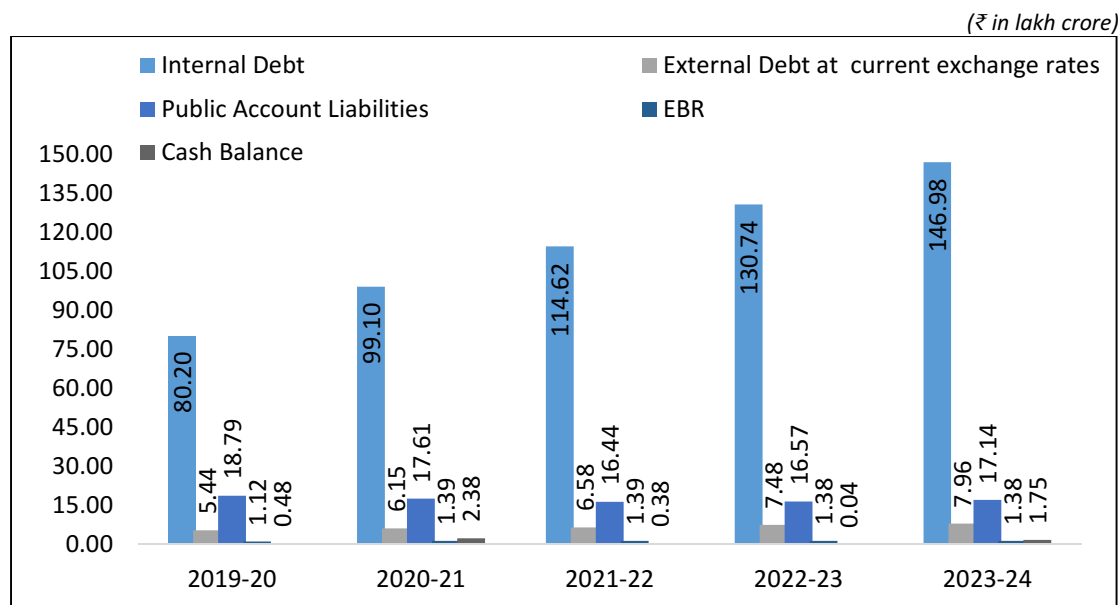
(A) Central Government debt as a percentage of GDP has come down steadily from FY 2020-21. Analysis conducted over a five-year period from FY 2019-20 to FY 2023-24 (**Annexure 2.1**) showed that the Central Government debt as a percentage of GDP¹⁰ first reached to 61.38 *per cent* in FY 2020-21 and consistently declined thereafter reaching to 57.00 *per cent* of the GDP by the end of March 2024. The Central Government debt in absolute terms increased by ₹15.58 lakh crore in FY 2023-24 or 9.98 *per cent* over FY 2022-23. This was largely due to increase in internal debt of ₹16.24 lakh crore during this period. Moreover, the current value of External Debt (increased by ₹0.48 lakh crore) and the Public Account liability (increased by ₹0.57 lakh

⁹ Public Account holds all public money other than those credited in the Consolidated Fund of India, received by or on behalf of the Government of India as a trustee.

¹⁰ GDP is the monetary value of all final goods and services, those that are bought by the final user, produced in a given period of time (say a quarter or a year) within the borders of a country. In essence, it conveys the size of the economy and is used as an appropriate base for measure of debt sustainability.

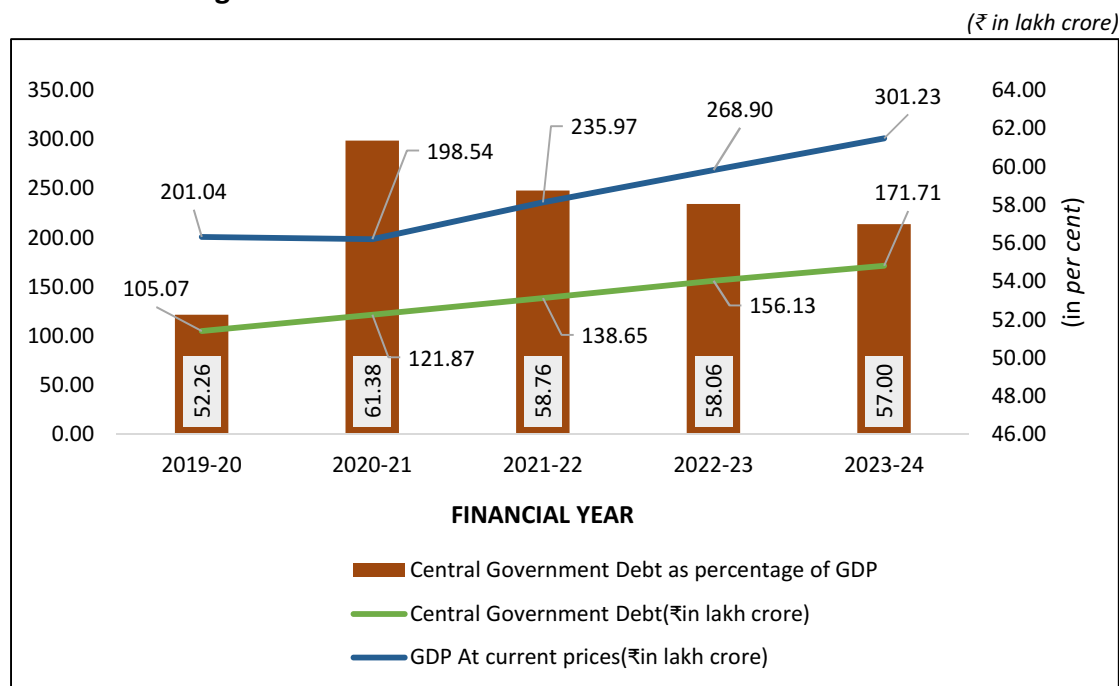
crore) also contributed towards the y-o-y increase during FY 2023-24. The amount of Central Government Debt across FY 2019-20 to FY 2023-24, and the component wise break-up therein, is depicted in **Figure 2.1** below:

Figure 2.1: Components of the Central Government Debt



(B) YoY growth in GDP has outpaced YoY growth in Central Government Debt from FY 2021-22. **Figure 2.2** below depicts the trend in Central Government Debt and the Gross Domestic Product during the period from FY 2019-20 to FY 2023-24. The pace of accumulation of Central Government Debt from FY 2020-21 to FY 2023-24 was less than the GDP expansion, which indicates that economy has grown to be able to absorb and service the accumulated debt.

Figure 2.2: Trends of GDP and Central Government Debt



(C) Disclosure of Central Government liabilities in Receipt Budget is not as per definition of Central Government Debt in FRBM Act. The Receipt Budget 2025-26 stated the total liabilities of the Central Government as ₹169.78 lakh crore at the end of FY 2023-24. Our computation of the Central Government Debt for FY 2023-24, based on the definition provided in the FRBM Act 2003 (amended in 2018) was ₹171.71 lakh crore which is 57.00 *per cent* of the GDP. The difference is reconciled in **Table 2.3** below:

Table 2.3: Liabilities of the Central Government at the end of 2023-24 disclosed in Receipt Budget 2025-26 and computation of audit

(₹ in lakh crore)

Sl. No.	Particulars	As per Receipt Budget 2025-26	Computed in Audit as per the FRBM Act
1	Internal Debt	146.98	146.98
2	External Debt	5.66 (at Book Value)	7.96 (at current exchange rate)
3	Other Liability/ Public Account Liability	17.14	17.14
4	EBR	Not included	1.38
5	Cash Balance	Not included	1.75
6	Central Government Debt	169.78	171.71

2.1.2 General Government Debt

The concept of “general government debt” as the consolidated debt of the central government, state governments excluding intergovernmental liabilities was introduced through an amendment in the FRBM Act, 2003, in March 2018. The Act fixed a target of containing central government debt (CGD) to 40 *per cent* of the GDP and general government debt (GGD) at a level of 60 *per cent* of the GDP by the end of the financial year 2024-25. However, for achievement of the sunset target, the requisite annual reduction targets were neither prescribed under the FRBM Rules nor in any policy document issued by the government for ensuring its timely achievement.

From the analysis of the ‘status paper on government debt for 2022–23’¹¹, it was learned that the GGD-GDP ratio stood at 81.3 *per cent* at end of March 2023 as compared to 83.0 *per cent* at end of March 2022. However, in terms of the laid-down target to “contain the CGD to 40 *per cent* of the GDP and the GGD at a level of

¹¹ The Status Paper on Government Debt for 2023-24 is not yet (July 2025) published.

60 per cent of the GDP by the end of the financial year 2024-25", a targeted reduction during FY 2023-24 and FY 2024-25 was required.

The Ministry replied (June 2025) that as the recommendations of the 15th Finance Commission have already been accepted by the Central Government, the states have every right to raise debt as per the recommendation of the Commission i.e. states can raise debt up to 3 per cent of GSDP for FY 2023-24 to 2025-26. The Ministry also stated that every effort is made to impress upon the states to bring down their debt-to-GDP ratio.

2.2 Debt Sustainability Analysis

Debt Sustainability Analysis (DSA) is a measure to assess the ability of the Government to service its debt-related financial obligations over a period of time. The cornerstone of the analysis is the debt-to-GDP ratio. The premise is that the rise of debt should be commensurate to growth in the economy (measured as Gross Domestic Product-GDP). A sustainable fiscal policy is one where the debt-to-GDP ratio is stable or declining over the long term.

A debt stabilization indicator is a useful indicator. The assumption is that if the rate of growth of economy exceeds the interest rate or cost of public borrowings, the debt-GDP ratio is likely to be stable, provided primary deficit is curtailed.

- ❖ Debt stabilization indicator = Quantum Spread¹²+ Primary Deficit¹³
- ❖ Debt sustainability condition states that if:
 - ✓ Debt stabilization indicator = 0, Debt-GDP ratio would be constant, or debt would stabilize eventually.
 - ✓ Debt stabilization indicator is negative, Debt-GDP ratio would rise.
 - ✓ Debt stabilization indicator is positive, Debt-GDP ratio would eventually fall.

In FY 2023-24 the debt stabilization indicator is positive and marks an improvement towards stability over 2022-23. (Table 2.4).

¹² Quantum Spread = Central Government debt x Interest Spread/100.

¹³ Primary Deficit = Fiscal Deficit – Interest payments.

Table 2.4: Trends in Central Government Debt Sustainability Indicators*(₹ in lakh crore)*

S. No.	Particulars	2019-20	2020-21	2021-22	2022-23	2023-24
1	Central Government Debt	105.07	121.87	138.65	156.13	171.71
2	Rate of growth of Central Government Debt (in per cent)	12.66	15.99	13.77	12.61	9.98
3	GDP at current prices	201.04	198.54	235.97	268.90	301.23
4	Rate of growth of GDP at current prices (in per cent)	6.37	-1.24	18.85	13.96	12.02
5	Central Government Debt-GDP ratio (in per cent)	52.26	61.38	58.76	58.06	57.00
6	Interest Paid on Debt	6.55	7.21	8.28	9.59	11.03
7	Total Revenue Receipts	19.48	18.65	24.36	27.13	30.88
8	Average interest cost ¹⁴ (in per cent)	6.61	6.35	6.36	6.51	6.73
9	Interest payment on Debt to Revenue Receipt (in per cent)	33.62	38.66	33.99	35.35	35.72
10	Public Debt Repayment	63.27	61.85	66.45	72.00	74.62
11	Public Debt Receipt	73.01	81.63	82.49	88.65	91.60
12	Public Debt Repayment to Public Debt Receipt (in per cent)	86.66	75.77	80.56	81.22	81.46
13	Interest Spread ¹⁵ (in per cent)	-0.24	-7.59	12.49	7.45	5.29
14	Quantum Spread	-0.25	-9.25	17.32	11.63	9.08
15	Primary Deficit (-)	3.76	12.54	9.34	7.97	4.99
16	Debt Stabilization indicator ¹⁶	-4.01	-21.79	7.98	3.66	4.09

Source: UGFA of respective years. For GDP- NSO Press release dated 28 February 2025.

Further analysis of **Table 2.4** above shows the following:

- ❖ Central Government's **debt-to-GDP ratio** increased from 52.26 per cent in FY-2019-20 to a peak of 61.38 per cent during the pandemic period in FY 2020-21.

¹⁴ Average interest cost = Interest payments / average outstanding debt of previous financial year and current year x100.

¹⁵ Interest Spread = Rate of growth of GDP (current price) – Average interest cost.

¹⁶ Debt Stabilisation indicator = Quantum Spread + Primary Deficit.

Thereafter, a favourable descend is seen during FY 2021-23 from 58.76 *per cent* to 58.06 *per cent*, to further 57.00 *per cent* of the GDP at the end of FY 2023-24; however, the target under the Act is 40 *per cent* of the GDP, to be achieved by the end of FY 2024-25.

- ❖ **Public debt repayment to Public debt receipts ratio** stood at 86.66 *per cent* in FY 2019-20 but reduced during the pandemic, to 75.77 *per cent* during FY2020-21. This ratio has slightly but steadily increased thereafter, and public debt repayment was 81.46 *per cent* of the public debt receipts during FY 2023-24.
- ❖ **Interest payments on debt to revenue receipts ratio** is an important indicator of the Government's fiscal health. It is a measure of how much of the Government's revenue is used to pay interest on its debt. The ratio reached its peak at 38.66 *per cent* in FY 2020-21, declined to 33.99 *per cent* in FY 2021-22, but increased to 35.35 *per cent* in FY 2022-23 and 35.72 *per cent* in FY 2023-24. Thus, a larger part of the government's revenue receipts went towards servicing of its interest obligations.

2.3 Guarantees

As per Rule 276 of General Financial Rules (GFR) 2017, the Central Government extends guarantees to Government entities, primarily to lower their cost of borrowings on socio- economic projects or activities. Sovereign guarantee is also given where it is a precondition for bilateral/ multilateral assistance. Guarantees being contingent liabilities do not form part of debt, but in the eventuality of default, they may have an impact on the Government's liabilities.

The FRBM Act and the Rules made thereunder, stipulate that the Central Government shall not give additional guarantees with respect to any loan on security of the Consolidated Fund of India (CFI) in excess of one-half *per cent* of GDP, in any financial year.

During FY 2023-24, additional guarantees are within the limits prescribed under the FRBM Act. The additional guarantee during last five financial years also remained within the prescribed limit as detailed in **Annexure-2.2**.

2.4 Trends in Macro Economic Parameters

- ❖ Fiscal Deficit represents the excess of total disbursements, from the Consolidated Fund of India, over total receipts into the Fund during a financial year excluding the debt receipts and debt repayments.
- ❖ Revenue Deficit is the excess of revenue expenditure over revenue receipts.
- ❖ Primary Deficit means the fiscal deficit minus the interest payments.

A (i). Fiscal Indicators-Rolling Targets

Fiscal projections for three year rolling targets not included in MTFP statements

As per Sec 3(2) of FRBM Act (Amended in April 2018) “The Medium-term Fiscal Policy Statement shall set forth a three-year rolling target for prescribed fiscal indicators with specification of underlying assumptions”.

Beginning with the fiscal year 2021-22, Fiscal projections for three year (for the Y+1 and Y+2 years) rolling targets were not included in MTFP statements. Instead, the MTFP statement of the corresponding years¹⁷ carried a Statement explaining the reasons for deviation from the fiscal targets mentioned in Section 4 and compliance with the obligations cast under Section 7(3)(b) of the Fiscal Responsibility and Budget Management (FRBM) Act, 2003.

A (ii). Projection vis-à-vis Actuals of Fiscal Indicators

The estimates regarding Fiscal indicators and their actuals for FY 2023-24 are depicted in **Table 2.5** below.

Table 2.5: Projection vis-à-vis Actuals

(As per cent of GDP)

Type of Projection Fiscal Indicator	MTFP 2023-24	MTFP 2024-25	UGFA 2023-24
	BE for 2023-24	RE for 2023-24	Actual for 2023-24
Fiscal Deficit	5.9	5.8	5.32
Revenue Deficit	2.9	2.8	2.54
Primary Deficit	2.3	2.3	1.66
Gross tax Revenue	11.1	11.6	11.50
Non-tax Revenue	1.0	1.3	2.49
Central Government Debt	57.2	58.1	57.00
Of which Liabilities on account of EBR	-	-	0.46

Source: GDP Figures for Actual 2023-24, as per National Statistical Office (NSO) Press release dated 28 February 2025.

*No projections were made on MTFP in 2021-22 and 2022-23 for FY 2023-24

¹⁷ The Government in MTFP Statement 2021-22 stated that “The Government will amend the FRBM Act. Hence, no fiscal projections for the years 2022-23 and 2023-24 have been presented along with this Statement”. Again, in MTFP Statement 2022-23 the Government contended that “While India’s economic foundations remain strong, it is vital for the Government to retain requisite fiscal flexibility to effectively respond to emerging contingencies till the pandemic-induced uncertainties ease. Hence, amendment to FRBM law is not being proposed and fiscal projections for the year FY 2023-24 and FY 2024-25 are not being placed alongside this Statement.” In MTFP Statement 2023-24 it was stated that “medium term projections amidst unprecedented global turbulence and headwinds may not be reliable. Hence, fiscal projections for the year FY 2024-25 and FY 2025-26 are not being placed alongside this Statement. However, in line with the commitment made in the Budget Speech for FY 2021-22, the Government would pursue a broad path of fiscal consolidation to attain a level of Fiscal Deficit lower than 4.5 per cent of GDP by FY 2025-26. The Government would continue with its efforts to attain sustained, broad based economic growth, and take such measures as may be necessary to protect the lives/ livelihoods of the people, while adhering to the path of fiscal rectitude”. In MTFP Statement 2024-25 it was argued that “an active and nimble fiscal policy strategy is a pre-requisite for smooth fiscal policy operations. Therefore, rolling targets for next two years have not been provided. Instead, as announced in the Budget Speech for FY 2021-22, the Government would continue on the broad glide path of fiscal consolidation to reach a fiscal deficit to GDP level below 4.5 per cent by FY 2025-26.

Table-2.5 shows that as a percentage of GDP, the actual collections for Gross Tax Revenue and Non-Tax revenue were higher than the Budget Estimates. The actuals for Revenue Deficit, Fiscal Deficit and Primary Deficit were less than their respective BE and RE. The Central Government Debt as a percentage of GDP, was less than estimated at the BE stage.

B. Gross Domestic Product (GDP)

Table 2.6: Movement of GDP

(₹ in lakh crore)

GDP	2019-20	2020-21	2021-22	2022-23 [#]	2023-24 [@]
GDP at current prices (Nominal GDP)	201.04	198.54	235.97	268.90	301.23
Percentage change over previous year (GDP at current prices)	6.37	-1.24	18.85	13.96	12.02
GDP at constant (2011-12) prices (Real GDP)	145.35	136.95	150.22	161.65	176.51
Percentage change over previous year (GDP at constant prices)	3.87	-5.78	9.69	7.61	9.19

Source: GDP- NSO Press release dated 28 February 2025.

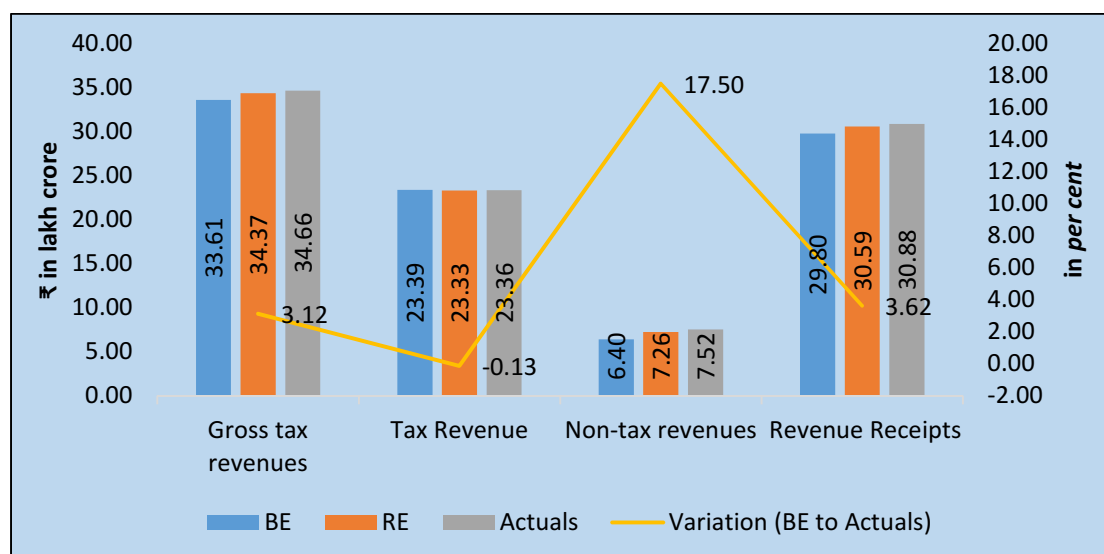
Final Estimates for FY 2022-23; @ First Revised Estimates for FY 2023-24

In the ‘fiscal outlook for FY 2023-24’ portion of the Medium-Term Fiscal Policy Statement (MTFP) for FY 2023-24 it was mentioned that the nominal GDP in the FY 2023-24 is projected to grow by 10.5 per cent over the Advance Estimates of FY 2022-23.

In Budget 2024-25, the estimate of GDP for FY 2023-24 was projected at ₹295.36 lakh crore. However, the First revised estimate of GDP for FY 2023-24 was at ₹301.23 lakh crore, a growth of 12.02 per cent over the previous year. Thus, the Increase in nominal GDP during FY 2023-24 has surpassed the budgetary estimates.

C. Revenue Receipts

Figure 2.7: Analysis of Actuals vis-à-vis estimates for Revenue Receipt



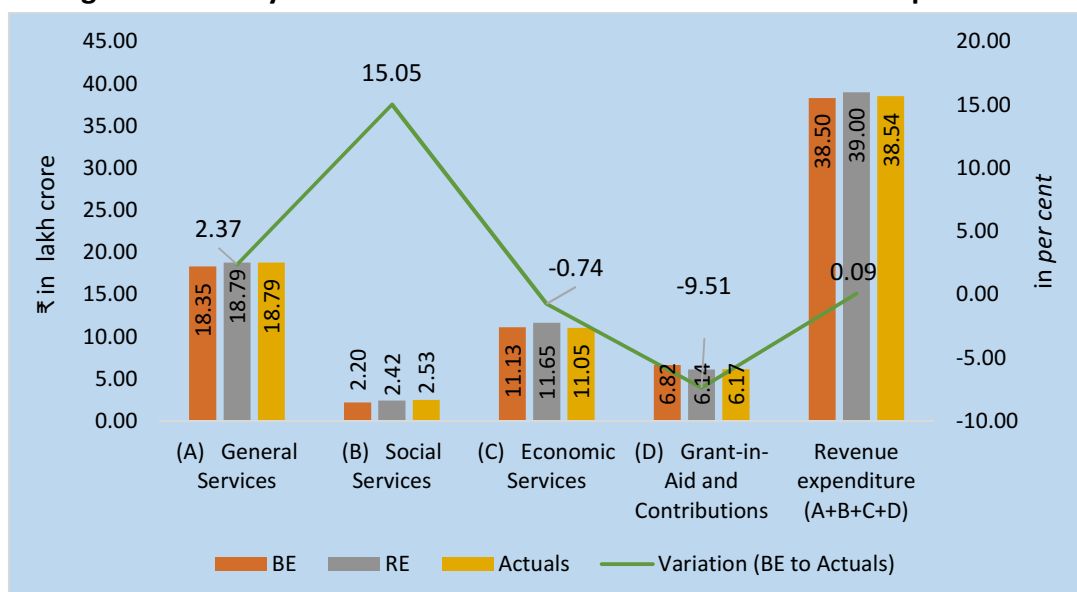
Source: For BE and RE - Annual Financial Statement 2024-25 and for actuals - UGFA 2023-24.

Gross Tax and Non-Tax Revenue is higher than the budgetary estimates. Gross Tax Revenue collection was ₹34.66 lakh crore i.e. 3.12 *per cent* higher than the amount estimated in the budget FY 2023-24. The overall revenue receipt collection was ₹30.88 lakh crore in FY 2023-24 against the budgeted ₹29.80 lakh crore. The moderate increase in Actuals from budget estimates was registered across all components of gross tax revenue except taxes on Commodities and Services other than Goods and Services Tax. Major increase in components of gross tax revenue was seen in “Taxes on Income and Expenditure” (7.02 *per cent* over BE) and “Taxes on Property and Capital Transactions” (21.43 *per cent* over BE). Non-tax revenue, which at ₹7.52 lakh crore also shows growth of 17.50 *per cent* over budget estimates (**Annexure-2.3**).

D. Revenue Expenditure

The revenue expenditure in FY 2023-24 was ₹38.54 lakh crore, 0.09 *per cent* higher than the budget estimates (**Figure 2.8**). The Revenue expenditure on **General Services** (₹18.79 lakh crore) accounted for 48.75 *per cent* of the total revenue expenditure and remained close to the budget estimates (2.37 *per cent* higher). Major increase in actuals from Budget estimates was seen in Defence Services (7.50 *per cent* higher than BE) and Pension and Miscellaneous general services (5.48 *per cent* higher than BE). The Revenue expenditure towards **Social Services** (₹2.53 lakh crore) was higher than the Budget estimates (15.05 *per cent*) due to increased spending in social welfare and nutrition (179.47 *per cent* higher than BE) and in education, sports, arts and culture (50.79 *per cent* higher than BE). However, actuals of Revenue expenditure towards **Economic Services** (₹11.05 lakh crore) were lower than budgeted estimates by 0.74 *per cent*. The detailed variation between Budget estimates and actuals are given in **Annexure-2.4**.

Figure 2.8: Analysis of Actuals vis-à-vis estimates for Revenue Expenditure



Source: For BE and RE AFS 2024-25 and for Actuals UGFA 2023-24

E. Expenditure on Focus areas as per MTFP Statement FY 2023-24

The Government in MTFP statement for FY 2023-24 stated about “Prioritisation of expenditure towards the key developmental sectors viz., health, education, drinking water and sanitation, agriculture, rural development etc. to boost sustainable growth and employment”. We analysed the sector-wise expenditure during FY 2021-22 to FY 2023-24 as given in **Table 2.9** below.

Table 2.9 Expenditure on Focus areas*(₹ in crore)*

Sector/Year		2021-22	2022-23	2023-24
Agriculture	Revenue	1,23,267.48	1,10,142.59	2,13,050.75
	Capital	12.89	8.10	43.97
	Total	1,23,280.37	1,10,150.69	2,13,094.72
Drinking water and sanitation	Revenue	1,26,616.94	71,810.50	99,983.10
	Capital	195.11	181.42	231.16
	Total	1,26,812.05	71,991.92	1,00,214.26
Education	Revenue	1,19,181.91	1,50,132.08	1,65,258.81
	Capital	12.02	2.94	7.77
	Total	1,19,193.93	1,50,135.02	1,65,266.58
Health	Revenue	94,014.67	98,366.99	96,391.93
	Capital	4,940.60	3,050.82	2,026.56
	Total	98,955.27	1,01,417.81	98,418.49
Rural development	Revenue	2,89,911.26	3,33,079.93	2,68,870.57
	Capital	0	0	3.32
	Total	2,89,911.26	3,33,079.93	2,68,873.89
Overall Expenditure	Revenue	7,52,992.26	7,63,532.09	8,43,555.16
	Capital	5,160.62	3,243.28	2,312.78
	Total	7,58,152.88	7,66,775.37	8,45,867.94

Source: Summary of Demands for Grants for FY 2023-24, FY 2024-25 and FY 2025-26.

The expenditure of the relevant Ministry as detailed in Summary of Demands for Grants was used as the targeted sectoral expenditure for the analysis.

We found that overall Expenditure on focus areas consistently increased over the last three years, although the proportion of overall capital expenditure on focus areas decreased. The sector-wise spending during FY 2023-24 over that for FY 2022-23, was particularly higher in the field of Agriculture, Drinking Water and Sanitation, and Education. Whereas the comparative spending during FY 2023-24 saw a decline over the previous FY 2022-23 in the field of health and rural development.

The actual expenditure (**Annexure 2.5**) over the originally budgeted, for FY 2023-24, was higher by 70.43 per cent, 12.52 per cent, 6.69 per cent, and 2.95 per cent in Agriculture, Rural Development, Education, and Drinking water and Sanitation

respectively. The actual expenditure on Health was lower than that estimated in BE for FY 2023-24 by 8.59 per cent. Also, the actual capital expenditure in all the above-listed sectors remained lower than the amount estimated in BE for FY 2023-24.

F. Capital receipts

Capital receipts comprise of non-debt Capital receipts and the debt receipts. The non-debt capital receipts (NDCR) have two major components viz. recovery of loans and advances and other receipts (comprising mostly disinvestment receipts, which accrue to the Government on sale of equities in public sector enterprises which are owned by the Government, besides sale of strategic assets). The Government in MTFP for FY 2023-24 stated that “Non-Debt Capital Receipts (NDCR) in BE for FY 2023-24 is estimated at ₹84,000 crore which includes the receipts under the recovery of loans and advances (₹23,000 crore), receipts from Monetisation of Roads (₹10,000 crore) etc.”. It was also explained in the statement that the actual realisation of the Non-Debt Capital Receipts significantly depends on the prevailing market conditions, expected valuation assigned to the Government stake etc.

During the FY 2023-24 the Government received ₹15,220 crore from disinvestment of its equities in PSUs compared to ₹30,184 crore in FY 2022-23. The Actual recovery of loans and advances and that under Monetisation of National Highways was ₹1.17 lakh crore and ₹0.16 lakh crore respectively which was higher than the BE for FY 2023-24. The details of capital receipts during 2019-20 to 2023-24 is as per table below:

Table 2.10: Trend of Capital Receipt

(₹ in crore)

Financial Year	Debt Receipts (A)	Miscellaneous Capital Receipts (b1)	Loans and advances (b2)	Total Non-Debt Capital Receipts (B = b1+b2)	Capital Receipt (A + B)
2019-20	73,01,387	50,349	18,647	68,996	73,70,383
2020-21	81,62,910	37,897	29,923	67,820	82,30,730
2021-22	82,49,152	14,638	24,948	39,586	82,88,738
2022-23	88,64,893	46,035	36,273	82,308	89,47,201
2023-24	91,60,050	45,281 [#]	1,16,974 [*]	1,62,255	93,22,305

Source: UGFA of respective years. [#] inclusive of ₹15,220 crore from disinvestment of its equities in PSUs, and ₹15,968 crore towards Monetisation of National Highways

^{*}During FY 2023-24, recovery of Loans and Advances also includes an amount of ₹78,104 crore in respect of repayment of back-to-back loans given to States/UTs with legislative assembly in lieu of GST Compensation shortfall (Refer Para 2.6.1 of CAG Report No.16 of 2025).

G. Revenue and Capital Expenditure

Table 2.11: Trend Analysis of Revenue and Capital Expenditure

(₹ in lakh crore)

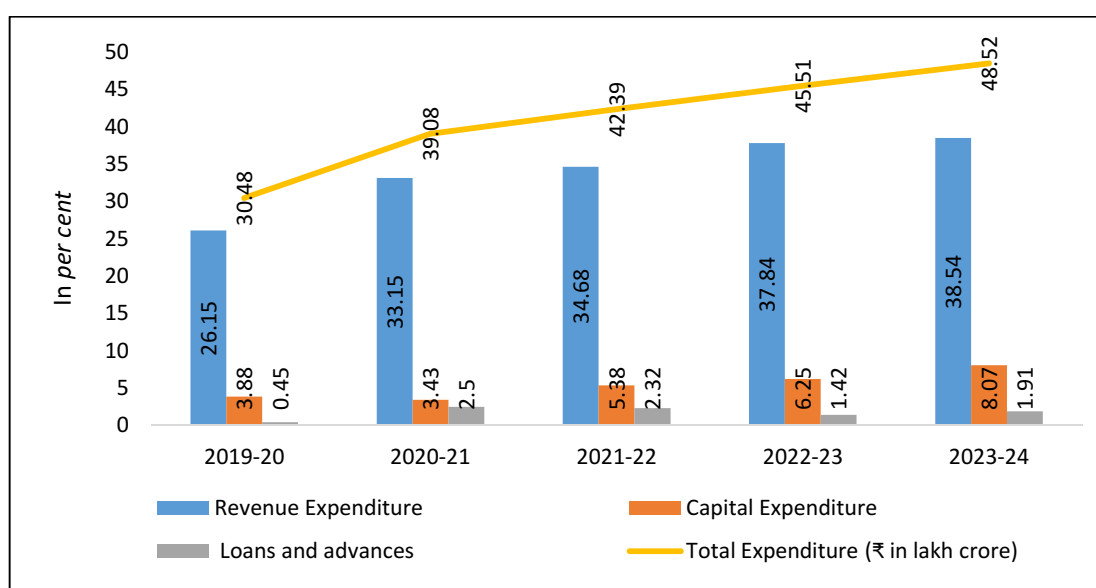
Financial Year	Revenue Expenditure	Capital Expenditure	Loans and advances	Total Expenditure
2019-20	26.15	3.88	0.45	30.48
	85.79 per cent	12.73 per cent	1.48 per cent	
2020-21	33.15	3.43	2.50	39.08
	84.83 per cent	8.78 per cent	6.39 per cent	
2021-22	34.68	5.38	2.32	42.39
	81.83 per cent	12.69 per cent	5.48 per cent	
2022-23	37.84	6.25	1.42	45.51
	83.15 per cent	13.73 per cent	3.12 per cent	
2023-24	38.54	8.07	1.91	48.52
	79.43 per cent	16.63 per cent	3.94 per cent	

Source: UGFA of respective years. Figures in percentage are shown as a proportion of total expenditure for that year.

Total Expenditure of the Government in absolute terms increased by ₹3.01 lakh crore majorly due to an increase in capital expenditure (by ₹1.82 lakh crore) coupled with increased spending of ₹0.70 lakh crore as revenue expenditure and on loans and advances (by ₹0.49 lakh crore).

Capital expenditure in absolute terms has been increasing consistently in line with the expanding total expenditures post pandemic in FY 2020-21 to FY 2023-24. Moreover, as a proportion of the total expenditure, the expansion in capital expenditure effectively resulted in the decline of revenue expenditure from 83.15 per cent in FY 2022-23 to 79.43 per cent in FY 2023-24.

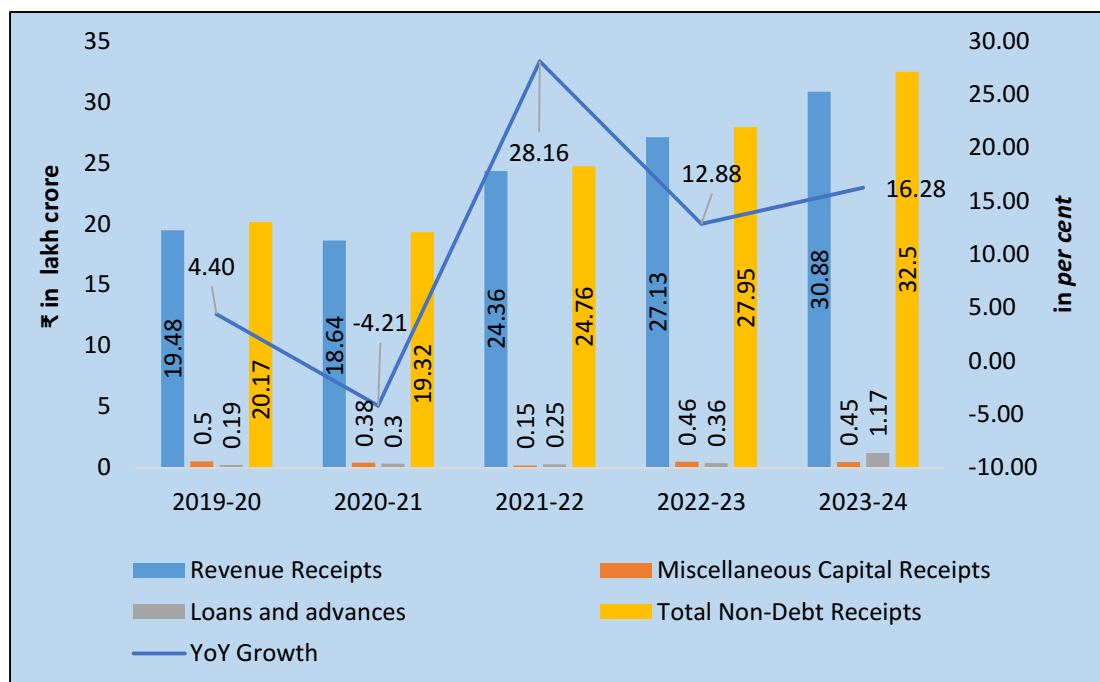
Figure 2.12: Trend of Revenue Expenditure, Capital Expenditure and loans and advances as proportion of Total Expenditure



Source: UGFA of respective years.

H. Non-Debt Receipts

Figure 2.13: Trend of Non-Debt Receipts



Source: UGFA of respective years.

The growth rate of non-debt receipts was 28.16 per cent in FY 2021-22 over FY 2020-21 (a dip in FY 2020-21 due to Covid 19). They increased consistently year on year by 12.88 per cent and 16.28 per cent in FY 2022-23 and FY 2023-24 respectively.

I. Total Expenditure financed from Non-Debt Receipts

Total expenditure met from non-debt resources has increased since FY 2020-21 as detailed in Table 2.14 below.

Table: 2.14 Year wise collection of non-debt receipts and Total Expenditure

Financial Year	Total Expenditure (₹ in lakh crore)	YoY increase in Total Expenditure (in percentage)	Non-debt Receipts* (₹ in lakh crore)	YoY increase in non-debt receipts (in percentage)	Total expenditure financed by Non-Debt Receipts (in percentage)
2019-20	30.48	12.22	20.17	4.40	66.17
2020-21	39.08	28.22	19.32	-4.21	49.44
2021-22	42.39	8.47	24.76	28.16	58.41
2022-23	45.51	7.36	27.95	12.88	61.42
2023-24	48.52	6.61	32.50	16.28	66.98

Source: UGFA of respective years.

*Non-debt Receipts comprise – Revenue Receipt, Miscellaneous Capital Receipts and Recovery of Loans & Advances.

The YoY increase in Non-Debt Receipts for FY 2023-24 (over FY 2022-23) was 16.28 *per cent*. During the pre-pandemic FY 2019-20, total expenditure financed by non-debt receipts was around 66 *per cent*. The percentage of total expenditure financed by own sources (non-debt receipts) came down from FY 2019-20 to FY 2020-21 and increased steadily thereafter. In FY 2023-24, it was 66.98 *per cent* which is higher than the pre-pandemic FY 2019-20 (66.17 *per cent*).

2.5 Fiscal Deficit (FD)

Section 2(a) of the Fiscal Responsibility and Budget Management Act, 2003 defines “fiscal deficit” as the excess of total disbursements, from the Consolidated Fund of India, excluding repayment of debt, over total receipts into the Fund (excluding the debt receipts), during a financial year.

Similarly, Rule 2(ca) of the FRBM Rules, 2004 defines “revenue deficit” as the difference between revenue expenditure and revenue receipts.

Table 2.15 below calculates the Revenue Deficit and Fiscal Deficit based on the information contained in Statement No. 1 of UGFA 2023-24:

Table 2.15: Revenue and Fiscal Deficit for FY 2023-24

(₹ in lakh crore)

Expenditure	Amount	Fiscal Parameters	Receipt	Amount
Revenue Expenditure	38.54	Revenue Deficit 7.66	Revenue Receipts	30.88
Capital Expenditure	8.07		Miscellaneous Capital Receipts	0.45
Loans and Advances	1.91		Recoveries of Loans and Advances	1.17
Total Disbursement	48.52	Fiscal Deficit 16.02	Total Non-Debt Receipts	32.50

Source: UGFA of FY 2023-24.

The figures in Budget at a Glance (BAG) 2025-26 for the fiscal deficit (₹16,54,643 crore) and the revenue deficit (₹7,65,216 crore) were however at variance from the figures calculated as above from the UGFA 2023-24.

In the previous CAG Report No. 1 of 2024, we had recommended that a general disclosure in the BAG should be given along with an explanation about the basis for exclusion of certain transactions from the calculation of Fiscal Deficit. Although a general disclosure has been inserted from BAG 2023-24 (February 2023) onwards, an explanation was still unavailable in BAG 2025-26.

Internal debt is the major source of financing Fiscal Deficit

The Fiscal Deficit is financed either by additional Public Debt (internal or external) or by using surplus funds from the Public Account. We identified these sources as detailed in **Table 2.16** below.

Table 2.16: Sources of financing of Fiscal Deficit*(₹ in lakh crore)*

Period	Internal debt (Net)		External debt (Net)		Public Account (Net)		Cash draw down		Fiscal Deficit
	Amount	Per cent	Amount	Per cent	Amount	Per cent	Amount	Per cent	Amount
2019-20	9.46	91.76	0.29	2.81	0.51	4.95	0.05	0.48	10.31
2020-21	18.89	95.65	0.89	4.51	0.04	0.20	-0.07	-0.36	19.75
2021-22	15.53	88.09	0.51	2.89	1.56	8.85	0.03	0.17	17.63
2022-23	16.12	91.80	0.54	3.07	0.92	5.24	-0.02	-0.11	17.56
2023-24	16.24	101.37	0.73	4.56	-0.96	-5.99	0.01	0.06	16.02

Source: UGFAs of the respective years.

The fiscal deficit for FY 2023-24 was financed mainly from net internal debt (about 101.37 *per cent* share), while the share of external debt used to finance fiscal deficit, also increased from 3.07 *per cent* during FY 2022-23, to 4.56 *per cent* in FY 2023-24. The share of internal debt in financing the fiscal deficit in 2023-24 being more than 100 *per cent* and having a negative share of public account liabilities indicates that internal debt was partly used to discharge public account liabilities. The components of fiscal deficit are shown in **Table 2.17**.

Table 2.17: Components of the Fiscal Deficit*(₹ in lakh crore)*

Period	Revenue Deficit		Net Capital Expenditure		Net loans and advances		Fiscal Deficit
	Amount	Per cent	Amount	Per cent	Amount	Per cent	Amount
2019-20	6.67	64.69	3.37	32.69	0.27	2.62	10.31
2020-21	14.50	73.42	3.05	15.44	2.20	11.14	19.75
2021-22	10.32	58.54	5.24	29.72	2.07	11.74	17.63
2022-23	10.71	60.99	5.79	32.97	1.06	6.04	17.56
2023-24	7.66	47.82	7.62	47.57	0.74	4.61	16.02

Source: UGFAs of the respective years.

Out of the fiscal deficit of ₹16.02 lakh crore during FY 2023-24, ₹7.66 lakh crore (48 *per cent*) was towards funding deficit on revenue account, which over the previous year 2022-23, where around 61 *per cent* of the fiscal deficit was on account of the revenue deficit, is a marked improvement. Thus, the ratio of revenue deficit to fiscal deficit has reduced considerably during FY 2023-24. The net capital expenditure attributable to the fiscal deficit during FY 2023-24 also showed positive signs of expansion and surpassed the previous year level of 32.97 *per cent* as well.

Chapter

3

Disclosures and Transparency

Chapter

3

Disclosures and Transparency

3.1 Disclosure statements

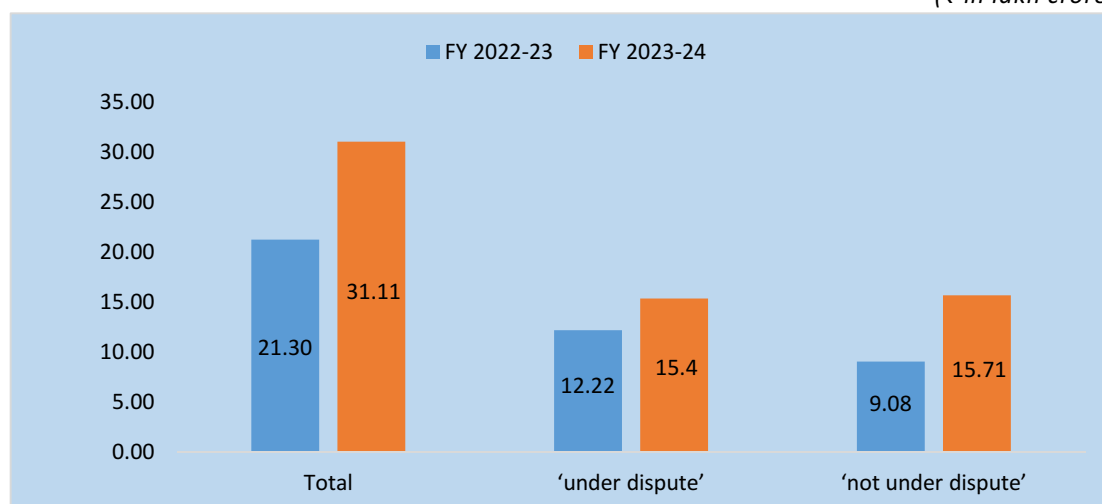
Section 6 (1) of the FRBM Act, 2003 (as amended) states that “The Central Government shall take suitable measures to ensure greater transparency in its fiscal operations in public interest and minimize as far as practicable, secrecy in the preparation of the Annual Financial Statement and Demand for Grants”. Rule 6 of the FRBM Rules, 2004 amended from time-to-time, also mandates that the Central Government shall at the time of presenting the Annual Financial Statement and Demands for Grants, make disclosures (D-1 to D-5) in the format prescribed. Also, any significant change in accounting standards, policies and practices affecting or likely to affect the computation of prescribed fiscal indicators is also required to be disclosed under the FRBM Rules.

Table 3.1: Disclosure Statements as per FRBM Act

Title of the disclosure statement	
D1	Tax Revenue raised but not realised
D2	Arrears of Non-Tax Revenue
D3	Guarantee given by the Government
D4	Asset Register
D5	Liability on Annuity Projects

3.1.1 Disclosure Statement 1 (D1) on Tax Revenue raised but not realised

Disclosure Statement 1 provides details of tax revenue raised but not realised, i.e. amount of potential tax revenues, still to be collected as at the year-end. These amounts are further classified into separate categories of ‘items under dispute’ and ‘items not under dispute’ (**Annexure 3.1**). As per D1, at the end of FY 2023-24, an amount of ₹31.11 lakh crore was raised but yet to be realized, which is 89.76 *per cent* of the gross tax collected during the year. We observed that in comparison to the previous year, this unrealised amount had increased by ₹9.81 lakh crore during FY 2023-24 (from ₹21.30 lakh crore in FY 2022-23 to ₹31.11 lakh crore in FY 2023-24), out of which the portion of amounts not under dispute accounted for ₹6.63 lakh crore (from ₹9.08 lakh crore in FY 2022-23 to ₹15.71 lakh crore in FY 2023-24) as detailed in **Figure 3.2** below (**Details in Annexure 3.2**). The disclosure statement attributed “no assets or inadequate asset for recovery, assesses not traceable etc.” as the prominent reason for Tax Revenue raised but not realised for the ‘not under dispute’ category.

Figure 3.2: Trend of tax revenue raised but not realised*(₹ in lakh crore)*

Source: For actuals of FY 2022-23 and FY 2023-24, Receipt Budget 2024-25 and 2025-26, respectively.

Further, an amount of ₹15.40 lakh crore was disclosed as 'under dispute' of which ₹13.36 lakh crore pertained to Taxes on Income & Expenditure and the rest ₹2.03 lakh crore was towards Taxes on Commodities and services. We found that the pendency of cases 'under dispute' for more than five years in Taxes on Income & Expenditure increased during FY 2022-24 from ₹0.77 lakh crore to ₹2.68 lakh crore and in respect of Taxes on commodities and services, from ₹0.66 lakh crore to ₹0.81 lakh crore.

The Ministry replied (June 2025) that the citizens/corporates against whom tax demands have been raised have the right to approach the appropriate judicial forum.

While acknowledging the due process, the collection of tax revenue, particularly under 'not under dispute' category, would have reduced borrowings to that extent.

3.1.2 Inconsistencies in Disclosure Statements 2: Arrears of Non-Tax Revenue and 4: Asset Register

As per the disclosure required under Rule 6 of FRBM Rules, the details of arrears of non-tax revenue (NTR) are provided in the Receipt Budget. Past CAG report(s)¹⁸ have pointed out differences between the actual figures disclosed as arrears in interest receipts¹⁹ in Statement D-2 vis-à-vis figures disclosed in Union Government Finance Account (Statement 3 & 15) for that year. The differences persist in FY 2023-24 as well and are shown in **Table 3.3** below.

¹⁸ Report No. 6 of 2021 (for the period FY 2017-19), Report No. 18 of 2022 (for the period FY 2019-20) and Report No. 32 of 2022 (for the period FY 2020-21), Report no.1 of 2024 (for the period FY 2021-22) and Report No.3 of 2025 (for FY 2022-23)

¹⁹ Arrears in interest receipts from State/Union territory Government, Department Commercial Undertakings and Public Sector Undertakings.

Table 3.3: Inconsistency in arrears of interest receipts

(₹ in crore)

Loanee entity	As in D2 (Receipt Budget FY 2025-26)	As in Statement 3 of UGFA for FY 2023-24	Variation (between column 2 and 3)
(1)	(2)	(3)	(4)
State/ Union Territory Government	1,627.85	4,935.61	3,307.76
Public Sector and other Undertakings	51,835.19	54,870.74	3,035.45

Source: Receipt Budget 2025-26 and Union Government Finance Accounts for FY 2023-24.

We noted that the Union Government Finance Accounts (UGFA) for FY 2023-24 were certified by C&AG of India on 10 December 2024 wherein the details of arrears of interest were consolidated under Statement 15 section 2 of the UGFA; and were prepared state-wise by the administrative Ministries/ Departments, whereas the data contained in the online utility of Union Budget Information System (UBIS) under Ministry of Finance, were consolidated Ministry/ grant-wise. Thus, these two sets of data remained unreconciled for want of a common parameter i.e. state-wise information. This issue has been consistently raised in the past CAG reports²⁰ as well.

We also noted that the Accounts were finalized in the Office of the Controller General of Accounts (CGA), under the Ministry of Finance which also has access to Monthly Accounts prepared by CGA. Thus, the Ministry needs to ensure that the data entered in the UBIS, specifically the “interest receipts pending from ‘State/Union territory Government’ and ‘Public Sector and Other Undertakings’ in Form D-2”, corresponds with that as per UGFA. Thus, there is an inconsistency in figures of arrears of interest receipts from those reported in UGFA 2023-24.

Likewise, the amount of financial assets (Loans outstanding from Foreign Government, States, and Union territory) disclosed in Statement D4 -Asset Register, varied from that contained in Statement No. 1(ii) of Receipt Budget 2025-26.

Table 3.4: Inconsistent figures of financial assets (loans and advances)

(₹ in lakh crore)

Items	As in D-4 (Assets Register) in the Receipt Budget 2025-26	As in UGFA for FY 2023-24 and Statement No.1(ii) of Receipt Budget 2025-26	Difference
Loans to Foreign Governments	0.15	0.17	0.02
Loans to State and Unions Territories	0.05	6.23	6.18

Source: Receipt Budget 2025-26 and Union Government Finance Accounts for FY 2023-24.

²⁰ CAG Report Nos. 18 of 2022, 32 of 2022 and 01 of 2024 and 03 of 2025 for FY 2019-20, FY 2020-21, FY 2021-22 and FY 2022-23 respectively.

This inconsistency in figures was pointed out regularly in previous CAG Reports²¹. This persisted during FY 2023-24 although both the statements were contained in the same document (Receipt Budget).

The Ministry stated (June 2025) that the observations have been noted and that they would again issue strict instructions to the Ministries to ensure the correctness of the data.

3.1.3 Inconsistencies in Disclosure Statement 3: Guarantees given by the Government

Disclosure Statement in Form D-3 prescribed under the FRBM Rule 6, discloses the particulars of guarantees given by the Central Government, classified into six different classes. This information is identical to that contained in Statement 4 of the Union Government Finance Accounts (UGFA). However, during scrutiny of Receipt Budget 2025-26 (Form D-3) with corresponding figures in UGFA 2023-24, variance was noticed as shown in **Annexure 3.3**.

As the UGFA 2023-24 was tabled in Parliament in December 2024, any deviation therefrom in the Receipt Budget 2025-26 placed in February 2025, merits proper reconciliation and mention of the differential amounts in the Receipt budget with appropriate explanations.

The Ministry informed (June 2025) that relevant data as submitted by Ministries/Departments even after UGFA was tabled, has been reflected in the Receipt Budget 2025-26. They also stated that footnotes were also incorporated therein in cases of mismatches with the UGFA.

While we acknowledge the footnotes in Receipt Budget explaining the mismatches between the UGFA and the Receipt Budget, efforts need to be made to depict updated information pertaining to Guarantees in the UGFA itself.

3.2 Variation in disclosure of BE Figures of Key Fiscal Indicators in Statements mandated under the FRBM Act

A) As per Section 7(1) of FRBM Act, “the Minister-in-charge of the Ministry of Finance shall review, on half-yearly basis, the trends in receipts and expenditure in relation to the budget and place before both Houses of Parliament the outcome of such reviews”. Thus, the assumption of correct budget figures is a crucial factor in determining whether the requisite compliance was achieved.

While reviewing the Statement on Half yearly review (of the trends in receipts and expenditure) at the end of the first half of the FY 2023-24 it was found that the figures of Key Fiscal Indicators for BE 2023-24 depicted in Table 1 of the statement, were at

²¹ CAG Report Nos. 18 of 2022, 32 of 2022 and 01 of 2024 and 03 of 2025 for FY 2019-20, FY 2020-21, FY 2021-22 and FY 2022-23 respectively.

variance from that stated in Annual Financial Statement for the FY 2023-24. The variations observed are tabulated below in **Table 3.5**.

Table 3.5: Variation in BE figures of Key Fiscal Indicators used in H1/ H2 statements and the AFS

(₹ in crore)

Sl. No.	Particulars	Budget Estimate (BE) (₹ in crore)	
		as per H1 and H2 for FY 2023-24	as per AFS for FY 2023-24
1	Revenue Receipts (2+3)	26,32,281	29,80,001
2	Tax Revenue	23,30,631	23,39,411
3	Non-Tax Revenue	3,01,650	6,40,590
4	Capital Receipts (5+6+7)	18,70,816	19,14,823
	Non-Debt Capital Receipts (5+6)	84,000	1,09,250
5	Recovery of Loans	23,000	48,250
6	Other Receipts	61,000	61,000
7	Borrowing and other liabilities	17,86,816	15,99,320
8	Total Receipts (1+4)	45,03,097	48,94,284
9	Revenue Expenditure	35,02,136	38,50,444
10	Interest payment	10,79,971	10,99,971
11	Grants for creation of Capital Assets	3,69,988	-
12	Capital Expenditure	10,00,961	8,38,127
13	Total Expenditure (9+12)	45,03,097	46,88,571
14	Revenue Deficit (9-1)	8,69,855	8,70,443
15	Effective Revenue Deficit (14-11)	4,99,867	-
16	Fiscal Deficit {13-(1+5+6)}	17,86,816	15,99,320
17	Primary Deficit (16-10)	7,06,845	4,99,349

Source; H1 and H2 for FY 2023-24 and AFS for FY2023-24.

As the H1 and H2 statement is required to be placed in Parliament in accordance with section 7(1) of FRBM Act, 2003 (Amended in April 2018), the figures (BE) of Key Fiscal Indicators depicted in Table 1 of H1 and H2 should match with that in Annual Financial Statement which in turn is prepared in accordance with Article 112 of the Constitution of India.

The Ministry replied (June 2025) that a reconciliation statement for the key fiscal indicators is provided in Annex-3 of the Receipt Budget and Statement 17 of the Expenditure Profile.

However, no specific disclosure in this regard was found in H1 and H2 statements which may be included by the Ministry in the future.

B) As per Section 3(1) of the FRBM Act, 2003 the Central Government shall lay in each financial year before both Houses of Parliament the Medium-term Fiscal Policy cum Fiscal Policy Strategy Statement along with the Annual Financial Statement and Demand for Grants. The format of the MTFP has been prescribed under Rule 4(a) and Rule 5, that require three year rolling targets of prescribed fiscal indicators to be given in Form F-1.

While reviewing the MTFP statement placed during Budget 2023-24 it was found that the BE figures of Key Fiscal Indicators referred to in MTFP Statement were at variance from that stated in Annual Financial Statement for the FY 2023-24. The variations observed are tabulated below in **Table 3.6**.

Table 3.6: Variation in BE figures of Key Fiscal Indicators used in MTFP statement and the AFS

(₹ in lakh crore)

Sl. No.	Particulars	Budget Estimates (BE)	
		as per MTFP for FY 2023-24	as per AFS for FY 2023-24
1	Fiscal Deficit	17.87	15.99
2	Revenue Deficit	8.70	8.70
3	Primary Deficit	7.07	4.99
4	Non-Tax Revenue	3.02	6.41

Source: MTFP and AFS statements for FY 2023-24.

As the MTFP statement (prepared in accordance with Rule 4 and 5 of FRBM Rules 2004), and the AFS statement (prescribed under Article 112 of the Constitution) are both contained in the same Budget Document, the figures of Budget Estimates depicted in MTFP were expected to match with that in Annual Financial Statement.

Further, in the absence of an item-wise reconciliation of the figures (BE) of Key Fiscal Indicators, the requisite transparency in fiscal operations of the Central Government and conducting of fiscal policy in a medium-term framework seems to be affected.

Moreover, consistency in figures across government documents would be ideal and gross figures may be considered to be used as per the FRBM Act (as in AFS) otherwise a detailed note be given in these statements for clarity.

New Delhi

Dated: 05 August 2025



(KHALID BIN JAMAL)

Director General of Audit
Finance & Communication

Countersigned

New Delhi

Dated: 06 August 2025



(K. SANJAY MURTHY)

Comptroller and Auditor General of India

Annexures

Annexure 1.1
(Refer Para 1.1)

A brief highlight of the provisions of FRBM Act and Rules
with subsequent amendments

(Figures as percentage of GDP)

Fiscal Indicators		Target detail	Principal Act/ Rules	1 st Amendment (in 2004)	2 nd Amendment (in 2012)	3 rd Amendment (in 2015)	4 th Amendment (in 2018)
1	Revenue Deficit	Target	Zero	Zero	2	2	No target
		Annual reduction	0.5	0.5	0.6	0.4	
		Beginning with financial year	2004-05	2004-05	2013-14	2015-16	
		Target valid upto	31.03.08	31.03.09	31.03.15	31.03.18	
2	Fiscal Deficit	Target	3	3	3	3	3
		Annual reduction	0.3	0.3	0.5	0.4	0.1
		Beginning with financial year	2004-05	2004-05	2013-14	2015-16	2018-19
		Target valid upto	31.03.08	31.03.09	31.03.17	31.03.18	31.03.21
3	Guarantee	Aggregate guarantee in any financial year not to exceed 0.5 <i>per cent</i> of GDP, beginning with FY 2004-05					No additional guarantee for any loan on security of CFI, in excess of one-half <i>per cent</i> of GDP, in any financial year
4	Liability/ Debt	Not to assume additional liabilities (including external debt at current exchange rate) in excess of 9 <i>per cent</i> of GDP for 2004-05 and progressively reduce the limit of 9 <i>per cent</i> of GDP by at least one <i>percentage</i> point of GDP in each subsequent financial year.					General Government debt and Central Government debt not to exceed 60 <i>per cent</i> and 40 <i>per cent</i> of GDP respectively by the end of the FY 2024-25.

Annexure 1.2
(Refer Para 1.1)
Outcome of Mid-Year Review by Ministry of Finance

(₹ in lakh crore)

Parameter	Target for FY 2023-24	Actuals during FY 2023-24
Non-Debt Receipt		
Non-Debt Receipt (BE: ₹ 27.16)	10.86	14.17
Mid-year Benchmark	Not less than 40 per cent	52.17 per cent
(as per cent of BE)		(no adverse variation)
Revenue Deficit		
Revenue Deficit (BE: ₹ 8.70)	6.09	2.31
Mid-year Benchmark	Not more than 70 per cent	26.55 per cent
(as per cent of BE)		(no adverse variation)
Fiscal Deficit		
Fiscal Deficit (BE: ₹ 17.87)	12.51	7.02
Mid-year Benchmark	Not more than 70 per cent	39.28 per cent
(as per cent of BE)		(no adverse variation)

Source: H1 Statement for the FY 2023-24.

Annexure 2.1
(Refer to Para 2.1.1)
Outstanding Central Government Debt

(₹ in lakh crore)

FY	Internal Debt	External Debt at current exchange rate	Public Account Liability	Extra Budgetary Resource ²²	Cash Balance ²³	Central Government Debt	GDP at Current prices	Central Government Debt as percentage of GDP
	1	2	3	4	5	6 (1+2+3+4-5)	7	8 (6/7x100)
2019-20	80.20	5.44	18.79	1.12	0.48	105.07	201.04	52.26
2020-21	99.10	6.15	17.61	1.39	2.38	121.87	198.54	61.38
2021-22	114.62	6.58	16.44	1.39	0.38	138.65	235.97	58.76
2022-23	130.74	7.48	16.57	1.38	0.04	156.13	268.90	58.06
2023-24	146.98	7.96	17.14	1.38	1.75	171.71	301.23	57.00

Source: For Internal debt, External debt, and Public Account liabilities refer to UGFA of the respective years. The Extra Budgetary Resources (gross) are as per Statement 27 of Expenditure Profile in Budget Documents for FY 2021-22 to FY 2025-26. For GDP data refer to National Statistical Office (NSO) Press release dated 28 February 2025.

²² This amount of ₹1.38 lakh crore is as per Statement 27 of Expenditure Profile 2025-26 and Expenditure Profile 2024-25 that was shown earlier as ₹1.39 lakh crore in Expenditure Profile 2023-24 due to some inadvertent error accepted by the Ministry.

²³ The figure for Cash Balance for FY 2019-20 to FY 2023-24 includes MH-8673 (Cash Balance Investment Account) and MH-8999 (Cash Balance) of the Union Government Finance Accounts.

Annexure 2.2
(Refer Para 2.3)
Details of Guarantee

(₹ in lakh crore)

Sr. No.	Components	2019-20	2020-21	2021-22	2022-23	2023-24
1	Maximum amount guaranteed during the year	5.10	5.34	5.93	5.80	3.59
2	Outstanding at the beginning of the year	4.50	4.70	4.98	5.20	3.18
3	Addition during the year	0.61	0.64	0.96	0.61	0.41
4	Deletions (other than invoked)	0.44	0.36	0.72	2.61	0.25
5	Invoked during the year	0.00	0.00	0.02	0.05	0.04
6	Aggregate Guarantee [3-(4+5)]	0.17	0.28	0.22	-2.05	0.12
7	Outstanding at the end of the year	4.67	4.98	5.19	3.14	3.31
8	GDP	201.04	198.54	235.97	268.90	301.23
9	Maximum amount of Guarantee during the year as percentage of GDP	2.54	2.69	2.51	2.16	1.19
10	Additional Guarantee as percentage of GDP	0.30	0.32	0.41	0.23	0.14
11	Outstanding at the end of the year as percentage of GDP	2.32	2.51	2.20	1.17	1.10

Source: D3 of the respective years.

Annexure 2.3
(Refer Para 2.4 C)
Analysis of Actuals vis-à-vis estimates for Revenue Receipt

(₹ in lakh crore)

Item	BE	RE	Actuals	Variation
				(BE to Actuals) (in per cent)
Gross tax revenues	33.61	34.37	34.66	3.12
Goods and Services Tax (GST)	9.60	9.61	9.63	0.31
Taxes on income and expenditure	17.96	19.13	19.22	7.02
Taxes on Property and Capital Transactions	0.28	0.32	0.34	21.43
Taxes on Commodities and Services other than Goods and Services Tax	5.73	5.27	5.47	-4.89
(A) Tax Revenue	23.39	23.33	23.36	-0.13
(B) Non-tax revenues	6.40	7.26	7.52	17.50
(A+B) Revenue receipts	29.80	30.59	30.88	3.62

Source: Annual Financial Statement 2024-25 for BE and RE and UGFA for FY 2023-24 for actuals.

Annexure 2.4
(Refer Para 2.4 D)

Analysis of Actuals vis-à-vis estimates for Revenue Disbursements

(₹ in crore)

Item	BE	RE	Actuals	Variation (in percentage) (BE to Actuals)	Variation (in percentage) (RE to Actuals)
(A) General Services	18,35,407.06	18,78,770.49	18,78,932.55	2.37	0.01
(a) Organ of State	9,547.18	13,805.41	13,458.28	40.97	-2.51
Parliament/State/Union Territory Legislature	1,260.86	1,166.05	1,082.48	-14.15	-7.17
President, Vice President/Governor, Administrator of Union Territories	98.63	103.94	112.21	13.77	7.96
Council of Ministers	964.42	1,247.45	876.13	-9.15	-29.77
Administration of Justice	924.34	1,961.22	2,097.86	126.96	6.97
Elections	629.00	3,566.69	3,545.29	463.64	-0.60
Audit	5,669.93	5,760.06	5,744.31	1.31	-0.27
(b) Fiscal Services	49,147.25	48,958.01	47,147.89	-4.07	-3.70
(c) Interest Payments and servicing of debt	10,99,971.00	10,92,540.65	11,02,650.17	0.24	0.93
(d) Administrative services	1,40,441.00	1,43,563.91	1,44,395.31	2.82	0.58
(e) Pensions and miscellaneous general services	2,59,340.38	2,74,063.29	2,73,542.43	5.48	-0.19
(f) Defence Services	2,76,960.25	3,05,839.22	2,97,738.47	7.50	-2.65
(B) Social Services	2,20,203.43	2,42,247.41	2,53,336.44	15.05	4.58
(a) Education, sports, Art and Culture	59,908.41	86,078.27	90,335.39	50.79	4.95
(b) Health and Family Welfare	40,127.86	38,182.63	39,750.22	-0.94	4.11
(c) Water Supply, Sanitation, Housing and Urban Development	72,652.40	72,464.60	80,511.64	10.82	11.10
(d) Information and Broadcasting	4,412.11	4,149.61	4,144.34	-6.07	-0.13
(e) Welfare of Scheduled Castes, Scheduled Tribes and Other Backward Classes	9,336.48	5,780.47	3,557.84	-61.89	-38.45
(f) Labour and Labour Welfare	13,747.51	13,105.36	13,242.73	-3.67	1.05
(g) Social Welfare and Nutrition	5,406.46	4,979.80	15,109.39	179.47	203.41
(h) Others	14,612.20	17,506.67	6,684.89	-54.25	-61.82
(C) Economic Services	11,12,864.15	11,65,117.20	11,04,680.86	-0.74	-5.19
(a) Agriculture and Allied Activities	3,54,180.98	3,87,189.36	3,93,865.62	11.20	1.72
(b) Rural Development	64,452.52	90,383.48	94,109.95	46.01	4.12
(c) Special Areas Programmes	73,796.23	69,008.83	2,146.21	-97.09	-96.89

Item	BE	RE	Actuals	Variation (in percentage) (BE to Actuals)	Variation (in percentage) (RE to Actuals)
(d)Irrigation and Flood Control	10,215.76	10,427.76	10,382.10	1.63	-0.44
(e)Energy	36,476.56	42,170.73	46,568.23	27.67	10.43
(f)Industry and Minerals	1,87,423.73	1,82,268.79	1,77,727.87	-5.17	-2.49
(g)Transport	2,74,651.40	2,81,517.29	2,81,166.04	2.37	-0.12
(h)Communication	51,620.01	43,614.63	44,064.84	-14.64	1.03
(i)Science Technology and Environment	36,017.06	32,079.37	29,880.33	-17.04	-6.85
(j)General Economic Services	24,029.90	26,456.96	24,769.67	3.08	-6.38
(D) Grant-in-Aid and Contributions	6,81,969.08	6,14,068.86	6,17,132.36	-9.51	0.50
Revenue expenditure (A+B+C+D)	38,50,443.72	39,00,203.96	38,54,082.21	0.09	-1.18

Source: Annual Financial Statement 2024-25 for BE and RE 2023-24 and UGFA for FY 2023-24 for actuals.

Annexure 2.5 (Refer Para 2.4 E)

Analysis of Actuals vis-à-vis estimates for expenditure on Focus Area (FY 2023-24)

Sector/Year		BE	RE	Actuals	Variation (BE to Actuals) (in per cent)
Agriculture	Revenue	1,24,982.96	2,26,218.23	2,13,050.75	70.46
	Capital	52.83	97.68	43.97	-16.77
	Total	1,25,035.79	2,26,315.91	2,13,094.72	70.43
Education	Revenue	1,54,886.40	1,79,705.11	1,65,258.81	6.70
	Capital	13.07	13.17	7.77	-40.55
	Total	1,54,899.47	1,79,718.28	1,65,266.58	6.69
Health	Revenue	1,02,361.86	91,816.02	96,391.93	-5.83
	Capital	5,301.14	2,710.16	2,026.56	-61.77
	Total	1,07,663.00	94,526.18	98,418.49	-8.59
Drinking water and sanitation	Revenue	96,960.01	1,00,685.12	99,983.10	3.12
	Capital	381.68	329.53	231.16	-39.44
	Total	97,341.69	1,01,014.65	1,00,214.26	2.95
Rural development	Revenue	2,38,959.45	2,77,702.15	2,68,870.57	12.52
	Capital	4.78	4.90	3.32	-30.54
	Total	2,38,964.23	2,77,707.05	2,68,873.89	12.52

Source: Summary of Demands for Grants 2024-25 for BE and RE 2023-24, Summary of Demands for Grants 2025-26 for Actuals 2023-24.

Annexure 3.1
(Refer to Para 3.1.1)
Tax Revenue Raised but not realised.

(₹ in lakh crore)

		FY 2022-23	FY 2023-24	Difference
Gross Tax Revenue		30.54	34.66	
Tax revenue raised but not realised	Total	21.30	31.11	9.81
	'under dispute'	12.22	15.40	3.18
	'not under dispute'	9.08	15.71	6.63
Tax revenue raised but not realised as a percentage of total tax collected for that year.		69.74 per cent	89.76 per cent	

Source: Disclosure statement D1 – Tax Revenue raised but not realised contained in receipt budget 2024-25 and 2025-26 for FY 2022-23 and FY 2023-24 respectively.

Annexure 3.2
(Refer to Para 3.1.1)
Tax Revenue Raised but not realised

(₹ in lakh crore)

Duration	FY 2022-23		FY 2023-24	
	Amounts under Dispute	Amounts not under dispute	Amounts under Dispute	Amounts not under dispute
Over 1 year but less than 2 years	6.59	4.23	4.28	4.70
Over 2 years but less than 5 years	4.20	2.13	7.63	5.65
Over 5 years but less than 10 years	1.05	1.29	3.05	2.92
Over 10 years	0.38	1.43	0.44	2.44
Total	12.22	9.08	15.40	15.71
Grand total (Amounts under Dispute+ Amounts not under Dispute)	21.30		31.11	

Source: Disclosure statement D1 – Tax Revenue raised but not realised contained in receipt budget 2024-25 and 2025-26 for FY 2022-23 and FY 2023-24 respectively.

Annexure 3.3
(Refer to Para No. 3.1.3)
Disclosure on the Guarantees given by the government vis-à-vis
Statement 4 of approved UGFA 2023-24

(₹ in crore)

Name of Ministry/ Department	as per UGFA for FY 2023-24	as per Receipt Budget 2025-26	Difference
<u>Ministry of Finance, Department of Financial Services</u>			
Class I ²⁴ Guarantee			
Maximum amount guaranteed during the year	14,009.21 (12)	14,144.36 (10)	135.15
Outstanding at the beginning of the year	13,167.40 (12)	13,302.55 (10)	135.15
Outstanding at the end of the year	10,835.42 (11)	10,970.57 (7)	135.15
<u>Ministry of Finance, Department of Financial Services</u>			
Class III ²⁵ Guarantee			
Maximum amount guaranteed during the year	86,431.74 (342)	86,571.69 (365)	139.95
Outstanding at the beginning of the year	67,593.93 (325)	67,733.88 (350)	139.95
Deletion other than invoked during the year	7,850.39 (74)	7,851.70 (74)	1.31
Outstanding at the end of the year	73,951.33 (268)	75,157.46 (291)	1,206.13
<u>Ministry of New and Renewable Energy</u>			
Class III Guarantee			
Maximum amount guaranteed during the year	14,130.45 (17)	12,884.29 (17)	-1,246.16
Addition during the year	1,751.49 (1)	505.33 (1)	-1,246.16
Outstanding at the end of the year	13,389.50 (16)	12,143.34 (16)	-1,246.16
<u>Ministry of Railways</u>			
Class III Guarantee			
Guarantee commission or fee receivable	107.65	114.87	7.22
Guarantee commission or fee received	107.65	114.87	7.22

Figures in bracket represent the number of guarantees.

²⁴ Guarantees given to the Reserve Bank of India, other Banks and financial institutions for repayment of principal and payment of interest, cash credit facility, financing seasonal agricultural operations and/or providing working capital to companies, corporations, co-operative societies and Banks.

²⁵ Guarantees given in pursuance of agreements entered into by the Government of India with international financial institutions, foreign lending agencies, foreign governments, contractors, suppliers, consultants etc, towards repayment of principal, interest and/or commitment charges on loans etc., and/or for payment against supplies of material and equipment.

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.
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.
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.
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.
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	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.
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.
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.
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 realised from divestment of Government equity in PSUs.
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.
External Debt	Bilateral and multilateral debt contracted by the Government from foreign Governments and financial institutions abroad, mostly in foreign currency.
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 includes loans and advances given by the Union Government to the State and UT Governments, Foreign Governments, Public Sector Undertakings, Government Servants, etc.
Public Debt	Government debt from internal and external sources contracted in the Consolidated Fund of India is defined as Public Debt.

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