
ANNEXURES

Annexure-1.1

(Refer Para No. 1.1 and Chapter 5)

Fiscal Policy Statements and disclosure Forms prescribed under the FRBM Act

Fiscal policy statements	
Medium Term Fiscal Policy Statement	MTFP Statement contain three year rolling targets for three fiscal indicators, Tax Revenue and Total Outstanding Liabilities as a percentage to GDP with specifications of underlying assumptions, including assessment of sustainability relating to balance between revenue receipt and revenue expenditure; use of capital receipts including market borrowings for generating productive assets.
Fiscal Policy Strategy Statement	FPS Statement contain policies of the Central Government for the ensuing financial year, relating to taxation, expenditure, market borrowings and other liabilities, lending and investment, pricing of administered goods and services, securities and description of other activities etc.
Macro-economic Framework Statement	MF Statement contain an assessment of overview of the Economy, growth in GDP, fiscal balance of the Union Government and external sector balance of economy as reflected in current account of balance of payment.
Medium Term Expenditure Framework Statement	MTEF Statement contain three year rolling target for prescribed expenditure indicators, with specification of underlying assumptions and risks involved.
Disclosure Forms	
Form No.	Details of disclosures
D-1	Tax Revenue raised but not realized
D-2	Arrears of Non-Tax Revenue
D-3	Guarantees given by the Government
D-4	Asset Register
D-5	Liability on Annuity Projects
D-6	Grants for creation of capital assets
	<i>(Not applicable in 2018-19)</i>

Annexure 1.2

(Refer Para No. 1.2)

Main provisions of the FRBM Act as amended in 2018 (Applicable from year 2018-19)

1.	Fiscal deficit target	Fiscal deficit as the key operational target with focus on achieving fiscal deficit of three <i>per cent</i> of GDP by the end of the FY 2020-21 with annual reduction of 0.1 <i>per cent</i> or more of the GDP at the end of each FY beginning with the FY 2018-19.
2.	Revenue and Effective Revenue deficit target	Done away with the requirement of having Revenue Deficit target and consequently Effective Revenue Deficit target and inclusion of Primary deficit (Fiscal deficit – Interest Payment) as a fiscal indicator.
3.	General and Central Government debt target	Achieving the General Government debt target of 60 <i>per cent</i> and Central Government debt target of 40 <i>per cent of GDP</i> by the end of the FY 2024-25.
4.	Scope of Central Government debt	The scope of ‘Central Government Debt’ has been expanded to include the total outstanding liabilities on the security of the Consolidated Fund of India (CFI) and Public Account plus <i>such financial liabilities of anybody-corporate or other entity owned or controlled by the Central Government, which the Government is to repay or service from the annual financial statement.</i>
5.	Guarantee target	Not to give additional guarantees with respect to any loan on security of the Consolidated Fund of India in excess of one-half <i>per cent</i> of GDP in any financial year.
6.	Escape Clauses	Widening of grounds (escape clauses) on which Central Government is allowed to breach the deficit targets which include national security, act of war, national calamity, collapse of agriculture, structural reforms in the economy, decline in real output growth, etc. However, any deviation from Fiscal Deficit target shall not exceed one-half <i>per cent</i> of the GDP.
7.	Additional clause for Fiscal deficit target	In case of increase in real output growth of a quarter by at least three <i>per cent</i> points above its average of the previous four quarters, reduce the fiscal deficit by at least one-quarter <i>per cent</i> of the GDP in a year.
8.	Periodicity of Review of accounts	Half-yearly review in place of quarterly review and preparation of monthly statement of accounts.

Note –Though MTFP cum FPS Statement placed along with Budget 2020-21, the Fiscal deficit target of 3 *per cent* of GDP has been deferred beyond 2022-23.

Annexure -2.1

Refer Graph 2.2 and 2.3

Deficits, GDP and Grants for creation of capital assets

(₹ in crore)

Financial Year	GDP*	Derived from Annual Financial Statement/Union Government Finance Accounts					As per Budget at a Glance					Variation in fiscal deficit
		Revenue Deficit	Effective Revenue Deficit	Fiscal Deficit	Expenditure on Grants for creation of capital assets	Grants for creation of capital assets as %age of Revenue Deficit	Revenue Deficit	Effective Revenue Deficit	Fiscal Deficit	Expenditure on Grants for creation of capital assets	Grants for creation of capital assets as %age of Revenue Deficit	
	1	2	3=2-5	4	5	6=5/2	7	8=7-10	9	10	11	12=4-9
2013-14	112,33,522	3,57,303	2,27,465	5,03,230	1,29,838	36.3	3,57,048	2,27,630	5,02,858	1,29,418	36.2	372
2014-15	124,67,959	3,66,228	2,35,468	5,15,948	1,30,760	35.7	3,65,520	2,34,760	5,10,725	1,30,760	35.8	5,223
2015-16	137,71,874	3,43,369	2,12,414	5,85,497	1,30,955	38.1	3,42,736	2,10,982	5,32,791	1,31,754	38.4	52,706
2016-17	153,91,669	3,17,030	1,50,470	5,37,799	1,66,560	52.54	3,16,381	1,50,648	5,35,618	1,65,733	52.4	2, 181
2017-18	170,98,304	4, 48,942	2,56,422	6,85,506	1,92,520	42.88	4,43,600	2,52,566	5,91,062	1,91,034	43.1	94,444
2018-19	189,71,237	4,55,108	NA	7,84,062	NA	NA	4,54,483	2,62,702	6,49,418	1,91,781	42.2	1,34,644

* GDP estimate for 2013-14 and 2015-16 are taken from press note dated 31 January 2020 and the 2017-18 to 2018-19 from press note dated 29 May 2020.

Annexure-2.2

Refer Para No. 2.5.1

Understatement/ Overstatement of Revenue Deficit due to misclassification of expenditure

Sl. No.	Description of Grant	Major head	Object head in which expenditure was incorrectly booked	Amount (₹ in Crore)
(A) Misclassification of expenditure of capital nature as revenue expenditure				
1.	14-Department of Telecommunications	3275	51	0.02
2.	64-Ministry of Micro, Small and Medium Enterprises	2851	52	1.33
3.	19-Ministry of Defence (Misc.)		01	5.89
4.	91-Department of Space	3402	21	297.84
		3402	50	3.41
Understatement of capital expenditure Total (A)				308.49
(B) Misclassification of expenditure of revenue nature under capital head of expenditure				
1.	4-Department of Atomic Energy	4861	27	60.46
		5401	27	0.68
2.	14-Department of Telecommunications	5275	13	0.16
3.	87- Ministry of Shipping	5051	50	0.50
4.	100-Ministry of Youth Affairs and Sports	4202	27	0.75
5.	19-Ministry of Defence (Misc.)	5054	53	2,144.92
6.	11- Department of Commerce	5453	53	80.00
7.	17- Ministry of Corporate Affairs	5475	53	2.17
8.	48-Police	4055	52	12.20
Overstatement of capital expenditure Total (B)				2,301.84
Net overstatement of capital expenditure (B-A)				1,993.35

Annexure 4.1

Refer Para No. 4.5

Revenue Expenditure projection in MTEF and actual for financial year (FY) 2017-18

(` in crore)

Heads of expenditure	Projections for FY 17-18 (in MTEF Statement for FY2015-16)	Projections for FY 17-18 (in MTEF Statement for FY2016-17)	BE in MTEF 2017-18	RE for 2017-18 in MTEF Statement for FY 2018-19	Provisional Actuals (MTEF Statement for FY 2018-19)	% age change in Actuals with respect to initial projections
	August 2015	August 2016	August 2017	August 2018	August 2018	
Salary	1,28,161	1,22,284	1,23,558	1,51,129	1,50,511	17%
Interest	5,39,000	5,44,000	5,23,078	5,30,843	5,29,243	-2%
Pension	1,12,933	1,36,026	1,31,201	1,47,438	1,45,789	29%
Fertilizer Subsidy	80,000	70,000	70,000	65,000	66,441	-17%
Food Subsidy	1,41,000	1,40,000	1,45,339	1,40,282	1,00,316	-29%
Petroleum Subsidy	34,000	21,000	25,000	24,460	24,352	-28%
Centralized Provision for Grants to States	1,06,101	1,15,451	1,18,601	1,15,497	1,03,902	-2%
Defence	1,97,860	1,83,355	1,82,534	1,84,217	1,87,408	-5%
Postal Deficit	6,665	8,200	8,490	11,112	12,039	81%
External affairs	11,937	9,861	10,816	10,389	10,499	-12%
Home Affairs	18,432	17,681	19,602	19,998	19,723	7%
Tax Administration	4,345	14,631	4,394	68,364	62,685	1343%
Finance	35,544	15,687	6,909	6,610	5,724	-84%
Education	64,616	60,554	63,467	63,710	62,100	-4%
Health	30,865	33,615	38,167	41,967	42,678	38%
Social welfare	28,913	33,201	38,368	37,589	36,516	26%
Agriculture and Allied Services	26,293	48,682	52,901	52,607	48,660	85%
Commerce and Industry	16,489	14,430	20,067	22,458	20,336	23%
Urban Development	16,228	17,985	19,386	19,440	22,215	37%
Rural Development	89,798	1,08,826	1,28,320	1,35,461	1,34,851	50%
Development of North East Region	2,647	2,031	2,069	2,260	2,256	-15%
Planning and Statistics	6,967	4,400	4,365	4,380	3,914	-44%
Scientific Departments	12,261	12,410	12,911	13,140	12,941	6%
Energy	11,421	20,157	19,542	27,457	28,271	148%
Transport	16,263	30,211	12,404	13,741	13,901	-15%
IT and Telecom	7,153	8,646	15,653	11,137	11,052	55%
UT	7,647	7,255	7,335	7,491	7,435	-3%
Others	26,075	28,737	32,456	16,128	13,206	-49%
Total – Revenue Expenditure	17,79,614	18,29,317	18,36,934	19,44,305	18,78,964	6%

Source: MTEF Statements (August 2016, August 2017 and August 2018)

Capital Expenditure projection in MTEF and actual for financial year (FY) 2017-18

(*₹ in crore*)

Heads of expenditure	Projections for FY 17-18 (in MTEF Statement for FY2015-16)	Projections for FY 17-18 (in MTEF Statement for FY2016-17)	BE in MTEF 2017-18	RE for 2017-18 in MTEF Statement for FY 2018-19	Provisional Actuals MTEF Statement for FY 2018-19	%age change in Actuals with respect to initial projections
	August 2015	August 2016	August 2017	August 2018	August 2018	
Defence	1,17,720	98,068	91,580	91,461	95,453	-19%
Home Affairs	10,288	9,771	11,479	10,901	10,818	5%
Finance	14,821	17,955	22,126	22,372	11,210	-24%
Health	1,221	1,761	3,512	3,282	3,095	153%
Commerce and Industry	2,195	1,206	1,981	1,154	1,157	-47%
Urban Development	14,708	12,502	19,332	19,422	15,346	4%
Planning and Statistics	390	29	29	29	9	-98%
Scientific Department	4,520	3,949	4,293	3,864	3,863	-15%
Energy	7,273	9,498	12,670	8,867	8,676	19%
Transport	84,369	88,549	1,11,482	92,900	96,185	14%
IT and Telecom	3,472	5,193	3,735	5,236	4,417	27%
Loans to States	13,781	12,500	18,500	4,768	4,768	-65%
UT	2,348	1,867	1,763	2,373	2,413	3%
Others	7,435	6,017	7,320	6,815	6,292	-15%
Total – Capital Expenditure	2,84,541	2,68,866	3,09,801	2,73,445	2,63,704	-7%