

Central Government finances 2003-04

2.4 Following a drought-induced deceleration in growth in 2002-03, the high real GDP growth of 8.5 per cent in 2003-04 had a favourable impact on the revenue mobilization efforts of the Government. The gross tax revenue of the Central Government grew by 17.7 per cent over 2002-03 to Rs.2,54,438 crore in 2003-04 (Prov.), exceeding the BE by Rs.2,911 crore. The higher gross tax revenue realization was achieved, despite a shortfall in revenue from all major taxes in relation to BE, except corporate income tax. Revenue from corporate income tax exceeded the BE by Rs.12,109 crore. Non-tax revenues also exceeded the BE, owing to higher than budgeted dividends. Capital receipts at Rs.2,08,936 crore exceeded the BE by Rs.24,076 crore. The higher capital receipts were mainly on account of higher than budgeted recovery of loans. Recovery of loans amounted to Rs.66,298 crore in 2003-04 as compared with the BE of Rs.18,023 crore, reflecting prepayment of loans by States under the debt swap scheme. Receipts from disinvestment in public enterprises amounted to Rs.16,048 crore, exceeding the BE by Rs.2,848 crore.

2.5 Total expenditure of the Central Government exceeded the BE by Rs.33,141 crore, mainly on account of higher than budgeted capital expenditure. This was on account of repayments amounting to Rs.46,211 crore to the National Small Savings Fund (NSSF), using the proceeds from recoveries of loans under debt swap scheme. While non-plan expenditure exceeded the BE by 10.1 per cent, Plan expenditure exceeded the BE marginally by 1 per cent. Net of repayments to NSSF, non-Plan expenditure was actually lower than the BE by Rs.14,245 crore. Revenue expenditure was lower than the BE by Rs.4,919 crore. The lower than budgeted revenue expenditure was in the non-Plan account due to lower expenditure on subsidies. Plan revenue expenditure exceeded the BE by Rs. 1,694 crore. Plan expenditure on capital account was marginally lower than budgeted.

2.6 Fiscal deficit at 4.6 per cent of GDP was lower than the BE by one percentage point. Revenue deficit was also lower at 3.6 per cent of GDP as compared with the BE of 4.1 per cent of GDP, on account of both higher than budgeted revenue receipts and lower than budgeted revenue expenditure.