

Fiscal outcome 2006-07 so far

2.37 As per the data on Central Government finances published by the Controller General of Accounts, for the period April-December, 2006, gross tax revenue was placed at Rs.306,527 crore and total expenditure at Rs.383,721 crore. As against an assumed growth of 19.5 per cent in gross tax receipt in 2006-07 (BE) over 2005-06 (BE), the realised growth during April-December has been 32.8 per cent. Up to December 2006, 69.3 per cent of the budgeted amount was collected. The overall growth in gross tax revenue so far vis-a-vis the growth assumed in BE for 2006-07 and 18.8 per cent recorded in the corresponding period of the previous year suggests that the current financial year may end up with collection higher than initially estimated. Non-tax revenue at Rs. 48,744 crore for the

first nine months of this financial year recorded a modest growth of 1.5 per cent over the corresponding period of the previous year, and was 63.9 per cent of 2006-07 (BE) (Table 2.9).

2.38 Month-to-month movement of major fiscal parameters (Table 2.10) reveal that both revenue and expenditure have generally been well time-spaced. Revenue receipts generally become buoyant in September and December with quarterly advance tax payments falling due during these months, while both revenue and total expenditure are more evenly spread. Higher realisation from taxes in September and December get associated with a reduction in revenue and fiscal deficit in these months. Both these months in 2006 actually ended with a revenue surplus.

Table 2.9 : Central Government finances

	Budget estimates 2006-07	April-December		Col. 4 as per cent of BE 2006-07	Percentage change over 2005-06 (Col. 4/3)
		2005-06	2006-07		
1	2	3	4	5	6
		(Rs. crore)			
1. Revenue receipts(net to Centre)	403,465	216,746	280,915	69.6	29.6
Gross tax revenue	442,153	230,839	306,527	69.3	32.8
Tax (net to Centre)	327,205	168,715	232,171	71.0	37.6
Non tax	76,260	48,031	48,744	63.9	1.5
2. Capital receipts	160,526	115,753	102,806	64.0	-11.2
of which:					
Recovery of loans	8,000	7,408	7,952	99.4	7.3
Other receipts	3,840	11	0	0.0	-100.0
Borrowings and other liabilities	148,686	108,334	94,854	63.8	-12.4
3. Total receipts (1+2)	563,991	332,499	383,721	68.0	15.4
4. Non-plan expenditure (a)+(b)	391,263	237,904	272,203	69.6	14.4
(a) Revenue account	344,430	221,552	253,791	73.7	14.6
of which:	0	0	0	0.0	0.0
Interest payments	139,823	80,972	92,634	66.3	14.4
Major subsidies	44,532	33,230	40,225	90.3	21.1
Pensions	19,542	14,621	15,050	77.0	2.9
(b) Capital account	46,833	16,352	18,412	39.3	12.6
5. Plan expenditure (i)+(ii)	172,728	94,595	111,518	64.6	17.9
(i) Revenue account	143,762	74,875	93,901	65.3	25.4
(ii) Capital account	28,966	19,720	17,617	60.8	-10.7
6. Total expenditure (4)+(5)=(a)+(b)	563,991	332,499	383,721	68.0	15.4
(a) Revenue expenditure	488,192	296,427	347,692	71.2	17.3
(b) Capital expenditure	75,799	36,072	36,029	47.5	-0.1
7. Revenue deficit	84,727	79,681	66,777	78.8	-16.2
8. Fiscal deficit	148,686	108,334	94,854	63.8	-12.4
9. Primary deficit	8,863	27,362	2,220	25.0	91.9

Source : Controller General of Accounts.

Table 2.10 : Trends in Cumulative Central Government Finances (April- November) for 2006-07*(Rs crore)*

	Budget Estimates	April	April- May	April- June	April- July	April- August	April- Sept.	April- Oct.	April- Nov.	April- Dec.
1	2	3	4	5	6	7	8	9	10	11
1. Revenue Receipts	403,465	9,434	19,330	52,382	77,336	106,551	161,406	196,474	221,190	280,915
Per cent to BE		2.3	4.8	13.0	19.2	26.4	40.0	48.7	54.8	69.6
2. Capital receipts	160,526	32,377	72,588	79,088	88,745	93,885	90,538	92,795	115,349	102,806
3. Total Receipts	563,991	41,811	91,918	131,470	166,081	200,436	251,944	289,269	336,539	383,721
Per cent to BE		7.4	16.3	23.3	29.4	35.5	44.7	51.3	59.7	68.0
4. Non Plan Expenditure	391,263	35,714	62,882	92,946	120,110	146,516	183,065	214,017	245,393	272,203
Per cent to BE		9.1	16.1	23.8	30.7	37.4	46.8	54.7	62.7	69.6
5. Plan Expenditure	172,728	6,097	29,036	38,524	45,971	53,920	68,879	75,252	91,146	111,518
Per cent to BE		3.5	16.8	22.3	26.6	31.2	39.9	43.6	52.8	64.6
6. Total Expenditure	563,991	41,811	91,918	131,470	166,081	200,436	251,944	289,269	336,539	383,721
Per cent to BE		7.4	16.3	23.3	29.4	35.5	44.7	51.3	59.7	68.0
7. Revenue Expenditure	488,192	40,298	87,950	123,057	155,546	185,949	230,683	263,773	305,673	347,692
Per cent to BE		8.3	18.0	25.2	31.9	38.1	47.3	54.0	62.6	71.2
8. Revenue Deficit	84,727	30,864	68,620	70,675	78,210	79,398	69,277	67,299	84,483	66,777
Per cent to BE		36.4	81.0	83.4	92.3	93.7	81.8	79.4	99.7	78.8
9. Fiscal Deficit	148,686	31,956	72,088	77,740	86,404	90,678	86,461	87,100	108,201	94,854
Per cent to BE		21.5	48.5	52.3	58.1	61.0	58.2	58.6	72.8	63.8

Source : Contoller General of Accounts, Department of Expenditure, Ministry of Finance