

INTRODUCTORY NOTES

This volume serves as the Explanatory Memorandum to the Budget of the Central Government in so far as the expenditure provisions are concerned. It is divided into three parts, viz, Part I-General, Part II - Non-Plan Expenditure and Part III - Plan Outlay. The Statements and Annexures which form part of this volume are self-explanatory and have been referred to in the write-up at the appropriate places. The Expenditure provisions included in the various Statements are net of recoveries, and receipts in the case of Commercial Departments / Departmental Commercial Undertakings, so as not to inflate the figures of expenditure / receipts. The details of expenditure / receipts of such Departments / Undertakings are given in Statement No. 7. Similarly, short-term loans and advances given to the States and recovered during the same year have also been netted. Certain transactions which do not involve a net cash outgo and are matched by receipts, e.g., subscriptions to the International Monetary Fund, investment in share capital of Nationalised Banks etc., have also been netted, so as to focus attention on real items of expenditure.

2. The estimates of budgetary expenditure in this document exclude the transactions of Railways and Telecommunications except to the extent of Plan investments made from the General Budget. The Annual Financial Statement presented separately under article 112 of the Constitution, however, incorporates the expenditure of all the Central Government Ministries/Departments.

3. The Demands for Grants presented separately under article 113 of the Constitution seek the approval of Parliament for "gross" amounts of expenditure without taking into account "recoveries" taken in reduction of expenditure in the accounts. Amounts of these recoveries are also shown in the respective Demands for Grants. The expenditure under each major head of account is shown in the Annual Financial Statement net of these recoveries. A further netting of some receipts is done in this document, as explained above, to facilitate proper appreciation of various items of expenditure. Annexure 1 to this document shows the expenditure under each major head of account after such adjustments. Annexure 2 reconciles the totals of Annexure 1 and the expenditure totals in the Annual Financial Statement, as well as in the Demands for Grants.