Receipts which arise either due to the reduction in public assets or the increase public liabilities.

Examples –

(i) Disinvestment

↓

Selling of the equity of PSUs/PSEs.

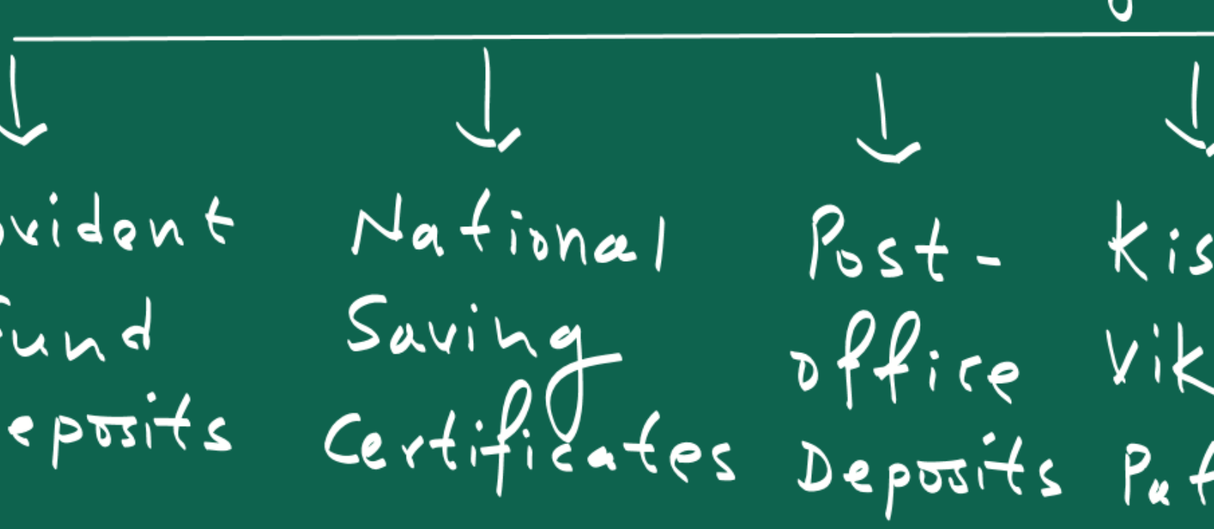
(ii) Recovery of Loans

(iii) Market Borrowings

↓

Internal → Through- RBI

External → Directly by GoI



Notes.

(i) The first two types of capital receipts are

called the NDCR.

↓

(Non Debt) Capital Receipts

(ii) The RBI issues the dated govt. securities in order to raise borrowings from the internal market.

Q. Study the following -

1. Tax Revenue

2. Dividends & profits

3. Disinvestment

Which among the above is/are included into the so-called NIDCR ?

(a) 1, 2, 3 (b) only 3

(c) 2 only (d) 1, 2

Govt. Expenditures

They can be divided into two parts –

(i) Revenue Expenditures

(ii) Capital Expenditures

Revenue Expenditure

An expenditure which neither creates public assets nor reduce public liabilities.

↓

(i) Interest Payments
(ii) Salary & pension
(iii) Subsidy
(iv) grants etc.

Which lead to -

(i) either increase in public assets.

(ii) Or decrease in public liabilities.

Examples -

(i) development of metro project, national highway, airport etc.

(ii) Repayment of loans

(iii) loans to -

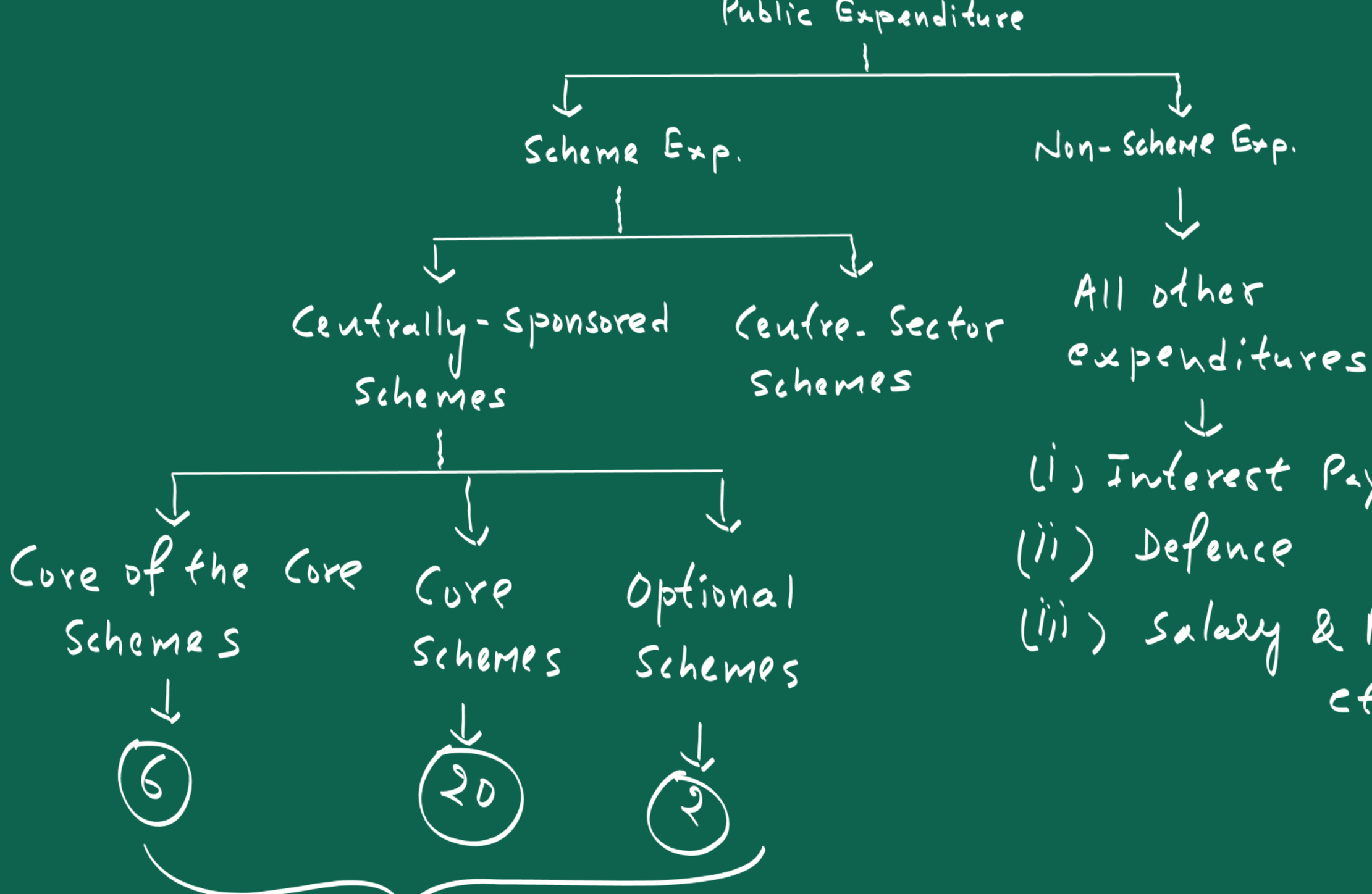
(a) state govt.

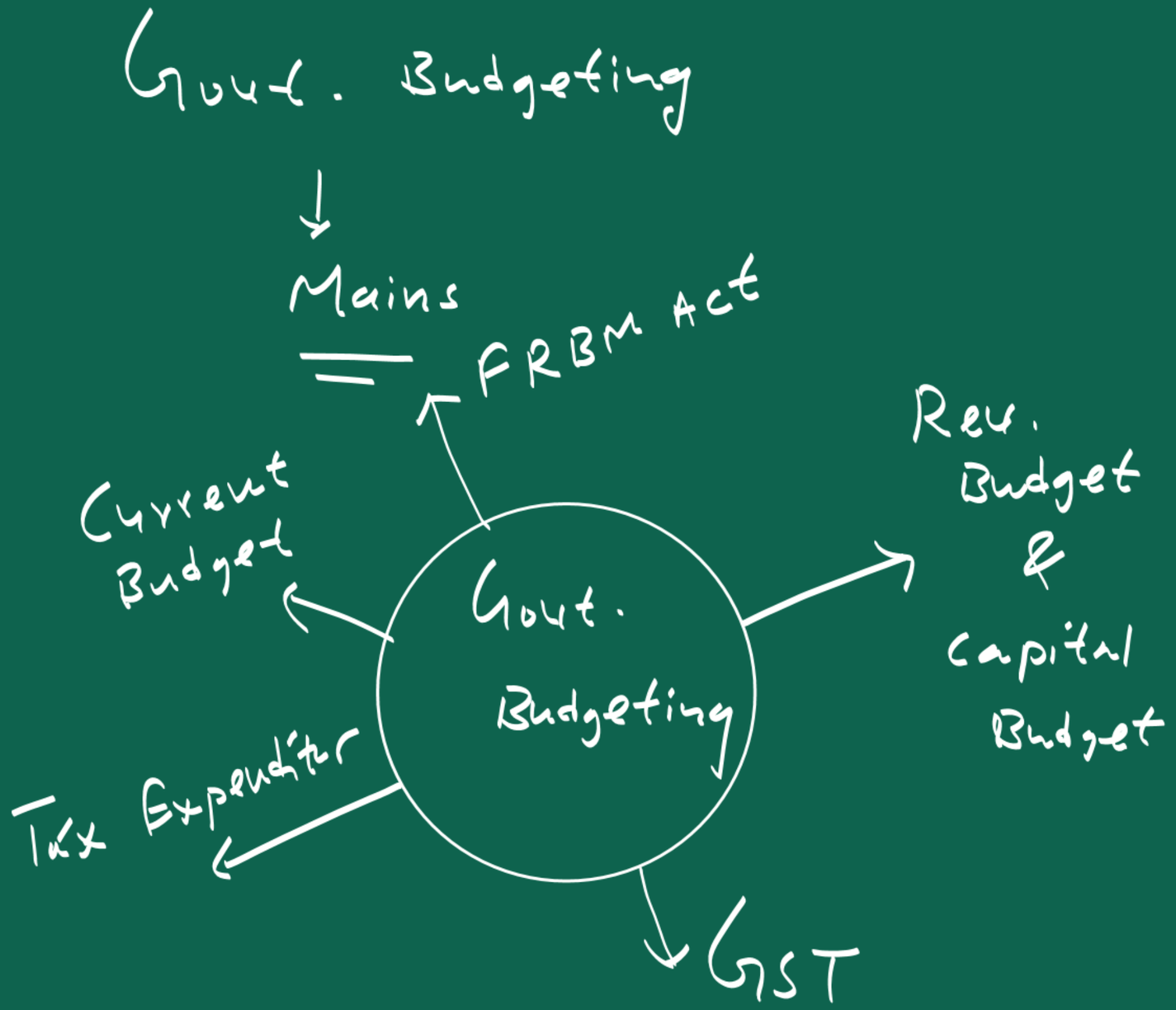
(b) Any PSU/PSE.

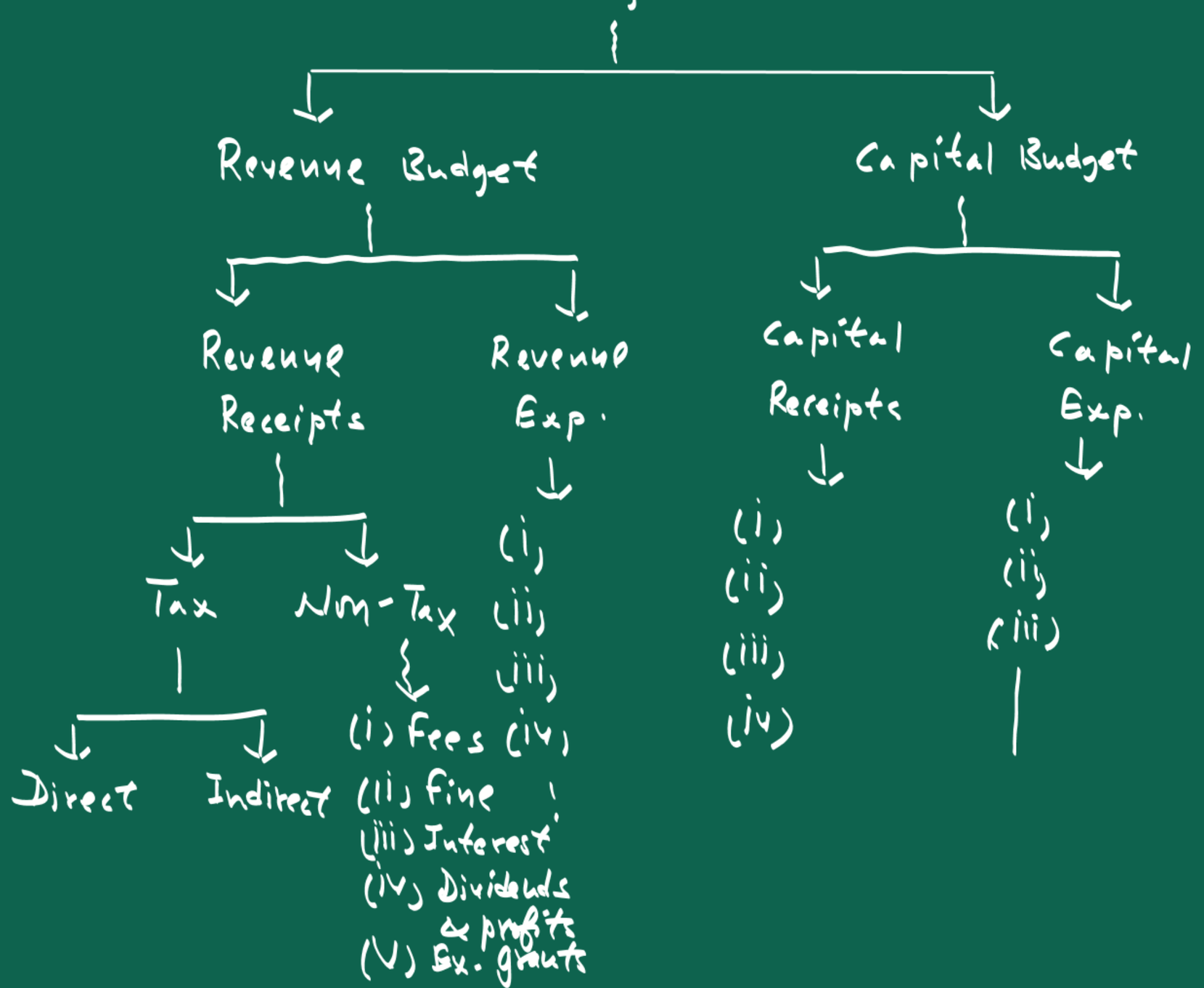
(c) foreign govt. etc.

New Classification of Public Exp.

- Intro → 2017-18
- Its structure : Diagram


Public Expenditure
Scheme Exp.
Non-Scheme Exp.
Centrally-Sponsored Schemes
Centre. Sector Schemes
All other expenditures
(i) Interest Pay
(ii) Defence
(iii) Salary &
Core of the Core Schemes
Core Schemes
Optional Schemes
6
20
2


Govt. Budgeting
Mains
FRBM Act
Current Budget
Govt. Budgeting
Rev. Budget & Capital Budget
Tax Expenditure
GST


Revenue Budget
Capital Budget
Revenue Receipts
Revenue Exp.
Capital Receipts
Capital Exp.
Tax
Non-Tax
(i)
(ii)
(iii)
(iv)
Direct
Indirect
(i) Fees
(ii) Fine
(iii) Interest
(iv) Dividends & profits
(v) Ex. grants
(i)
(ii)
(iii)
(iv)
(i)
(ii)
(iii)

Q. Study the following-

(i) Market Borrowing

(ii) Exp. on Asset ——

(iii) ——————

what are the items of capital budget