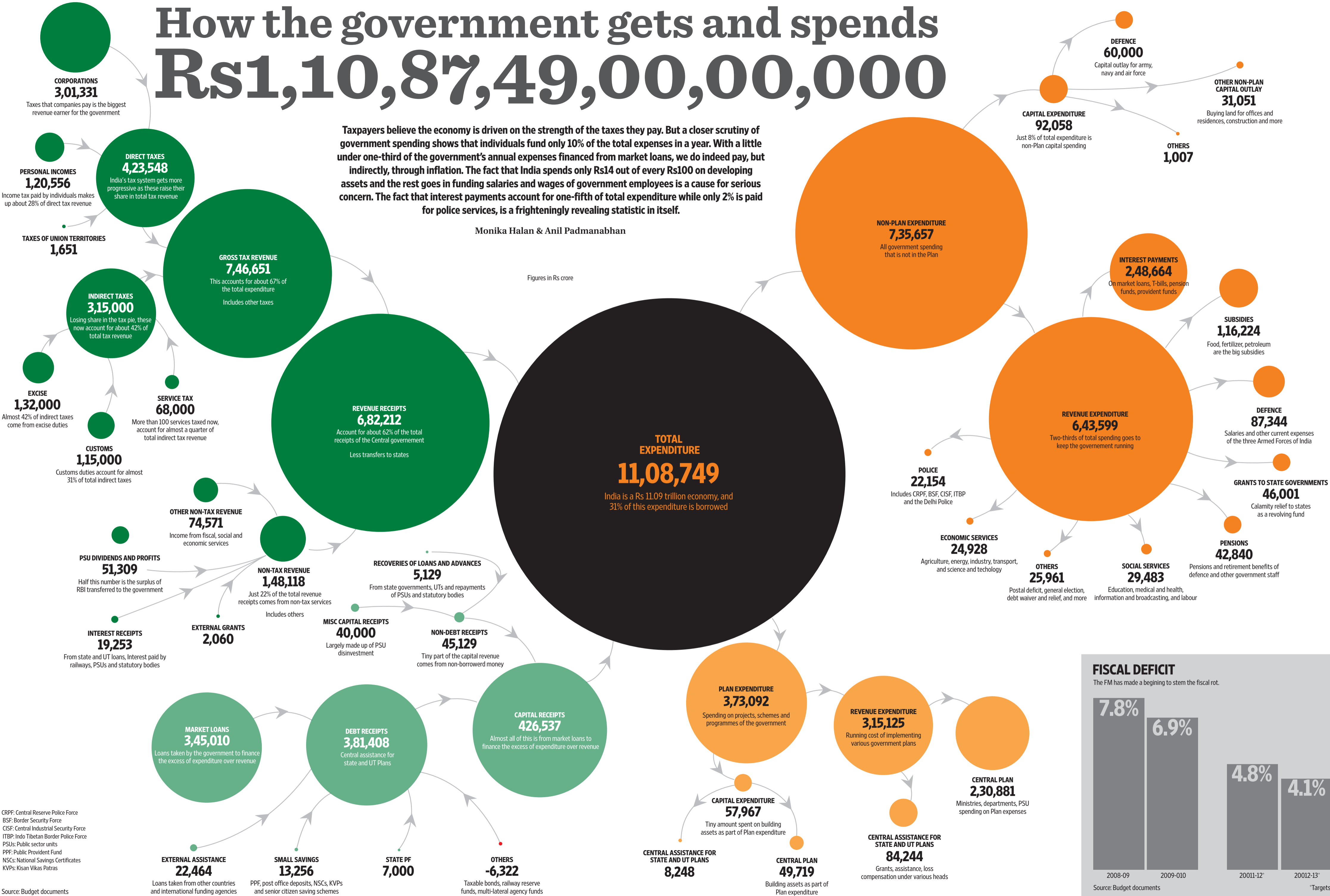


How the government gets and spends Rs1,10,87,49,00,00,000

Taxpayers believe the economy is driven on the strength of the taxes they pay. But a closer scrutiny of government spending shows that individuals fund only 10% of the total expenses in a year. With a little under one-third of the government's annual expenses financed from market loans, we do indeed pay, but indirectly, through inflation. The fact that India spends only Rs14 out of every Rs100 on developing assets and the rest goes in funding salaries and wages of government employees is a cause for serious concern. The fact that interest payments account for one-fifth of total expenditure while only 2% is paid for police services, is a frighteningly revealing statistic in itself.

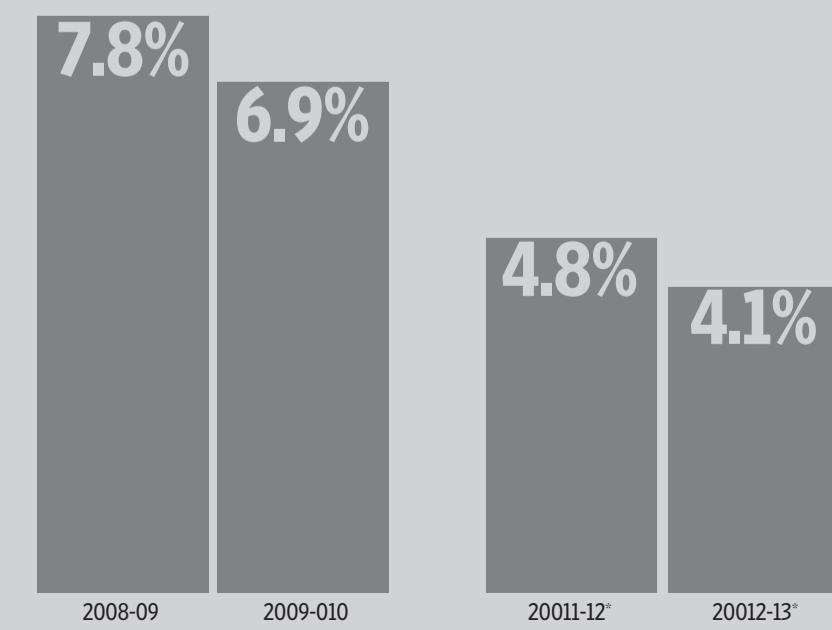
Monika Halan & Anil Padmanabhan

Figures in Rs crore



FISCAL DEFICIT

The FM has made a beginning to stem the fiscal rot.



CRPF: Central Reserve Police Force
BSF: Border Security Force
CISF: Central Industrial Security Force
ITBP: Indo Tibetan Border Police Force
PSUs: Public sector units
PPF: Public Provident Fund
NSCs: National Savings Certificates
KVPs: Kisan Vikas Patras