



WB/ KP SI & CONSTABLE



BUDGET

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LIVE

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Union Budget 2023: Expectations



Budget concept

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BUDGET DIFINITION →

- **According to article 112 of Indian constitution - The union budget is a statement of the estimated receipts and expenditure of the Govt for that particular year.**
- **It is a forecast of revenue and expenses over a specific time in future.**

HISTORY

- **Budget term first used by : Sir Robart Walpol.**
- **1799 – Income tax introduced by Willion Pitt.**
- **The word Budget Origin : French word Bougette means leather Bag or leather Briefcase.**
- **Economic survey presented by – Finance Minister.**
- **First Budget In India – James Wilson in1869.**
- **The First Budget in Independent India – Sir R K Shanmukham Chetti on 26 nov 1947.**
- **Budget article : 112 (Annual Financial statement.)**
- **Highest number of time budget presented by Morarji Desai(10times), P Chidambram -9 times.**

Five steps for creating Budget-

- 1. Find out how much money have to manage.**
- 2. Track your spending.**
- 3. Set financial goal.**
- 4. Decrease your spending or increase income.**
- 5. Stick with plan.**

General Budget -

- It is presented on : 1st of Feb Every year.
 - Its presented by : Finance Minister
 - Five department of Budgeting
 - 1) Department of Revenue
 - 2) Department of Expenditure
 - 3) Department of Economic Affairs
 - 4) Department of Financial services
 - 5) Department of Investment and Public asset management (DIPAM)
- Final Budget is prepared by Department of Economic Affairs.**

Types of Budget-

Government's estimated Revenue
=
Government's proposed Expenditure.

TYPES OF BUDGET

DEFICIT
BUDGET



EXPENSE
>
REVENUE

BALANCED
BUDGET



EXPENSE
=
REVENUE

SURPLUS
BUDGET



EXPENSE
<
REVENUE

'SAPTARISHI' 7 Priorities of Budget 2023-24

The first budget in Amrit Kaal will be guided by seven priorities that complement each other and act as the 'Saptarishi'



SUMMARY OF THE UNION BUDGET 2023-24

- ❑ Union budget 2023-24 presents vision for amrit kaal-blue print for an empowered and inclusive economy.**
- ❑ Capital investment outlay increased by 33% to Rs10 lakh crore.**
- ❑ Effective capital expenditure at 4.5% of GDP.**
- ❑ Fiscal deficit estimated to be 5.9 % of GDP in be 2023-24**
- ❑ Real GDP to grow at 7% in FY 2022-23**
- ❑ Exports to grow at 12.5% in FY 2023**

- ❑ Atmanirbhar clean plant program with outlay of ₹2200 crore to be launched to boost availability of quality planting material for high value horticultural crops.**
- ❑ 157 new nursing colleges to be established.**
- ❑ Outlay for pm awasojana enhanced by 66% to over Rs 79,000 crore.**
- ❑ Highest ever capital outlay of Rs 2.40 lakh crore provided for railways.**
- ❑ Urban infrastructure development fund (UIDF) to be established through use of priority sector lending shortfall.**

- ❑ 500 new ‘waste to wealth’ plants under Gobardhan scheme to be established at total investment of Rs 10,000 crore.**
- ❑ 10,000 bio-input resource centers to be set-up, creating national-level distributed micro-fertilizer and pesticide manufacturing network.**
- ❑ Pradhan Mantri Kaushal Vikas yojana 4.0 to be launched.**
- ❑ Resident individual with total income upto ₹ 7 lakh will not have to pay any income tax under new tax regime**
- ❑ Standard deduction of ₹ 50,000 will also be available to salaried individuals under the new tax regime.**
- ❑ New tax regime for individual and huf will be the default regime**

- ❑ Limit for tax exemption on leave encashment on retirement of nongovernment salaried employees increased to ₹ 25 lak**
- ❑ Number of basic customs duty rates on goods, other than textiles and agriculture, reduced from 21 to 13.**

Amrit Kaal

Inclusive
Development

Reaching
the Last
Mile

Infrastructure
and
Investment

Unleashing
the
Potential

Green
Growth

Youth
Power

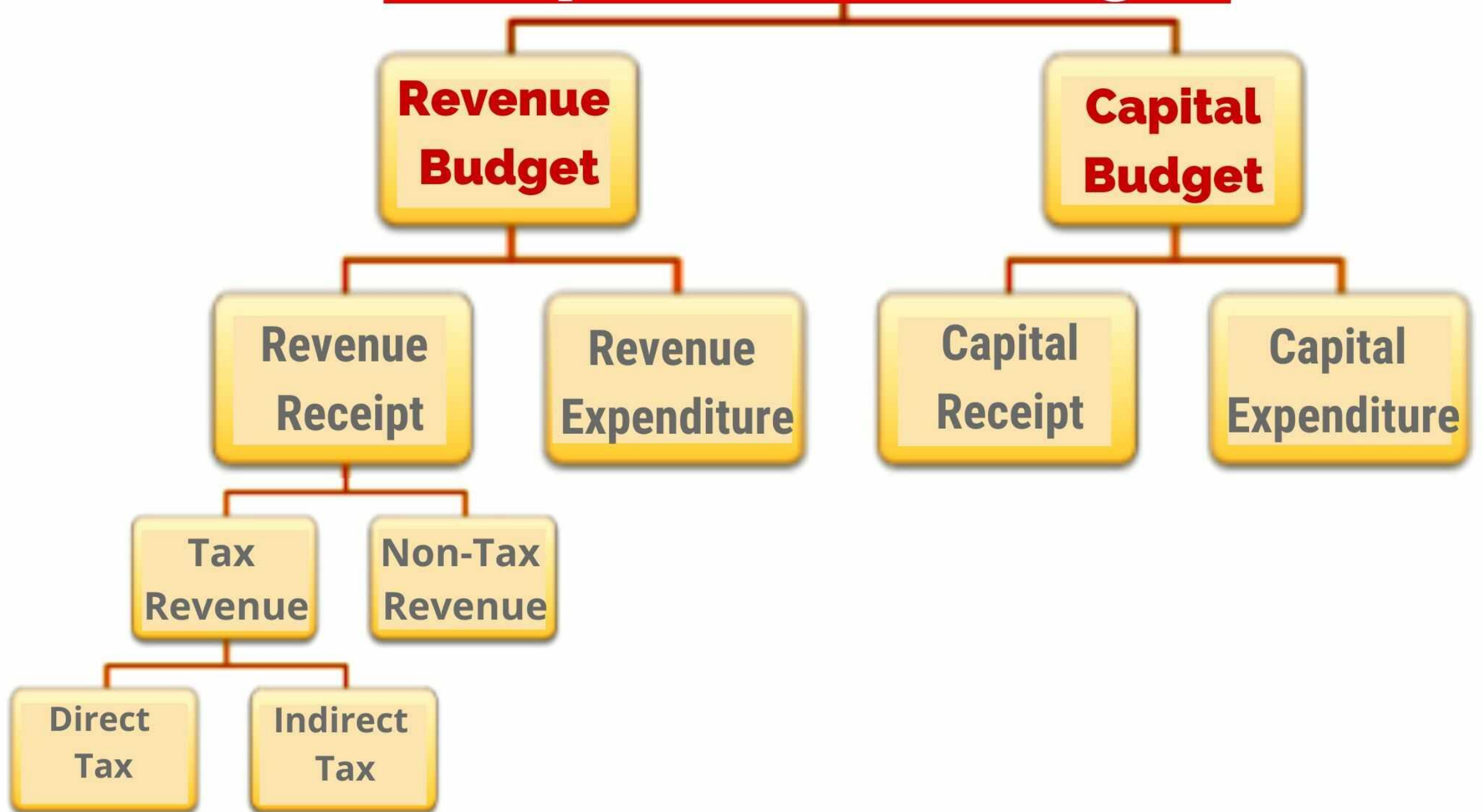
Financial
Sector



Importance of Budget-

- 1. Reduce inequality of Income.**
- 2. Economic Growth.**
- 3. To balance fiscal discipline under FRBM act 2003.**
- 4. Reduce Regional Disparities and increase Development.**

Components of Budget



Component of budget:

□ Direct tax:

- **Income Tax.**
- **Capital gain tax**
- **Corporate Tax-**

STT,MAT,FRINGE BENEFITS TAX,DIVIDEND DISTRIBUTION TAX

□ Indirect Tax:

- **GST, Custom Duty, VAT.**
- **CGST**
- **SGST**
- **IGST.**

Non tax Revenue-

- **Interest Receipt**
- **Dividend and profit**
- **Receipt from UT**

COMPONENTS OF CAPITAL RECEIPT-

❖Debt receipt:

Market loan, short term borrowing, external assistance.

❖Non debt receipt:

Recoveries of loans and Advances.

Miscellaneous capital receipts

- **Revenue deficit** = Revenue Expenses – Revenue Receipt
- **Budget Deficit** = Total Expenses – Total Receipt
- **Fiscal Deficit** = Total Expenses – Total non borrowed fund.
- **Primary Deficit** = Fiscal Deficit – Interest payment.

- **Article 110 – Money Bill**
- **Article 112- Annual financial statement.**
- **Article 116 – Vote on account**
- **Article 117 – Finance Bill**
- **Article 266(1) – Consolidated Fund**
- **Article 266(2)- Public Fund**
- **Article 267 - contingency fund**

BUDGET RELATED TERMS

- **Article 110-** Money Bills are those bills which contain provisions dealing with the imposition, abolition, remission, alteration or regulation of any tax, the regulation of the borrowing or receipt, the custody of the consolidated fund or the contingency fund of India,..etc.
- **Article 117-** Finance Bill seeks to give effect to the Government's taxation proposals which is introduced in Lok Sabha immediately after the presentation of the general budget. Parliament has to pass the Finance Bill within 75 days of its introduction.

- **1924-** Acworth Committee recommended to separate union budget from Rail budget.
- **2017-2018 -** A committee headed by Niti Aayog member Mr. Bibek Debroy suggested the amalgamation of Railway Budget and Union Budget.

- **Article 266(1)- Consolidated Fund of India is entitled to all receipts and all expenditure of revenue and capital account of the Government.**
- **Article 266(2)- Public Account Fund of India consists of all the public money received by Government other than those which are for credit to the consolidated fund of India.**
- **Article 267- Contingency Fund of India is kept at the disposal of the president of India to enable the Government to meet unforeseen expenditure pending its authorization by the parliament.**

Deficit financing

Deficit financing means generating funds to finance the deficit which results from excess of expenditure over revenue. The gap being covered by borrowing from the public by the sale of bonds or by printing new money.

QUESTION & ANSWER

PREVIOUS YEAR QUESTION(BASED ON MEMORY)

Q. What do direct taxes included?

- 1. Corporate tax & service tax**
- 2. Personal income tax & service tax**
- 3. Corporate tax & personal income tax**
- 4. Service tax & sales tax**
- 5. Gift tax & service tax**

PREVIOUS YEAR QUESTION(BASED ON MEMORY)

Q. What is fiscal deficit ?

- 1. Expenditure exceeds revenue (excluding money from borrowings)**
- 2. Expenditure exceeds revenue (including money from borrowings)**
- 3. Debt exceeds revenue (excluding money from borrowings)**
- 4. Debt exceeds revenue (including money from borrowings)**
- 5. None of these**

PREVIOUS YEAR QUESTION(BASED ON MEMORY)

Q. Father of ZERO base budget

- 1. Peter A pear**
- 2. James Willison**
- 3. Robert wall Paul**
- 4. Prof fillip**
- 5. None of these**

PREVIOUS YEAR QUESTION(BASED ON MEMORY)

Q. Contingency fund come under which article ?

1. 266(1)

2. 266(2)

3. 267

4. 267(3)

5. 269

PREVIOUS YEAR QUESTION(BASED ON MEMORY)

Q. The first state to launch zero base budget is _____.

- 1.** Andhra Pradesh
- 2.** Delhi
- 3.** Kolkata
- 4.** Tamilnadu
- 5.** Assam

PREVIOUS YEAR QUESTION(BASED ON MEMORY)

Q. Outcome budget was introduced in which year?

1. 2006

2. 2007

3. 2005

4. 2004

5. 2000

PREVIOUS YEAR QUESTION(BASED ON MEMORY)

Q. Vote on account come under which article ?

1. 115

2. 117

3. 116

4. 118

5. 110

PREVIOUS YEAR QUESTION(BASED ON MEMORY)

Q. In which year was the railway budget separated from the general budget?

1924

1926

1927

2000

2004

Thank you