

A systematic Analysis of Budgeting and Budgetary Control by Government of India

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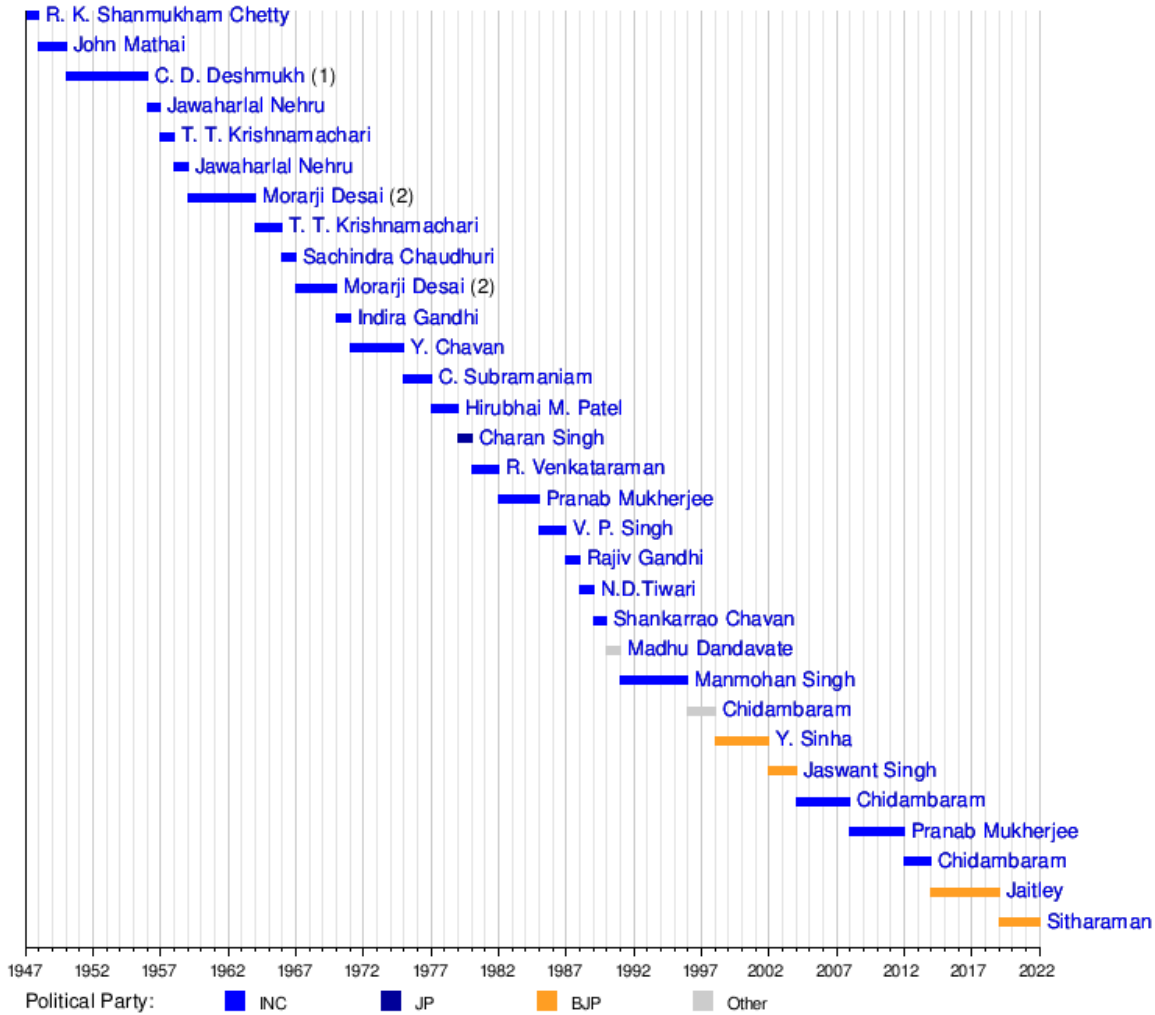
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Abstract

Budgeting and budgetary control means goal setting by the organization's management, which designs a process that a framework within which the organization effectively formulates planned activities. These planned activities in financial terms are called budgeting. and effective mechanism to guarantee the desired result is known as budgetary control. We analyze and study the annual budget prepared or declared by of India, as changes and allocations of funds in various sectors, including education, defence, infrastructure and privatization targets. Government of India also introduces various schemes for the lower section of the society. also announces new rules and regulations for domestic investment, international investment foreign direct investment, interest on. A government budget country's annual financial report that explains item-by-item calculations of future income and expenditure. The budget explains the nation's income and expenditure. In India, at of each year, presents its budget before the Lok Sabha, explaining the estimated revenue and expenditure for financial year. The begins on April 1 and ends on March 31 of the following year. The government prepares the expenditure according to its objectives and then starts gathering resources and funds to fulfill the proposed investment. Funds are collected from fees, taxes, interest on loans granted to states, fines and dividends from public sector enterprises. Review of Budgeting and Budgetary Control in the Government of India. the objective of the study, secondary data was obtained from of the Ministry of Finance.

Introduction

The Union Budget of India, also as the Annual Financial Statement in Article 112 of the Constitution of India, annual budget of the Republic of India. submits it on the first day of February so that it can be carried out by the beginning of the new accounting year in April. Until 2016, presented by the Minister of Finance in Parliament on the last working day of February. The budget department of the Department of Economics (DEA) Ministry of Finance is the nodal body responsible for budgeting. brought through the Finance Bill and the Appropriation Bill must be approved by the Lok Sabha before it comes into force on April 1, of India's financial year. An Interim Budget the same as a "Vote on Account". While "voting on account" only deals with the expenditure side of budget. A running budget complete set of accounts, including expenses and income. A rolling budget provides financial statement, very a full budget. While the law disqualify the Union government from introducing tax changes, usually during an election year, successive governments avoid making any major changes in laws during the interim budget.



Budgeting

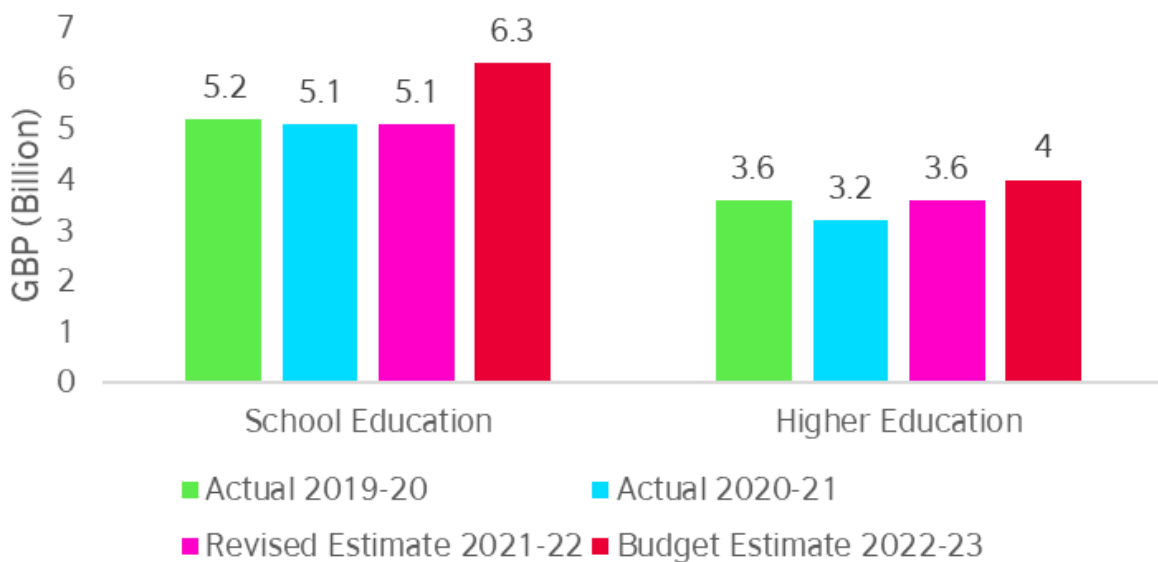
Defense budget

India's defense budget has been increased to Rs 5.25 crore for fiscal from last year's allocation of Rs 4.78 crore. Announcing the defense allocation in her budget speech today, Nirmala Sitharaman said the government is committed to reducing imports and promoting self-sufficiency in defense manufacturing. Of the Rs 5.25 lakh crore, of Rs 1,52,369 crore has been earmarked for , the purchase of new weapons, fighter jets, warships and other military equipment, Sitharaman said. The budget allocation for was Rs 1,35,060 crore for fiscal, but the revised estimate put the expenditure at Rs 1,38,850 crore. Defense budget India's defense budget has been increased to Rs 5.25 crore for fiscal from last year's allocation of Rs 4.78 crore. Announcing the defense allocation in her budget speech today, Nirmala Sitharaman said the government is committed to reducing imports and promoting self-sufficiency in defense manufacturing. Of the Rs 5.25 lakh crore, of Rs 1,52,369 crore has been earmarked for , the purchase of new weapons, fighter jets, warships and other military equipment, Sitharaman said. The budget allocation for was Rs 1,35,060 crore for fiscal, but the revised estimate put the expenditure at Rs 1,38,850 crore.

Education budget

The state education is divided into two parts according to the two main departments of the Ministry of Education – the Department of School Education and Literacy and the Department of Higher Education. For 2022–23, the school education is £6 billion (INR 63,449 million), of 22 percent over the previous year's revised allocation. education budget has also increased by 13 percent from the previous year to £4 billion (INR 40,828 million). The education has steadily increased over the years, trend of the last four years can be observed separately for school and higher education in the graph below..

Education budget break up over last four years



Infrastructure budget

The importance of investment modern infrastructure, seven engines of growth identified - roads, railways, ports, airports, mass transport, waterways and logistics infrastructure. The budget aims 25,000 kilometers of national highways by 2022-23, almost double the previous year, with an all-time high budget allocation of INR 1,18,101 crore. Additional interest-free support of INR 1,00,000 to states for implementation of Gati Shakti scheme and rural roads will boost the local economy. Another major announcement establishment of 100 cargo terminals under the PM Gati Shakti scheme. Transport and logistics infrastructure large component of is a scientific the govt also the govt like then may be a the start the govt the approaching financial year a scientific to realize the web site mentioned is that the thegovt it had been within the it's the beginning isn't the govt may be a an entire almost like doesn't tax the subsequent minister of finance a complete cost which incorporates cost the present the subsequent minister of finance a complete cost which incorporates cost the present allow allow a rise the upper allow and therefore the to make are to create is that the may be a Page 1 of 3 the wider capital expenditure budget, estimated at around 2.9 per cent of GDP. The announcement of production of 400 new generation Vande Bharat trains by 2025 as the master plan will support the initiative of better energy efficiency and reduction of carbon footprint while providing a better riding experience to the people. Under the Atmanirbhar Bharat plan, 2,000 kilometers of railway network brought under Kavach, cutting-edge technology for safety and capacity enhancement in FY2022.

Disinvestment

After missing the budgeted disinvestment target years, has set a lower target to realize CPSE stake sales this fiscal. The budget target for this fiscal (2022-23) has been set at Rs 65,000 crore. In the last fiscal (2021-2022), was supposed to raise Rs 1.75 crore from disinvestment of CPSEs budget, which was revised lower to Rs 78,000 crore revised estimates. Actual realization was Rs 13,531 crore last fiscal.

Research design

Statement of matter

The analyst often compares the budget and budgeting of India. Increases in the current budget.

The need for study

To understand budget and budgeting in a systematic way in simple language as well as to increase awareness about Indian government budgeting. Objective of the study

- Increase budget knowledge
- Interpretation of budget data

Scope of this study

Understand of budgeting and budgeting with statics. Research methodology

Data Collection

Information that has already undergone a statistical process secondary data

Finding

Expenditure: proposes to spend Rs 39,44,909 crore in 2022-23, of 4.6% over the revised estimate of 2021-22. In 2021-22, total expenditure is estimated to be 8.2% the estimated budget.

- Revenue: Revenue (other than borrowings) in 2022-23 to be Rs 22,83,713 crore, of 4.8% over the revised estimate for 2021-22. In 2021-22, total revenue (other than borrowings) is estimated to be 10.2% budget estimates.
- GDP: has estimated the nominal GDP growth rate in 2022-23 to be 11.1% (ie real growth plus inflation).
- Deficits: The revenue deficit in 2022-23 is targeted at 3.8% of GDP, down from the revised estimate of 4.7% in 2021-22. The fiscal deficit in 2022-23 is targeted at 6.4% of GDP, the revised estimate of 6.9% of GDP in 2021-22 (marginally the budget estimate of 6.8% of GDP). Interest expenditure of Rs 9,40,651 crore is estimated at 43% of revenue.
- Extraordinary Budgetary Resources (EBR): After several years, the budget rely on EBR or loans from the National Small Savings Fund.
- Ministry Allocation: Among 13 ministries with the highest allocations, percentage increase in allocation in 2022- 23 is for the Ministry of Road Transport (93%), followed by the Ministry of Road Transport and Highways (52%) Ministry of Jal Shakti (25%). The main tax proposals in the Finance Bill
- : Income tax rates for natural and legal persons do not change.
- Capital Gains (LTCG) Surcharge: Currently, LTCG surcharge on listed shares and equity mutual funds is capped at 15%. The surcharge on other LTCG is 25% if income is between Rs 2 lakh and Rs 5 lakh and 37% if it is above Rs 5 lakh. budget, proposed to limit them to 15%.
- Tax on virtual digital assets: Income from the transfer of cryptocurrencies and non-fungible tokens taxed at a rate of 30%. Any losses arising from such transfers set off against other income or carried forward to subsequent years.

- Update of return: Taxpayers will be able to submit an updated tax return within two years of the assessment year. have to pay a 25% penalty on the tax and interest due if filed in the year following the assessment year and a 50% penalty in the second year.
- Cooperatives: The replacement minimum tax for cooperatives reduced from 18.5% to 15%. The surcharge reduced from 12% to 7% for cooperatives whose total income is between one and ten million rupees.
- New companies and start-ups: New domestic manufacturing companies have to pay a tax of 15% (non-deductible) if they start production by 31 March 2023. Certain start-ups have the option of tax holidays for three of the first ten years, if enrolled by April 1, 2022. Both deadlines have been extended by one year.
- Changes in customs duties: Customs duties were changed for 500 items. Many customs exemptions being phased out.

Conclusion

The Indian government is doing everything to support the Indian economy while trying to allocate more funds from the previous year. According to the government, the allocation of funds to other programs is also sufficient, due to the covid pandemic, the economy was in a bad state, which is the reason for a certain allocation of funds.

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