



ACCOUNTABILITY INITIATIVE

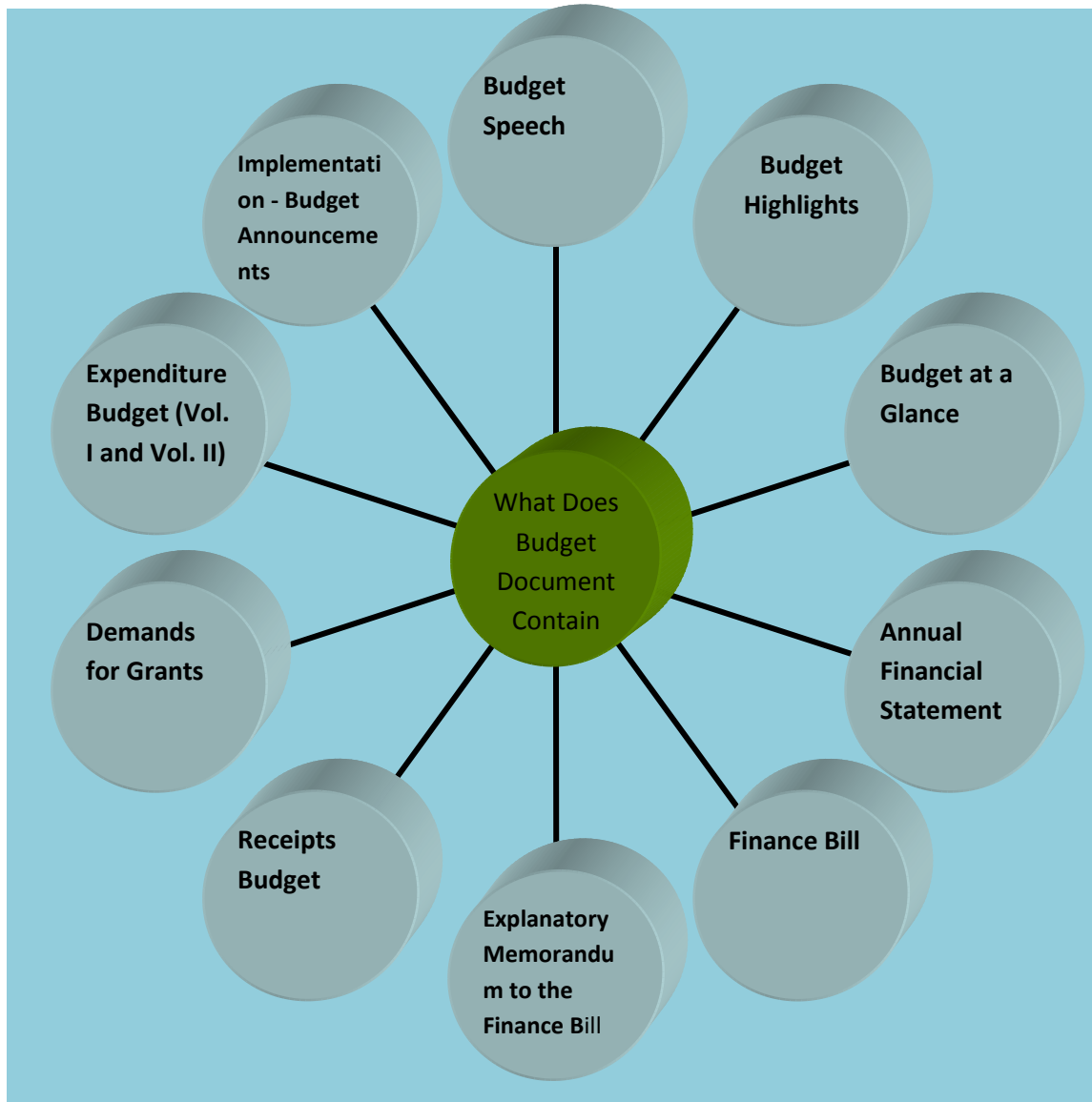
research and innovation for governance accountability

Q. What is Union Budget?

The Union Budget, strictly speaking, refers to the 'Annual Financial Statement' of the Union/ Central Government which is laid before both the Houses of Parliament. This 'Annual Financial Statement' is presented for the new fiscal year, which commences on the 1st of April every year. This 'Statement' provides information on the Central Government's estimated expenditures and estimated receipts for the fiscal year.



Q. What Do the Budget Documents Contain?



Budget Speech

The Speech delivered by the Finance Minister while placing the Budget before the Parliament.

Budget Highlights

Presents the key expenditure and tax proposals made in the Budget.

Budget at a Glance

Provides a brief overview of almost all aspects of receipts and expenditures contained in the Budget, at aggregate levels.

Annual Financial Statement

Under Article 112 of the Constitution of India, a statement of estimated receipts and expenditures of the Government of India has to be laid before Parliament in respect of every financial year. This statement, titled Annual Financial Statement, is the main Budget document.

Finance Bill

Proposals in budget regarding the levy of new taxes, modifications in the existing tax structure or continuance of existing tax rates for further period are presented through the Finance Bill. The Finance Bill is presented to the Parliament immediately after the presentation of the Budget.



Explanatory Memorandum to the Finance Bill

A memorandum explaining the provisions in the Finance Bill is also made available.

Receipts Budget

Receipts Budget provides estimated income (receipts) of the Government in detail. Estimates of receipts included in Annual Financial Statement are further analyzed in Receipts Budget. It gives details of Revenue Receipts, Capital Receipts and explains the estimates. Trends of receipts over the years and details of External Assistance received are also included in this document.

Demands for Grants

Estimates of expenditure from the Consolidated Fund of India, which are required to be approved by the Legislature, are submitted in form of Demands for Grants. The Demands for Grants are presented in the Lok Sabha along with the Budget statements. Usually one Demand for Grant is presented in respect of each Ministry or Department. However, in respect of large Ministries or Departments more than one Demand is presented.

Expenditure Budget (Vol. I and Vol. II)

Expenditure Budget Volume I shows the proposed revenue and capital expenditures under various Ministries and

Departments. The estimates are given under Plan and Non-Plan heads. The expenditure estimates for various Ministries and Departments are given in detail

in the Expenditure Budget Volume II. The explanations for expenditures proposed under various programmes/ schemes are also included in this Expenditure Budget Volume II and, wherever needed, brief reasons for the variations in the estimates are also given.



Implementation of Budget Announcements

This document indicates the status of implementation of the proposals made in the previous year's Union Budget.

Apart from the above mentioned documents, the following documents are now being presented with the Union Budget every year, as the Fiscal Responsibility and Budget Management (FRBM) Act requires the Government to do so.

_ The Macro Economic Framework Statement

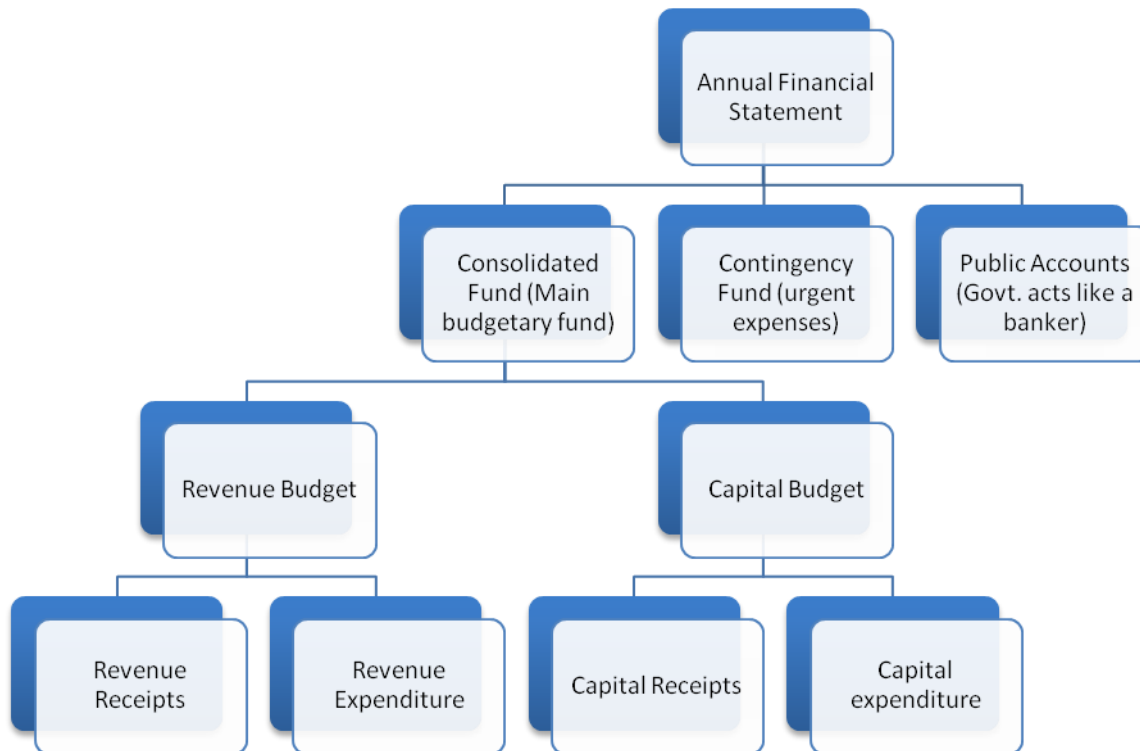
_ The Medium Term Fiscal Policy Statement

_ The Fiscal Policy Strategy Statement

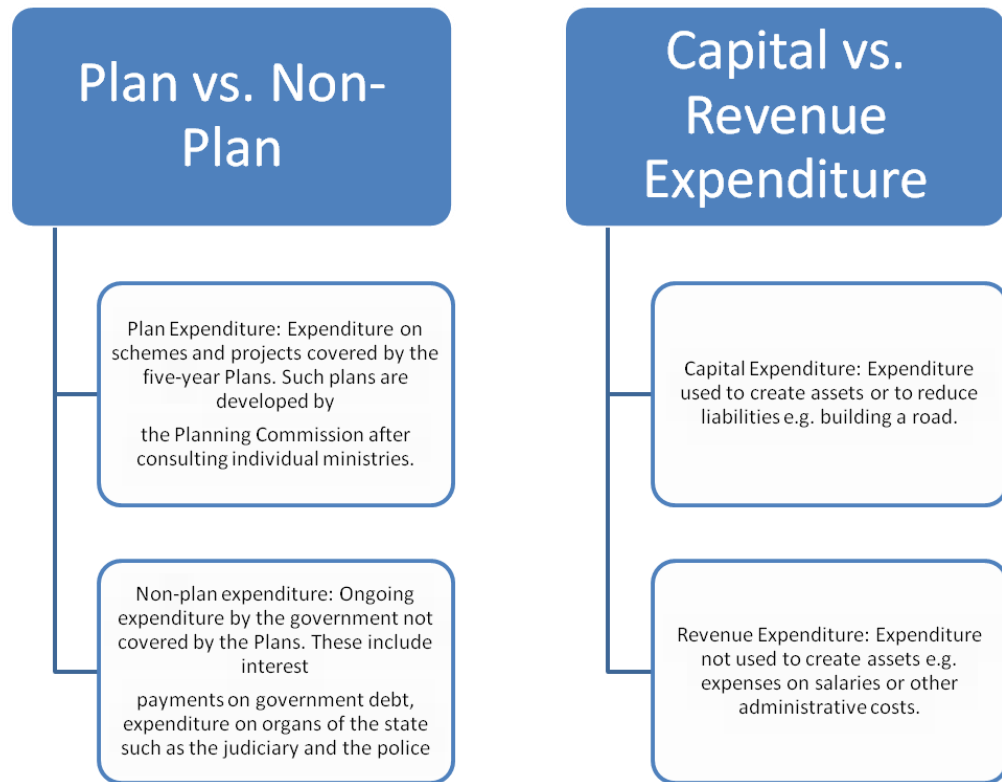
_ The Statement under Section 7 of the FRBM Act



Q. Can you give us details of the different heads of this Annual Financial Statement?



Q. How is Govt. expenditure classified in the budget?



Q. What does the time period 2010-11 refer to?

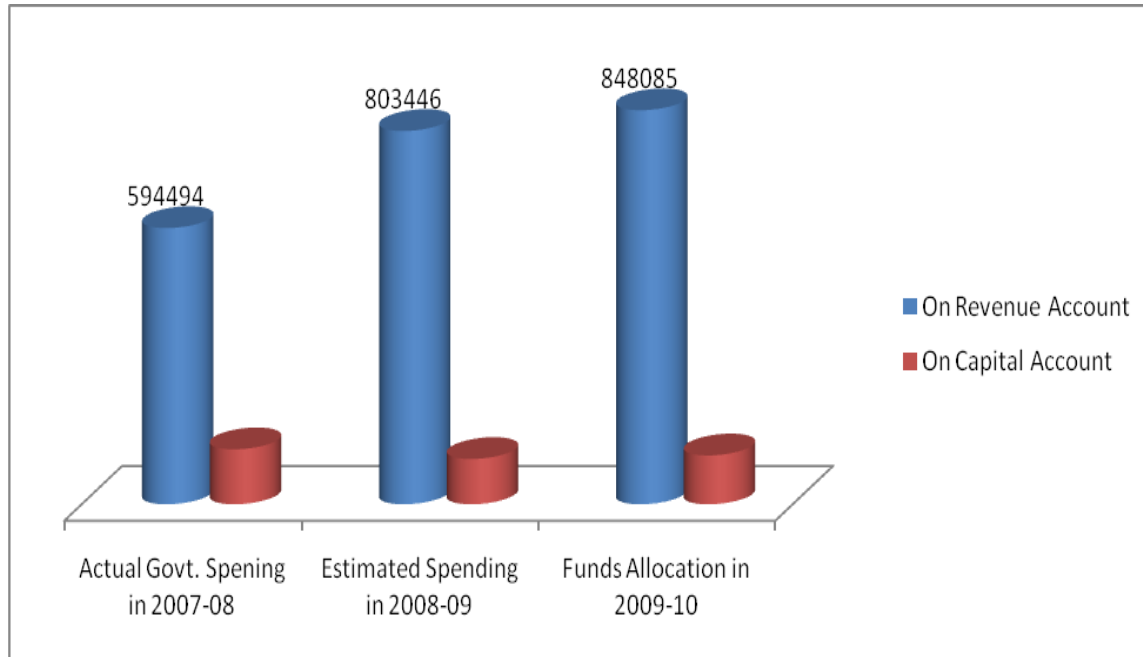
April 1 of 2010 to March 31 of 2011 is referred to as fiscal year 2010-2011, or 2010-11 in short.

Budget is prepared in advance, i.e. Budget for a fiscal year is prepared before the start of that fiscal year.

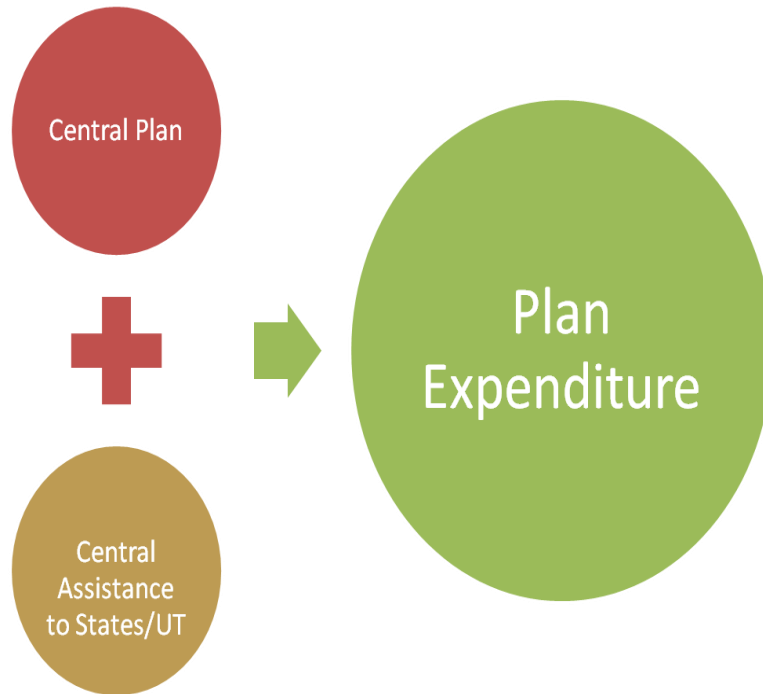
Government is required to present it before the Parliament most likely on February 28th and get the Budget for 2010-11 approved before April 1, 2010.



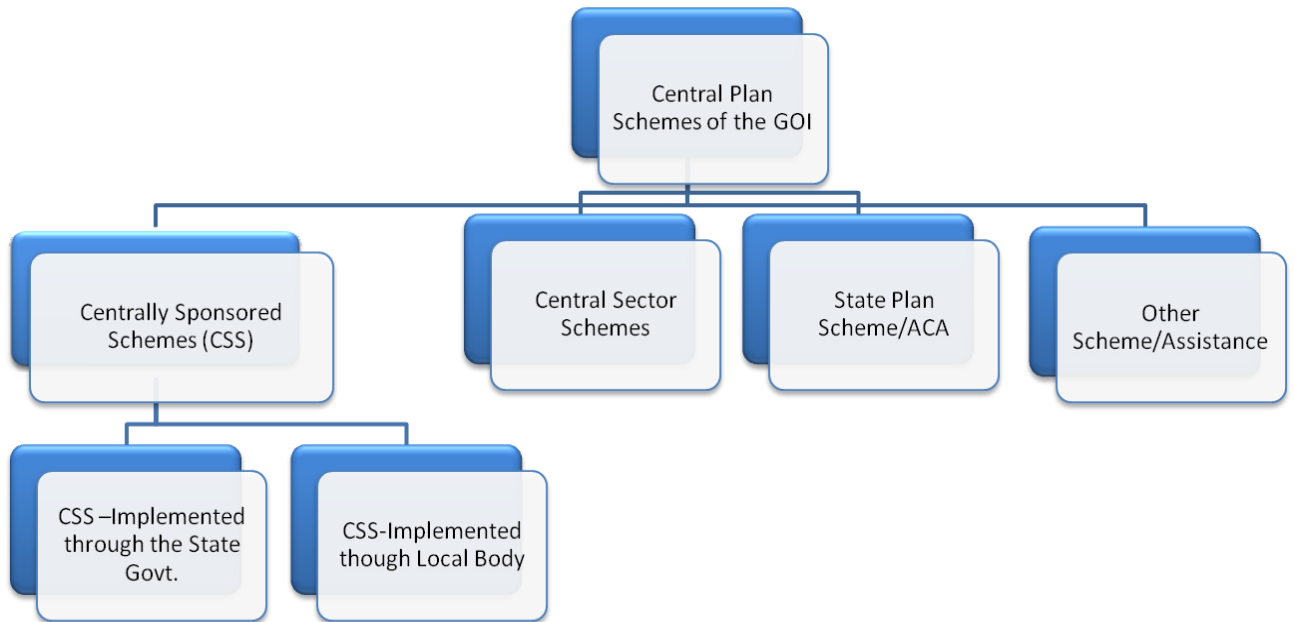
Q. What are details of Plan & Non Plan Expenditure?



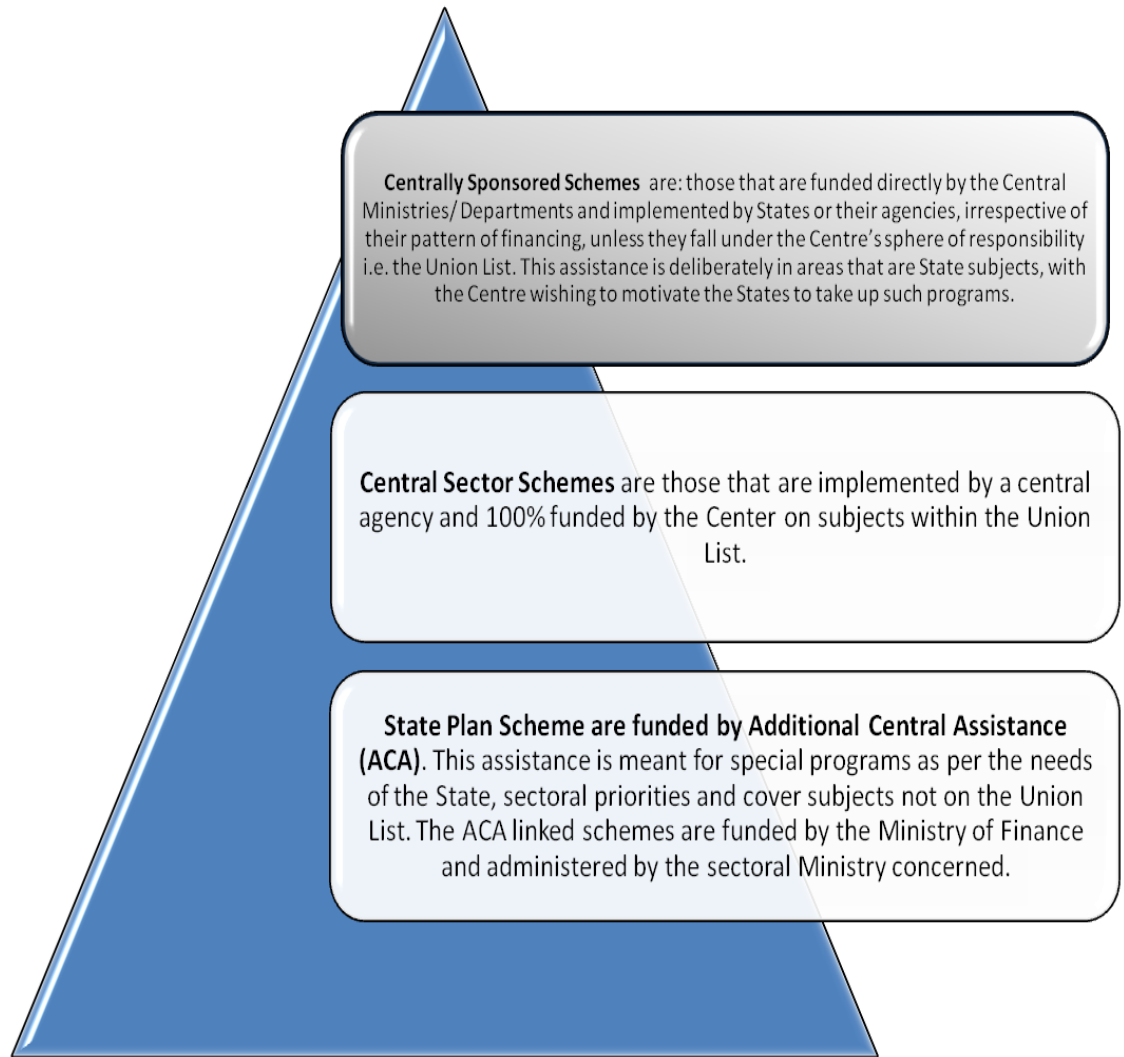
Q. What constitutes the Plan Expenditure?



Q. How many Types of Central Plans are there?



Q. What is the difference between a Centrally Sponsored Scheme and Central Sector Scheme?



Q. Can we have a few examples of Centrally Sponsored as well as Central Sector Schemes?

Centrally Sponsored Schemes	
Scheme Description	Plan Outlay for 2009-10
Department of Agriculture and Cooperation	
National Horticulture Mission	1100.00
National Food Security Mission	1100.00
Macro Management of Agriculture Scheme	950.00
Micro Irrigation	400.00
Integrated Oilseeds, Oil Palm, Pulses and Maize Development	320.00
Technology Mission on Horticulture for NE Region including Sikkim, Uttaranchal, H.P and J&K	299.00
Support to State Extension Programs for Extension Reforms	298.00
Department of Rural Development	
National Rural Employment Guarantee Scheme	30100.00
Indira Awaas Yojna	8800.00
Pradhan Mantri Gram Sadak Yojna	10000.00
Swarnjayanti Gram Swarozgar Yojna	2350.00
DRDA Administration	250.00
Department of School Education & Literacy	
Sarva Shiksha Abhiyan	13100.00
National Program Nutritional Support to Primary Education (MDM)	8000.00

NOTE: The Plan Outlay is based on the Statement of Budgetary Estimates for Annual Plan 2009-10 provided by the Planning Commission and is in Rs. Crores.



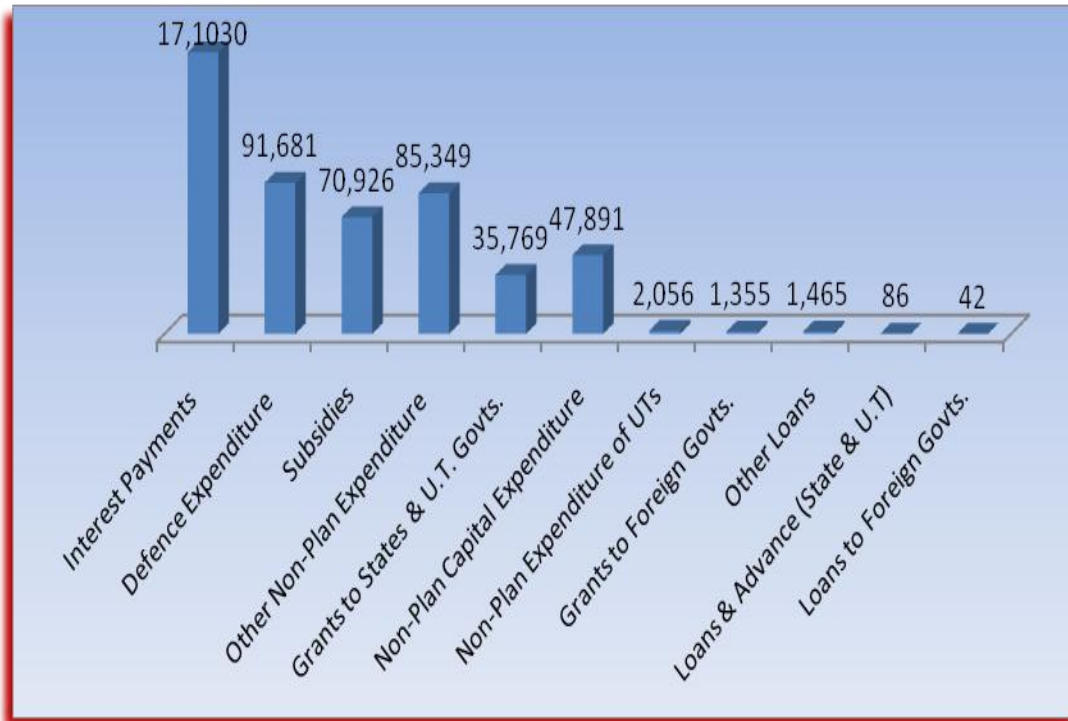
Central Sector Schemes

Scheme Description	Plan Outlay for 2009-10
Department of Road Transport & Highways	
National Highway Authority of India	7977.41
Other Schemes	3675.38
SARD NE	1200.00
Works under BRDB	600.00
Special Program - Development of Road Connectivity (NH/State Road) in Naxalite affected Areas	500.00
Externally Aided NHAI	272.00
Department of Agriculture and Cooperation	
Agriculture Research - Crop Husbandry	1096.00
National Agricultural Insurance Scheme and Weather Based Crop Insurance Scheme	694.00
Development / Strengthening of Infrastructure facilities for production and distribution of Seeds	425.00
National Agricultural Innovation Project	252.00
Department of Health and Family Welfare	
Re-development of Hospitals / Institutions	652.00
Pradhan Mantri Swasthya Suraksha Yojna	647.92
Research in Medical & Public Health	379.50
National Rural Health Mission	350.00

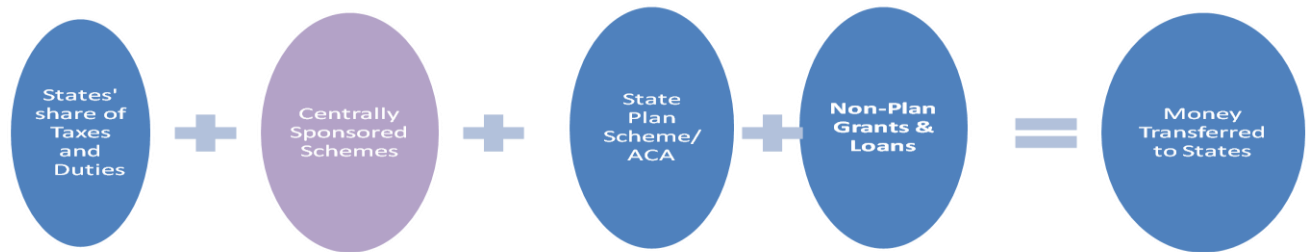
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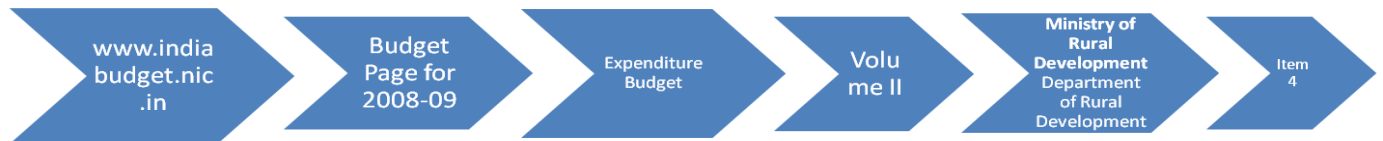
Q. For the year 2007 -2008, what was the actual amount spent on Non Plan Expenditure?



Q. What Do the State Governments get from the budget?



Q. How can we find information on fund allocated to a given scheme?



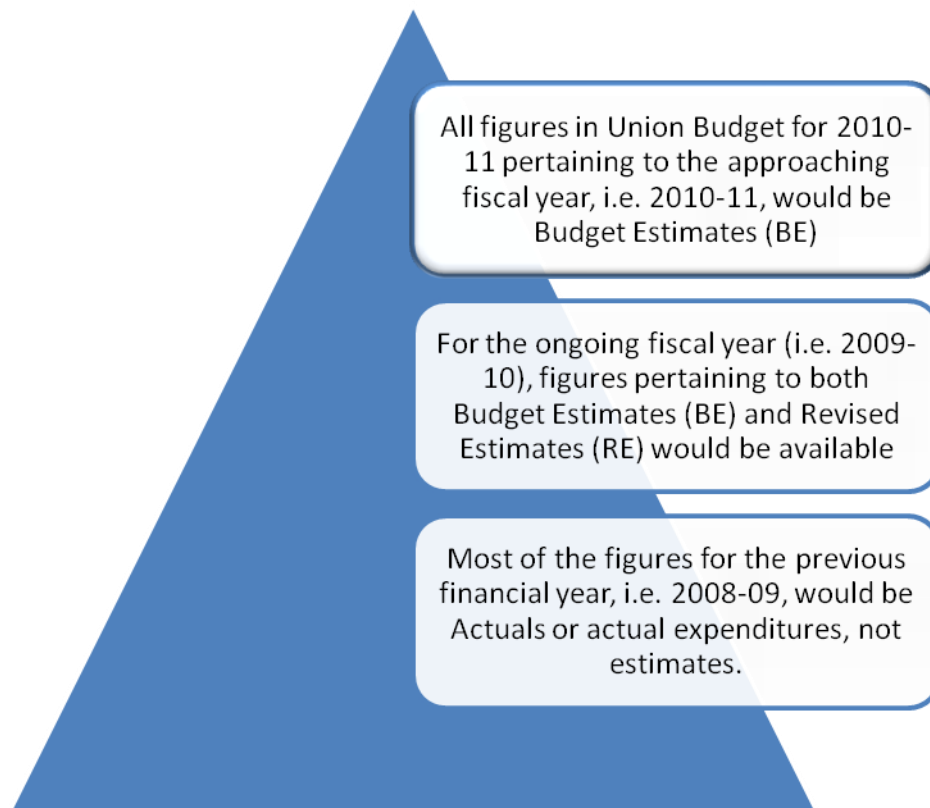
7. The Budget allocations, net of recoveries, are given below.

(In crores of Rupees)

Major Head	Budget 2008-2009			Revised 2008-2009			Budget 2009-2010		
	Plan	Non-Plan	Total	Plan	Non-Plan	Total	Plan	Non-Plan	Total
Revenue	31499.50	24.06	31523.56	56853.50	29.54	56883.04	51668.75	36.95	51705.70
Capital	0.50	...	0.50	0.50	...	0.50	1.25	...	1.25
Total	31500.00	24.06	31524.06	56854.00	29.54	56883.54	51670.00	36.95	51706.95
1. Secretariat - Economic Services	3451	...	13.56	13.56	...	16.81	16.81	...	21.55
Special Programmes for Rural Development									
2. Swarnjayanti Gram Swarozgar Yojana	2501	1932.50	...	1932.50	2112.50	...	2112.50	2113.75	...
	4515	0.50	...	0.50	0.50	...	0.50	1.25	...
<i>Total</i>	<i>1933.00</i>	<i>...</i>	<i>1933.00</i>	<i>2113.00</i>	<i>...</i>	<i>2113.00</i>	<i>2115.00</i>	<i>...</i>	<i>2115.00</i>
Total-Special Programme for Rural Development	1933.00	...	1933.00	2113.00	...	2113.00	2115.00	...	2115.00
Rural Employment									
3. Sampoorna Gramin Rozgar Yojana (Foodgrains Component)	2505	6750.00	...	6750.00
4. National Employment Guarantee Fund - Transfers									
<i>To</i>	2505	16000.00	...	16000.00	30000.00	...	30000.00	30100.00	...
<i>From</i>	2505	-16000.00	...	-16000.00	-30000.00	...	-30000.00	-30100.00	...
<i>Net</i>	<i>...</i>	<i>...</i>	<i>...</i>	<i>...</i>	<i>...</i>	<i>...</i>	<i>...</i>	<i>...</i>	<i>...</i>
5. Assistance for Rural Employment Guarantee Schemes	2505	14400.00	...	14400.00	30000.19	...	30000.19	30100.00	...
Total - Rural Employment	14400.00	...	14400.00	36750.19	...	36750.19	30100.00	...	30100.00



Q. What is BE, RE, Actual?



Take for instance the Union Budget for 2010-11, which would most likely be presented to the Parliament on 28 February 2010. In that Budget, the Central Government will provide only estimates of its receipts/ expenditures during the financial year 2010-11, which would be called Budget Estimates. But, by the time of preparation of this Budget for 2010-11, the Central Government should be able to know how much receipts have actually accrued or how much expenditures have actually been incurred by its Ministries during the first six to seven months of the financial year 2009-10. The Government, therefore, would present Revised Estimates of receipts/ expenditures for the financial year 2009- 10. But, by the time of preparation of Budget for 2010-11, the Central Government would have already got the final figures for receipts/ expenditures during the previous financial year, i.e. 2008-09. The Government, therefore, would present the Actual figures of receipts/ expenditures for the financial year 2008-09.



Q. Following are the few important points worth keeping in mind while reading the budget.

<h3 data-bbox="250 491 646 611">This is all Plan Expenditure</h3> <p data-bbox="269 669 626 804">The 'Budget 2007-08' and 'Budget 2007-08' columns indicate the allocations made for the scheme when the budgets for the respective years were prepared</p> <p data-bbox="289 852 607 1066">To Get an idea of trends in major types of expenditure over the last ten years or so, such as defence, subsidies or education, go to the expenditure Budget, Volume I. Under the heading 'Annexures', click on 'Trends in expenditure'</p> <th data-bbox="703 457 1144 1100"><h3 data-bbox="732 527 1115 573">Revised 2007-08</h3><p data-bbox="764 688 1081 741">The central Column is Indicated by Revised Estimate</p><p data-bbox="764 827 1081 1062">Indicates the ministry's subsequent estimates of what the actual expenditure is likely to be – something which takes into account further demands for money which can be made during the course of the year if budgeted funds are not enough.</p><th data-bbox="1177 457 1619 1100"><h3 data-bbox="1203 501 1593 600">Glossary of the Various Schemes</h3><p data-bbox="1247 701 1549 898">To know the allocations for the Sarva Shiksha Abhiyan scheme for instance, we would look at the same document for the Department of School Education and Literacy, Ministry for Human Resource Development</p><p data-bbox="1247 993 1549 1066">Similar Document is Prepared for Each Ministry</p></th></th>	<h3 data-bbox="732 527 1115 573">Revised 2007-08</h3> <p data-bbox="764 688 1081 741">The central Column is Indicated by Revised Estimate</p> <p data-bbox="764 827 1081 1062">Indicates the ministry's subsequent estimates of what the actual expenditure is likely to be – something which takes into account further demands for money which can be made during the course of the year if budgeted funds are not enough.</p> <th data-bbox="1177 457 1619 1100"><h3 data-bbox="1203 501 1593 600">Glossary of the Various Schemes</h3><p data-bbox="1247 701 1549 898">To know the allocations for the Sarva Shiksha Abhiyan scheme for instance, we would look at the same document for the Department of School Education and Literacy, Ministry for Human Resource Development</p><p data-bbox="1247 993 1549 1066">Similar Document is Prepared for Each Ministry</p></th>	<h3 data-bbox="1203 501 1593 600">Glossary of the Various Schemes</h3> <p data-bbox="1247 701 1549 898">To know the allocations for the Sarva Shiksha Abhiyan scheme for instance, we would look at the same document for the Department of School Education and Literacy, Ministry for Human Resource Development</p> <p data-bbox="1247 993 1549 1066">Similar Document is Prepared for Each Ministry</p>
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Q. Where does the money come from for Union Budget?



Revenue Receipts

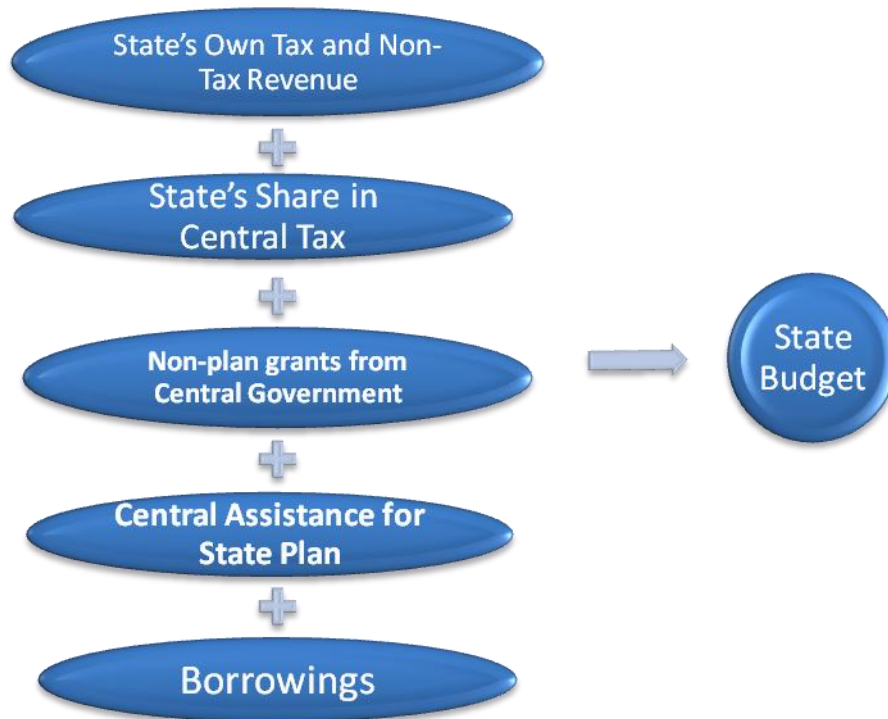
Mostly revenues from taxes, dividends from companies owned by the government, and user charges on some public services.

Capital Receipts

Mainly funds borrowed by the government from various sources, both in India and from overseas, and repayments by state governments of loans from the centre. Any proceeds from the disinvestment of public sector companies also come under this category

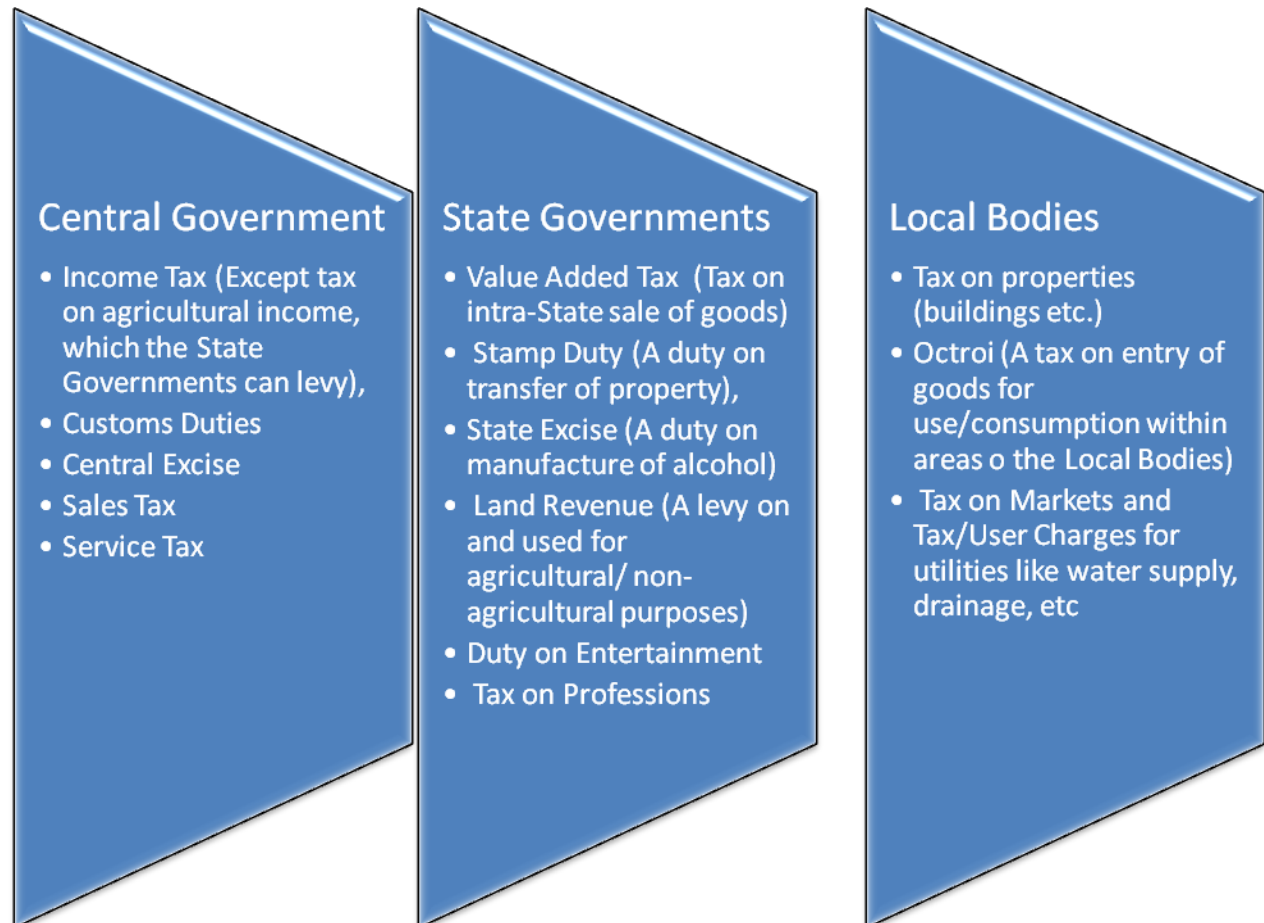


Q. Where does the money come from for State Budget?



Q. Who has the power to levy taxes in India?

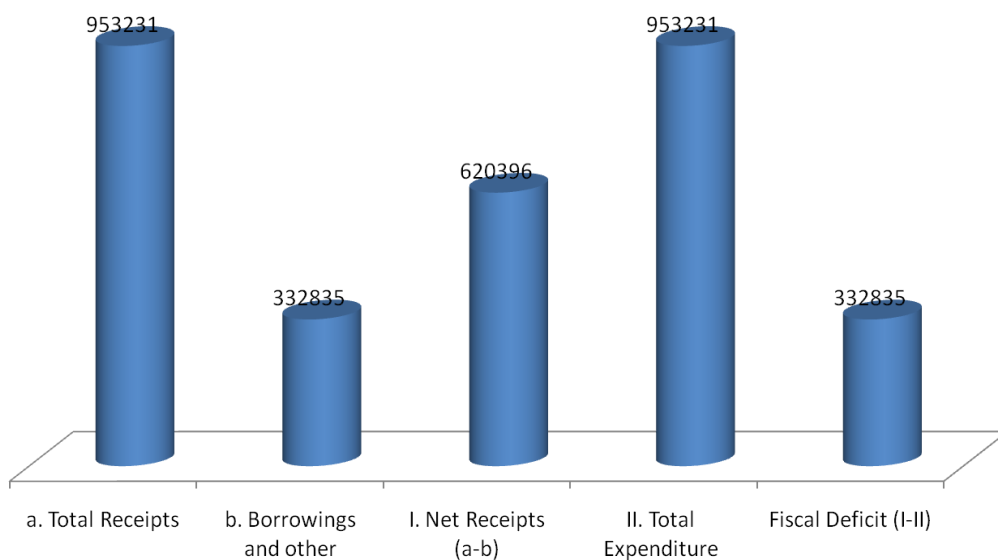
In India, the power to levy taxes and duties has been divided among the Governments at the three tiers, i.e. Central Government, State Governments and Local Bodies. This division follows specific provisions in the Indian Constitution.



P.S: Central Sales Tax would be phased out very soon.



Q. What was the fiscal deficit for the year 2009-10 (in crores of rupees)?



Q. What is GDP?

What is GDP

Gross Domestic Product (GDP) of a country, for any particular year, gives the monetary value of the sum total of final goods and services produced within the territory of the country in that year.



What does it Measure

It measures the value of economic activity within the country since it is the sum of the market values, or prices, of all final goods and services produced in the economy during a period of time.



Some of the important aspects of the measurement of GDP

- GDP expresses the worth of the output of a country in local currency.
- GDP tries to capture all final goods and services produced within the country.
- GDP is calculated for a specific period of time, usually a year or a quarter of a year.

