

MACRO ECONOMICS **ASSIGNMENT**

GROUP DISCUSSION-3(REPORT)

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SEC-A

BATCH- PGDM (2022-2024)

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Basics of the Indian Budget:

The Indian Budget is an annual financial statement presented by the finance minister to the Parliament. It outlines the government's revenue and expenditure for the upcoming fiscal year, which runs from April 1 to March 31. The budget contains estimates of revenue and expenditure, including the government's planned expenditure on various sectors and programs. The budget for each fiscal year is usually presented in the Indian Parliament in the month of February, and the budget for the fiscal year 2022-23 has already been presented on February 1, 2022. However, I can provide you with some general information about the Indian budget and its components.

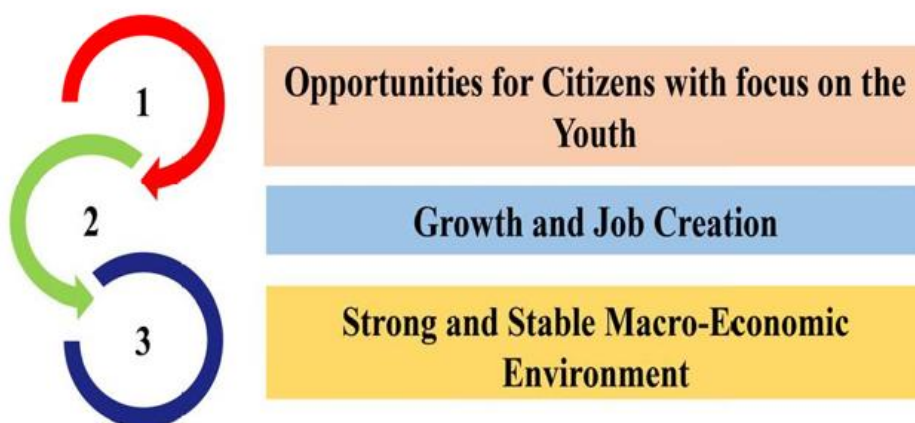
The Indian budget is a comprehensive financial plan that is presented by the Union Finance Minister to the Parliament. It outlines the government's revenue and expenditure for the upcoming fiscal year, which starts on April 1 and ends on March 31 of the following year. The budget is divided into two parts: the revenue budget and the capital budget.

The capital budget includes the government's capital receipts and expenditures for the fiscal year. It includes the government's investments in infrastructure, development projects, and other long-term investments.

The Indian budget also includes various sector-wise allocations, such as allocations for agriculture, education, healthcare, defence, etc. The budget is an important tool for the government to achieve its policy objectives and promote economic growth and development.

Note that the information provided above is general in nature, and the Indian budget for 2023 may include some changes in its components or structure.

Vision for Amrit Kaal



Pattern of allocation of funds to various sectors:

- The Indian government allocates funds to various sectors, such as infrastructure, healthcare, education, agriculture, Defence, and social welfare. The allocation of funds to each sector is determined based on various factors, such as the government's priorities, economic conditions, and the needs of the population.
- From 2014 to 2023, there has been a significant increase in the allocation of funds to infrastructure development, with a focus on transportation, energy, and communication networks. This includes the development of new highways, airports, and seaports, as well as the expansion of railway networks and the construction of new metro systems in major cities. The government's investment in infrastructure has increased steadily over the years, reflecting its focus on promoting economic growth and development.
- Healthcare has also been a priority area of investment, with increased funding for the development of new hospitals and healthcare facilities, the expansion of existing healthcare infrastructure, and the creation of national health programs. The COVID-19 pandemic has further highlighted the need for increased investment in healthcare infrastructure and resources, leading to a further increase in funding for this sector.
- The agriculture sector has also received significant investment, with funds allocated for irrigation, rural infrastructure, and agricultural research and development. This is seen as critical for promoting rural growth and development, reducing poverty, and improving food security.
- Education has also been a priority area for investment, with increased funding for the creation of new schools, teacher training, and digital infrastructure. The goal is to improve the quality of education and increase access to education for all.
- In addition, the government has allocated funds for Defence and social welfare programs such as subsidies for food, housing, and fuel.
- Overall, the trend in the allocation of funds in India over the past decade reflects a focus on long-term economic growth and development, with investments in infrastructure, healthcare, education, and agriculture as critical areas for development.

Priorities of this Budget

Smt. Nirmala Sitharaman listed seven priorities of the Union Budget and said that they complement each other and act as the 'Saptarishi' guiding us through the Amrit Kaal.



Comparison with previous terms:

The allocation of funds to various sectors has changed over the years based on the government's priorities. For example, the Modi government increased spending on rural development and infrastructure in its first term, while also implementing social welfare schemes such as the Pradhan Mantri Jan Dhan Yojana and the Swachh Bharat Abhiyan.

In its second term, the government focused on boosting economic growth and job creation, with measures such as the Corporate Tax Cut and the National Infrastructure Pipeline. The government also increased spending on health and education, as well as Defence and security as compared to the previous term.

Ideological change of the political leadership vis-a-vis changes in budgets:

The Indian Budget 2023 reflects the ideological change of the political leadership towards a focus on promoting self-reliance or "**Atmanirbhar Bharat**." The budget announced various measures to encourage domestic manufacturing and increase exports, including the launch of a new scheme to

promote the manufacturing of electronic products, establishing a National Logistics Policy, and expanding the Production Linked Incentive (PLI) scheme.

The budget also emphasized the importance of promoting digitalization and innovation, with initiatives such as the National Digital Health Mission and the National Education Technology Forum. The budget allocated funds for research and development in sectors such as biotechnology, quantum computing, and artificial intelligence.

In terms of social welfare, the budget increased the allocation for health and education, with a focus on strengthening the healthcare infrastructure, increasing the number of medical colleges, and improving the availability of essential drugs and diagnostics. The budget also allocated funds for the welfare of senior citizens, children, and women.

The budget also announced measures to improve the ease of doing business, such as the launch of a single-window clearance system for investors and the introduction of a new bankruptcy code. The budget also announced the creation of a new regulatory authority for the non-banking financial sector.

Pre-budget economic survey report - Analysis:

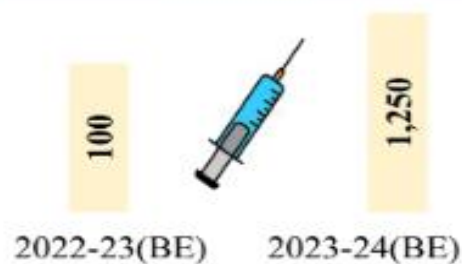
The report can influence the government's budget priorities and policies. For example, if the report identifies the agriculture sector as a priority, the government may allocate more funds to it in the budget. Similarly, if the report identifies a need for infrastructure development, the government may increase spending in that area.

In conclusion, the Indian Budget is an annual financial statement that outlines the government's revenue and expenditure for the upcoming fiscal year. The allocation of funds to various sectors is based on the government's priorities and objectives. The allocation of funds has changed over the years based on the government's priorities, and changes in the political leadership can influence the allocation of funds. The Pre-Budget Economic Survey Report provides insights into the state of the economy and can influence the government's budget priorities and policies.

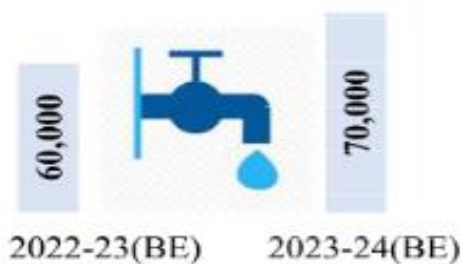
MAJOR ALLOCATION IN DIFFERENT SECTORS-

Allocation to Major Schemes (in ₹ crore)

Development of Pharmaceutical Industry



Jal Jeevan Mission



Eklavya Model Residential Schools



Pradhan Mantri Awas Yojana



Scheme for Faster Adoption and Manufacturing of EV's (FAME)



North East Special Infrastructure Development Scheme

