

Milk product^h



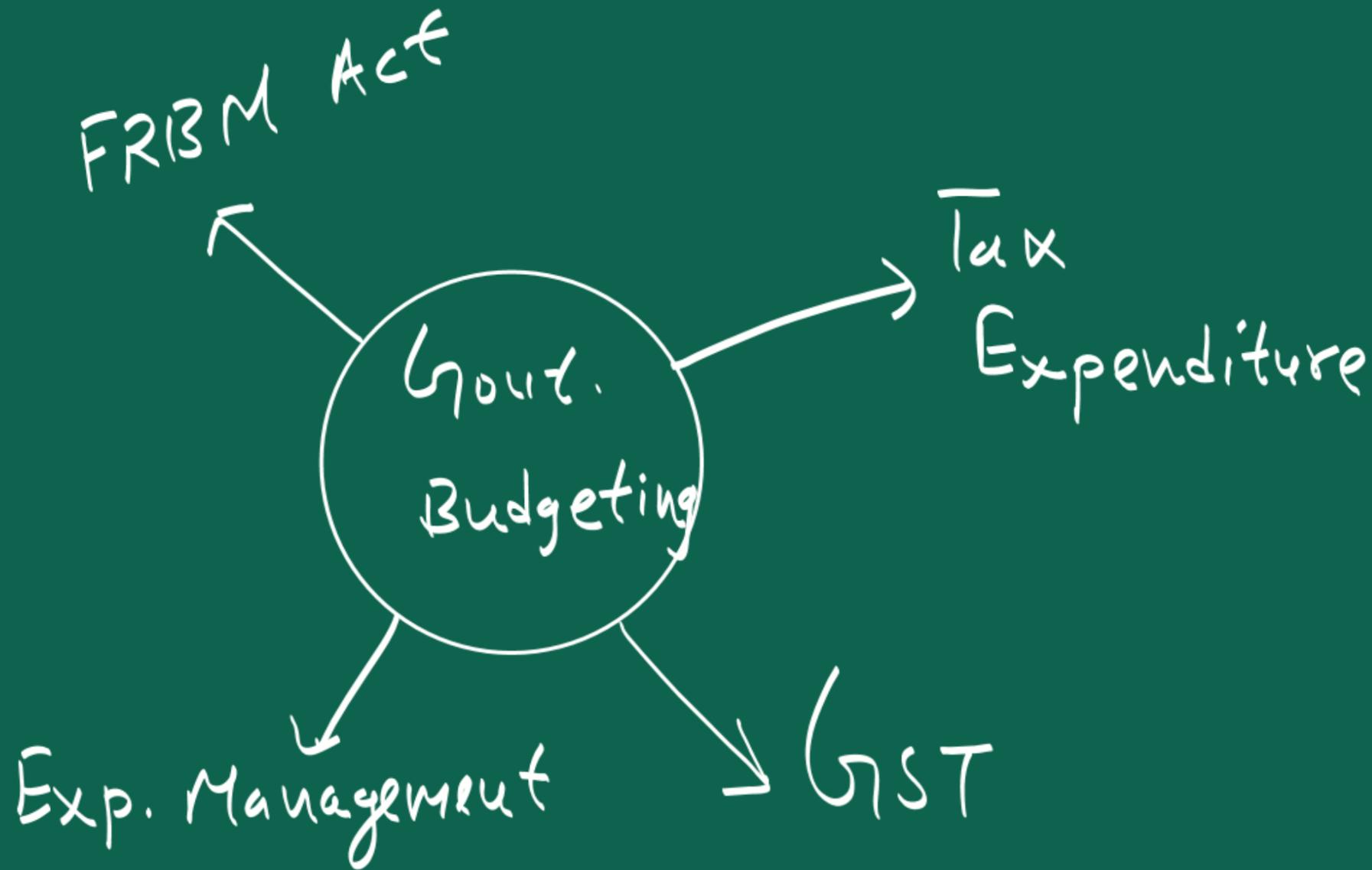
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Estimated

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Govt. Budgeting



Intro.

The budget is an annual financial statement about estimated govt. expenditures & receipts of the coming year. It is presented in advance before the Parliament or the legislative body.

Budget — 2024-25



1. Feb. 2024



(2023-24)



Implementation from 1st April 2024



Current Year

Coming Year

Previous Year



2023-24



2024-25



2022-23

↑
(1st Feb 2024)

Any budget of the govt. plays the following roles -

- (i) Financial control on the executive.
- (ii) To ensure responsibility & accountability.
- (iii) Better management of the on-going activities.
- (iv) financial planning. etc.

It is to be noted that accountability & responsibility on the executive is critically dependent on the format of the budget or the type of budgeting, apart from other things.

Types of Govt. Budgeting



(i) Line-Item Budgeting

In this format, demands for expenditures are presented ministry-wise.

Since, ministries are line agencies, this format is, therefore, called the Line-Item budgeting.

This budgeting is based on

the historical approach because estimates of expenditures for the coming year are largely based on the expenditures of the previous year.

We don't [↓] have right justification for expenditure.

Apart from the above,
expenditures are shown in aggregate
manner.



Sub-division
is out.



Parliamentary control



(ii) Programme Budgeting

Under it, Ministries prepare their budget activitywise.

In the above respect, separate mini budgets or cost-budgets are prepared for each activity.

Since activities are technically called as programmes, therefore, this budgeting is called programme budgeting.

Example -

The Ministry of Rural Dev. will make separate mini-budgets for each of the following activities -

- (i) Rural Emp.
- (ii) Rural Housing.
- (iii) Rural Roads etc.

This budgeting leads to better parliamentary control but it does ensure accountability on the executive regarding performance.

(iii) Performance Budgeting

↓
It has all the features of programme budgeting but an additional parameter of performance is taken into account.

Under it, the budget for each activity is related with a goal.

For example, the Ministry of Rural Development will mention the number of houses for a certain level of expenditure demanded for the scheme, 'Pradhanmantri Awas Yojna (Gramin).

Note -

The concept of the Outcome Budgeting as implemented in India in 2005-06 is similar to this budgeting.

Under it, every Ministry or department is to present the following for every scheme being under their administration -

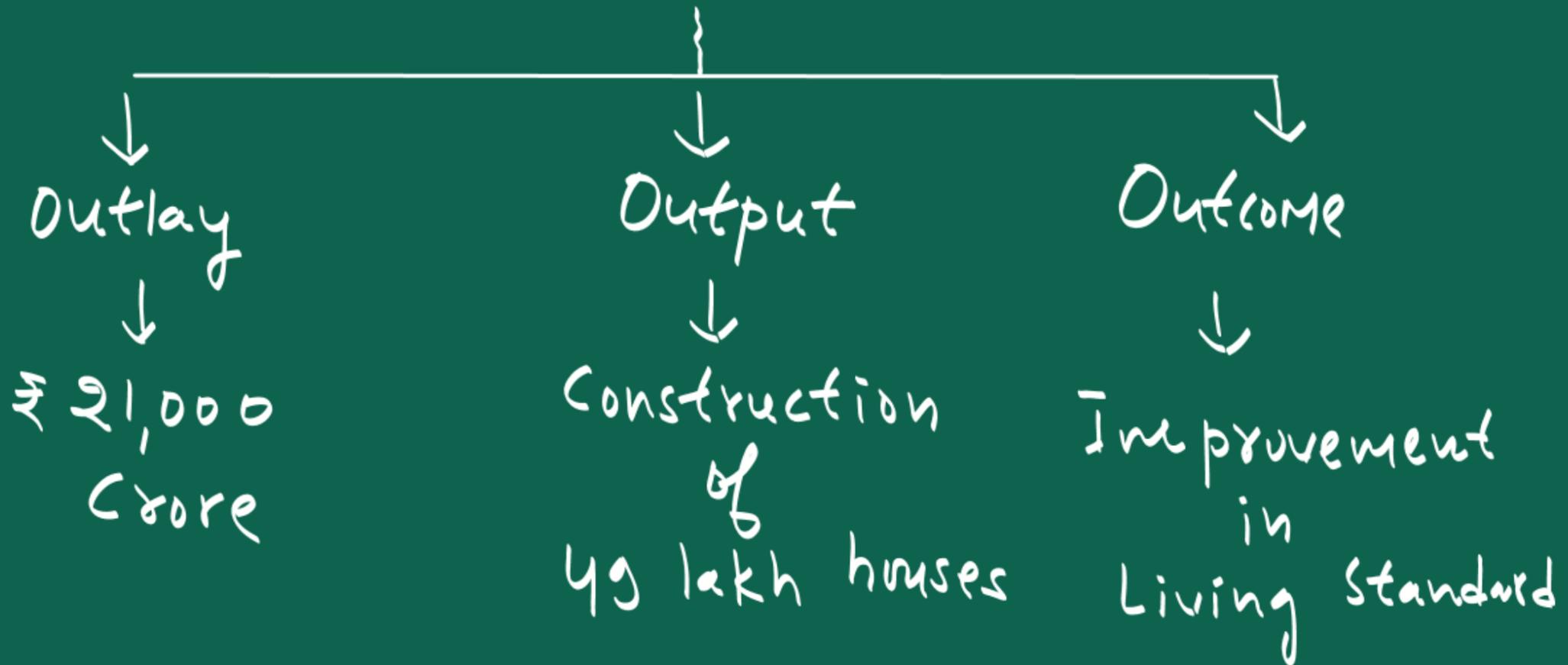
- (i) Outlay → est. level of exp.
- (ii) Output → Physical goal
- (iii) Outcome → Qualitative goal

Case-Study -

Demand No. 82 → Union Budget 2018-19

↓
Pradhanmantri Awas Yojna (Grameen)

↓
Deptt. of Rural Development



(iv) ZBB = Zero Base Budgeting



The previous year expenditures are supposed to be zero.



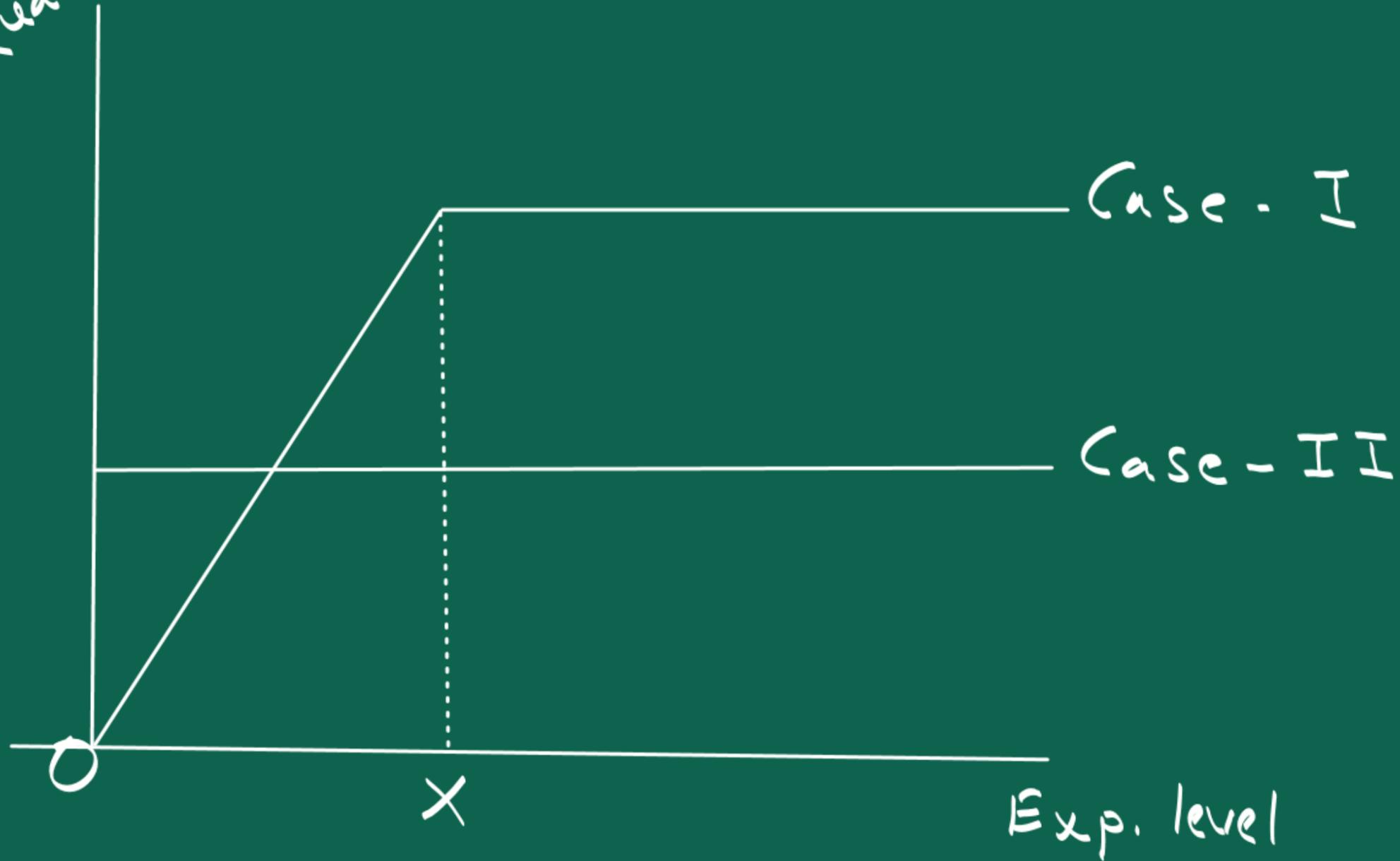
The base is zero.

Under it, each ministry / deptt. is to show expenditures afresh. They are required to explain why they

need a particular level of expenditure.

Apart from this, they are also required to show how different levels of expenditures impact departmental service. This can be understood through a diagram -

Service Quality



Case - I

Case - II

Exp. level

X

This budgeting is quite difficult and needs various kinds of assessment etc.

This is not regularly used in the govt. sector. Sometimes, it is used to remove certain expenditures in the govt. sector.

It is mostly used in the private sector.

Gender Budgeting

(i) Intro.



First Introduced — Australia

It is not a format of budget which determines accountability.

It is a kind of G R B
(Gender Responsive Budgeting) in which

it is shown that how much per cent of the total budget expenditure is dominantly associated with females.

(ii) Need -

Every budget is usually gender-neutral. But, this does not imply that the benefits from the budget will also be gender-neutral.

In countries like India, the social structure is such that females are able to get less benefits as compared to males. Therefore, there is a need

to show those expenditures which are mainly associated with females.

Apart from the above, it has been found that the SRR (Social Rate of Return) for females is higher as compared to males for a certain amount expenditure to be done on them for their education, health etc.

Note -

In India, Since 2005-06,
a GBS (Gender Budget Statement)
is presented every year. It has
two parts -

PART - A

↓
100% women specific exp./sch.

PART - B

↓
Those exp./sch. whose at least 30%
part is associated with women.