

BUDGET

The Budget is a statement of the estimated receipts and expenditure of the Government of India in a financial year.

The Budget is prepared by the Ministry of finance annually, the finance minister is the head of Budget making committee.

The first Budget of India was submitted on 18 February, 1860 by James Wilson. PC Mahalanobis is known as the father of Indian budget.

- **Article 112:** under this article, Budget is known as annual financial Statement. The Budget document Presented to Parliament comprise by the finance Minister.
- **Budget Presentation:**
 - (a) The first Budget of Independence India was presented by the finance minister R.K. Shanmukham Chetty on 26 November 1947. The
 - (b) Morarji Desai (Former Finance Minister) has 10 times presented the Budget and was the highest number of Budget Presented.
 - (c) KC Neogy is the only finance minister not to have presented a Budget.
 - (d) Indira Gandhi (former Prime Minister) was the first woman to have presented the union Budget in 1970. Finance Minister Nirmala Sitharaman became the second woman to present the Union Budget in May 2019.
 - (e) Between 1999 to 2016, the budget was presented at 11.am on the last working day of February. Since 2017, the Indian Budget is presented on 1 February.
- **Budget Speech:** The Budget Speech of the finance minister has two parts. Part A deals with general economic survey of the country while part B relates to taxation proposals. The 'Annual Financial Statement' is laid on the table of Rajya Sabha at conclusion of the speech of the finance Minister in Lok Sabha.

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- **Railway Budget:** This was separated from the General Budget in 1921 on the recommendations of the Acworth committee. In August 2016, the Central Government decided to merge the railway budget into the General Budget.
- **3 Types of Budget:**
 - (a) **Balanced Budget:** A Budget became the balanced budget when the estimated government expenditure is equal to the expected government receipts in a particular financial year.
 - (b) **Surplus Budget:** A budget became a surplus when the expected government revenues exceed the estimated government expenditure in a particular financial year. A surplus budget denotes the financial affluence of a country.
 - (c) **Deficit Budget:** A budget became a Deficit Budget when the estimated government expenditure exceeds the expected government revenue in a particular financial year. This type budget is best suited for developing economies.

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