A COMPREHENSIVE STUDY ON UNION BUDGET ANALYSIS FOR THE PAST TWO CONSECUTIVE YEARS. W.R.T PAST BUDGET ALLOCATIONS

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***Abstract*: The Union budget sets out the country's proposed revenue and expenditure for the next financial year. The Finance Minister's announcements on taxes, spending cuts and concessions to specific sectors have an impact on industry and therefore on equity markets, which are the economic barometer of sentiment that responds positively or unfavourably to budget announcements.**

According to Article 112 of the Indian Constitution, the one-year Union budget, also known as the annual financial statement, is an overview of the government's estimated revenue and expenditure for that year. The Union budget takes into account public finances for the financial year, which runs from 1 April to 31 March. The Union budget is included in the revenue budget and capital budget.

The revenue budget includes government revenue and expenditure. There are two types of tax revenue: tax revenue and non-tax revenue. The revenue is expenses incurred daily by the government and on various services offered to citizens. If the revenue exceeds the revenue, the government suffers from a revenue shortfall.

An interim budget is not the same as a "vote on account." While a "vote on account" only covers the spending side of the government's budget. An interim budget is a complete set of accounts, including expenses and income. An interim budget gives the full financial statement, very similar to a full budget. Although the law does not disqualify the EU government from introducing tax changes, successive governments have normally avoided making major changes to income tax legislation during elections.

It is a tool to meet the obligations of states, it is the government's priority policy and shows the financial transaction of the year.

Introduction:

The word Budget is derived from the French word "Bougettee" which means a bag or wallet. In India, the budget is the annual financial statement of the accounts for the previous year and the current one, as well as estimates of revenue and expenditure for the coming year. The budget is also called the annual financial statement. That is the most important budget document. Under Article 112 of the Constitution, a summary of the estimated income and expenditure of the Indian Government must be submitted to Parliament for each financial year. This statement shows government revenues and payments under the three parts in which the government account is held: (10) Consolidated Funds, (2) Reserve Funds and (3) Public Funds. The Indian budget begins on 1 April and ends on 31 March (Tyagi, 1999:891). The Ministry of Finance is responsible for overseeing the EU government's budget, the so-called "Union budget". The general rule is that those who spend the money must also make estimates in advance. As a result, preliminary estimates are willing to discharge the officers.

In government, much of the money comes from taxes, but also from loans and income from state-owned enterprises, and is made available by the legislature through specific credits to specific organizations and programs.

A budget is an instrument of parliamentary control over the government's financial activities. It indicates how resources should be increased and how they should be targeted at different channels by the government. In fact, it represents the government's fiscal policy. This means that it indicates how government revenues and expenditures intend to affect the level of national income, employment, production and distribution of income and wealth across different parts of the community (Tyagi, 1999:892). Therefore, the study of the budget is vital and is a matter of great concern.

Budgetary procedure:

The budgetary procedure consists of four different transactions:

- Drawing up the budget.
- Approval of the budget.
- Run the budget, and
- Parliament's control over finances.

BUDGETARY OBJECTIVE:

- 1. Provide a forecast of revenue and expenditure. This is done by building a model of how a business could function financially if certain strategies, events and plans are realized.
- 2. Measure the actual financial functioning of the company on the basis of forecasts.

- 3. Set a cost reduction for a project, program, or operation.

NEED FOR RESEARCH:

- This budgetary analysis of the study is an important role in the economic and global development of countries and is the most dominant segment of the financial sector. The overall objective of the Union budget is to ensure the rapid and balanced economic growth of our country, combined with social justice and equality. For example, the country's budget allows us to know the growth rate of each sector and the overall growth of the countries and to interpret the results.

SCOPE OF THE STUDY:

- This study is important for researchers, regulators and the government for the following reason. For researchers, the study warns about the impact of the budget, the Union budget also helps to manage economic fluctuations. It ensures good management of inflation and deflation, thereby strengthening economic stability. During inflation, a fiscal policy is implemented in surpluses, while fiscal policy for deficits is developed during deflation. This contributes to maintaining price stability in the economy.

OBJECTIVES OF THE STUDY:

1) To Know the performance of the trade union budget for the years 2018-2019 and 2019-2020.
2) To Study the allocation of resources in different sectors during selected years.
3) To Studying the impact of tax on taxpayers in the Union budget.
4) To Analyze the growth of the different sectors during the Union budget 2018-2019 and 2019-2020.

RESEARCH METHODOLOGY:

- This study is based purely on secondary data, derived from the Reserve Bank of India's annual budget reports from its website, and other books, newspapers, magazines and magazines.

PERIOD OF THE STUDY:

- This study is based on the Union budget 2018 -2019 and 2019 - 2020. The duration of the study is limited to five months.

LITERATURE REVIEW

- **Tavakoli, H., and Smith, G. (2011).** Overviews of recent data on some critical issues when designing budget support. London: ODI. This briefing paper discusses recent data on fiscal support to understand how this support has behaved over time in relation to the rationale and initial expectations. The authors note that performance has improved over time in a number of areas (in particular transaction costs and the increased efficiency of partner countries' public finance management systems). However, the limited evidence and complexity of measuring progress on some benefits have not produced a conclusive picture.
- **Tripathip.s and Nigam, R. (2018).** The study also found that most central departments/departments do not collect and report on their programs and programs that are essential for budget analysis.
- **Lahiri, A. et al. (2018).** The study showed a significant positive link between public health and education spending in India, while the impact of per capita spending on GDI education was negligible in India
- **Senapaty (2000).** analysed the Union's 2000-2001 budget and found that women's empowerment is particularly focused on this budget, but that the economic role of women remains low. The women-only budget represented only one percent of the EU's total budget.
- **Sen; K. En Seeta, P. (2001).** The study examined the Union budget 2001-2002 and sought to identify the model of benefits in various women-specific schemes and schemes that are indirect benefits for women.
- **Banerjee, N. and Roy, P. (2003).** This study identified women-oriented programs/programs in the West Bengal budget (actual spending in 1998-1999) and compared spending for people with total budgets to assess priorities for women in the state budget.
- **Chakarborty, L. (2004). experiences of fiscal decentralisation and** local budgeting in India. The study selected three states in Kerala, Karnataka and West Bengal.
- **Parikh, A.; Acharya, S. and Krishnaraj, M. (2004).** The study analyzed the 1998-2002 budget with the state's five-year plans and the performance budget to analyze state programs and agricultural policies.
- **Klatzer, Elisabeth (2008).** has demonstrated ways to integrate gender equality goals and gender budgeting into performance-oriented budgeting (PBB).
- **Palharya, P. (2008).** The study analysed public expenditure on social services as a whole and, in %, the state's gross domestic product age for 2002-2003-2006-2007.
- **Rajneesh, P. (2008).** gender budgeting in the state of Karnataka for 2007-2008. The study showed that the State has committed itself to allocating funds to women in most sectors.
- **Thorat, M. (2008).** drew attention to gender budgeting in disaster relief. He also focused heavily on the need for gender-sensitive activities in an emergency.

Data analysis and interpretation

- **Union budget 2018-19: an assessment**

  This article analyses the key features of the 2018-2019 Union budget presented on 1 February 2018 and adopted in Parliament in March 2018. Building on the impetus of the reforms - the goods and services tax; digitization; demonization; the Insolvency and Bankruptcy Code (BAC) and a reversal in the performance of the economy in the second half of 2017-2018, the Union budget for 2018-2019 seeks to balance prudence with political constraints of a pre-election year. It focuses on the rural economy and agriculture, the social sector (education, health and social protection), the elderly, infrastructure and the financial sector. The determination of allowances to these sectors is sought to be financed by the increase in direct tax credits and by the continuation of the divestment campaign. The budget has deviated from the previous path of fiscal consolidation and aims to reach the budget deficit of 3% of GDP by 2020-21.

KEY POLICY AREAS FOR THE 2018-2019 BUDGET:

- Boosting the supply chain from production to marketing: minimum prices for rewarding aid; Agricultural markets and connectivity; horticulture, organic farming; processing and exporting of foodstuffs.
- Improving rural well-being: expansion of free LPG connection programs (PM's Ujjwal program); Electricity (PM's Saubhagya Yojana); Sanitation (PM's Swachh Bharat Mission); Housing (PM Awas Yojana); employment in rural areas.
- Education - making use of technology and increased investment in research and related infrastructure; Health - wellness centers; health and other insurance for disadvantaged households.
- Promoting medium-sized, small and micro enterprises (SMEs) - addressing balance sheet stress and funding constraints; employment
- Boosting the employment of women in the formal sector; Fixed-term employment for all sectors; (PM's Kaushal Kendra Program).
- Construction of defense infrastructure, urbanization (smart cities mission); Tourism; Roads Railways; Airports; ports and waterways.
- Finance: the development of the corporate bond market; Reform of the stamp duty system for financial transactions; Long-term capital gains tax recapitalization of banks; hybrid instruments for foreign investment; strengthen the monetary policy framework with the introduction of a permanent deposit facility by the RBI.

Large central government grants

Articles	2016-2017 (Actual Cases)		2017-2018 (BE)		2017-2018 (RE)		2018-2019 (BE)	
	Amount	% of GDP	Amount	% of GDP	Amount	% of GDP	Amount	% of GDP
Total- Large grants	2,040.2	1.3	2,403.4	1.4	2,297.2	1.4	2,643.4	1.4
i. Food	1,101.7	0.7	1,453.4	0.9	1,402.8	0.8	1,693.2	0.9
ii. Fertilizers	663.1	0.4	700.0	0.4	649.7	0.4	700.8	0.4
iii. Oil	275.4	0.2	250.0	0.1	244.6	0.1	249.3	0.1

The total passive-GDP ratio of central government is expected to fall from 49.1% in 2017-18 (RE) to 47.8% in 2018-19. In particular, the government has accepted the main recommendation of the 2017 Fiscal Reform and Management Committee on the adoption of the debt rule and decided to reduce the central government debt ratio to 40% by 2024-2025. Interest payments as a percentage of income, which are an indicator of the capacity of the debt service, are budgeted to decrease slightly compared to the previous year.

Transfer of Funds to States

	2016-17	2017-18 (RE)	2018-19 (BE)	2016-17	2017-18 (RE)	2018-19 (BE)	2017-18 (RE)	2018-19 (BE)
	Amount			Share of total transfer			Growth	
	Billion			Hundred			Hundred	
I. Decentralization of the share of states in taxes	6080.0	6730.1	7880.9	61.7	60.3	62.1	10.7	17.1
II. Some key transfer elements	480.5	393.9	544.8	4.9	3.5	4.3	-18.0	38.3
That								
a. Out-of-home projects - Ready	177.6	175.0	200.0	1.8	1.6	1.6	-1.5	14.3
b. Special assistance	109.0	70.0	150.0	1.1	0.6	1.2	-35.8	114.3
III. Financial Commission grants	955.5	1014.9	1093.7	9.7	9.1	8.6	6.2	7.8
That								
a. Subsidy for local rural organizations	313.7	390.4	450.7	3.2	3.5	3.6	24.5	15.4
b. Grants for local urban organizations	145.0	172.5	198.7	1.5	1.5	1.6	19.0	15.2
c. Subsidies for revenue shortfall after decentralization	413.1	358.2	345.8	4.2	3.2	2.7	13.3	-3.5

Total transfer to States [Other than ii) ii))(III)]	2289.6	2967.2	3109.9	23.2	26.6	24.5	29.6	4.8
a. Under centrally sponsored schemes (Recipes)	2258.5	2637.8	2777.5	22.9	23.6	21.9	16.8	5.3
b. Within the framework of the central sector programs,	24.1	317.65	321.9	0.2	2.8	2.5	1219.7	1.3
V. Total transfer to Delhi and Puducherry	51.1	52.7	65.0	0.5	0.5	0.5	3.1	23.3
VI. Gross transfers to the United States/UT's	9856.7	11158.8	12694.4	100.0	100.0	100.0	13.2	13.8
VII. Less collection of loans and advances	125.8	93.0	96.0	-	-	-	-26.1	3.2
VIII. Net transfers (VI-VII)	9731.0	11065.8	12598.4	-	-	-	13.7	13.9
IX. Gross transfers /GDP (percent)	6.5	6.7	6.8	-	-	-	-	-
X.Net transfers/GDP (percent)	6.4	6.6	6.7	-	-	-	-	-

Source: Union budget 2018-2019

Budget 2019-20: An evaluation:

The Union budget for 2019-20 was aimed at finding the best balance between fiscal discipline and economic growth in a difficult environment in a context of a significant slowdown in GDP growth since the second half of 2018-2019. Given the spending priorities to stimulate physical and social infrastructure and to stimulate investment activities in the economy, the budget aims to mobilize higher resources through non-tax revenues and divestment, with direct taxation expected to remain more dynamic, as in 2018-2019. The transparency of the budget has been significantly strengthened by the dissemination of information on additional budgetary resources. More force in GST recoveries would be essential to achieving fiscal consolidation while meeting spending growth priorities.

This article analyses the key features of the 2019-20 Union budget presented on 5 July 2019. In an unfavorable global environment characterized by weak growth momentum and a lack of trading activity, coupled with a slowdown in domestic GDP growth in the second half of 2018-19, the 2019-20 Union budget rightly prioritizes growth and sets the target to increase India's GDP to US$3 trillion by the end of March 2020 and US$5 trillion by the end of March 2025. As a result, the budget was aimed at boosting investment, mainly in infrastructure, with an emphasis on the rural economy, micro, small and medium-sized enterprises (SMEs) and start-ups (Annex 1). The aim is to balance budgetary prudence with expenditure commitments. In the future, it would be essential to increase revenue in the collections of the goods and services tax (GST) for greater fiscal consolidation. In this context, the rest of the article is divided into seven sections. Part II discusses the trajectory of the gross budget deficit in relation to the sliding trajectory of fiscal responsibility and budgetary management (FRBM), while Article III examines the revenue side of central public finances. Part IV focuses on public expenditure and part V highlights the financing model for the gross budget deficit. Article VI examines the government's outstanding obligations and Article VII provides an analysis of the transfer of funds from the center to the States. The following observations are set out in Article VIII.

II. The budget deficit reflects the commitment to fiscal consolidation:

The revised architecture of fiscal responsibility and tax management (FRBM) is structured around two types of tax rules based on sequential calibration, fiscal anchoring and operational rule. The budget anchor determines the sustainability of the budget. In general, the debt ratio serves as a fiscal anchor. The operational rule is calibrated from the final target with a predictable link to the budget anchor (Eyraud and Wu, 2015; IMF, 2018).

The government has demonstrated its commitment to fiscal correctness as a result of the transition path established under the transformed FRBM - aimed at a gross budget deficit relative to gross domestic product (GDP) of 3.0% in 2014. 2020-21 (as an operational target) and debt-to-GDP ceilings of 60% and 40% for the government and central government respectively by 2024-2025 (as fiscal anchor). To achieve these targets, the 2019-20 Union budget sets the budget deficit for 2019-200 at 3.3% of GDP compared with 3.4% in 2018-19 (provisional accounts). This is therefore a modest consolidation compared to 2018-2019 (Table 1). Compared to the progress in fiscal consolidation between 2012-2013 and 2016-17, the gross budget deficit (FGM) as a percentage of GDP has remained at almost a similar level since 2017-2018 (Chart 1). However, the actual results have clearly followed the figures on the budget deficit since 2012-2013.

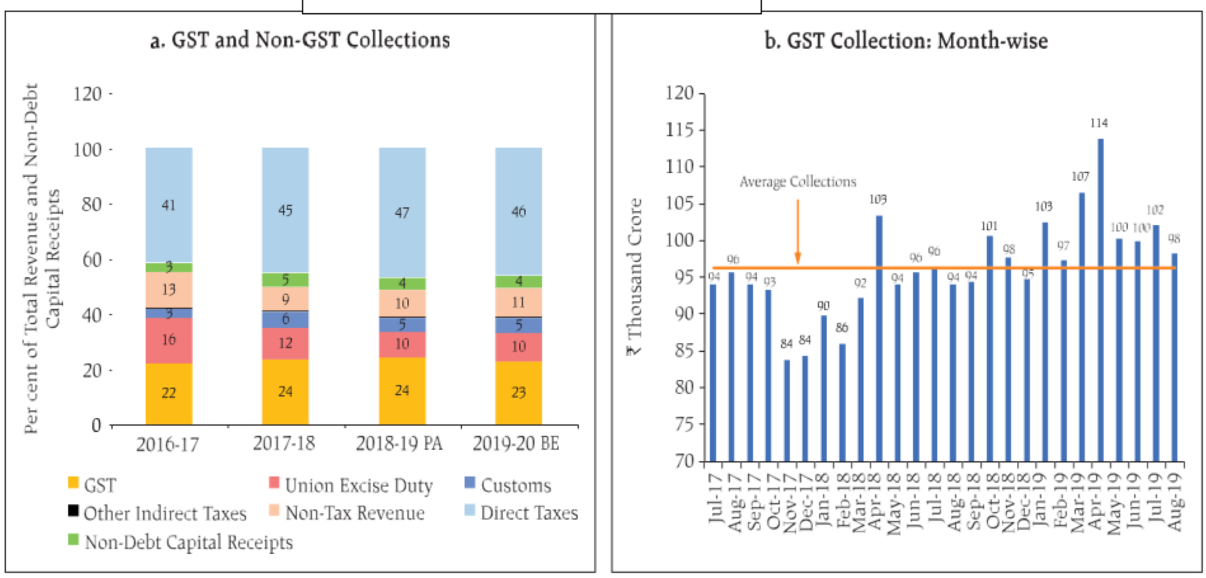
Key Indicators (as a Percentage of GDP)

	2017-18	2018-19			2019-20		2020-21	2021-22
	Current	BE	Again	Pa	BE (Interim)	BE (Final)	MTFP Target	
	July 5, 2019	February 1, 2018	July 5, 2019	May 31, 2019	February 1, 2019	July 5, 2019	July 5, 2019	July 5, 2019
1	**2**	**3**	**4**	**5**	**6**	**7**	**8**	**9**
1. Budget deficit	3.5	3.3	3.3	3.4	3.3	3.3	3.0	3.0
2. Reception deficit	2.6	2.2	2.2	2.3	2.2	2.3	1.9	1.7
3. Primary deficit	0.4	0.3	0.2	0.3	0.2	0.2	0.0	0.0
4. Gross tax revenue	11.2	11.9	11.8	10.9	12.1	11.7	11.6	11.6
5. Non-tax income	1.1	1.3	1.3	1.3	1.3	1.5	1.4	1.4
6. The first part of the Revenue	11.0	11.3	11.3	10.6	11.6	11.6	-	-
7. The first part of the Capital expenditures	1.5	1.6	1.7	1.6	1.6	1.6	-	-

Central Government Tax Revenues

	√ Thousand **Crore**				Growth rate (percent)			
	2017-18	2018-2019 (RE)	2018-19 (AP)	2019-2020 (BE)	2018-2019 (RE)	2018-19 (AP)	2019-2020 (BE)	
	July 5, 2019	July 5, 2019	May 31, 2019	July 5, 2019	Col 3 plus Col 2	Col 4 plus Col 2	Col 5 plus Colonel 3	Col 5 plus Colonel 4
1	2	3	4	5	6	7	8	9
1. Direct tax	**1,002**	**1,200**	**1,137**	**1,335**	19.8	13.5	11.3	17.4
That:								
i. Tax	408	518	462	556	26.9	13.1	7.4	20.5
ii. Corporation tax	571	671	664	766	17.5	16.2	14.2	15.4
2. Indirect taxes	**917**	**1,048**	**943**	**1,126**	14.3	2.9	7.4	19.4
iii. GST/CGST/IGST	443	644	582	663	45.5	31.4	3.0	14.1
iv.Compensation	203	504	458	526	147.9	125.1	4.4	15.0
v.Customs	177	50	29	28	-71.7	-83.6	-44.0	-3.3
vi. Excise duty	63	90	95	109	43.7	51.9	21.5	15.0
	129	130	118	156	0.8	-8.6	19.9	32.2
	259	260	231	300	0.1	-11.0	15.6	29.9
3.Gross tax revenue (1/2)	**1,919**	**2,248**	**2,080**	**2,461**	17.2	8.4	9.5	18.3

Chart 12: Trend in GST collections



Source: RBI.

Table 17: Dividends and Earnings

	Thousand Crore			Growth rate (percent)		
	2017-18	2018-19 (RE)	2019-20 (BE)	2017-18	2018-19 (RE)	2019-20 (BE)
1	2	3	4	5	6	7
Dividends and profits	91	119	164	-25.7	30.5	37.1
From PSEs	46	45	57	-10.3	-3.0	27.4
From RBI/ Banks/FI	45	74	106	-37.0	65.3	43.0

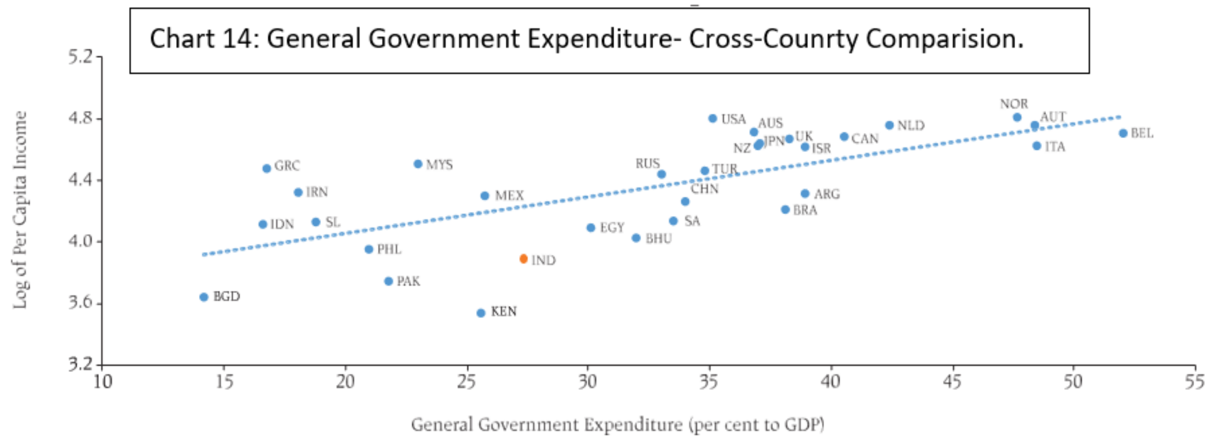
EPS: Public sector companies; FI: Financial institutions.

Central Government Expenditure

Article	**√ Thousand Crore**				**Growth rate (percent)**			
	2017-18	**2018-2019 (RE)**	**2018-19 (AP)**	**2019-2020 (BE)**	**2018-2019 (RE)**	**2018-19 (AP)**	**2019-2020 (BE)**	
	July 5, 2019	**July 5, 2019**	**May 31, 2019**	**July 5, 2019**	**Col 3 plus Col 2**	**Col 4 plus Col 2**	**Col 5 plus Colonel 3**	**Col 5 plus Colonel 4**
1	2	3	4	5	6	7	8	9
1. Total cost	2,142	2,457	2,311	2,786	14.7	7.9	13.4	20.5
2. Revenue of which the (i) Interest payments	1,879	2,141	2,009	2,448	13.9	6.9	14.3	21.9
(ii) Major food subsidies Fertilizer Oil	529	588	583	661	11.1	10.2	12.4	13.4
(iii) MGNREGA MGNREGA	191	266	197	302	39.2	3.1	13.3	53.1
(iv) PM-KISAN	100	171	102	184	70.8	1.6	7.5	80.8
	67	70	71	80	5.4	6.2	14.1	13.3
(v) Defense	25	25	25	38	1.5	0.4	50.9	52.6
	55	61	-	60	10.7	-	-1.8	-

(Revenue)	-	20	-	75	-	-	275.0	-
3. Capital expenditure	186	191	196	202	2.8	5.3	5.5	3.0
	263	317	303	339	20.3	15.1	6.9	11.8

Source: Union budget documents.



Notes: ARG-Argentina; AUS-Australia; AUT-Austria; BGD-Bangladesh; BEL-Belgium; BHU-Bhutan; BRA-Brazil; CAN-Canada; CHN-China; EGY-Egypt; GRC-Greece; IND-India; IDN-Indonesia; IRN-Iran ; ISR-Israel; ITA-Italy; JPN-Japan; KEN-Kenya; MEX-Mexico; MYS-Malaysia; NLD-Netherlands; NZ-New Zealand; NOR-Norway; PAK-Pakistan; PHL-Philippines; RUS-Russia; SA-South Africa; SL-Sri Lanka; TUR-Turkey; UK-United Kingdom; USA-United States.

Source: IMF World Economic Outlook; World Bank and RBI.

Transfer of Funds from the Centre to the States in 2019-20.

	2017-18	2018-19 (RE)	2019-2020 (BE)	2017-18	2018-19 (RE)	2019-2020 (BE)	2017-18	2018-19 (RE)	2019-2020 (BE)
	√ Thousand **Crore**			**Share of gross transfers**			**Growth**		
I. Decentralization of the state's share of taxes	673	761	809	62.0	61.1	60.9	10.7	13.1	6.3
II. Some key transfer elements									
a. Out-of-home projects - Ready	37	56	55	3.4	4.5	4.1	-22.5	49.2	-1.8
b. Special assistance	18	24	20	1.6	1.9	1.5	-1.5	36.0	-17.1
III. Financial Commission grants	7	14	15	0.6	1.1	1.1	-36.2	94.2	11.1
a. Subsidy for local rural organizations	92	106	120	8.5	8.5	9.1	-3.5	15.1	13.5
b. Grants for local urban organizations	34	43	53	3.2	3.4	4.0	9.8	24.3	22.8
c. Subsidies for revenue shortfall after decentralization	13	19	23	1.2	1.5	1.8	-13.1	49.9	23.7
IV. Total transfer to States [Other than ii) ii(III)]	36	35	34	3.3	2.8	2.6	-13.3	-3.5	-1.1
a. Through programs sponsored by the Centre									
b. (Revenue)	279	315	335	25.7	25.3	25.2	21.8	13.0	6.4
c. Within the framework of the central sector programs,	262	277	292	24.1	22.3	22.0	16.0	5.9	5.3

V. Total transfer to Delhi and Puducherry	16	37	42	1.5	2.9	3.2	562.4	129.5	14.8
	4	8	10	0.4	0.7	0.8	-25.0	116.9	20.7
VI. Gross transfers to the States/O's	1085	1247	1329	100.0	100.0	100.0	10.1	14.9	6.6
VII. Fewer loans and advances	13	9	10	-	-	-	4.3	-28.8	4.2
VIII.Net transfers (VI-VII)	1072	1237	1320	-	-	-	10.2	15.4	6.7
IX. Gross transfers / GDP (percent)	6.3	6.6	6.3	-	-	-	-	-	-
X. Net transfers / GDP (percent)	6.3	6.5	6.3	-	-	-	-	-	-

Source: Union budget documents.

Post-budget measures to stimulate the economy:

Pre-filled IT returns and faceless exams are launched from Vijay Dashmi, 2019. All notices, subpoenas, orders, etc. by the tax authorities will be issued via a centralized computer system and all these announcements will be eliminated within the first three months of the response date.

All pending GST refunds due to SMEs to be paid within 30 days. In addition, in the future, all GST refunds will be paid within 60 days of the application date.

The angel tax provisions no longer apply to start-ups registered with the Department for the Promotion of Industry and Internal Trade (DPIIT). A special unit led by a member of the Central Council for Direct Taxation (CBDT) will also be set up to solve the tax problems of start-ups.

An inter-ministerial working group has been set up to actively finalize and monitor major infrastructure projects worth 100 crore lakh over 5 years.

In cases where arbitration tribunals have accepted orders in favor of contractors/concession dealers, government agencies have been instructed to pay 75 percent of the total payment before taking the decision to court.

Reforms of the financial sector:

The government is working with the Reserve Bank to take measures to introduce the offshore rupee market on national stock exchanges and to enable INTERNATIONAL Finance Tec-City (GIFT) IFSC.

The government will work with the Reserve Bank to make it more beneficial to investors and bond issuers, and to facilitate higher price discovery operations.

In consultation with RBI and SEBI, the government will soon take further steps to develop credit default swap markets.

Depository Receipt Scheme, 2014 will soon be operational by SEBI, which will give Indian companies more access to foreign funds through American Depository (ADR Receipt)/Global Depository Receipt (GDR).

Initial capital injection of ≤ 70,000 crore in public sector banks in the current fiscal year. This will free up liquidity to ₹5 crore lakh in the banking system for loans.

In order to protect fair decision-making and prevent intimidation of genuine business decisions by bankers, the Central Vigilance Commission (CVC) has issued guidance that the Internal Advisory Committee (ICAC) will classify cases as vigilant and non-vigilant.

The obligation to create the Bond Repurposing (RRR) of outstanding bonds for listed companies, ETFs and HFCs has been terminated.

Additional liquidity support for √ 20,000 crore to housing associations (HFCs) by the National Housing Bank (NLC).

To take advantage of the customer connection of the last kilo-meter of GNI, government banks (BSP) will accelerate cooperation for loans to self-help groups and small traders in co-origination mode with GNI.

Reducing the assimilated monthly deposit (EMI) on home loans, vehicles and other retail loans by linking interest rates directly to the pension interest rate.

Simplified Know Your Customer (KYC) procedure to improve market access for foreign investors, including PPIs

A day to start a business; Faster and simpler approvals for mergers and acquisitions Withdrawals of more than 14,000 lawsuits under the Corporations Act; Corporate Social Responsibility (CSR) offences are treated as a civil liability and not as a criminal offence.

FINDINGS:

1. POOR AND DISADVANTAGED:

Eight crore women had benefited from free LPG connections.

The government had built around two toilets to grow

Construction of about 51 lakh houses exclusively in the countryside

Increased allocations of 5,750 Crores from the INR to the National Rural Living Mission.

2. Education:

13 untrained lakh teachers were trained under the right to education
Elalavya model residential schools by 2020 for the blocks of 60% of the population.
"Revitalization of infrastructure and education systems (RISE) by 2022" with a total investment of Rs.1.00,000cr
INR 4.213cr under the rashtriya madhyamik shikshia abhiyan for the on-duty training of 4.5 Lakh teachers; ICT infrastructure for 1,500 new schools; 600 new high schools.

3. Employment:

Govt paid about 12% of the salaries of new EPF employees for all sectors over the next three years
Fixed-term employment facility to be extended to all sectors
Reduction of the contribution of female employees to 8% for the first three years of their employment compared to the current rate of 12%
Setting up a model center for ambitious skills in all districts across the country.

Other Findings:

- Budget led by the mission to strengthen the sectors of agriculture, rural development, health, education, employment, SMEs and infrastructure.
- According to the government, a series of structural reforms will propel India among the fastest growing economies in the world. The country is firmly on track to achieve growth of more than 8%, as production, services and exports tighten a good growth path.
- The MSP for all unannounced kharif crops will be one and a half times higher than the majority of rabid crops: the institutional agricultural credit has increased from 8.5 lakh crore in 2014-2015 to 11 crore lakh in 2018-2019.
- 22,000 to develop and convert into gramina agricultural markets to protect the interests of 86% of marginal small farmers.
- Launch of the "Operational Green" programme to address fluctuations in potato, tomato and onion prices for the benefit of poorers and consumers.
- Two new funds of Rs 10,000 announced for the fishing and livestock sector, restructured.
- National Bamboo Mission gets Rs 1290 crore.
- Women's Loans Relief groups will increase from 42,500 crore last year to rs 75,000. Higher targets for Ujjwala, Saubhagya and the swachh mission to meet the needs of the lower and middle class by providing free connections to LPG, electricity and toilets.
- Spending on health, education and social protection will be 1.38 crore lakh. Tribal students to get Ekalavya boarding school in every tribal block by 2022. The social assistance fund for CCS is being boosted.
- The world's largest health protection program for more than 10 poor and vulnerable families has been launched with a family limit of up to 5 lakh rupees for secondary and tertiary treatment.
- The budget deficit is 3.5% at 3.3% for 2018-19.
- Rs. 5.97 lakh crore allocation for infrastructure.
- Ten key locations to develop as iconic tourist destinations.
- NITI Aayog will launch a national artificial intelligence (AI) program and centers of expertise will be set up for robotics, AI, the Internet of Things, etc.
- The divestment exceeded the target of Rs 72,500 to 1,000,000 Rs crore.
- Global gold policy on anvil to develop yellow metal as asset class.

CONCLUSION:

The Union Finance Minister presented the budget on 1 February 2020. The government has two obstacles to overcome. The first relates to the slowdown in economic activity and the other to the deficit. India's GDP for 2019-20, according to initial estimates, was 5 percent. The revised figure for 2018-2019 was 5.7%. With the ambitious target for revenue collection and the slowing economy, the government finds itself in a difficult situation where it had only two options. The first step is to follow the path of fiscal correctness and to implement structural reforms that would increase economic activity in the long term. The other is to boost public finances by spending more on different programs, infrastructure and projects that will generate demand, what will happen, what will happen through more economic activity and structural reforms. What the government has tried to do is follow both the path with a timid approach.
In terms of fiscal consolidation, the government has admitted a misstep from 0.5 per cent to 3.8 per cent in 2019-20. He promised to reduce it to 3.5 percent next year. In doing so, the government remained committed to the Fiscal Responsibility and Budget Management Act, which allows for a derailment of up to half a percentage point in one year.
The original target under current legislation was 3%. This is too ambitious to achieve and if they were to be involved, questions would be raised about the feasibility of this objective. Achieving the target of 3.5 percent depends heavily on the sale of Rs 2.1 trillion rupees, up 323 percent from Rs 65,000 crore achieved in the current year. The LIC state behemoth list is a good idea. But more planning is needed. Process and execution. The target of gross tax revenues of 12% for 2020-21 also seems unrealistic when nominal growth does not exceed 10%. This requires a significant increase in tax capital to 1.2, compared to the low level of 0.5 this year.
One of the good features of this budget is openness and transparency. The budget made clear that government borrowing would increase by 8% this year to 1.86 trillion. The real budget deficit of governments, including these additional loans, would therefore

be 4.36% of GDP. Given the current revenue from divestment and the target of 12% of gross tax revenues, the government has not been misled into its expenditure. The budgeted increase in expenditure is only 13% with little increase in subsidies and a 2% increase in defense mergers. While it is very difficult to freeze the subsidy if the government does not reform the subsidies this year, the small increase in defense spending is particularly worrying at a time when defense procurement needs to be accelerated. Much-needed capital expenditure was also needed to generate capital, which the government took into account by increasing budget support for capital expenditure by 18 percent, with total government capital expenditures amounting to 10.84 trillion Rs for the following year. That's a paltry 2.3 percent, especially when the government is at Rs 100 trillion over the next four years.

Part of the reason why the government retains strict control over spending is the implementation of the recommendation of the 15th Financial Commission, which represents a relatively small increase in net tax revenues of 8%. Decentralization of taxes to the states will see an 18 percent increase next year. It will be a relief for the states and their finances will improve. The question remains: if the government had no money to spend on the rural economy and subsidies, what is the point of giving Rs 40,000 crore by reducing income tax for middle income earners if they withdraw from certain exceptions and Rs 25000 crore by taxing the dividend in the hands of the beneficiaries rather than taxing the entities that pay the dividend. The first may have been implemented to increase disposable income in the hands of the middle class, which will ultimately result in spending.

FINAL OBSERVATIONS:

The Union budget for 2019-2020 is aimed at building physical infrastructure, improving social services, digitizing the economy, promoting SMEs and start-ups, boosting research and development and health, the environment and the cleanliness of India. The financial sector reforms announced in the Union budget and the recapitalization of public sector banks will facilitate overall credit growth in the economy. The increase in investment and infrastructure in the budget is a welcome step towards boosting growth and employment. A series of measures recently announced in August 2019, with a particular focus on reforms of the financial sector, automotive and infrastructure, as well as tax-related measures should also facilitate the strengthening of economic growth dynamics. In 2019-20, the government has demonstrated a commitment to fiscal consolidation, based on the FRBM's derailment trajectory, and not a challenging domestic and global environment that has an impact on growth prospects.

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