

A Learning on Influences of Budget 2019 on Indian Economy

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Abstract: *The Union Budget is the plan of the Organization's revenue and expenditure for a fiscal year, starting from 1st April of one year to 31st March of the following year. According to Article 112 of the Indian Constitution, it is an wide financial statement that presents the Government's estimation of revenue sources and estimated expenses for the year. Woodrow Wilson's quote could well sum up the spirit of the 2019 Union Budget. 'Reform, Achieve, Transform' is the repetition to build a stronger economy for New India in the next few years. The 'New India' vision includes areas of physical and social infrastructure, digitalization, environmental care, world class industrial, service chances, universal healthcare, space program, education and skill development, research and development, and authorizing the start-up culture-among others. Clearly, a strong intent to take the country forward and higher is being initiated. Transforming the lives of families in rural India through multiple 'yojanas' with higher standards of clean and healthy living is a much-needed focus. We are happy to see the attention to farmers, fishermen and rural artistes, to name a few.*

Keywords: Union Budget

I. INTRODUCTION

In ordinary language, budget is an estimate of income and expenditure for a definite period. In economics, budget is a systematic list of revenue and expenditure or we can say it's a plan for the income and expenditure. The word 'budget' has been borrowed from the English word "Bowgette" which traces its origin from the French word "Bougette". Word "Bougette" has arrived from the word, 'Bouge' which means a leather bag. The Union Budget of India also referred to as the Annual Financial Statement in the Article 112 of the Constitution of India, is the annual budget of the Republic of India. The Union Budget is the blueprint of the Government's revenue and expenditure for a fiscal year, starting from 1st April of one year to 31st March of the following year. It is presented during the month of February so that it can be materialized before the start of a new financial year. According to Article 112 of the Indian Constitution, it is an extensive financial statement that presents the Government's estimation of revenue sources and estimated expenses for the year.

Why the Government plans for a budget every year?

The Government performs two important functions by making budget every year:

1. The Government estimates the expected expenditures for developmental works in different sectors of the economy e.g. Commerce, Business, Instruction, Healthiness, Carriage etc.
2. To meet the expenditures for the coming financial year, the Government tries to work out the sources of revenue. (i.e. by imposing new taxes or increasing or decreasing the previous rates of taxations, or to remove or impose subsidy on any commodity.)

In other words, the Governments decide about the expenditure to be incurred on which commodities primarily and how the funds are going to be arranged for these expenditures. The details of such income and expenditures statements are known as 'Budget'. Each budget is made for a specified period.

OBJECTIVES

- To comprehend the concept of Union Budget
- To know the brief history of Union Budget and importance of budget with special reference to India
- To get idea about 10 point vision of Budget 2019

- To relate the existing budget of 2019 with earlier budget metaphorically
- To climax the overall influences of Budget 2019

SCOPE

- The study is useful to those who want to know the concept of Union Budget, past and importance with unusual reference to Indian Economy.
- The study is useful to those who want to know the impacts of Budget 2019
- The study also tourist attractions the vision of Budget so reader can comprehend the rank of such macro concept
- Businessmen of different sectors can measure opposing or favourable impacts of budget 2019.

II. METHODOLOGY

The study is aevocative type in nature. Subordinate data has been used for the study. Subordinate data is collected from library, text books, and periodicals, articles from news papers and from relevant websites available on internet. By using that information I am trying to come up with some assumptions and endorsements.

A Brief History of Union Budget of India

The concept of Union Budget of India had been introduced firstly when the country was under the British rule, was presented on 7th April, 1860, by the then Finance Minister of India, James Wilson. The first Union Budget of Independent India was presented on November 26, 1947, by the first Finance Minister of Independent India, R.K. Shanmugham Chetty .

The first Union Budget was presented amidst widespread riots that followed the partition. This budget was planned for seven and a half months, after which the next budget was expected to be implemented from 1st April, 1948. It was also decided that India and Pakistan would both share the same currency till September 1948.

Pre-liberalisation The first Union budget of independent India was presented by R. K. Shanmukham Chetty on November 26, 1947.

1959-61 to 1963-64: The Union budgets for the fiscal years, comprehensive of the interim budget for 1962-63, were obtainable by Morarji Desai.

On February 29 in 1964 and 1968: Morarji Desai became the only finance minister to present the Union budget on his birthday. He obtainable budgets that included five annual budgets and an interim budget during his first term and three final budgets and one interim budget in his second tenure when he was both the Finance Minister and the Deputy Prime Minister of India. After Desai's resignation, Indira Gandhi, the then Prime Minister of India, took over the Ministry of Finance to become the first woman to hold the post of the Finance Minister.

1982-83, 1983-84 and 1984-85: Pranab Mukherjee, the first Rajya Sabha member to hold the Finance collection, presented the annual budgets for the financial years

1982-83, 1983-84 and 1984-85. 1987-89: Rajiv Gandhi presented the budget for, after V. P. Singh quit his government, and in the process became the third Prime Minister to present a budget after his mother and grandfather.

Post-liberalisation

1992-93:

Manmohan Singh under P. V. Narasimha Rao, in his next annual budgets, opened the economy, encouraged foreign investments and reduced peak import duty from 300 plus percent to 50 percent.

1996-97:

After elections in 1996, a non-Congress ministry assumed office. Hence the financial budget was presented by P. Chidambaram, who then belonged to Tamil Maanila Congress Following a constitutional crisis when the I. K. Gujral Ministry was on its way out, a special session of Parliament was convened just to pass Chidambaram's 1997-98 budgets. This budget was passed without a debate.

1998-99:

After the general elections in March 1998 that led to the Bharatiya Janata Party forming the Central Government, Yashwant Sinha, the then Finance Minister in this government, presented the temporary and final budgets for 1998-99.

Importance of a Union Budget

The general objective of the Union Budget is to bring about a rapid and balanced economic growth of our country coupled with social justice and equality. Following are the main objectives that underline the importance of Union Budget in India.

- **Efficient allocation of resources:** It is necessary to employ the available resources in the best interest of the country. Allocating resources optimally helps to attain profit maximization for the government so as to promote public welfare.
- **Lessen unemployment and poverty levels:** Another objective of the Union Budget is to eradicate poverty and create more job opportunities. This will ensure that every citizen of the country is able to meet his/her basic needs of food, shelter, and clothing, along with facilities for health care and education.
- **Lessen disparities of wealth and income:** The budget affect the distribution of income through subsidies and taxes. It helps to ensure that a high rate of tax is levied on the rich class, thereby reducing their disposable income. On the other hand, a lower rate of tax is charged on the lower income group to ensure they have sufficient income in hand.
- **Keep a check on prices:** The Union Budget aids in controlling the economic fluctuations as well. It ensures proper handling of inflation and deflation, thus bringing about economic stability. During inflation, surplus budget policies are implemented, while deficit budget policies are used during deflation. This results in maintaining price stability in the economy.
- **Change tax structure:** The Union Budget also dictates the possible changes in the direct and indirect taxes of the country. It brings about changes to income tax rates and tax brackets

Types of Union Budgets

The Union Budget can at least be classified into two categories – revenue budget and capital budget can be explained briefly in the following manner:

- **Revenue Budget:** Revenue budget contains the government's revenue receipts and revenue expenditure. Revenue receipts can be further classified into tax revenue (income tax, excise duty, corporate tax, etc.) and non-tax revenue (interest, profit, fees, fines, etc.). Revenue expenditure refers to the regular expenses incurred from the daily operation of the government as well as for the variety of services offered to the public. If revenue expenditure is greater than the revenue receipts, the government is said to incur a revenue deficit.
- **Capital Budget:** Capital budget, whose components are of a long-term nature, consists of capital expenditure and capital receipts. Some of the main sources of government receipts include loans from citizens, Reserve Bank of India (RBI) and foreign governments. Capital expenditure, on the other hand, comprises of costs incurred on development and maintenance of equipment, machinery, health facilities, building, education, etc. When the expenditure of government is greater than the total collection of revenue, a state of fiscal deficit occurs.

Budget 2019: 10-point Vision for the decade

- Building Team India with Jan Bhagidari: Minimum Government Maximum Governance.
- Achieving Green Mother Earth and Blue Skies through a pollution-free India.
- Making Digital India reach every sector of the economy.
- Launching Gaganyaan, Chandrayan, other Space and Satellite programmes.
- Building physical and social infrastructure.
- Water, water management, clean rivers.
- Blue Economy.
- Self-sufficiency and export of food-grains, pulses, oilseeds, fruits and vegetables.
- Achieving a healthy society via Ayushman Bharat, well-nourished women & children, safety of citizens.
- Emphasis on MSMEs, Start-ups, defence manufacturing, automobiles, electronics, fabs and batteries, and medical devices

III. CONCLUSION

The government this Budget has kept "Gaon, Garib and Kisan" at the center of everything. The budget provides a blueprint for the Prime Minister's vision of a USD 5 trillion economy, with a focus on ease of doing business for

MSME's and ease of living for citizens. The Budget emphasizes on enabling growth for traditional industries and artisan while offering them business and technology incubation facilities, which is commendable.

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