INTERIM BUDGET 2024-2025 (Part-1)

- **Budget (Annual financial statement)** - Statement of the estimated receipts and expenditure of the Government of India for a specific financial year according to ***Article 112*** of the Indian Constitution.

Article 112 - *The President shall in respect of every financial year cause to be laid before both the Houses of Parliament a statement of the estimated receipts and expenditure of the Government of India*



- **Interim budget** – Short term financial statement that allows for the smooth functioning of the government until a new administration can present a full budget for the entire fiscal year.
- It is presented by the outgoing government ahead of the Lok Sabha polls in the Budget session.
- There is ***no constitutional provision*** for an interim budget.
- The interim Budget includes estimates for government expenditure, revenue, fiscal deficit, and financial performance for a few months, but *cannot include major policy announcements.*
- **Vote on Account -** It allows the Lower House to make any grant in advance for the estimated expenditure for part of any financial year by voting and passing such a legislation ***(Article 116).***
- It is valid only for *2 months* and can be extended up to *4 months.*

	Annual budget	Interim budget
Timing	Presented on ***February 1st of each year***, outlines the government's financial roadmap for the entire fiscal year (April 1 to March 31).	Presented in an election year, ***typically around February,*** to keep essential government operations funded until the newly elected government presents its full budget.
Scope	Covers ***all aspects of government finances***, including revenue generation, expenditure allocations and policy announcements	Focusses primarily on maintaining ***essential spending*** on ongoing schemes and critical public services until the new government takes charge.
Policy announcements	Major policy pronouncements are made in the annual budget.	Due to its transitory nature, an interim budget avoids major policy pronouncements or significant changes to tax structures.

Parliamentary scrutiny	Faces ***rigorous debate*** and analysis	Receives less scrutiny due to its ***limited scope*** and temporary nature.
Validity	1 year	Usually 2–4 months, but remains valid until the new government presents its full budget.

Related Terms	
Fiscal deficit	• It is defined as excess of total budget expenditure over total budget receipts excluding borrowings during a fiscal year. - *Fiscal deficit = Total expenditure – Total receipts excluding borrowings*
Primary Deficit	• It is defined as fiscal deficit of current year minus interest payments on previous borrowings. - *Primary deficit = Fiscal deficit-Interest payments*
Revenue deficit	• It is excess of total revenue expenditure of the government over its total revenue receipts. - *Revenue deficit = Total revenue expenditure – Total revenue receipts*

PART- A

- **Goal -** To make India a '***Viksit Bharat' by 2047*** (Prosperous Bharat in harmony with nature, with modern infrastructure, and providing opportunities for all citizens and all regions to reach their potential)
- The trinity of ***demography, democracy and diversity*** backed by '*Sabka Prayas*' has the potential to fulfill aspirations of every Indian.
- Guided by the principle '***Reform, Perform, and Transform'***, the Government will take up next generation reforms.
- Moving forward towards the goal of 100 years of independence, 'Amrit Kaal' has been named as **'*Kartavya Kaal*'.**
- **Focus** – 'Garib' (Poor), 'Mahilayen' (Women), 'Yuva' (Youth) and 'Annadata' (Farmer)

Major achievements

- **Promotion of Digital Public Infrastructure** – Formalised the economy
- **Goods and Services Tax** - Enabled One Nation, One Market, One Tax
- **GIFT IFSC and the unified regulatory authority, IFSCA** - Created a robust gateway for global capital and financial services
- Despite the challenges due to COVID, the government is close to achieving the target of 3 crore houses in implementing the **PM Awas Yojana (Grameen)**.
- With the pursuit of '*Sabka ka Saath*' in these 10 years, the Government has assisted 25

crore people to get freedom from multi-dimensional poverty.
- **Rooftop solarisation -** Through rooftop solarization, 1 crore households will be enabled to obtain up to 300 units free electricity every month.

Global Context

- India assumed the **G20 Presidency** on the 1st of December 2022 from Indonesia and convened the G20 Leaders' Summit for the first time in the country in 2023.
- The recently announced **India-Middle East-Europe Economic Corridor** is an economic game changer for India.

To know about Part-2, click here

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