Chapter-2: Evolution of the Budget System & Intergovernmental Fiscal Transfer System in India during British Rule

The focus of the chapter is to trace the evolution of Budgetary System in British India starting with the Imperial System of Finance. A thorough analysis of the Imperial System of Finance is attempted along with an in-depth analysis of Provincial and Federal Financial System. Thereafter, the Inter-Governmental Fiscal Transfer System in India under British Rule is evaluated. This Chapter is categorized into two sections. Section I deals with the Evolution of the Budget System in India under the British Rule. Section II elaborates Federal Finance and Emergence of Fiscal Transfer System in India.

Section- I


Section- II

The section II of Chapter 2 deals with Federal Finance and Emergence of Fiscal Transfer System in India, Central Budget and Provincial Budget in accordance with Government of India Act 1935, the Niemeyer Committee (1936-47), the Niemeyer Committee report on vertical sharing of the of Income Tax, Financial Adjustments, Recommendations of Deshmukh Award, Administrative Reforms Commission on Centre-State Relations, Sarkaria Commission on Centre-State Relations, the evolution of Finance Commission, the highlights of each finance commission, the role of Planning and establishment of Planning Commission, Bombay Plan, NITI AAYOG, Dichotomy of Plan and Non-Plan expenditure, Fiscal Responsibility and Budget Management (FRBM)
Act and implementation of FRBM Act by different States in India.

Essentially, the Chapter 2 examines the evolution of “Budget System & Intergovernmental Fiscal Transfer System in India during British Rule”