1. What is meant by 'Schedule caste and Scheduled Tribe Sub Plan'? Does Andhra Pradesh follow Schedule caste and Scheduled Tribe Sub Plan' budget mechanism? Evaluate.

The Scheduled Caste Sub Plan (SCSP) and Tribal Sub Plan (TSP)—collectively known as Scheduled Caste and Scheduled Tribe Component Plans—are strategic budgeting instruments introduced by the Government of India to ensure targeted development of SC and ST communities. These mechanisms mandate that funds be earmarked in the state and central budgets in proportion to the population of SCs and STs, for direct and quantifiable benefits.

Legal and Budgetary Framework in Andhra Pradesh:
Andhra Pradesh was one of the first states to institutionalize this model through the Andhra Pradesh SCSP and TSP Act, 2013, amended in 2023 to extend its application up to 2033.

- The amended Act defines "allocable budget" (excluding salaries, pensions, admin costs) as the base for calculating SC/ST allocations.
- Funds must be used for beneficiary-oriented schemes or for development of SC/ST habitations.

Implementation in 2025–26:
Scheduled Caste Component (SCC):

- Total Allocation: ₹20,281.21 crore
- **Major Departments:**
  - ⇨ Social Welfare: ₹9,448.38 crore
  - ⇨ Housing: ₹1,257.43 crore
  - ⇨ Medical & Family Welfare: ~₹1,580 crore
  - ⇨ Education (School + Higher): ₹928 crore
  - ⇨ Panchayat Raj & Rural Development: ₹1,944.51 crore

Scheduled Tribe Component (STC):

- Total Allocation: ₹8,159.68 crore
- **Major Departments:**
  - Tribal Welfare: ₹3,581.01 crore
  - Health: ₹748.89 crore (Medical Education, Public Health, Family Welfare)
  - Housing: ₹687.81 crore
  - Agriculture & Horticulture: Over ₹649 crore
  - Education (School + Higher): ₹355.71 crore
  - Panchayat Raj & Rural Development: ₹823.01 crore

Evaluation:
Strengths:

- Statutory backing ensures consistent funding and accountability.
- Department-wise, scheme-specific allocations increase transparency.
- Special emphasis on healthcare (E.g., tribal hospitals), skill development, and housing for SC/STs.

Challenges:

- Utilization delays, especially in tribal areas due to infrastructure and staff shortages.
- Outcome-based monitoring is still weak despite financial tracking.
- Overlap and scheme duplication across departments reduce efficiency.

Conclusion:
Andhra Pradesh actively follows the SCSP and TSP budget mechanisms with a robust legislative and monitoring framework. However, the real success depends on efficient implementation, community participation, and impact evaluation to ensure that budget translates into tangible development outcomes.

2. What are the various budget deficits? Analyse the deficit patterns of the Government of India in the last 3 years, including Budget 2025–26 (BE).

Introduction

Budget deficits are critical indicators of a government's fiscal health, reflecting the gap between its expenditures and revenues. Understanding the various types of deficits provides insights into the government's borrowing needs and fiscal discipline.

Types of Budget Deficits

1. **Revenue Deficit:** Occurs when revenue expenditures exceed revenue receipts. It indicates that the government is borrowing to meet its current expenses.
2. **Fiscal Deficit:** The difference between total expenditure and the sum of revenue receipts and non-debt capital receipts. It represents the total borrowing requirement of the government.
3. **Primary Deficit:** Fiscal deficit minus interest payments. It shows the deficit excluding interest obligations, highlighting the current fiscal stance.
4. **Effective Revenue Deficit:** Revenue deficit minus grants for capital asset creation. It provides a clearer picture of the revenue shortfall by excluding capital expenditures from grants.

Deficit Trends (FY 2022–23 to FY 2025–26 BE)

Fiscal Year	Revenue Deficit (% of GDP)	Fiscal Deficit (% of GDP)	Primary Deficit (% of GDP)
2022–23	3.9%	6.4%	3.0%
2023–24	2.9%	5.9%	2.3%
2024–25 (RE)	2.6%	4.8%	1.9%
2025–26 (BE)	2.1%	4.4%	1.5%

Note: RE – Revised Estimates; BE – Budget Estimates.

Analysis of Trends

- Fiscal Consolidation: The government has steadily reduced the fiscal deficit from 6.7% in 2021–22 to a targeted 4.4% in 2025–26, aligning with the Fiscal Responsibility and Budget Management (FRBM) Act's medium-term goals.
- Revenue Deficit Reduction: A significant decline from 4.4% to 2.1% indicates improved revenue generation and controlled revenue expenditures.
- Primary Deficit: The decreasing trend suggests that a larger portion of borrowings is allocated towards interest payments, with a focus on reducing fresh borrowings for current expenditures.

Conclusion

The Government of India's fiscal strategy over the past few years reflects a commitment to fiscal prudence and sustainable economic growth. The consistent reduction in various deficit indicators demonstrates efforts to strengthen macroeconomic stability while investing in capital formation and infrastructure.