

2.1 Budget allocated to each agency including all plans, proposed expenditure and reports on disbursements made etc.

The budget exercise in HAL covers the following types of Budget:

- (i) Capital Budget
- (ii) Performance Budget

Capital Budget:

Capital Budget is meant for planning of the commitments for various facilities such as plant and machinery, civil works and other infra-structural facilities / services needed to achieve the performance objectives. Expenditure is incurred against these commitments during the budgetary period. The performances against projected commitments and expenditure are monitored throughout the year.

The coverage in the Capital Budget is intended to provide an itemized list of all major equipments / works. This is done to ensure that the activities are focused and the implementation is monitored towards achievement of desired objective.

Performance Budget:

On the other hand, Performance Budget covers Revenue expenditure which is generally linked to level of activity. This is represented in the production plan of the Company.

Performance Budget inter-relates the financial outlays with the financial targets and accomplishment, reinforcing the principle of accountability, with ultimate aim of effective overall utilization of the scarce resources. This gets reflected in the Projected Profit & Loss Account and Projected Balance Sheet. These are supported by individual functional budgets such as Production Budget, Sales Budget Purchase Budget, Manpower Budget etc.

Both the Capital Budget and Performance Budget are approved by the Board. Expenditure on Capital and Revenue outlays is available in the [Annual Report](#).