

SUMMARY OF UNION BUDGET 2021-22

As per **Article 112 of the constitution**, a union budget is basically the statement of the estimated receipts and expenditure of the government. It is also known as the annual financial statement of the government. **Department of Economic Affairs, Ministry of Finance** is the nodal body responsible for preparing the Budget.

Budget 2021-22 is the first budget of the new decade 2021-30 and is also the **first ever digital union budget**.

This budget which comes in the backdrop of unprecedented COVID-19 crisis reflects the firm commitment of the Government **to boost economic growth by investing in infrastructure development**.

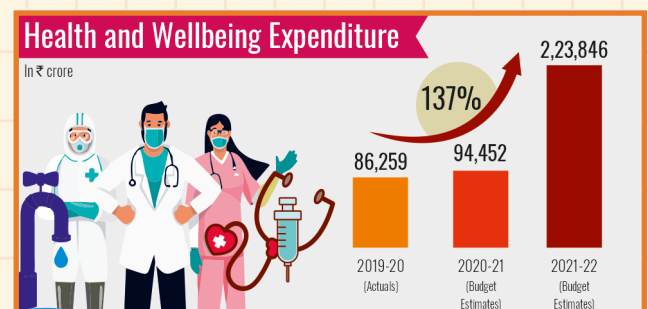
Part A

Budget proposals for **2021-2022 rest on 6 pillars:**

1. Health and Wellbeing
2. Physical & Financial Capital, and Infrastructure
3. Inclusive Development for Aspirational India
4. Reinvigorating Human Capital
5. Innovation and R&D
6. Minimum Government and Maximum Governance

Health and Wellbeing

- **Health Systems: PM AatmaNirbhar Swasth Bharat Yojana**, a new centrally sponsored scheme will be launched
 - It will **develop capacities of primary, secondary, and tertiary care Health Systems**, strengthen existing national institutions, and create new institutions, to cater to detection and cure of new and emerging diseases.
 - It will be implemented over 6 years and will be **in addition to the National Health Mission**.
 - **Main interventions under scheme includes:**
 - ✓ Support for Health and Wellness Centers.
 - ✓ Setting up **integrated public health labs** in all districts
 - ✓ Strengthening of the **National Centre for Disease Control (NCDC)**.
 - ✓ **Expansion of the Integrated Health Information Portal** to all States/UTs to connect all public health labs;
 - ✓ **Setting up of a National Institution for One Health**, a Regional Research Platform for WHO South East Asia Region, etc.
- **Nutrition:** Government will merge the Supplementary Nutrition Programme and the Poshan Abhiyan and launch the **Mission Poshan 2.0** to strengthen nutritional content, delivery, outreach, and outcome.





● Universal Coverage of Water Supply and Swachh Bharat Mission:

- **Jal Jeevan Mission (Urban), will be launched** for universal water supply in all 4,378 Urban Local Bodies with 2.86 crores household tap connections, as well as liquid waste management in 500 AMRUT cities. It will be implemented over 5 years.
- **Urban Swachh Bharat Mission 2.0 will be implemented for over 5 years** and main interventions would be:
 - ✓ Complete faecal sludge management and waste water treatment
 - ✓ Source segregation of garbage
 - ✓ Reduction in single-use plastic
 - ✓ Reduction in air pollution by effectively managing waste from construction-and-demolition activities
 - ✓ Bio-remediation of all legacy dump sites

● Vaccines:

- **Provision of Rs 35,000 crore made for Covid-19 vaccine** in budget estimate (BE) 2021-22.
- **Pneumococcal Vaccine will be rolled out across the country** aimed at averting 50,000 child deaths annually.
 - ✓ It is a Made in India product, presently limited to only 5 states.
 - ✓ This vaccine **helps prevent pneumococcal disease**, which is any type of illness caused by Streptococcus pneumoniae bacteria.

● Clean Air & Scrapping Policy:

- **Rs. 2,217 crore to tackle air pollution, for 42 urban centers** with a million-plus population
- **Voluntary vehicle scrapping policy to phase out** old and unfit vehicles was announced.
 - ✓ Fitness tests have been proposed in automated fitness centres after 20 years in case of personal vehicles, and after 15 years in case of commercial vehicles.

Physical and Financial Capital and Infrastructure

● AatmaNirbhar Bharat-Production Linked Incentive (PLI) Scheme:

- Rs. 1.97 lakh crore in **next 5 years for PLI schemes in 13 Sectors**
- To create and **nurture manufacturing global champions for an AatmaNirbhar Bharat**
- To help **manufacturing companies become an integral part of global supply chains, possess core competence and cutting-edge technology**
- To **bring scale and size in key sectors**
- To **provide jobs to the youth**

● Textiles: To enable Textile industry to become globally competitive, attract large investments and boost employment generation & exports:

- **Mega Investment Textiles Parks (MITRA) scheme** will be launched in addition to PLI.
- **7 Textile Parks** to be established over 3 years

● Infrastructure:

- National Infrastructure Pipeline (NIP) has now expanded to 7,400 projects. Budget proposes three **ways to address increased funding requirements for NIP**:
 - ✓ By **creating the institutional structures**;
 - ✓ By a **big thrust on monetizing assets**, and
 - ✓ By **enhancing the share of capital expenditure in central and state budgets**.

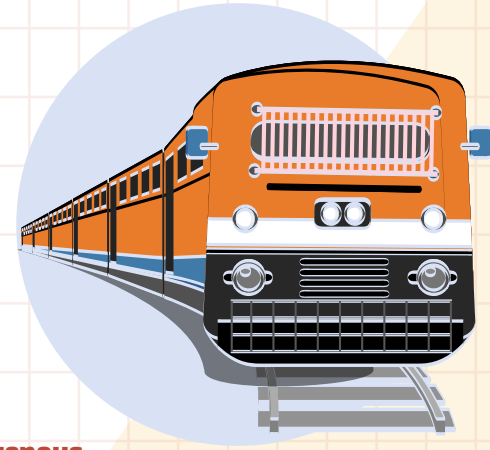
● Creation of institutional structures: Infrastructure Financing

- Rs. 20,000 crore to set up and **capitalise a Development Financial Institution (DFI)** – to act as a provider, enabler and catalyst for infrastructure financing
- Rs. 5 lakh crore lending portfolios to be created under the proposed DFI in 3 years
- Debt Financing by Foreign Portfolio Investors to be enabled by amending InvITs' and REITs' legislations

● Asset Monetisation: A “National Monetization Pipeline” of potential Brownfield infrastructure assets will be launched. An Asset Monetization dashboard will also be created for tracking the progress and to provide visibility to investors.

- Other asset monetisation measures include: monetisation of railway infrastructure assets/sports stadiums/dedicated freight corridor assets etc.

● Sharp Increase in Capital Budget: Rs. 5.54 lakh crore capital expenditure in BE 2021-22 – sharp increase of 34.5% over Rs. 4.12 lakh crore allocated in BE 2020-21.



- **Roads and Highways Infrastructure:**
 - » More economic corridors are being planned.
 - » Advanced Traffic management system in all new 4 and 6-lane highways:
- **Railway Infrastructure:**
 - » **National Rail Plan for India (2030):** to create a 'future ready' Railway system by 2030
 - » **Western Dedicated Freight Corridor (DFC) and Eastern DFC to be commissioned by June 2022,** to bring down the logistic costs – enabling Make in India strategy
 - » **Measures for passenger convenience and safety:**
 - ✓ Aesthetically **designed Vista Dome coach on tourist routes** for better travel
 - ✓ High density network and highly utilized network routes to have an **indigenously developed automatic train protection system**, eliminating train collision due to human error
- **Urban Infrastructure:**
 - » **Raising the share of public transport in urban areas** by expansion of metro rail network and augmentation of city bus service
 - » Rs. 18,000 crore for **a new scheme, to augment public bus transport**
 - » **'MetroLite' and 'MetroNeo' technologies to provide metro rail systems at** much lesser cost with similar experience in Tier-2 cities and peripheral areas of Tier-1 cities.
- **Power Infrastructure:**
 - » **A framework will be put in place to give consumers alternatives to choose** from among more than one Distribution Company.
 - » To improve viability of Distribution Companies, a **revamped reforms-based result-linked power distribution sector scheme** will be launched.
 - ✓ The scheme will provide **assistance to DISCOMS for Infrastructure creation including pre-paid smart metering and feeder separation, upgradation of systems, etc., tied to financial improvements.**
 - » A comprehensive **National Hydrogen Energy Mission 2021-22 to be launched**
- **Ports, Shipping, Waterways:**
 - » 7 projects to be offered **in PPP-mode in FY21-22 for operation of major ports**
 - » A scheme **to promote flagging of merchant ships in India will be launched** by providing subsidy support to Indian shipping companies in global tenders floated by Ministries and CPSEs.
 - ✓ This initiative will **enable greater training and employment opportunities for Indian seafarers besides enhancing Indian companies share in global shipping.**
- **Petroleum & Natural Gas:**
 - » **Extension of Ujjwala Scheme** to cover 1 crore more beneficiaries
 - » To add **100 more districts to the City Gas Distribution network** in next 3 years
 - » An **independent Gas Transport System Operator to be set up** for facilitation and coordination of booking of common carrier capacity in all-natural gas pipelines on a non-discriminatory open access basis
- **Financial Capital:**
 - » **A single Securities Markets Code** to be evolved
 - » Support for development of a **world class Fin-Tech hub at the GIFT-IFSC**
 - » A **new permanent institutional framework to help in development of Bond market** by purchasing investment grade debt securities both in stressed and normal times
 - » **Setting up a system of Regulated Gold Exchanges:** SEBI to be notified as a regulator and Warehousing Development and Regulatory Authority to be strengthened
 - » To develop an **investor charter as a right of all financial investors**
 - » **Capital infusion of Rs. 1,000 crore to Solar Energy Corporation of India** and Rs. 1,500 crore to Indian Renewable Energy Development Agency
- **Increasing FDI in Insurance Sector:** Increase the permissible FDI limit from 49% to 74% and allow foreign ownership and control with safeguards.
- **Stressed Asset Resolution: Asset Reconstruction Company Limited and Asset Management Company to be set up** to consolidate and take over the existing stressed debt and then manage and dispose of the assets to Alternate Investment Funds and other potential investors for eventual value realization.
- **Recapitalization of PSBs:** To further consolidate the financial capacity of PSBs, further recapitalization of `20,000 crores is proposed in 2021-22. Investment Funds and other potential investors for eventual value realization.



● Deposit Insurance

- » Amendments to the Deposit Insurance and Credit Guarantee Corporation (DICGC) Act, 1961, **to help depositors get an easy and time-bound access to their deposits** to the extent of the deposit insurance cover
- » **Minimum loan size eligible for debt recovery under the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest (SARFAESI) Act, 2002 proposed to be reduced from Rs. 50 lakh to Rs. 20 lakh for NBFCs with minimum asset size of Rs. 100 crore**

● Company Matters

- » To **decriminalize the Limited Liability Partnership (LLP) Act, 2008**
- » **Easing Compliance requirement of Small companies** by revising their definition under Companies Act, 2013 by increasing their thresholds for Paid up capital from "not exceeding Rs. 50 Lakh" to "not exceeding Rs. 2 Crore" and turnover from "not exceeding Rs. 2 Crore" to "not exceeding Rs. 20 Cr".
- » **Promoting start-ups and innovators by incentivizing the incorporation of One Person Companies (OPCs)**
- » To ensure faster resolution of cases by:
 - ✓ **Strengthening National Company Law Tribunal (NCLT) framework**
 - ✓ **Implementation of e-Courts system**
 - ✓ **Introduction of alternate methods of debt resolution** and special framework for MSMEs
- » **Launch of data analytics, artificial intelligence, machine learning driven MCA21 Version 3.0 in 2021-22**

● Disinvestment and Strategic Sale:

- » Estimated Rs 1,75,000 crores as receipts from disinvestment in BE 2021-22.
- » **New policy for Strategic Disinvestment approved;** CPSEs except in four strategic areas to be privatized
- » **NITI Aayog to work out on the next list of CPSEs to be taken up for strategic disinvestment**
- » **Incentivizing States for disinvestment** of their Public Sector Companies, using central funds
- » **Special Purpose Vehicle** in the form of a **company to monetize idle land**
- » Introducing a revised mechanism for **ensuring timely closure of sick or loss making CPSEs**

● Government Financial Reforms

- » **Treasury Single Account (TSA) System** for Autonomous Bodies to be extended for universal application
- » **Separate Administrative Structure to streamline the 'Ease of Doing Business' for Cooperatives**

Inclusive Development for Aspirational India

Inclusive Sectors covered	Features
Agriculture	<ul style="list-style-type: none"> ● SWAMITVA (Survey of Villages and Mapping with Improved Technology in Village Areas) Scheme extended to cover all states/UTs to bring transparency in property ownership in villages. <ul style="list-style-type: none"> » Scheme aims to map rural inhabited lands using drones and latest survey methods. ● 'Operation Green Scheme' will be enlarged to include 22 perishable products to boost value addition in agriculture and allied products and their exports. <ul style="list-style-type: none"> » It is presently applicable to tomatoes, onions, and potatoes. ● Credit increase <ul style="list-style-type: none"> » Agricultural credit target enhanced to Rs. 16.5 lakh crore in FY22 with focus on credit flows to animal husbandry, dairy, and fisheries. » 33% increase in Rural Infrastructure Development Fund. » Micro Irrigation Fund under NABARD doubled. ● 1,000 more mandis will be integrated with e-NAM to bring transparency and competitiveness. ● Agriculture Infrastructure Funds would be made available to APMCs for augmenting their infrastructure facilities. ● There has been in increase in payment to farmers for wheat, pulses, Rice and cotton from 2013 to 2020.
Fisheries	<ul style="list-style-type: none"> ● Investments to develop modern fishing harbours and fish landing centres - both marine and inland. ● 5 major fishing harbours: Kochi, Chennai, Visakhapatnam, Paradip, and Petuaghat to be developed as hubs of economic activity. ● Multipurpose Seaweed Park to be established in Tamil Nadu to promote seaweed cultivation.



Migrant Workers and Labourers	<ul style="list-style-type: none"> ● One Nation One Ration Card plan is under implementation by 32 states and UTs, reaching a total of 86% beneficiaries covered. Remaining 4 states and UTs will be integrated in the next few months. ● Portal to collect information on unorganized labour force, migrant workers especially, to help formulate schemes for them. ● Implementation of 4 labour codes underway <ul style="list-style-type: none"> » Social security benefits for gig and platform workers too » Minimum wages and coverage under the Employees State Insurance Corporation applicable for all categories of workers » Women workers allowed in all categories, including night-shifts with adequate protection » Compliance burden on employers reduced with single registration and licensing, and online returns.
Financial Inclusion	<ul style="list-style-type: none"> ● Under Stand Up India Scheme for SCs, STs and women, <ul style="list-style-type: none"> » Margin money requirement reduced to from 25% to 15%. » To also include loans for allied agricultural activities ● Rs. 15,700 crore budget allocation to MSME Sector, more than double of this year's BE.

Reinvigorating Human Capital

● Education:

- » 15,000 schools will be qualitatively strengthened to include all components of the National Education Policy. 100 new Sainik Schools will be set up in partnership with NGOs/private schools/states.
- » Proposal to **set up a Higher Education Commission of India**, as an umbrella body having 4 separate vehicles for standard-setting, accreditation, regulation, and funding.
- » For accessible higher education in Ladakh, Government proposed to set up a Central University in Leh.

● Scheduled Castes and Scheduled Tribes Welfare:

Set a target of establishing 750 Eklavya model residential schools in tribal areas. Enhanced Central Assistance under the revamped **Post Matric Scholarship Scheme for the welfare of Scheduled Castes** for 6 years till 2025-2026.

● Skilling: Realign the existing **scheme of National Apprenticeship Training Scheme (NATS)** for providing post-education apprenticeship, training of graduates and diploma holders in Engineering.

- » **Initiatives for partnership with other countries in skilling to be taken forward**, similar to partnership:
 - ✓ **With UAE** to benchmark skill qualifications, assessment, certification, and deployment of certified workforce
 - ✓ **With Japan** for a collaborative Training Inter Training Programme (TITP) to transfer of skills, technique and knowledge

Innovation and R&D

● National Research Foundation:

Announced with an outlay of Rs. 50,000 crore, over 5 years. It will **ensure that the overall research ecosystem of the country is strengthened** with focus on identified national-priority thrust areas.

● National Language Translation Mission (NTLM):

This will **enable the wealth of governance-and-policy related knowledge on the Internet** being made available in major Indian languages.

● Deep Ocean Mission

will be launched with a budget outlay of more than `4,000 crores, over five years. This **Mission will cover deep ocean survey exploration and projects for the conservation of deep sea bio-diversity.**

● New Space India Limited (NSIL),

a PSU under the Department of Space will execute the PSLV-CS51 launch, carrying the Amazonia Satellite from Brazil, along with a few smaller Indian satellites.

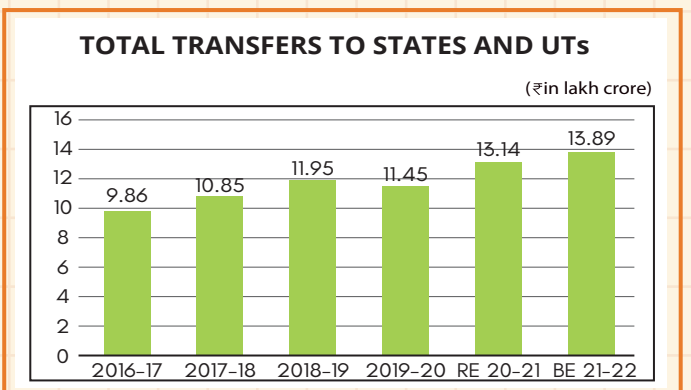
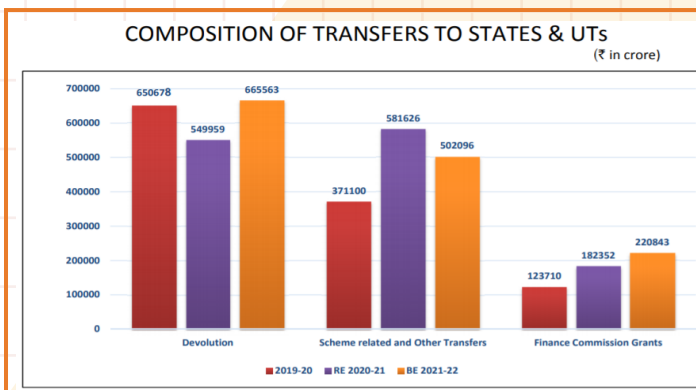
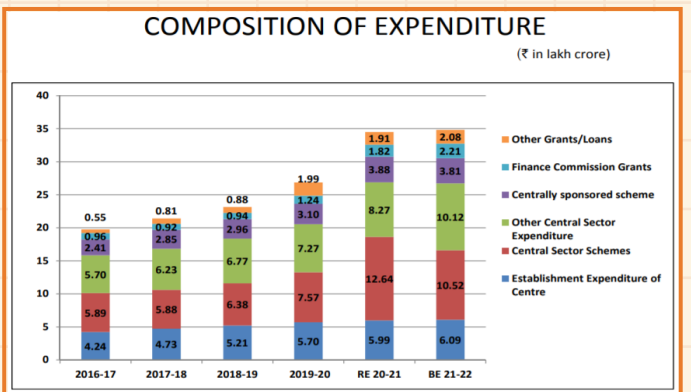
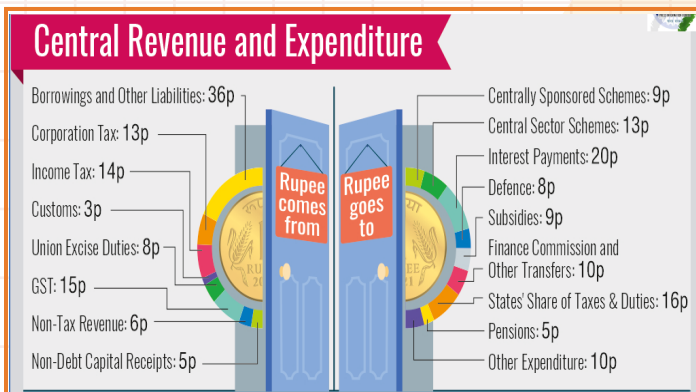
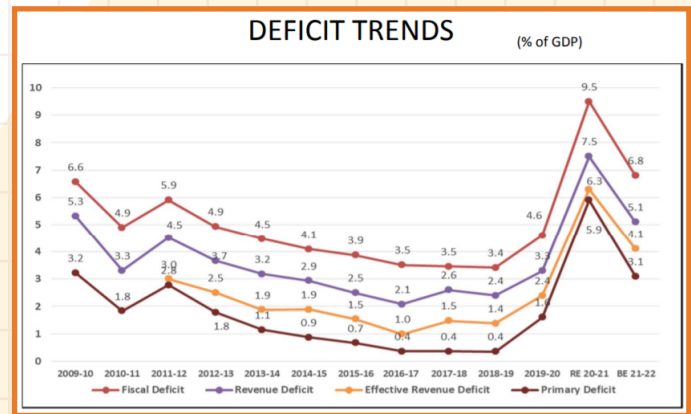
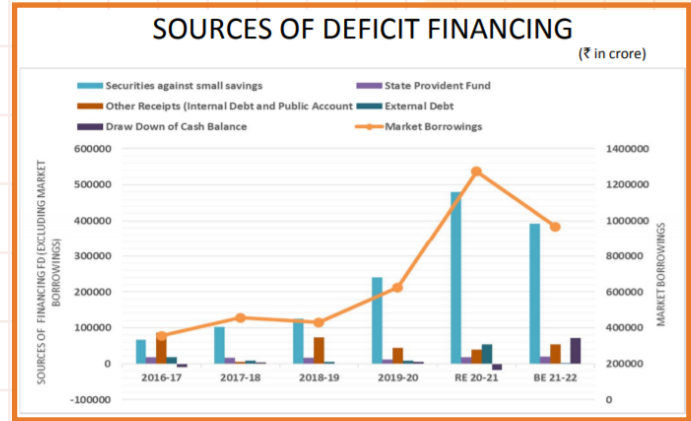
Minimum Government, Maximum Governance

- **Measures being undertaken to bring reforms in Tribunals** to ensure speedy justice
- **National Commission for Allied Healthcare Professionals** already introduced to ensure transparent and efficient regulation of the 56 allied healthcare professions

- **National Nursing and Midwifery Commission Bill** introduced for the same in nursing profession
- **Proposed Conciliation Mechanism** with mandate for quick resolution of contractual disputes with CPSEs
- **Rs. 3,768 crore allocated for forthcoming first digital census** in the history of India.
- Rs. 300 crore grant to the **Government of Goa for the diamond jubilee celebrations of the state's liberation from Portuguese.**
- **Rs. 1,000 crore** for the welfare of **Tea workers especially women and their children in Assam and West Bengal through a special scheme.**

Fiscal Position

- **Fiscal deficit in BE 2021-2022 is estimated to be 6.8% of GDP and in Revised Estimate (RE) 2020-21 is pegged at 9.5% of GDP** - funded through Government borrowings, multilateral borrowings, Small Saving Funds and short-term borrowings.
 - **Gross borrowing from the market for the next year to be around 12 lakh crores.**
 - Amendment to Fiscal Responsibility and Budget Management Act (FRBM Act) proposed to achieve targeted Fiscal Deficit level.
- **Contingency Fund of India** is to be augmented from **Rs. 500 crores to Rs. 30,000 crores** through Finance Bill.
- Net borrowing for the states allowed at **4% of gross state domestic product (GSDP) for the year 2021-2022** as per recommendation of 15th Finance Commission (FC). Finance Commission (FC).
 - States expected to reach a **fiscal deficit of 3% of GSDP by 2023-24**, as recommended by the 15th FC.
- Fifteenth Finance Commission recommendations:
 - Retaining **vertical shares of states at 41%.**
 - **Funds to UTs of Jammu and Kashmir and Ladakh** would be provided by Centre.
 - **Rs. 1,18,452 crores** have been provided as Revenue Deficit Grant to 17 states in 2021-22, as against **Rs. 74,340 crores** to 14 states in 2020-21.



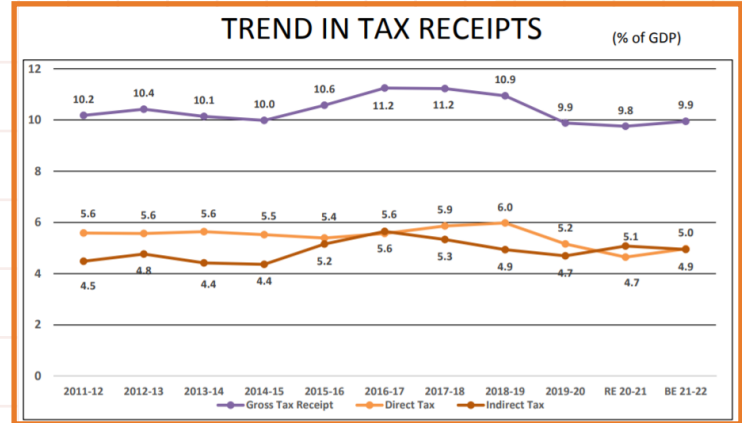
Part B

Budget seeks to further **simplify Tax Administration, Litigation Management and ease compliance** of Direct Tax Administration.

Indirect proposal focuses on **custom duty rationalization as well as rationalization of procedures and easing of compliance**.

Direct Tax Proposals

- **Relief to Senior Citizens:** Exemption from filing tax returns for senior citizens over 75 years of age and having only pension and interest income.
- **Reducing Disputes, Simplifying Settlement**
 - » **Time limit for re-opening cases** reduced to **3 years** from 6 years.
 - » **Serious tax evasion cases**, with evidence of concealment of income of Rs. 50 lakh or more in a year, to be re-opened only up to 10 years, with approval of the Principal Chief Commissioner.
 - » **Setting up the Dispute Resolution Committee** for taxpayers with taxable income up to Rs. 50 lakh and disputed income up to Rs. 10 lakhs.
 - » **National Faceless Income Tax Appellate Tribunal Centre** to be established.
 - » Over **1 lakh taxpayers** opted to settle tax disputes of over Rs. 85,000 crores through **Vivad Se Vishwas Scheme** until 30th January 2021.
- **Relaxation to NRIs:** Rules to be notified for removing hardships faced by NRIs regarding their foreign retirement accounts and also of double taxation.
- **Incentivising Digital Economy:** Limit of turnover for tax audit increased to Rs. 10 crores from Rs. 5 crores for entities carrying out 95% transactions digitally.
- **Relief for Dividend:**
 - » Dividend payment to REIT/ InvIT exempt from Tax Deducted at Source (TDS).
 - » Advance tax liability on dividend income only after declaration/ payment of dividend.
 - » Deduction of tax on dividend income at lower treaty rate for Foreign Portfolio Investors.
- **Attracting Foreign Investment for Infrastructure:**
 - » **Infrastructure Debt Funds** made eligible to raise funds by issuing **Zero Coupon Bonds**.
 - » **Relaxation of some conditions** relating to prohibition on **private funding, restriction on commercial activities, and direct investment in infrastructure**.
- **Supporting 'Housing for All':**
 - » Additional deduction of interest, up to Rs. 1.5 lakh, for loan taken to buy an affordable house extended for loans taken till March 2022
 - » **Tax holiday** for Affordable Housing projects extended **till March 2022**.
 - » **Tax exemption** allowed for notified **Affordable Rental Housing Projects**.
- **Tax incentives to IFSC in GIFT City:**
 - » **Tax holiday for capital gains** from incomes of aircraft leasing companies.
 - » Tax exemptions for aircraft lease rentals paid to foreign lessors.
 - » Tax **incentive for relocating foreign funds** in the IFSC.
 - » Tax exemption to investment division of foreign banks located in IFSC.
- **Ease of Filing Taxes:** Details of capital gains from listed securities, dividend income, interest from banks, etc. to be pre-filled in returns.
- **Relief to Small Trusts:** Exemption limit of annual receipt revised from ₹1 crore to ₹5 crore for small charitable trusts running schools and hospitals
- **Labour Welfare:** Late deposit of employee's contribution by the employer not to be allowed as deduction to the employer.
- **Incentives for Startups**
 - » Eligibility for tax holiday claim for start-ups extended by one more year.
 - » Capital gains exemption for investment in start-ups extended till 31st March, 2022.



Indirect Taxes



- **Custom Duty Rationalization:**
 - » **Twin objectives:** Promoting domestic manufacturing and helping India get onto global value chain and export better.
 - » **80 outdated exemptions** already eliminated and further **review of more than 400 old exemptions.**
 - » **New customs duty exemptions** to have validity up to the 31st March following two years from its issue date.
- **Electronic and Mobile Phone Industry:**
 - » **For greater domestic value addition:** Some exemptions on parts of chargers and sub-parts of mobiles withdrawn.
- **Reduction in Custom Duty:** On certain Iron and steel products, Textile products, Gold and Silver, Chemicals etc.
- **Renewable Energy:**
 - » **To build domestic capacity:** Phased **manufacturing plan for solar cells and solar panels** to be notified and **Duty on solar invertors raised.**
- **MSME Products:**
 - » **Exemption on import of duty-free items rationalized** to incentivize exporters of garments, leather, and hand-icraft items.
 - » **Exemption on imports of certain kind of leathers withdrawn.**
 - » Customs duty on finished synthetic gem stones raised to encourage domestic processing.
- **Agriculture Products:**
 - » Customs duty on cotton increased from nil to 10% and on raw silk and silk yarn from 10% to 15%.
 - » **Agriculture Infrastructure and Development Cess (AIDC)** on curtain items including petrol, diesel, gold etc. in an attempt **to boost agriculture infrastructure.**
 - ✓ AIDC of Rs 2.5 per litre has been imposed on petrol and Rs 4 per litre on diesel.
- **Rationalization of Procedures and Easing of Compliance:**
 - » **Turant Customs** initiative, a Faceless, Paperless, and Contactless Customs measures
 - » New procedure for administration of Rules of Origin.

Glossary

Term	Description
Atal Mission for Rejuvenation and Urban Transformation (AMRUT)	<ul style="list-style-type: none"> ● It is a Central Sponsored Scheme by Ministry of Housing and Urban Affairs aimed at providing basic civic amenities like water supply, sewerage, urban transport, parks as to improve the quality of life for all especially the poor and the disadvantaged. ● Focus is on infrastructure creation to provide better services to citizens. ● It covers 500 cities that includes all cities and towns with a population of over 1 lakh with notified Municipalities.
National Infrastructure Pipeline (NIP)	<ul style="list-style-type: none"> ● NIP for FY 2019-25 is a first-of-its-kind, whole-of-government exercise to provide world-class infrastructure to citizens and improving their quality of life. ● It aims to improve project preparation and attract investments into infrastructure. ● NIP includes both economic and social infrastructure projects.
Capital expenditure	<ul style="list-style-type: none"> ● There are expenditures of the government which result in creation of physical or financial assets or reduction in financial liabilities. ● This includes expenditure on the acquisition of land, building, machinery, equipment, investment in shares, and loans and advances by the central government to state and UT governments, PSUs and other parties.
Revenue expenditure	<ul style="list-style-type: none"> ● It is expenditure incurred for purposes other than the creation of physical or financial assets of the central government. ● It relates to those expenses incurred for the normal functioning of the government departments and various services, interest payments on debt incurred by the government, and grants given to state governments and other parties (even though some of the grants may be meant for creation of assets).

InvITs	<ul style="list-style-type: none"> ● These are investment scheme similar to mutual funds that allow investment from individuals and institutional investors in infrastructure projects to earn a portion of the income as return.
REITs	<ul style="list-style-type: none"> ● It are listed entities that owns, operates or finances income-producing real estate. ● An REIT works very much like a mutual fund. It pools funds from a number of investors and invests them in rent generating properties.
Monetization	<ul style="list-style-type: none"> ● It refers to the process of turning a non-revenue-generating item into cash, essentially liquidating an asset or object into legal tender.
Ujjwala Scheme	<ul style="list-style-type: none"> ● It is a scheme of the Ministry of Petroleum & Natural Gas for providing LPG connections to women from Below Poverty Line (BPL) households.
GIFT-IFSC	<ul style="list-style-type: none"> ● Gujarat International Finance Tec-City Co. Ltd (GIFT) is being developed as the country's first International Financial Services Centres (IFSC). ● IFSC provides services to customers outside jurisdiction of domestic economy, dealing with flows of finance, financial products and services across borders.
Bond market	<ul style="list-style-type: none"> ● It is also known as debt market, fixed-income market, or credit market. ● It describes a marketplace where investors buy debt securities that are brought to the market by either governmental entities or publicly-traded corporations.
Alternate Investment Funds	<ul style="list-style-type: none"> ● AIF means any fund established or incorporated in India which is a privately pooled investment vehicle which collects funds from sophisticated investors, whether Indian or foreign, for investing it in accordance with a defined investment policy for the benefit of its investors. ● AIFs have been defined in Regulation 2(1)(b) of SEBI (Alternate Investment Fund) Regulations 2012. And its definition includes venture capital fund, hedge fund, private equity fund etc.
Bank Recapitalization	<ul style="list-style-type: none"> ● It means infusing more capital in state-run banks so that they meet the capital adequacy norms. ● The government, using different instruments, infuses capital into banks facing shortage of capital. ● As the government is the biggest shareholder in public sector banks (PSBs), the responsibility of bolstering banks' capital reserves lies with the government.
Limited Liability Partnership	<ul style="list-style-type: none"> ● It is an alternative corporate business vehicle that provides the benefits of limited liability of a company, but allows its members the flexibility of organising their internal management on the basis of a mutually arrived agreement, as is the case in a partnership firm. ● LLP as a separate legal entity, is fully liable of its assets but liability of the partners is limited to their agreed contribution in the LLP. <ul style="list-style-type: none"> » It limits the liability of partners as far as civil cases are concerned. » In such a partnership, partners can't be held liable for another's misconduct or negligence.
MCA21	<ul style="list-style-type: none"> ● It is an e-Governance initiative of Ministry of Corporate Affairs (MCA) that enables an easy and secure access of the MCA services to the corporate entities, professionals and citizens of India.
Strategic Disinvestment	<ul style="list-style-type: none"> ● It is defined as the sale of substantial portion of government shareholding of a central public sector enterprise (CPSE) of upto 50% or higher, along with transfer of management control. ● Unlike the simple disinvestment, where Govt retains majority & management control, strategic sale implies some sort of privatization.
Rural Infrastructure Development Fund	<ul style="list-style-type: none"> ● It provide loans to State Governments to enable them to complete the rural infrastructure projects which are ongoing. ● It is created in NABARD which releases the sanctioned amount on reimbursement basis except for the initial mobilisation advance @30% to North Eastern & Hilly States and 20% for other states.
Fiscal Responsibility and Budget Management (FRBM) Act, 2003	<ul style="list-style-type: none"> ● Act provides a legal institutional framework for fiscal consolidation and bounds Government to maintain a defined Fiscal deficit. ● It binds the government through an institutional framework to pursue a prudent fiscal policy.

Contingency Fund of India	<ul style="list-style-type: none"> ● It is the emergency fund for the nation constituted under Article 267(1). ● It is used at a time when there is a crisis in the nation – a natural calamity, for instance – and money is required to deal with it. ● The Union government has its own contingency fund with a corpus of Rs 500 crore. ● It is at the disposal of the President of India, who releases the funds on request of the Union Cabinet, which later gets an approval from Parliament.
Fiscal deficit	<ul style="list-style-type: none"> ● It is the difference between the government's total expenditure and its total receipts excluding borrowing. ● Gross fiscal deficit = Total expenditure – (Revenue receipts + Non-debt creating capital receipts) ● It is a key variable in judging the financial health of the public sector and the stability of the economy.
Revenue Deficit	<ul style="list-style-type: none"> ● It is the excess of its total revenue expenditure to its total revenue receipts. It is only related to revenue expenditure and revenue receipts of the government. ● It indicates that the government doesn't have sufficient revenue for the normal functioning of the government departments.
Primary Deficit	<ul style="list-style-type: none"> ● It is simply the fiscal deficit minus the interest payments. ● It indicates the borrowing requirements of the government, excluding interest.
Effective Revenue Deficit	<ul style="list-style-type: none"> ● It is the difference between revenue deficit and grants for creation of capital assets. ● It signifies that amount of capital receipts that are being used for actual consumption expenditure of the Government. ● This term was introduced in the Union Budget 2011-12.
Custom Duty	<ul style="list-style-type: none"> ● It refers to the tax imposed on goods when they are transported across international borders. ● The government uses this duty to raise its revenues, safeguard domestic industries, and regulate movement of goods. ● Custom duty in India is defined under the Customs Act, 1962, and all matters related to it fall under the Central Board of Indirect Taxes and Customs. ● Types of custom duty includes: Basic Customs Duty, Countervailing Duty, Additional Customs Duty, Protective Duty and Anti-dumping Duty
Zero Coupon Bonds	<ul style="list-style-type: none"> ● Zero Coupon Bonds are issued at a discount and redeemed at par value or face value. No interest payment is made on such bonds at periodic intervals before maturity. ● A coupon is a periodic interest received by a bondholder from time of issuance of bond till maturity. ● The funds raised through issuance of these instruments, which are a variation of the recapitalisation bonds issued earlier to public sector banks, are being deployed to capitalise the state-run bank.
Capital gains	<ul style="list-style-type: none"> ● It is increase in the value of wealth of a bondholder due to an appreciation or reduction in the price of her bonds in the bond mark
Cess	<ul style="list-style-type: none"> ● It is a form of tax levied by the government on tax with specific purposes till the time the government gets enough money for that purpose. ● For example, the government levies an education cess to generate additional revenue for funding primary, secondary, and higher education.
Rules of Origin	<ul style="list-style-type: none"> ● It is the criteria that is used to determine the national source of a product which is a serious concerns for exporters. ● They are mainly used to implement measures and instruments of commercial policy such as anti-dumping duties and safeguard measures etc.