

New admission watch
lecture#1 first

Pillars of Economy

Handout already in the
“update” section

A-1

- Money: barter to Bitcoin

A-2

- RBI's monetary policy
- CRR, SLR, Repo etc

B-1

- Classification of Banks-NBFC

B-2

- Burning issues in Banking sector
- NPA, IBC, BASEL...

C

- SEBI Sharemarket

D

- Insurance, Pension, Fin. Inclusion

New admission
watch this first



1) MBFI



4) Sectors of
Economy



2) Budget



Audio/Video
Problem?



3) Intl. Trade



Edu Doubt?
Ask through



5) Infrastructure

6) HRD

Economy Pillar#2: Budget, Taxation, Public Finance, Subsidies

In Prelims out of (100 MCQs)



1) MBFI



2) Budget



3) Intl. Trade

What we'll study for UPSC
(list not exhaustive)

- Theory: budgeting, taxation, subsidies.
- Deficit Finance, FRBM, PSU-Disinvestment.
- Latest Budget & Economic Survey 2019, 2020, 2021, 2022 Atmanirbhar
- GST, 15th FC, Black Money- Demonetization

What we'll not study for UPSC
(list not exhaustive)

- ⚡ CA like interpretation of tax laws- how much IT on EPF withdrawals.
- ⚡ Trivial GK like which FM presented max. number of budgets...how much fridge & washing machine got expensive or cheap?

Mrunal's Economy: pillar2- Budget Taxation Public Finance



2A) Handout#1 : Budget
Introduction, Direct Taxes

Handout#1



2A) Handout #2: Indirect Taxes
& GST

Handout#2



2B) Black Money, 15th Finance
commission

Handout#3



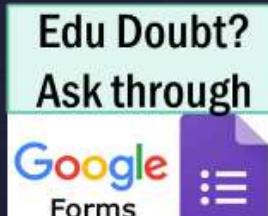
2C) Subsidies, Pay Commission,
Revenue Expenditure

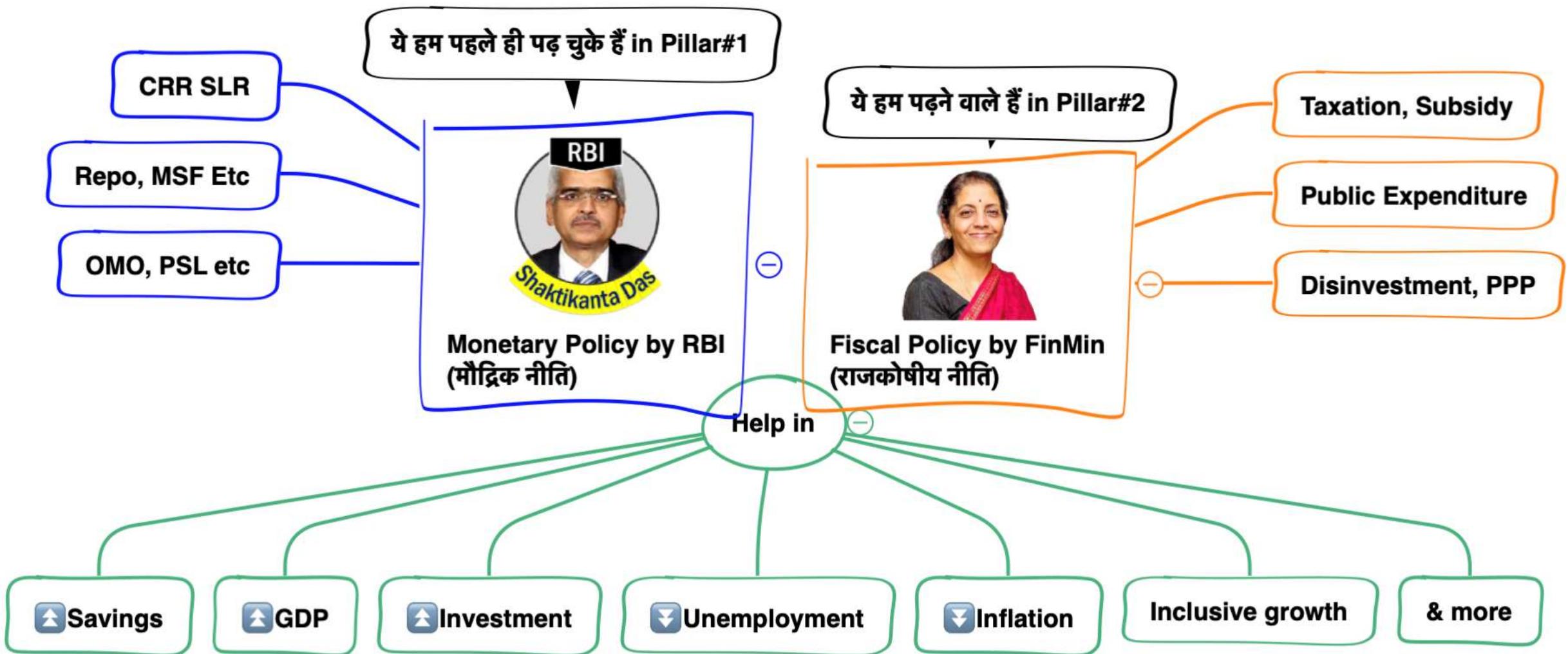


2D) Disinvestment, Fiscal
Deficit, FRBM Act etc

Handout#4

uploaded





Introduction: Monetary policy VS Fiscal Policy (मौद्रिक नीति और राजकोषीय नीति)

- CRR SLR
- Repo Rate
- Open market operations
- Priority sector lending norms
- & other Qualitative and quantitative tools

RBI's monetary policy



- Taxation
- Subsidy
- Public Expenditure
- Public Private Partnership
- Disinvestment
- And other tools

Finance Ministry's Fiscal policy



Budget is the main tool of fiscal policy presented annually
On the first working day of February**



Economic Survey Data & suggestions

Together they help shaping the Economy...

⬆️ Savings (बचत)

⬆️ Investment: domestic, foreign

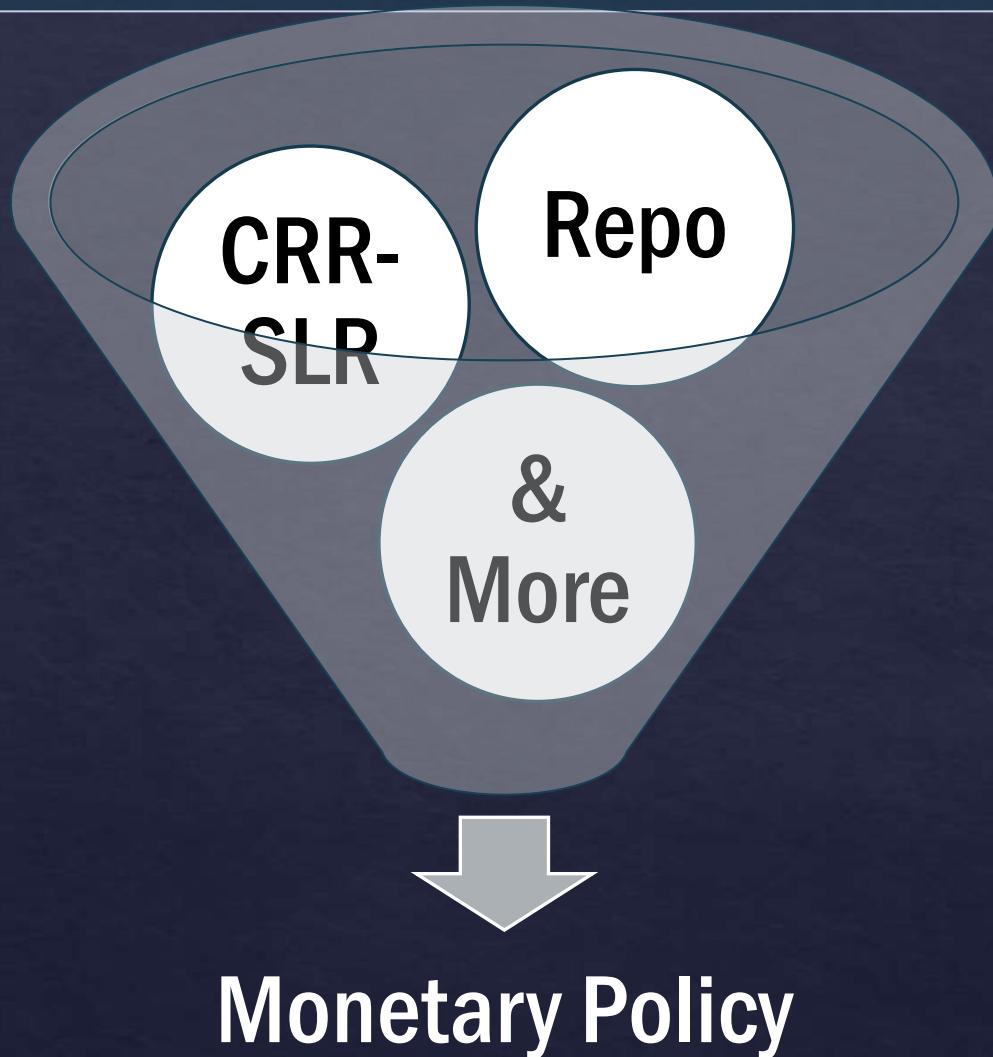
⬆️ GDP (सकल घरेलू उत्पाद)

⬇️ Unemployment (बेरोजगारी)

⬇️ Inflation (महंगाई/मुद्रास्फीति)

Currency Exchange Rate (मुद्रा विनिमय दर)

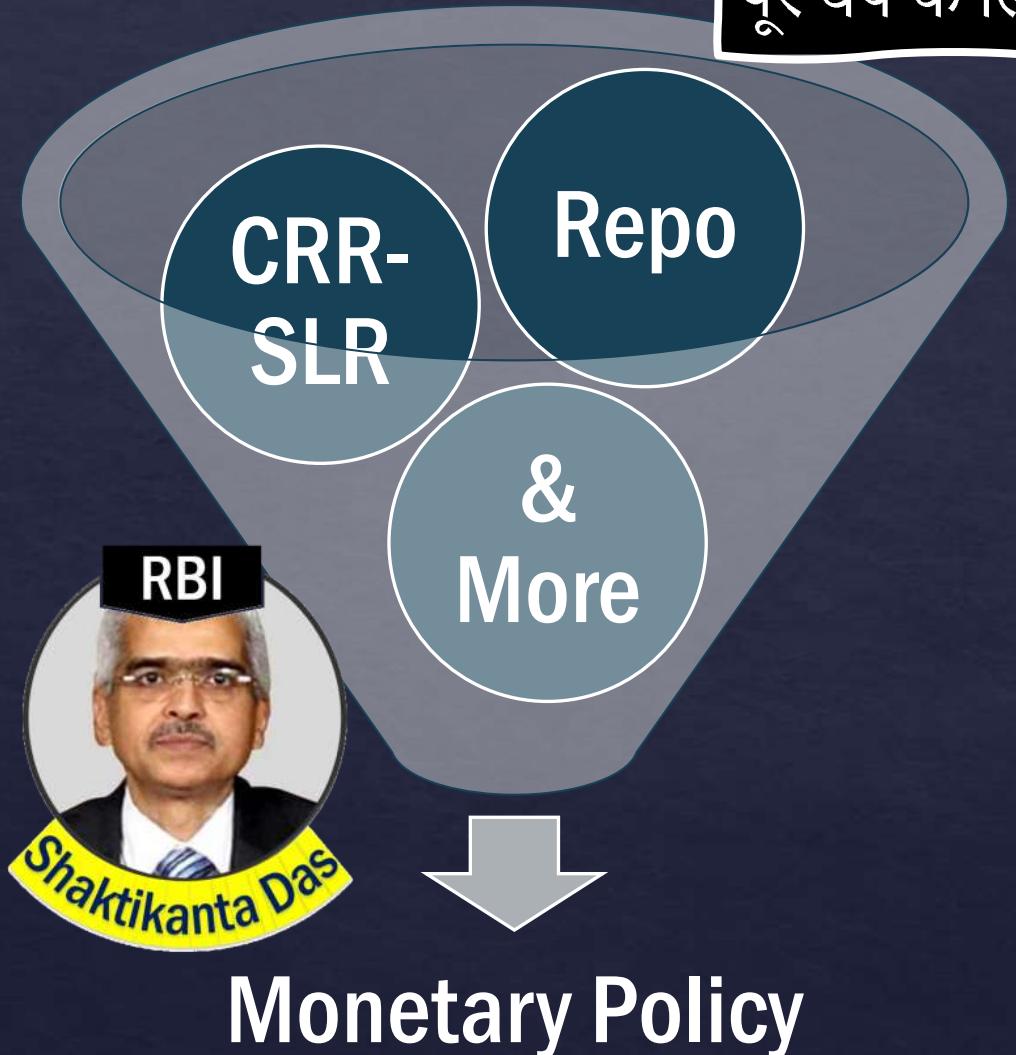
We've learned this in 1A-2



Usually updated
every two months



Usually decided for the whole financial year in Budget.
पूरे वर्ष के लिए एक साथ तय कर लेते हैं, बजट द्वारा



How can fiscal policy help in betterment of country?

राजकोषीय नीती से देश का कल्याण कैसे होता है?

Full Employment (पूर्ण रोजगार)

Price control



To Boost Economic Growth



- through rural employment programmes like MGNREGA (More in pillar6)

- ⚡ To Fight Inflation: ↑ Income tax → ↓ disposable income → demand ↓
- To fight deflation: ↓ direct and indirect taxes to ↑ demand. (More in pillar4: Inflation)

- Provide income tax benefits on household savings in LIC/Mutual Fund etc. → industries get new capital investment → factory expansion, jobs, GDP growth. (More in pillar4: GDP)

How can fiscal policy help in betterment of country?

राजकोषीय नीति से देश का कल्याण कैसे होता है?



To Boost
Inclusive Growth



To Boost
Regionally
Balanced Growth

विनिमय दर में स्थिरता

\$ ₹ ¥ Exchange Rate
Stability



- Higher taxes on rich → use money for health, education, women, poverty removal programs.
 - समावेशी विकास (More in pillar6: HDI)
-
- Give tax benefits to industrialists for setting up factories in North East, Left-wing Extremism (LWE) & other backward States. संतुलित विकास
-
- Give tax benefits to exporters to boost exports;
 - while impose higher taxes on imported items to reduce imports → Current Account Deficit (CAD) ↓ → ₹ : \$ Exchange rate volatility controlled. (More in pillar3)

Mrunal's Economy Pillar2A: Budget - an introduction



Fiscal policy



Budget ke
3 DOCX



Constitution ke
3 FUNDS



PM CARES Fund



Interim Budget



Vote on Account



[Yearbook] FinMin ke
Departments



Economic Survey &
CEA?

20



PILLAR #2: BUDGET: RELEVANCE IN UPSC?

Economy: 6 Pillars™

2_Budget, FC, GST, Disinvestment, FRBM etc

Prelims P1 (GS 100 MCQs)

2016 2017 2018 2019

2016 2017 2018 2019

12.5 30 25 25

20.1 FISCAL POLICY (राजकोषीय नीति): MEANING & SIGNIFICANCE

- 'Fiscal' is a word derived from Greek. Means 'basket' and symbolizes the public purse.
- Fiscal Policy is the set of Govt. decisions regarding taxation, expenditure, subsidies and other financial operations. (कराधान, व्यय, सब्सिडी और अन्य वित्तीय संचालन हेतु सरकार द्वारा लिए गए निर्णयों को राजकोषीय नीति कहते हैं।)
- Using fiscal policy, Govt influences the savings, investment and consumption in an economy, to accomplish certain national goals such as income redistribution, socio-economic welfare, economic development and inclusive growth. (बचत, निवेश और खपत को सरकार को प्रभावित करती→ आय का पुनर्वितरण, सामाजिक-आर्थिक कल्याण, समावेशी विकास हो सकता है)

A well planned Fiscal Policy can help in following arenas:

- ✓ **Full Employment** (पूर्ण रोजगार): through rural employment programmes like MGNREGA (More in pillar3)
- ✓ **To Fight Inflation** (मुद्रास्फीति): Higher Income tax → disposable income (व्यय योग्य आय) → demand curbed, To fight deflation (अपस्फीति): direct and indirect taxes to boost demand. (More in pillar4: Inflation)
- ✓ **To Boost Economic Growth** (आर्थिक विकास को बढ़ावा देना): Provide income tax benefits on household savings in LIC/Mutual Fund etc. → industries get new capital investment → factory expansion, jobs, GDP growth. (More in pillar4: GDP)
- ✓ **To Boost Inclusive Growth** (समावेशी विकास): Higher taxes on rich → use money for health, education, women, poverty removal programs. (More in pillar6: HDI)

What is Budget

- ◆ Budget comes from a French word 'bourette' which means a leather bag.
- ◆ Finance minister would keep the documents in it- present to the parliament. चमड़े की इस सूटकेस में दस्तावेज रखते हैं
- ◆ The term 'budget' is not given in constitution of India. But finance minister has to present:



- Nirmala.S started traditional four-fold red cloth → 'budget documents' inside this red-cloth should be called “Bahi-Khata”.
- 2021: paperless/ Samsung tablet

What is Budget

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- ◆ The term 'budget' is not given in constitution of India. But finance minister has to present:



3 Documents (तीन दस्तावेज होते हैं)

1) Annual Financial Statement वार्षिक हिसाब किताब

2) Finance bill for collecting taxes कर लेने के लिए कानून पास करना होगा

3) Appropriation bill for spending money पैसा खर्च करने के लिए कानून पास करना होगा

UPSC's Engg. Service Exam-2018

Q. Which of the following come under the offerings of ‘MUDRA’ Bank?

1. Portfolio Credit Guarantee क्रेडिट गारंटी
 2. Credit for large industries बड़े उद्योगों को कर्ज
 3. MUDRA Card
 4. Credit Enhancement ऋण वृद्धि

Select Correct answer:



I've not explained all these
terms **STILL**

TRY IT. मैंने तो सारे शब्दों का मतलब नहीं समझाया है फिर भी असल परीक्षा में ऐसे बम गिर सकते हैं, सोचो

100% Surety

50:50

Skip

Att

Q. Which of the following come under the offerings of 'MUDRA' Bank? (IEnggS-2018)

1. Portfolio Credit Guarantee
2. Credit for ~~large~~ industries
3. MUDRA Card
4. Credit Enhancement

Select Correct answer:

- (a) ~~1, 2 and 3 only~~
(c) ~~1, 2 and 4 only~~

- (b) ~~1, 3 and 4 only~~
(d) ~~2, 3 and 4 only~~

- These are technical terms for the things we've learned, but No need to loose sleep,
- MCQs are framed in such manner that you can arrive at right answer. They **only test your general/basic understanding.**
- Although It's NOT A BANK. Examiner wrongly used this word.



100% Surety

50:50

Skip

P
Atte



? (UPSC-Prelims-2020) Q.76.

Under the Kisan Credit Card scheme, short-term credit support is given to farmers for which of the following purposes ?

1. Working capital for maintenance of farm assets. कृषि साधनों के रखरखाव के लिए
2. Purchase of combine harvesters, tractors and mini trucks. कृषि यंत्र / वाहन
3. Consumption requirements of farm households. परिवार के उपभोग के लिए
4. Post-harvest expenses. फसल कटाई बाद के खर्चें
5. Construction of family house and setting up of village cold storage facility. मकान बनाने के लिए और गांव में शीत-संग्रह सुविधा के लिए

Answer Codes:

- [a] 1, 2 and 5 only [b] 1, 3 and 4 only
[c] 2, 3, 4 and 5 only [d] 1, 2, 3, 4 and 5



किसान क्रेडिट कार्ड में किन उद्देश्यों के लिए लघु अवधि के कर्ज दिए जाते हैं

100% Surety

50:50



? (UPSC-Prelims-2020) Q.76.

Under the Kisan Credit Card scheme, **short-term credit support** is given to farmers for which of the following purposes ?

1. Working capital for maintenance of farm assets
2. Purchase of combine harvesters, tractors and mini trucks.
3. Consumption requirements of farm households
4. Post-harvest expenses
5. Construction of family house and setting up of village cold storage facility.

Answer Codes:

[a] 1, 2 and 5 only

[b] 1, 3 and 4 only

[c] 2, 3, 4 and 5 only

[d] 1, 2, 3, 4 and 5



Village cold storage facility

एक किसान के क्रेडिट कार्ड से कैसे बनेगा?

उसका तो लाखों का खर्च आएगा।

**Very Long term loan.
crores of rupees required**

100% Surety

50:50





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Answer Codes:

[a] 1, 2 and 5 only

[b] 1, 3 and 4 only

[c] 2, 3, 4 and 5 only

[d] 1, 2, 3, 4 and 5

Only repair ₹₹
from KCC.



Village cold storage facility

एक किसान के क्रेडिट कार्ड से कैसे बनेगा? उसका
तो लाखों का खर्च आएगा।

Very Long term loan. 😠
Lakhs of rupees required. 😠

100% Surety

50:50

2020 Q from 2018's press release
👉 doesn't mean PIB is a separate subject

Schemes for Farmer's Welfare

Posted On: 05 JAN 2018 3:36PM by PIB Delhi

Kisan Credit Card (KCC) scheme meets the financial requirements of farmers at various stages of farming. The scheme aims at providing adequate and timely credit support from the banking system under a single window with flexible and simplified procedure to the farmers for their cultivation and other needs as indicated below:

- i. To meet the short term credit requirements for cultivation of crops;
- ii. Post-harvest expenses;
- iii. Produce marketing loan;
- iv. Consumption requirements of farmer household;
- v. Working capital for maintenance of farm assets and activities allied to agriculture;
- vi. Investment credit requirement for agriculture and allied activities.

देखो यह सिर्फ एक
अतरंगी प्रश्न आया तो
हमने घुस घुस के **PIB**
को रोज पढ़ना चाहिए

The KCC scheme also provides the facility of ATM enabled RuPay Card, one-time documentation, built-in cost escalation in the interest rates, etc. The scheme is open to all farmers irrespective of their size and income level up to the limit.

The farmers eligible under the KCC scheme include small farmers, marginal farmers, share croppers, oral lessee and tenant farmers. Farmers belonging to Joint Liability Groups (JLGs) are also eligible for availing benefits under the said scheme.

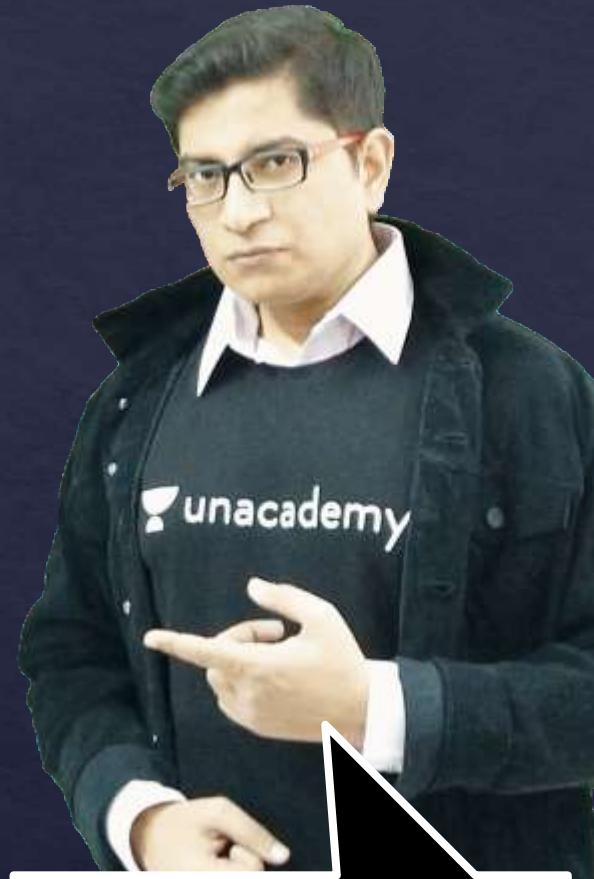


Youtubers &
CA-PDF walla

This was stated by Shri Shiv Pratap Shukla, Minister of State for Finance in written reply to a question in Lok Sabha today.

“Fiscal policy” means

- A. **Balancing the revenue collection and expenditure.** राजस्व आमदनी और खर्च को संतुलित करना
- B. **Establishing equilibrium between demand and supply of goods and services** वस्तु और सेवाओं की मांग और आपूर्ति के बीच संतुलन स्थापित करना
- C. **Use of taxation, public borrowing and public expenditure by Government for purposes of price stabilisation or development.** सरकार द्वारा कराधान, सार्वजनिक ऋण, सार्वजनिक व्यय द्वारा कीमतों में स्थिरता या विकास का प्रयोजन
- D. **Deficiency as an instrument of growth.** घाटे को साधन के रूप में इस्तेमाल द्वारा आर्थिक वृद्धि हासिल करना



100% Surety

50:50

Skip

राजकोषीय नीति
में होता क्या है

Introduction: Monetary policy VS Fiscal Policy (मौद्रिक नीति और राजकोषीय नीति)

- CRR SLR
- Repo Rate
- Open market operations
- Priority sector lending norms
- & other Qualitative and quantitative tools

RBI's monetary policy



- Taxation
- Subsidy
- Public Expenditure
- Public Private Partnership
- Disinvestment
- And other tools

Finance Ministry's Fiscal policy



Budget is the main tool of fiscal policy presented annually
On the first working day of February**

CEA



Economic Survey Data & suggestions

Together they help shaping the Economy...

⬆️ Savings (बचत)

⬆️ Investment: domestic, foreign

⬆️ GDP (सकल घरेलू उत्पाद)

⬇️ Unemployment (बेरोजगारी)

⬇️ Inflation (महंगाई/मुद्रास्फीति)

Currency Exchange Rate (मुद्रा विनिमय दर)

“Fiscal policy” means (UPSC-Indian-Engg-Service-2018)

- A. Balancing the revenue collection and expenditure.
This a part of budget. Fiscal Policy is bigger thing.
- B. Establishing equilibrium between demand and supply of goods and services.
- C. **Use of taxation, public borrowing and public expenditure by Government for purposes of price stabilization or development.**
- D. Deficiency as an instrument of growth



develop
ment

Scheme

Borrow

tax

100% Surety

50:50

Skip

New admission watch
lecture#1 first

Pillars of Economy

Handout already in the
“update” section

A-1

- Money: barter to Bitcoin

A-2

- RBI's monetary policy
- CRR, SLR, Repo etc

B-1

- Classification of Banks-NBFC

B-2

- Burning issues in Banking sector
- NPA, IBC, BASEL...

C

- SEBI Sharemarket

D

- Insurance, Pension, Fin. Inclusion

New admission
watch this first



1) MBFI



2) Budget



3) Intl. Trade



4) Sectors of
Economy



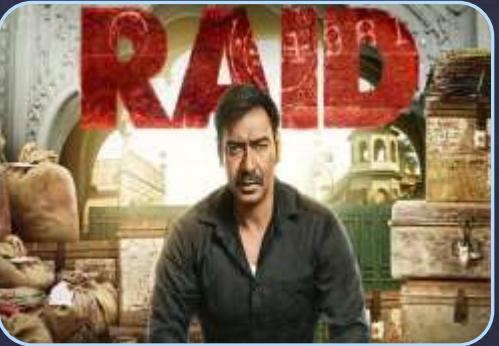
5) Infrastructure



6) HRD

Budget = Government presents 3 documents in parliament

संसद में 3 दस्तावेज रखने होते हैं - self study more in Polity Laxmikanth Ch22.



Need permission to collect TAX



Need permission to spend ₹₹



Art.266:
Consolidated
Fund-CFI
संचित निधि

Budget = Government presents 3 documents in parliament

संसद में 3 दस्तावेज रखने होते हैं - self study more in Polity Laxmikanth Ch22.



Art #265 | Art #117: Finance Bill: कर वसूलने के लिए

- To obtain Parliament's approval
- to collect taxes.

TAX



CFI

Art #114: Appropriation Bill: खर्च करने के लिए

- To obtain Parliament's approval
- to spend money from Consolidated Fund of India

Need permission to spend

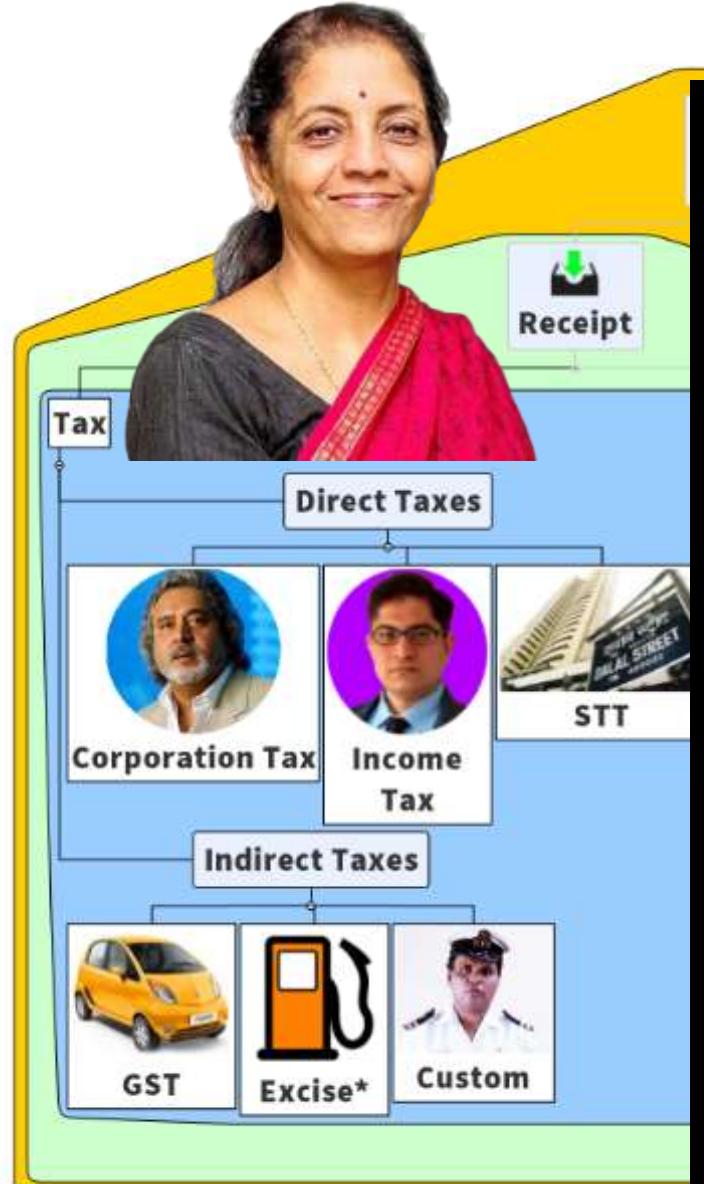


Art #112: Annual Financial Statement (AFS): हिसाब/किताब-ब्योरा/विवरण

- Income (Receipt) and Expenditure:
- Data for last year (2020-21) पिछले साल का
- projections / demands for next year (2021-22) अगले वित्तीय वर्ष का



Art:265- no tax can be levied without authority of law. So to get that authority you've to pass Finance bill (वित्त विधेयक)



- Lok Sabha: Finance bill will be passed easily because Modi majority 😊😊😊 लोकसभा में तो आसानी से पास हो जाएगा
- What if Rajya Sabha doesn't approve? If Modi not having full majority 😕😕😕 राज्यसभा में पास नहीं हुआ तो?
- Art.110 “Money Bill: Tax related bill is Money bill. (So Finance bill is money bill) कराधान के साथ जुड़े विधेयकों को धन विधेयक के रूप में वर्गीकृत किया जाता है
- Art.109: Rajya Sabha can max. sit on it for 14 days. Can only “suggest” amendment, but those suggestions not binding on Lok Sabha. राज्यसभा केवल सुझाव दे सकती है लोकसभा के लिए वो मानना बाध्य नहीं है

Finance bill → we (BJP) wants to ↑ tax on imported shoes from 25% → 35%

सरकार ने जितना प्रस्ताव डाला है, संसद उससे ज्यादा टैक्स नहीं बढ़ा सकते



IF Finance bill
proposes Tax
on imported shoes
@35%



Allow SAME

• 35%

Reduce

• 15%

Abolish

• 0%

Parliament can do
above things

- Parliament can't vote @that time...
↑ it further to 45%
- “इसको और ज्यादा tax करते हैं”, ऐसा हाथ संसद नहीं बोल सकता . सिर्फ सरकार बोल सकती है

Suppose

Microsoft Win10

Operating System

Notepad

Paint

Calculator

Users install chrome separately based on their requirement

Google Chrome



When updated

Windows 10

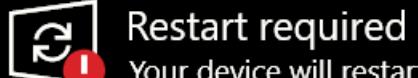
Operating System

Notepad

Paint

Calculator

Windows Update



Restart required

Your device will restart outside active hours.

2020-03 Cumulative Update for Windows 10 Version 1909 for x64-based Systems (KB4551762)

Status: Pending restart

[Restart now](#)

[Schedule the restart](#)

If Microsoft gives 'windows 10 update pack',
then it should only update these type of things.

Google Chrome



CHROME should not be updated/modified claiming it to be "windows 10 update pack". (What if new version is stealing private data!)

Finance bill = Money bill, Rajya Sabha approval not necessary.

वित्त विधेयक पारित करने में राज्यसभा की अनुमति जरूरी नहीं



Finance bill-आदर्श परिस्थिति में तो इधर से टैक्स की बात होनी चाहिए

- It should have tax proposals like Income tax _%, custom duty _ %
- It should not have non-tax proposals.



Amend



IT Act 1961: Reduce income tax

⬇️ from 10% to 5%



Customs Act, 1962: imported phones ⬆️ more customs duty



Yes this is

- ✓ **LEGAL**
- ✓ **MORAL**
- ✓ **ETHICAL**

Finance bill = Money bill, Rajya Sabha approval not necessary.

सरकार जो चीज टेक्श से नहीं जुड़ी उसको भी वित्त विधेयक में डाल देती है, ताकि राज्यसभा टांग न अड़ाए



Finance bill- आदर्श परिस्थिति में तो इधर से टैक्स की बात होनी चाहिए

- It should have tax proposals like Income tax _%, custom duty _ %
- It should not have non-tax proposals.



Amend

BUT?



Make Aadhar Card Compulsory for driving license.



Amend National Housing Bank'87: ownership transfer from RBI ...



IT Act 1961: Education & Health Cess 4%



Customs Act, 1962: imported phones more custom duty

- Because if we try to amend those laws separately,
- then Rajya Sabha may create obstacle. 😠
- So better pack those 'non-tax updates' inside finance bill!! 😊

But who will decide whether given Finance Bill= Money bill hai ki nhi?

ऐसा खिचड़ी टाइप का वित्त विधेयक=> धन विधेयक है कि नहीं वह कौन तय करेगा?

Finance bill = Money bill, Rajya Sabha approval not necessary.

सरकार जो चीज टेक्स से नहीं जुड़ी उसको भी वित्त विधेयक में डाल देती है, ताकि राज्यसभा टांग न अड़ाए

 Finance bill- आदाएं परिस्थिति में लो इधर से टैक्स की बात होनी चाहिए

- It should have tax proposals like Income tax _%, custom duty _%
- It should not have non-tax proposals.

Amend

- IT Act 1961: Education & Health Cess 4%
- Customs Act, 1962: imported phones more custom duty

BUT?

- Make Aadhar Card Compulsory for driving license.
- Amend National Housing Bank'87: ownership transfer from RBI ...



- Because if we try to amend those laws separately, then Rajya Sabha may create obstacle. 😊
- So better pack those 'non-tax updates' inside finance bill!! 😊



1) Art.110 (3): LS Speaker Om Birla's decision final, whether a given bill is money bill or not.
लोकसभा स्पीकर तय करेंगे

2) I can't approach Courts because Art.122: courts can't enquire into the validity of the proceedings of the Parliament.  स्पीकर के इस निर्णय के खिलाफ कोर्ट में नहीं जा सकते

3) Whether Aadhar related provisions= money bill? SC's judicial review applicable? Those are polity angles. Self-study.

Mrunal's Economy Pillar2A: Budget - an introduction



Fiscal policy



Budget ke
3 DOCX



Constitution ke
3 FUNDS



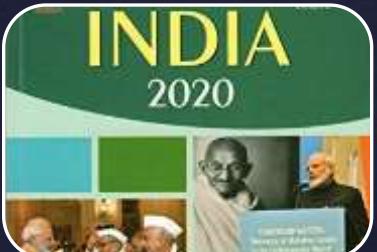
PM CARES Fund



Interim Budget



Vote on Account



[Yearbook] FinMin ke
Departments



Economic Survey &
CEA?

20.2 BUDGET (बजट): MEANING

Budget is an annual financial statement for the next financial year. (अनुमानित बजट) is the primary tool used by Govt to implement its fiscal policy.

Pg 250 onw

20.2.1 Three Funds related to Budget (Self-Study= Laxmikanth ch on Parliament)

Art. 266	Consolidated Fund Of India (CFI) संचित निधि	Incoming taxes, loans raised, loans recovered. Withdrawal need Parliament Permission (- except for Charged Expenditure like Judges' salaries).
Art. 266	Public Account of India लोक लेखा	Incoming provident fund, small savings, postal deposit etc. Govt acts similar to a banker transferring fund from here to there so parliament permission not necessary. If separate fund is to be created for the first time, for a specific expenditure, then needs parliament permission to "create" it e.g. Central Road Fund Act 2000, where Road Cess on Petrol, Diesel would be deposited.
Art. 267	Contingency Fund of India आकस्मिकता निधि	Unforeseen events ₹ 500 cr by FinSecy on behalf of President. Parliament approval is "subsequently" obtained, after expenditure. Money refilled from CFI.

MCQ-Prelims-2011. The authorization for the withdrawal of funds from the Consolidated Fund of India must come from:

(a) The President of India

(b) The Parliament of India

पैसा सरकार के पास आता है
वह कौन से खजाने या तिजोरी में रखा जाता है

Government receives money → where does it go?

सरकार को टैक्स में, कर्ज में जो पैसा मिला वह कौन सी तिजोरी में रखते हैं?



Tax revenue

Art.266:
Consolidated
Fund
संचित निधि



2) Not like a 'special tijori/locker',
the money would be in respective
dept.'s Bank account only.

Government receives money → where does it go?

सरकार को टैक्स में, कर्ज में जो पैसा मिला वह कौन सी तिजोरी में रखते हैं?



RBI



Tax revenue

Loans borrowed



Art.266:
Consolidated
Fund
संचित निधि

2) Not like a 'special tijori/locker',
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सरकार को टैक्स में, कर्ज में जो पैसा मिला वह कौन सी तिजोरी में रखते हैं?



RBI



Tax revenue

Loans borrowed

Loans recovered
From borrowers



Art.266:
Consolidated
Fund
संचित निधि

2) Not like a 'special tijori/locker',
the money would be in respective
dept.'s Bank account only.

How to spend money from Consolidated Fund of India (CFI)

इस तिजोरी से पैसा खर्च करना है तो लोकसभा की अनुमति जरूरी

Government receives money → where does it go?

सरकार को टैक्स में, कर्ज में जो पैसा मिला वह कौन सी तिजोरी में रखते हैं?



1) To spend ₹, Govt MUST
Pass Appropriation Bill in
parliament (विनियोग विधेयक)



Art.266:
CFI

This is money bill, so
Rajya Sabha not
req. धन विधेयक है
इसलिए इसमें राज्यसभा
टांग नहीं अड़ा सकती



How to spend money from Consolidated Fund of India (CFI)

इस तिजोरी से पैसा खर्च करना है तो लोकसभा की अनुमति जरूरी

जज की
तनख्वाह कटी
तो निष्पक्षता से
काम नहीं होगा



1) MUST Pass
Appropriation Bill
in parliament



Art.266:
CFI

Type	Expenditure Charged on CFI e.g. Judges salary
Discussion possible?	<input checked="" type="checkbox"/> हाँ इस पर संसद में चर्चा हो सकती है
Voting req?	<input type="hand"/> <input type="voter box"/> NO, Automatically passed



This is money bill, so
Rajya Sabha not
req. धन विधेयक है
इसलिए इसमें राज्यसभा
टांग नहीं अड़ा सकती

How to spend money from Consolidated Fund of India (CFI)

इस तिजोरी से पैसा खर्च करना है तो लोकसभा की अनुमति जरूरी

जज की
तनख्वाह कटी
तो निष्पक्षता से
काम नहीं होगा



1) MUST Pass
Appropriation Bill
in parliament



Art.266:
CFI

Type

Expenditure Charged on CFI

"made from CFI" e.g. demand for ministry-wise grants → welfare scheme



Discussion possible?

<input checked="" type="checkbox"/> हाँ इस पर संसद में चर्चा हो सकती है
--

<input checked="" type="checkbox"/> हाँ इस पर संसद में चर्चा हो सकती है
--

Voting req? वोटिंग?

NO, Automatically passed

<input checked="" type="checkbox"/> हाँ इस पर संसद में वोटिंग हो सकती है

PM-JAY : ₹5L Health

The authorization for the withdrawal of funds from the **Consolidated Fund of India** must come from -----.

- (a) The President of India
- (b) **The Parliament of India**
- (c) The Prime Minister of India
- (d) The Union Finance Minister



Not asking any “how the clock actually work in real life” question like “in which bank does govt keep money of this account? is it a current bank account or savings bank account?”

100% Surety

50:50

Skip

P
Atte

Second fund: Contingency Fund: आकस्मिकता निधि (Art. 267)

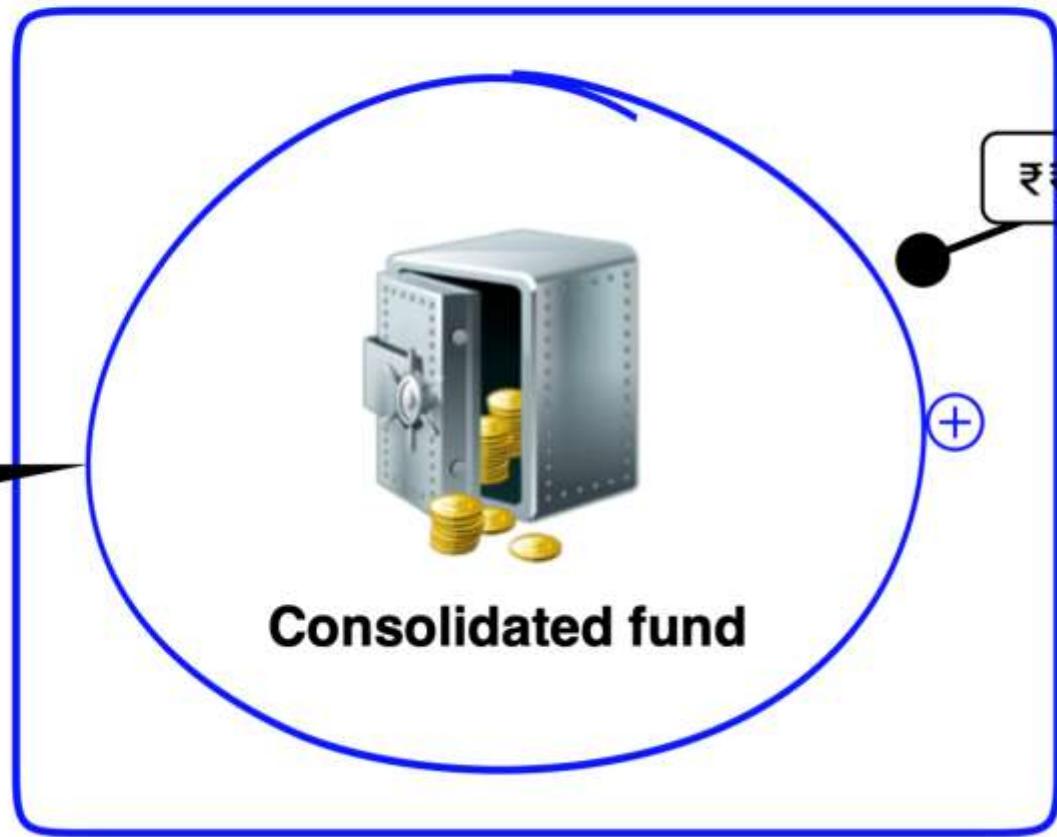
- ◆ Unforeseen or emergency events.
- ◆ At the disposal of President (In practice, Finance Secy (IAS) looks after it.)
- ◆ Parliament approval “subsequently” obtained, after expenditure. खर्च कर देने के बाद संसद की अनुमति ली जाती है
- ◆ Money received/refilled from Consolidated Fund (so again Parliament approval will be required).



Not like a ‘special tijori’,
the money would be in a
bank account only.
यह कोई अलग से बनाई गई
तिजोरी नहीं है
असल में पैसा बैंक खाते में ही
रहता है लेकिन हिसाब में दिखाने
के लिए विवरण इस प्रकार देते हैं



✓ Parliament
Approval REQ



₹₹ transfer

+

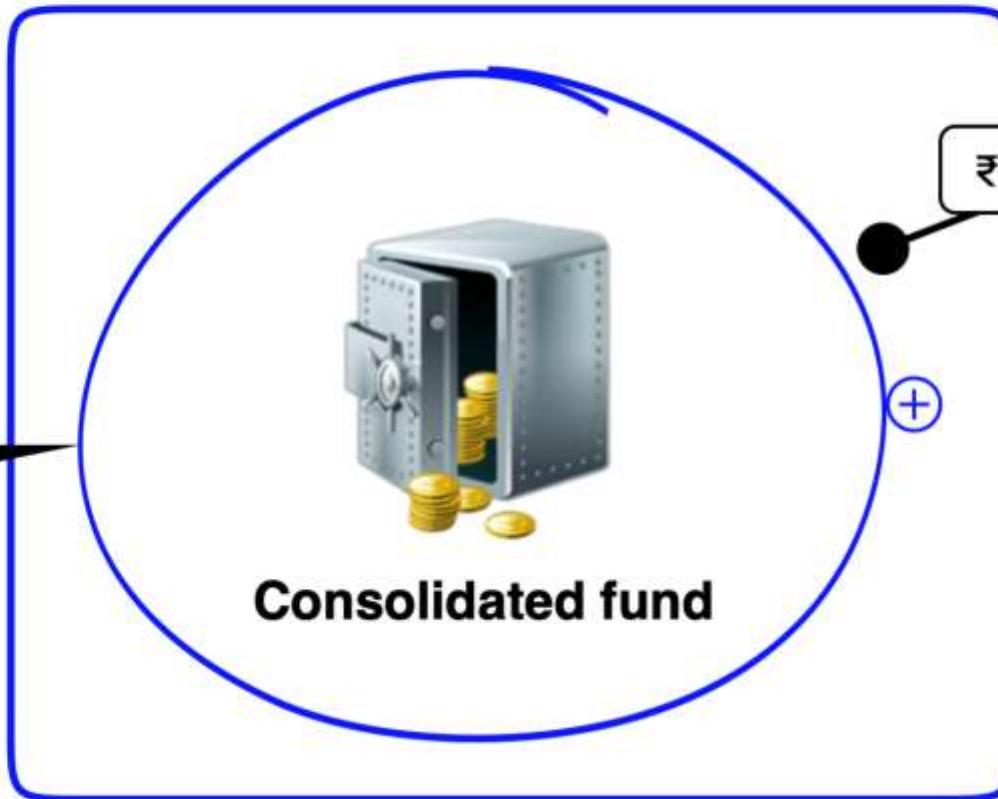


Contingency fund
(₹30,000 cr)

+



✓ Parliament
Approval REQ



₹₹ transfer

+



-

Contingency fund
₹30,000 cr)

60% @Dept of
Economic Affairs

40% @Dept of
Expenditure



Incoming

- Deposit



भारतीय स्टेट बैंक
State Bank of India
हर भारतीय का बैंक
THE BANKER TO EVERY INDIAN

Outgoing

- Loans





Incoming

माँ को मनी-ऑर्डर
भेजूंगा!



Outgoing



Incoming →

- Small Savings Scheme, EPFO**,
- Post Office Savings / Insurance schemes
- Money order in Post Office



Outgoing

- Loan to Govt (CFI)
- Remittance to Family



So, where to classify the money, till it is staying here?

Ans. “Public Account” (266) जब तक यह पैसा अपने लक्षित

स्थान तक नहीं पहुंचता तब तक कहाँ रहता है

Government receives money → where does it go?

अस्थाई रूप से कुछ समय के लिए पैसा जहां रहता है उस खजाने को क्या कहेंगे

- EPFO
- Small Saving Schemes:
(NSSF Fund)
- Postal Deposits, Postal
life insurance भारतीय डाक



Art.266:
Public Account
लोकलेखा



Recipient family



Loans to union, states,
govt companies, Share,
bonds

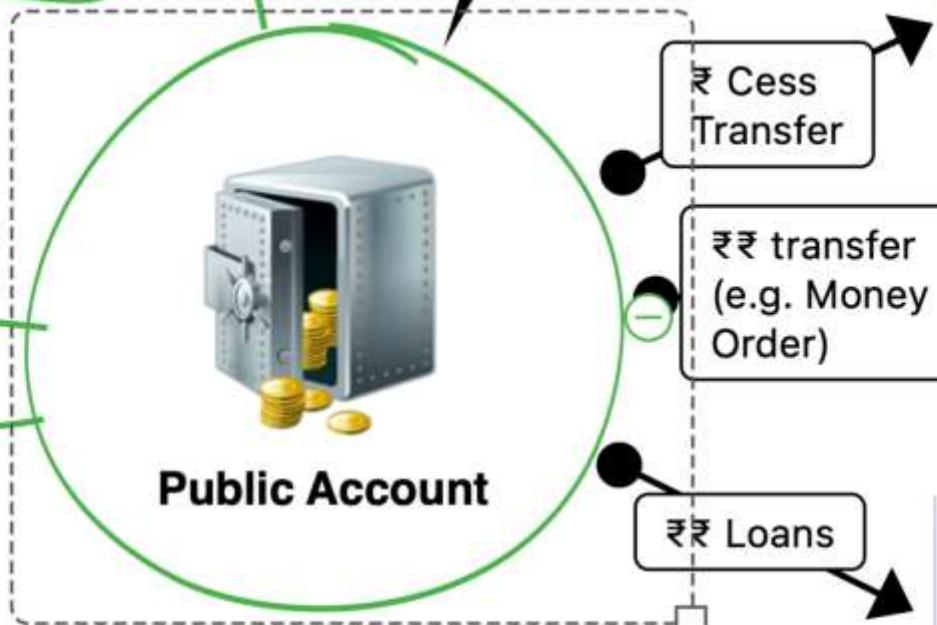


ये पैसा आ तो रहा है लेकिन थोड़े ही समय में कहीं और जाने भी वाला है

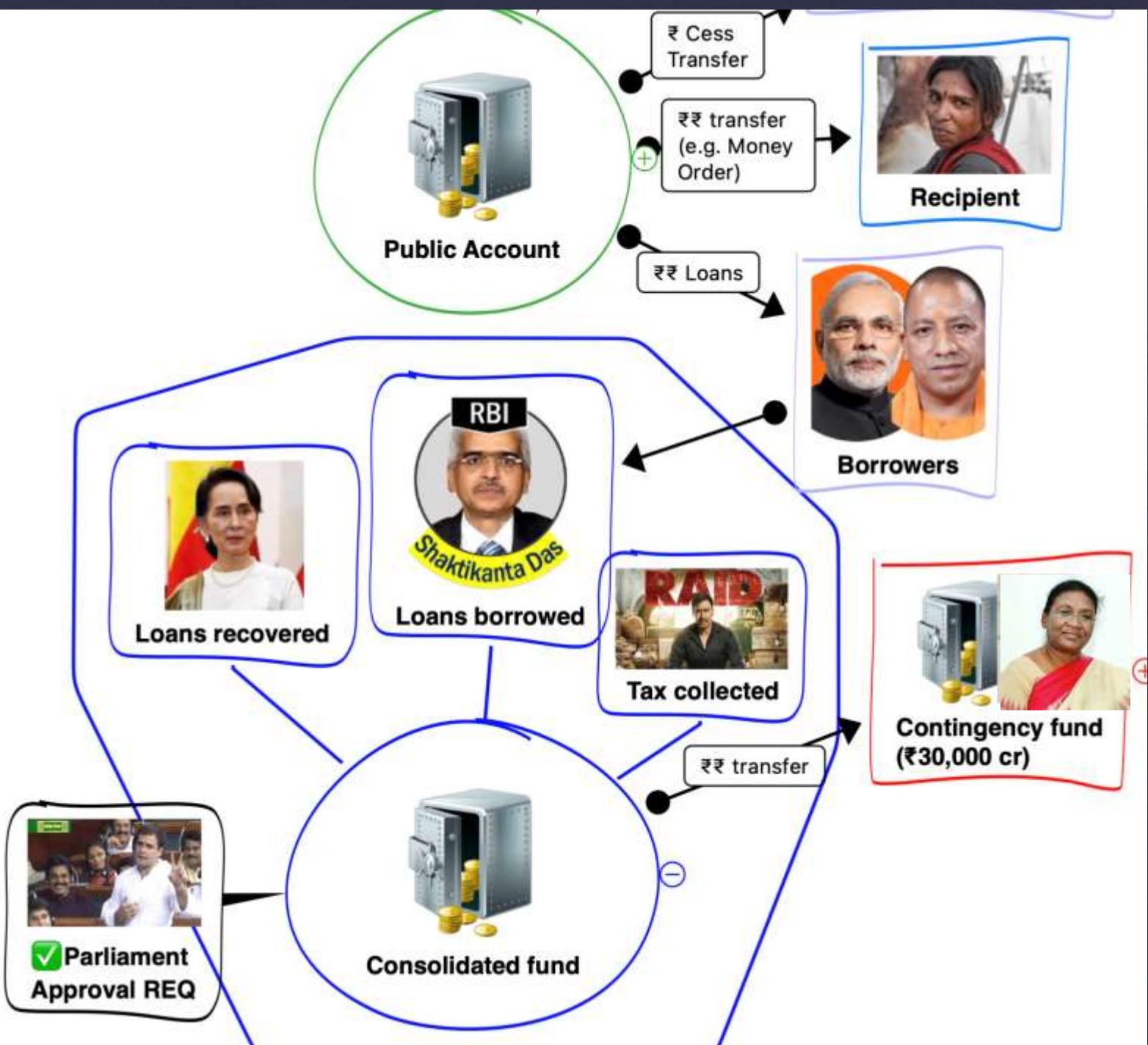


Post Office: Money order,
Postal Life insurance etc.

Small Saving
Schemes (1D)



What is Cess?
We'll study in next lecture



Mrunal's Economy Pillar2A: Budget - an introduction



Fiscal policy



Budget ke
3 DOCX



Constitution ke
3 FUNDS



PM CARES Fund



Interim Budget



Vote on Account



[Yearbook] FinMin ke
Departments



Economic Survey &
CEA?

20

PILLAR #2: BUDGET: RELEVANCE IN UPSC?

Economy: 6 Pillars™

	Prelims P1 (GS 100 MCQs)			Mains GSM-1-2-3 (750 Marks)				
	2016	2017	2018	2019	2016	2017	2018	2019
2_Budget, FC, GST, Disinvestment, FRBM etc	3	3	4	1	12.5	30	25	25

20.1 FISCAL POLICY (राजकोषीय नीति): MEANING & SIGNIFICANCE

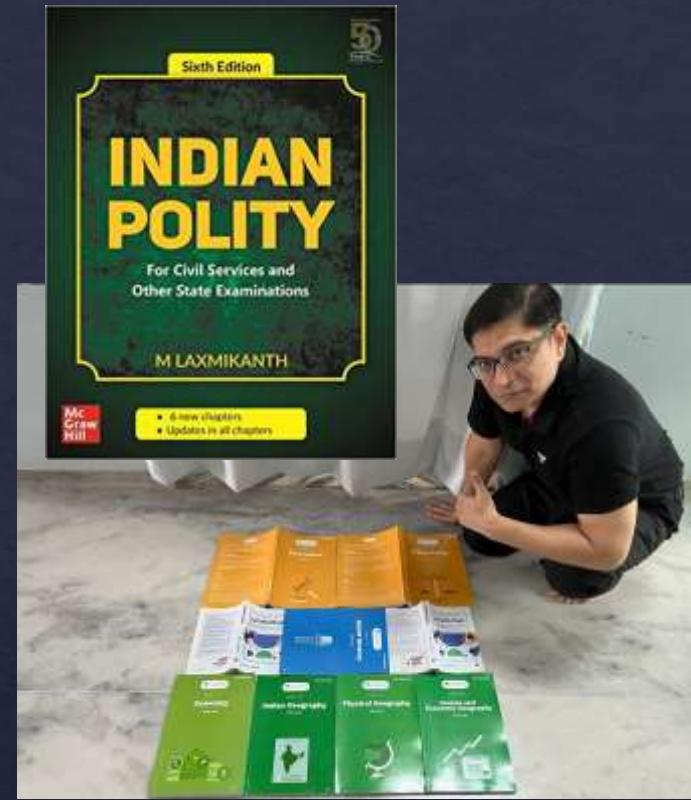
- 'Fiscal' is a word derived from Greek. Means 'basket' and symbolizes the public purse.
- Fiscal Policy is the set of Govt. decisions regarding taxation, expenditure, subsidies and other financial operations. (कराधान, व्यय, सब्सिडी और अन्य वित्तीय संचालन हेतु सरकार द्वारा लिए गए निर्णयों को राजकोषीय नीति कहते हैं।)
- Using fiscal policy, Govt influences the savings, investment and consumption in an economy, to accomplish certain national goals such as income redistribution, socio-economic welfare, economic development and inclusive growth. (बचत, निवेश और खपत को सरकार को प्रभावित करती→ आय का पुनर्वितरण, सामाजिक-आर्थिक कल्याण, समावेशी विकास हो सकता है)

A well planned Fiscal Policy can help in following arenas:

- ✓ **Full Employment** (पूर्ण रोजगार): through rural employment programmes like MGNREGA (More in pillar3)
- ✓ **To Fight Inflation** (मुद्रास्फीति): Higher Income tax → ↓ disposable income (व्यय योग्य आय) → demand curbed, To fight deflation (अपस्फीति): ↓ direct and indirect taxes to boost demand. (More in pillar4: Inflation)
- ✓ **To Boost Economic Growth** (आर्थिक विकास को बढ़ावा देना): Provide income tax benefits on household savings in LIC/Mutual Fund etc. → industries get new capital investment → factory expansion, jobs, GDP growth. (More in pillar4: GDP)
- ✓ **To Boost Inclusive Growth** (समावेशी विकास): Higher taxes on rich → use money for health, education, women, poverty removal programs. (More in pillar6: HDI)

बजट को 6 चरणों में मैं पास किया जाता है

- ◆ 1. **Presentation of budget** (बजट का प्रस्तुतिकरण)
- ◆ 2. **General discussion** (आम बहस)
- ◆ 3. **Scrutiny by departmental committees**(विभागीय समितियों द्वारा जांच)
- ◆ 4. **Voting on demands for grants** (अनुदान की मांग पर मतदान) -अलग अलग मंत्रालय को जो पैसा चाहिए
- ◆ 5. **Passing of appropriation bill** (विनियोग विधेयक का पारित होना) - कुल मिलाकर वह सारा पैसा जो दिया गया
- ◆ 6. **Passing of finance bill** (वित्त विधेयक का पारित होना)



If you've Unacademy Booklets- u can read from there also.
Don't worry.

Mrunal's Economy Pillar2A: Budget - an introduction



Fiscal policy



Budget ke
3 DOCX



Constitution ke
3 FUNDS



PM CARES Fund



Interim Budget

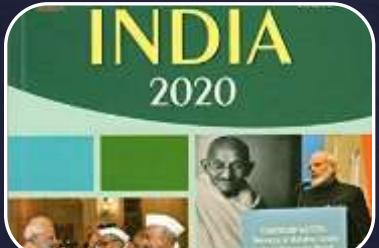


Vote on Account

Audio/Video
Problem?



Edu Doubt?
Ask through



[Yearbook] FinMin ke
Departments



Economic Survey &
CEA?

Pg 250 onw

20.2.2 📈 Donation Funds: PMNRF vs PM CARES (दान)



PMNRF by Nehru 1948

- ⇒ Prime Minister's National Relief Fund (PMNRF) राष्ट्रीय राहत कोष
- ⇒ Originally for helping Pak-refugees. Nowadays for floods, cyclones, earthquakes, accidents, heart/kidney transplant, cancer, acid attack, riots etc.
- ⇒ Not setup by Parliament.
- ⇒ No support given from the budget.
- ⇒ Only runs from donations of ordinary people and institutions & foreigners donations.
- ⇒ Donors get Income tax exemption.
- ⇒ If company donates money = counted under Corporate Social Responsibility (CSR).
- ⇒ Prime Minister's Office (PMO) operates
- ⇒ PM is the ex-officio chairman. He's assisted by officers.

PM CARES Fund by Modi 2020

- ⇒ Prime Minister's Citizen Assistance and Relief in Emergency Situations Fund
- ⇒ For dealing with any kind of emergency or distress situation, e.g. COVID-19 pandemic
- ⇒ same
- ⇒ same
- ⇒ same
- ⇒ Prime Minister is the ex-officio Chairman. (पदेन अध्यक्ष)
- ⇒ Ex-officio Trustees (पदेन ट्रस्टी): Ministers of Defence, Home Affairs, Finance

Donations: Nehru's PMNRF & Modi's PM Cares fund

आपदा प्रबंधन के लिए कुछ अलग से फंड / कोष / निधि बनाए

PMNRF



- Nehru'48
- Originally setup for helping refugees from Pakistan
- Nowadays for disasters, medical treatment etc.

PM CARES



- Modi 2020
- dealing with any kind of emergency or distress situation, e.g. COVID-19 pandemic



Donations: Nehru's PMNRF & Modi's PM Cares fund

आपदा प्रबंधन के लिए कुछ अलग से फंड / कोष / निधि बनाए

PMNRF



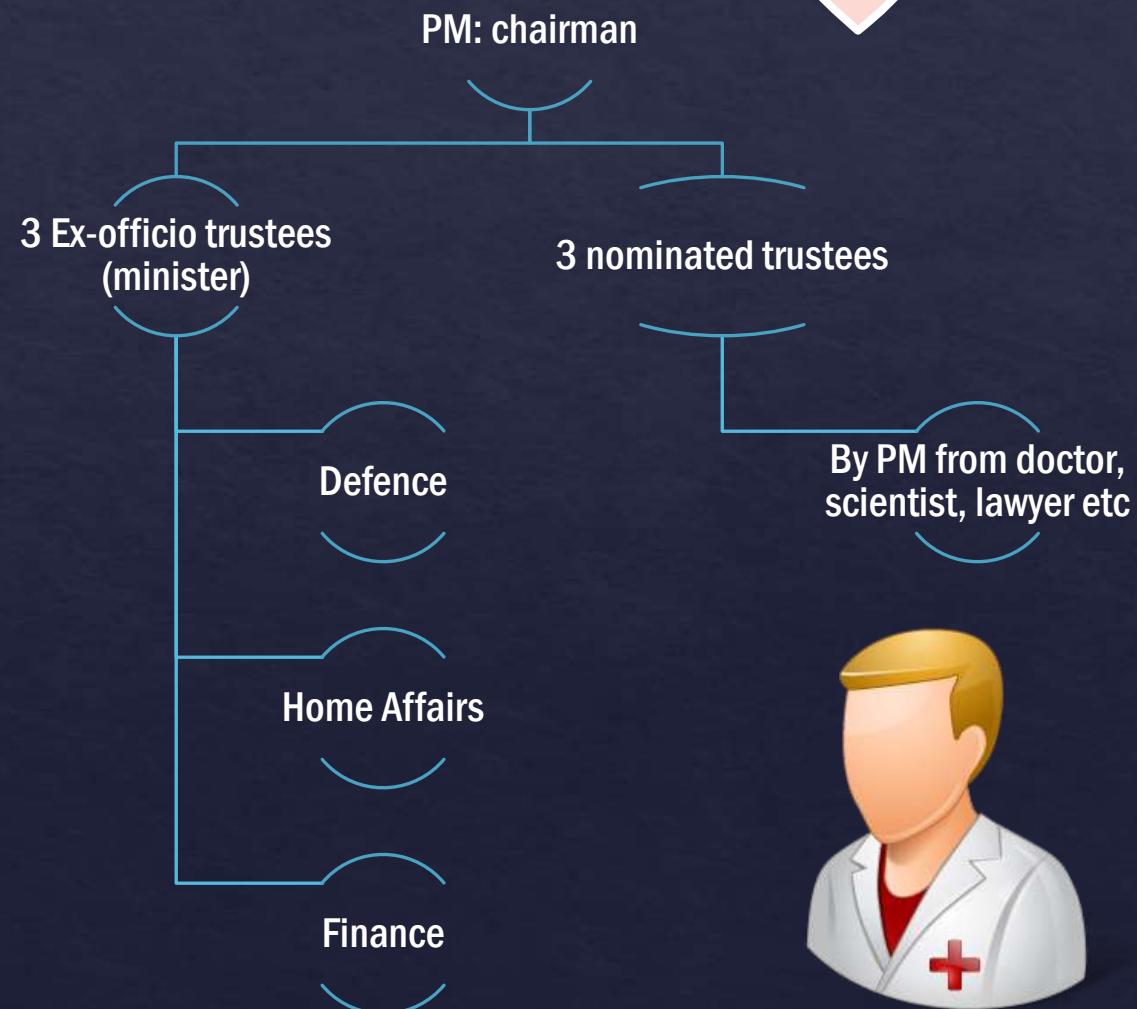
- Nehru'48
- Originally setup for helping refugees from Pakistan
- Nowadays for disasters, medical treatment etc.

PM CARES



- Modi 2020
- dealing with any kind of emergency or distress situation, e.g. COVID-19 pandemic

PM CARES registered under Indian Trusts Act



Donations: Nehru's PMNRF & Modi's PM Cares fund: similarities

इन दोनों ही फंड में समानता है क्या क्या है

- ◆ PM is the **ex-officio chairman.**

- ◆ PMO operates

- ◆ Not setup by Parliament.

- ◆ No support given from the budget.

- ◆ Only runs from donations of **ordinary people** and institutions & **foreigners donations.**

- ◆ Donors get **Income tax exemption.**

- ◆ If company donates money = counted under **Corporate Social Responsibility (CSR).**



Separate fund = 🍎 attracts people to donate money in it. Parliament not in session so could make some law to setup new fund.



- 😠 Donation funds under Indian Trusts Act
- 😠 Not part of public account / consolidated fund = less accountability & transparency
- 😠 Refuses give to RTI info.

Should we change financial year from April-March to Jan-Dec?

भारत का वित्तीय वर्ष क्या होना चाहिए? = ⚡ यह एक फूटा हुआ कारतूस टाइप का टॉपिक है

1867

- Colonial legacy, British Govt: 1st April to 31st March

2016-17

- Finmin setup Shankar Acharya Committee. Whether we should change it
- e.g Jan-Dec or Rabi-Kharif seasons...
- so we can get better estimation of tax collection and expenditure? ताकि फसल की कटाई के हिसाब से हमें अर्थतंत्र की वृद्धि और कर राजस्व का सही आकलन मिल पाए

2017

- All states not in favour. Accounting software practices need to be changed. सभी राज्य इसके लिए सहमत नहीं हैं
- 😢 Challenges outweigh the benefits.
- So, not implementing. इसमें बदलाव करने में फायदे कम चुनौतिया ज्यादा थी इसलिए छोड़ दिया



Dead topic. Hence no point in further PHD

Should we change financial year?

भारत का वित्तीय वर्ष क्या होना चाहिए?= यह एक फूटा हुआ कारतूस टाइप का टॉपिक है

◆ <https://www.youtube.com/watch?v=y1eGzFSPa1M>



Mrunal Patel

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why budget



GSM3/Budgeting: Why Budget advanced to 1st February? Merits, Rationale, Summary

Mrunal Patel 55K views • 5 years ago

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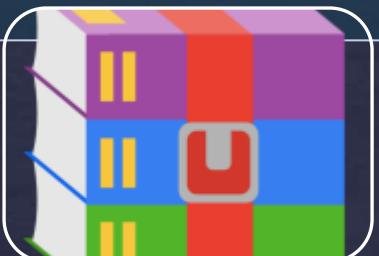


'Fake news': No extension of financial year, FY 2019-20 to end on March 31 as scheduled, says govt

Mrunal's Economy Pillar2A: Budget – वित्तीय वर्ष



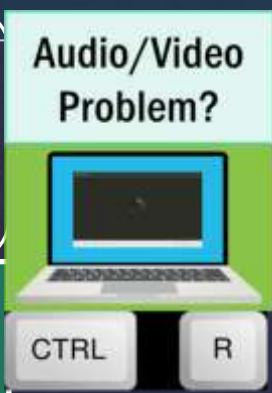
Fiscal policy



Budget ke
3 DOCX



Constitution ke
3 FUNDS



Audio/Video
Problem?



PM CARES Fund

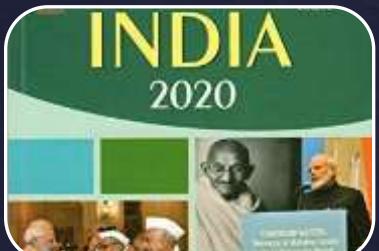


Interim Budget



Edu Doubt?
Ask through
Google
Forms

Vote on Account



[Yearbook] FinMin ke
Departments



Economic Survey &
CEA?

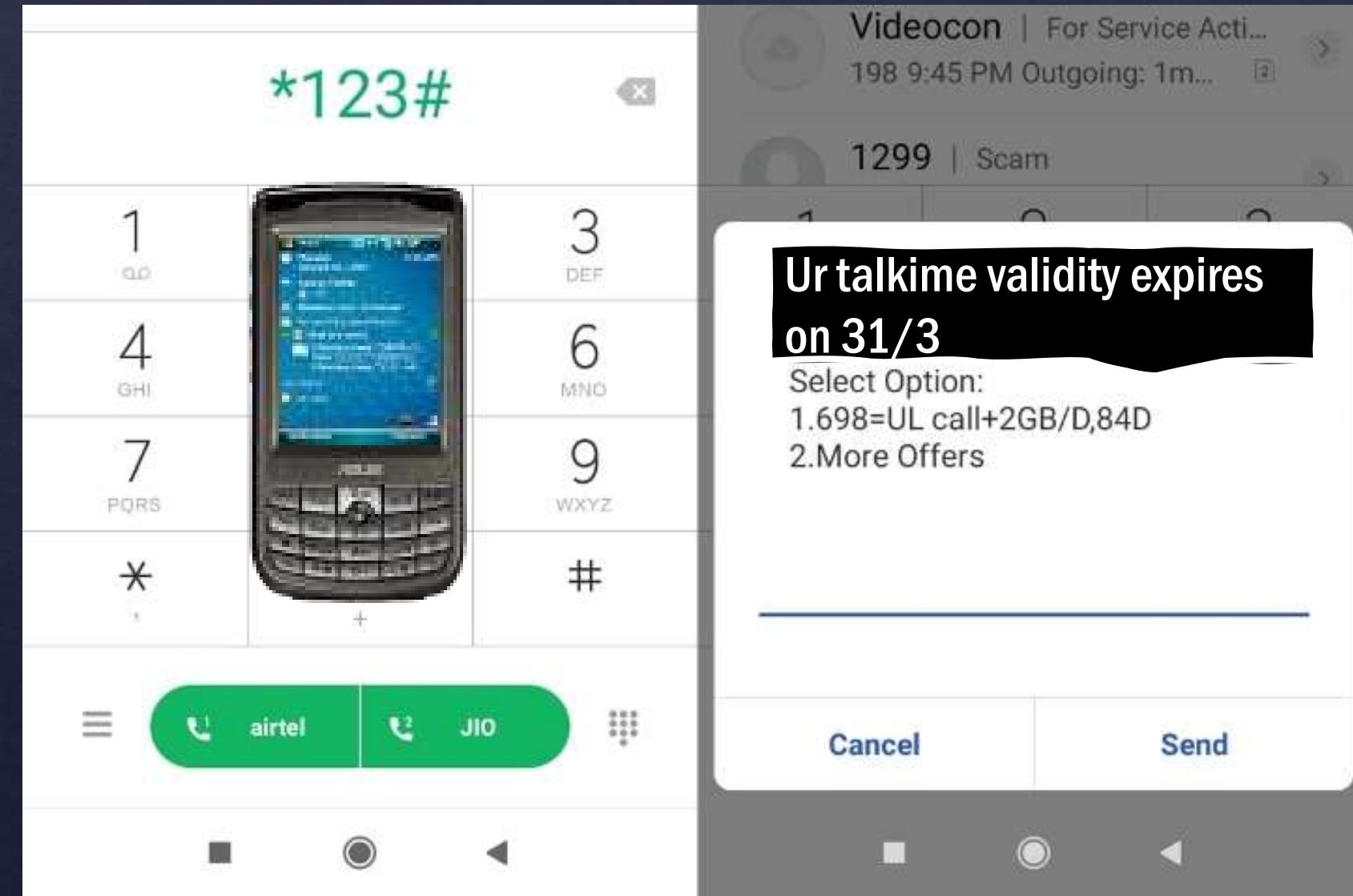
20.2.2 📈 Donation Funds: PMNRF vs PM CARES (दान)



Pg 250 onw

PMNRF by Nehru 1948	PM CARES Fund by Modi 2020
⇒ Prime Minister's National Relief Fund (PMNRF) राष्ट्रीय राहत कोष	⇒ Prime Minister's Citizen Assistance and Relief in Emergency Situations Fund
⇒ Originally for helping Pak-refugees. Nowadays for floods, cyclones, earthquakes, accidents, heart/kidney transplant, cancer, acid attack, riots etc.	⇒ For dealing with any kind of emergency or distress situation, e.g. COVID-19 pandemic
⇒ Not setup by Parliament. ⇒ No support given from the budget. ⇒ Only runs from donations of ordinary people and institutions & foreigners donations.	⇒ same
⇒ Donors get Income tax exemption. ⇒ If company donates money = counted under Corporate Social Responsibility (CSR).	⇒ same
⇒ Prime Minister's Office (PMO) operates	⇒ same.
⇒ PM is the ex-officio chairman. He's assisted by officers.	⇒ Prime Minister is the ex-officio Chairman. (पदेन अध्यक्ष) ⇒ Ex-officio Trustees (पदेन द्रस्टी): Ministers of Defence, Home Affairs, Finance

If Validity expiring, but no money- प्रीपेड मोबाइल का बैलेंस समाप्त हो रहा है और आपके पास पैसा नहीं पापा से पैसा मांगोगे



Papa give me some
temporary pocket money
to recharge it!



Babu Shona

To spend money from
Consolidated Fund of India



1) Appropriation Bill:
खर्च करने के लिए



2) Does Govt need
Temporary funds until
Next Appropriation Bill
is passed?



Yes



Vote on
Account



No

Do not present Vote on Account

पापा मेरा पुराना
prepaid प्लान
खत्म हो गया है।
अगले महीने का
रिचार्ज होना बाकी।
थोड़ा talk-time दोना! 💩

**DO U WANT TEMPORARY FUNDS
BEFORE PASSING APPRO.ACCT?**



YES

**VOTE ON
ACCOUNT**



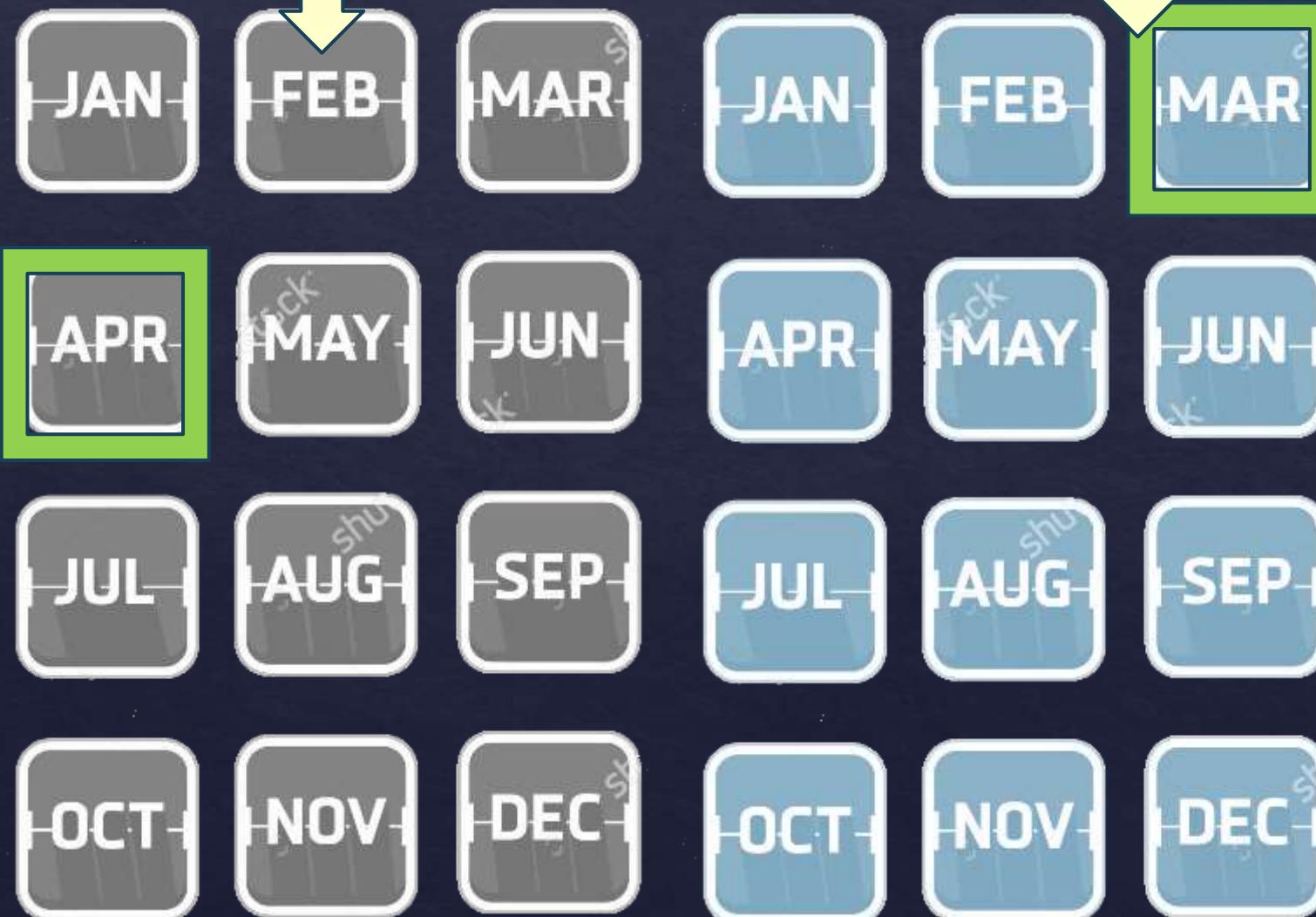
NO

**NO NEED FOR
VOTE ON ACCOUNT**

Once upon a time (=e.g. Congress raj) इसी प्रकार सरकार का भी Appropriation Bill वैलिडिटी समाप्त हो जाए तो संसद् से मदद मांगनी पड़ती है

Budget 2012 (Feb Week4)

Financial year 2012-13

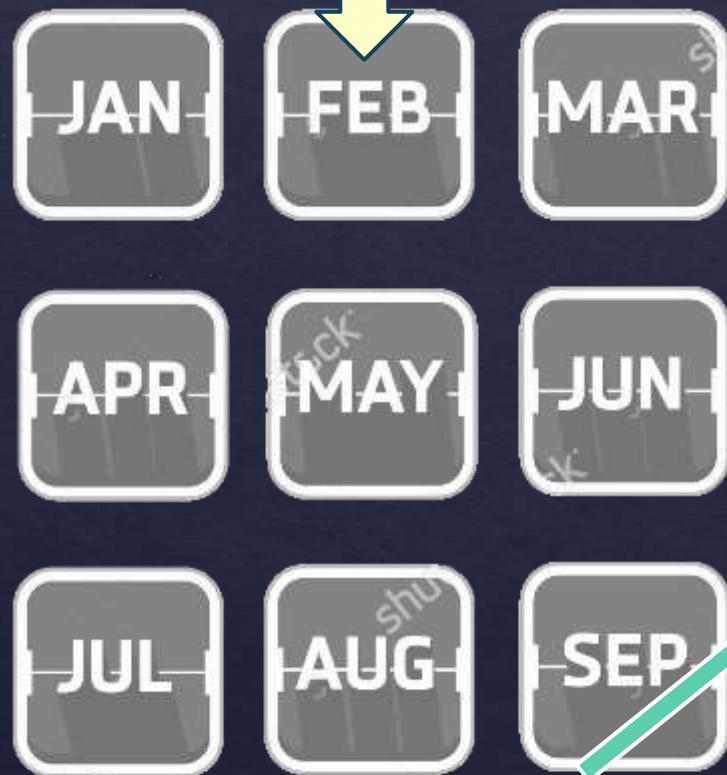


Once upon a time (=e.g. Congress raj) इसी प्रकार सरकार का भी Appropriation Bill वैलिडिटी समाप्त हो जाए तो संसद् से मदद मांगनी पड़ती है

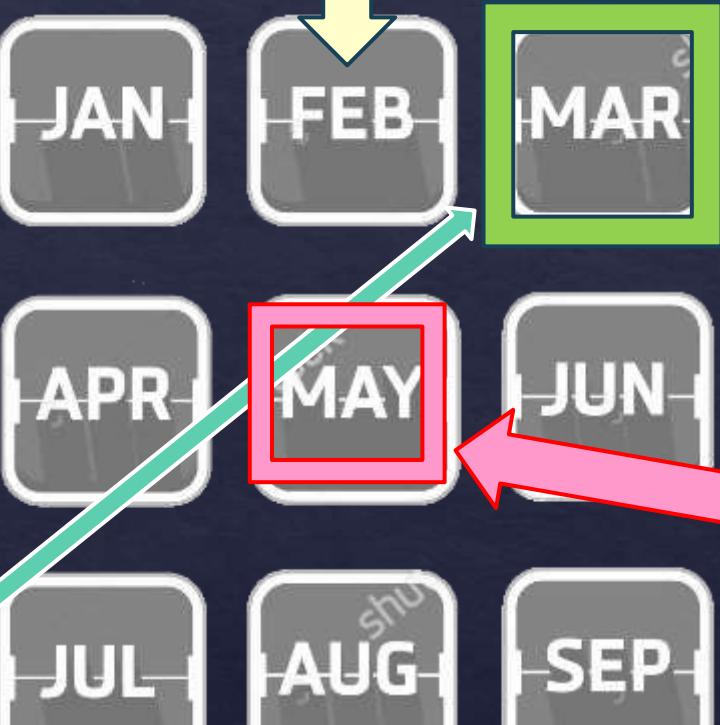


Vote on Account: पुराने Appropriation Act की वैलिडिटी समाप्त हो गई और नया अभी पास होना बाकी है 😠 तो बीच में सांसद सभ्यों हमको पैसा दे दो रे बाबा

Budget 2012 (Feb Week4)



Budget 2013 (Feb Week4)



In Budget 2013

1. Presentation of budget
2. General discussion
3. Scrutiny by departmental committees
4. Voting on demands for grants
5. **Passing of appropriation bill (But that'll finish in April week4 or May Week1)**
6. Passing of finance bill

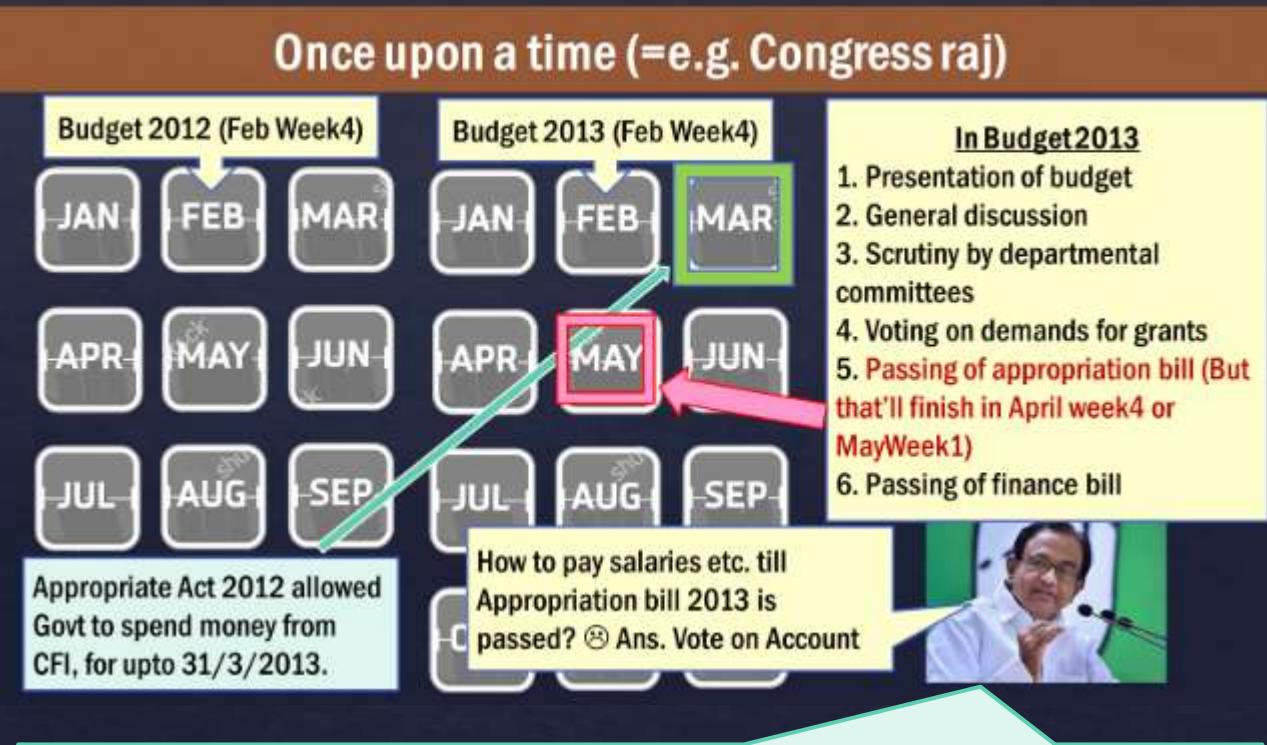
Appropriate Act 2012 allowed Govt to spend money from CFI, for upto 31/3/2013.

Q. 😠 How to pay salaries etc. till Appropriation bill 2013 is passed?

Ans. Vote on Account



Vote on account- पुराने Appropriation Act की वैलिडिटी समाप्त हो गई और नया अभी पास होना बाकी है 😱 तो बीच में सांसद् सभ्यो हमको पैसा दे दो रे बाबा

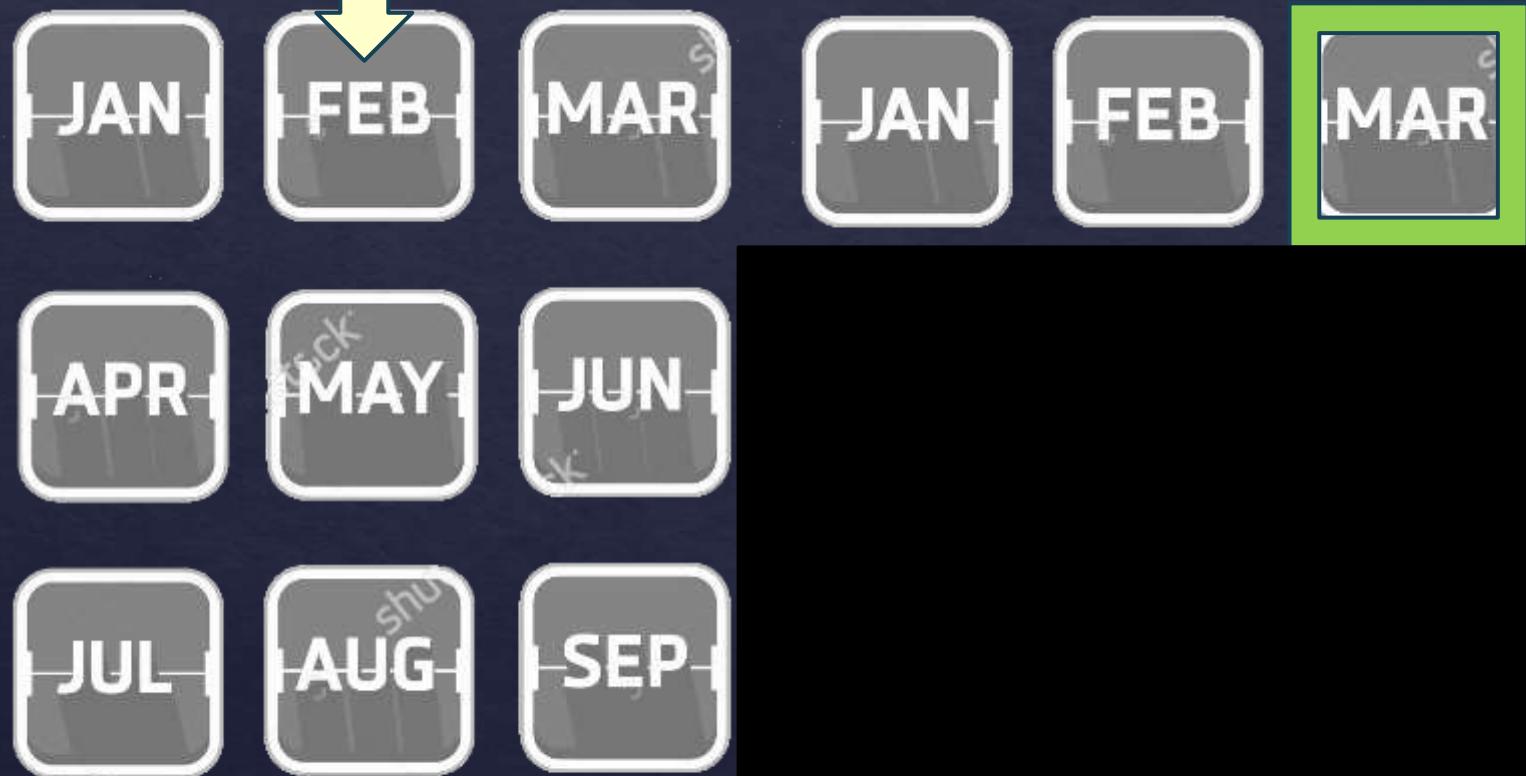


- मेरे पुराने प्री-पेइड प्लान की वैलिडिटी समाप्त हो गयी.
- लेकिन नया रिचार्ज करने से पहले मुझे संसद् ने कुछ दिनों का 'talk-time' दे दिया.

- Here, parliament will allow the government to spend some money from the CFI,
 - till the Appropriation Act for next Financial Year is passed.
- Vote on Account is generally granted for two months
 - for an amount equivalent to one-sixth of the total budget estimation.

But then in Modi-raj,- हालांकि मोदी सरकार ने बजट प्रस्तुत करने की तारीख को ही आगे कर दिया ताकि बैलेंस वैलिडिटी का मसला ही ना हो

Budget 2016 (FebW4)



Appropriate Act 2016 allowed
Govt to spend money from
CFI, for upto 31/3/2017.



But then in Modi-raj, Budget 2017 (first working day of Feb)

फरवरी के चौथे हफ्ते में नहीं बल्कि पहले ही दिन बजट पेश कर देंगे so vote on account  NOT REQ



Budget 2017: 6 stages

1. Presentation of budget
2. General discussion आम बहस
3. Scrutiny by departmental committees
4. Voting on demands for grants
5. Passing of appropriation bill
6. Passing of finance bill

But everything passed before
31/3/2017

Appropriate Act 2016 allowed Govt to spend money from CFI, for upto 31/3/2017.

Appropriate Act 2017 allowed Govt to spend money from CFI, for 1/4/17 to upto 31/3/2018

We don't need vote on account :P :P



Budget 2017, 2018

AFS

Finance bill

Appropriation Bill

Vote on Account

Read Laxmikanth ch22

Scrutiny by parliamentary
Committees

Type of grants, cut motions Etc.

If confusion learning those
'polity' angle then watch videos
on unacademy / YouTube.

Budget passed in Lok Sabha without discussion; Finance bill, Appropriation bill passed by voice vote

The government today got the Budget for fiscal year beginning April 1 passed in Lok Sabha without discussion by applying the **guillotine** process as the opposition paralysed the functioning for the eighth day

Finance Bill, 2018 receives Presidential assent
Mar 30,2018

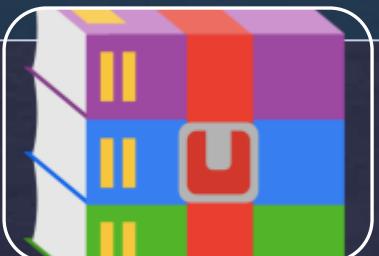
Finance Bill, 2018 receives Presidential assent on **March 29th**.

After President's signature, bill becomes Act- राष्ट्रपति की अनुमति के बाद विधेयक कानून बन जाता है

Mrunal's Economy Pillar2A: Budget – वित्तीय वर्ष



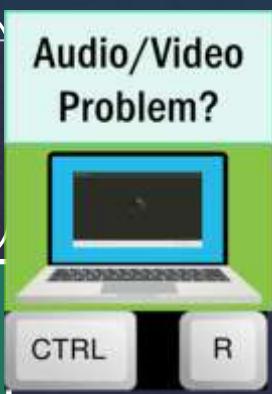
Fiscal policy



Budget ke
3 DOCX



Constitution ke
3 FUNDS



Audio/Video
Problem?



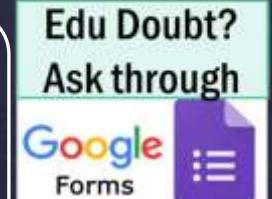
PM CARES Fund



Interim Budget



Vote on Account



Edu Doubt?
Ask through



[Yearbook] FinMin ke
Departments



Economic Survey &
CEA?

20.2.2 📈 Donation Funds: PMNRF vs PM CARES (दान)



Pg 250 onw

PMNRF by Nehru 1948	PM CARES Fund by Modi 2020
⇒ Prime Minister's National Relief Fund (PMNRF) राष्ट्रीय राहत कोष	⇒ Prime Minister's Citizen Assistance and Relief in Emergency Situations Fund
⇒ Originally for helping Pak-refugees. Nowadays for floods, cyclones, earthquakes, accidents, heart/kidney transplant, cancer, acid attack, riots etc.	⇒ For dealing with any kind of emergency or distress situation, e.g. COVID-19 pandemic
⇒ Not setup by Parliament.	⇒ same
⇒ No support given from the budget.	
⇒ Only runs from donations of ordinary people and institutions & foreigners donations.	
⇒ Donors get Income tax exemption.	⇒ same
⇒ If company donates money = counted under Corporate Social Responsibility (CSR).	
⇒ Prime Minister's Office (PMO) operates	⇒ same.
⇒ PM is the ex-officio chairman. He's assisted by officers.	⇒ Prime Minister is the ex-officio Chairman. (पदेन अध्यक्ष) ⇒ Ex-officio Trustees (पदेन द्रस्ती): Ministers of Defence, Home Affairs, Finance

IS IT ELECTION YEAR?

✓ YES

INTERIM
BUDGET



DONT DO MEGA SCHEMES
ANNOUNCEMENT

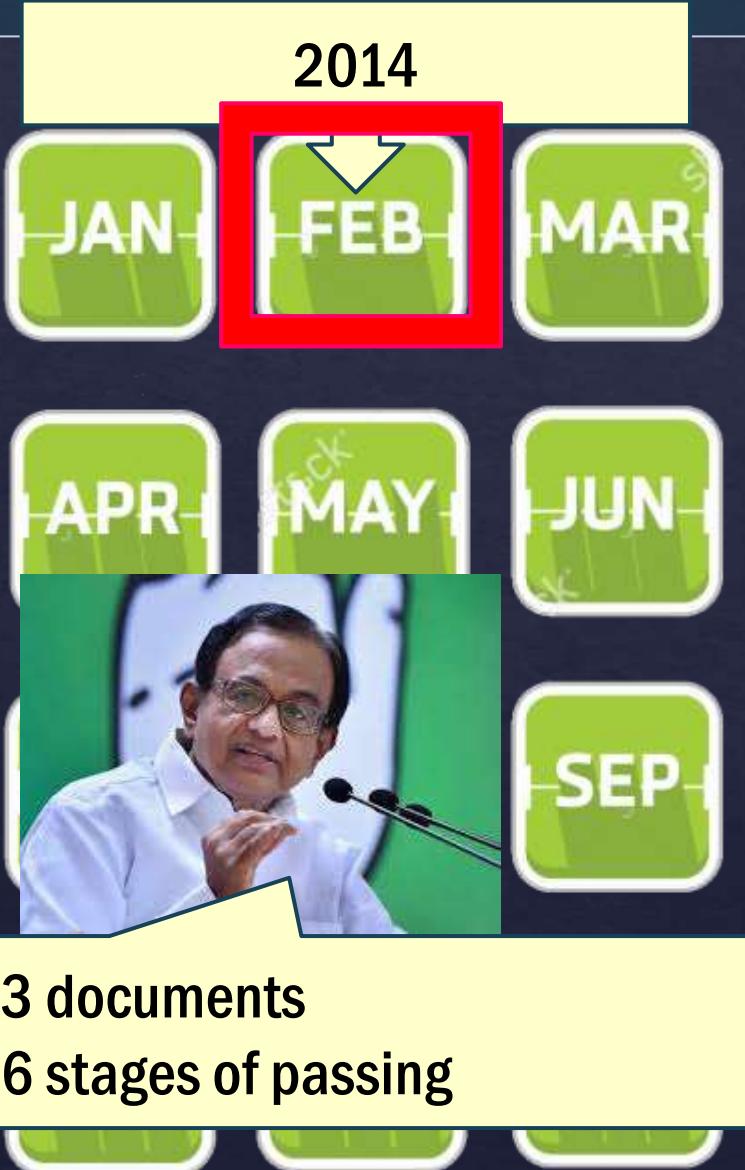
✗ NO

GENERAL
BUDGET



CAN DO

Why interim budget?



- Since Lok Sabha election will come so 2014'
- What if Budget says "**free mobile & moped for every girl?**" = populist schemes
- So her parents give VOTES to our party!?
- चुनावी वर्ष में लोक लुभावन की योजना बजेट में घोषित करना क्या नैतिक होगा?



Avoid populist announcements (चुनावी वर्ष में लोकलुभावन बजट मत पेश करो)



1) Is it a Lok Sabha
election year?

✓ Yes

No

Present
Interim budget

2) Present
General
Budget



3 Docx

+

□



**Present
Interim budget**

**2) Present
General
Budget**

1) Annual Financial Statement (AFS)



2) Finance Bill: Tax वसूलने के लिए

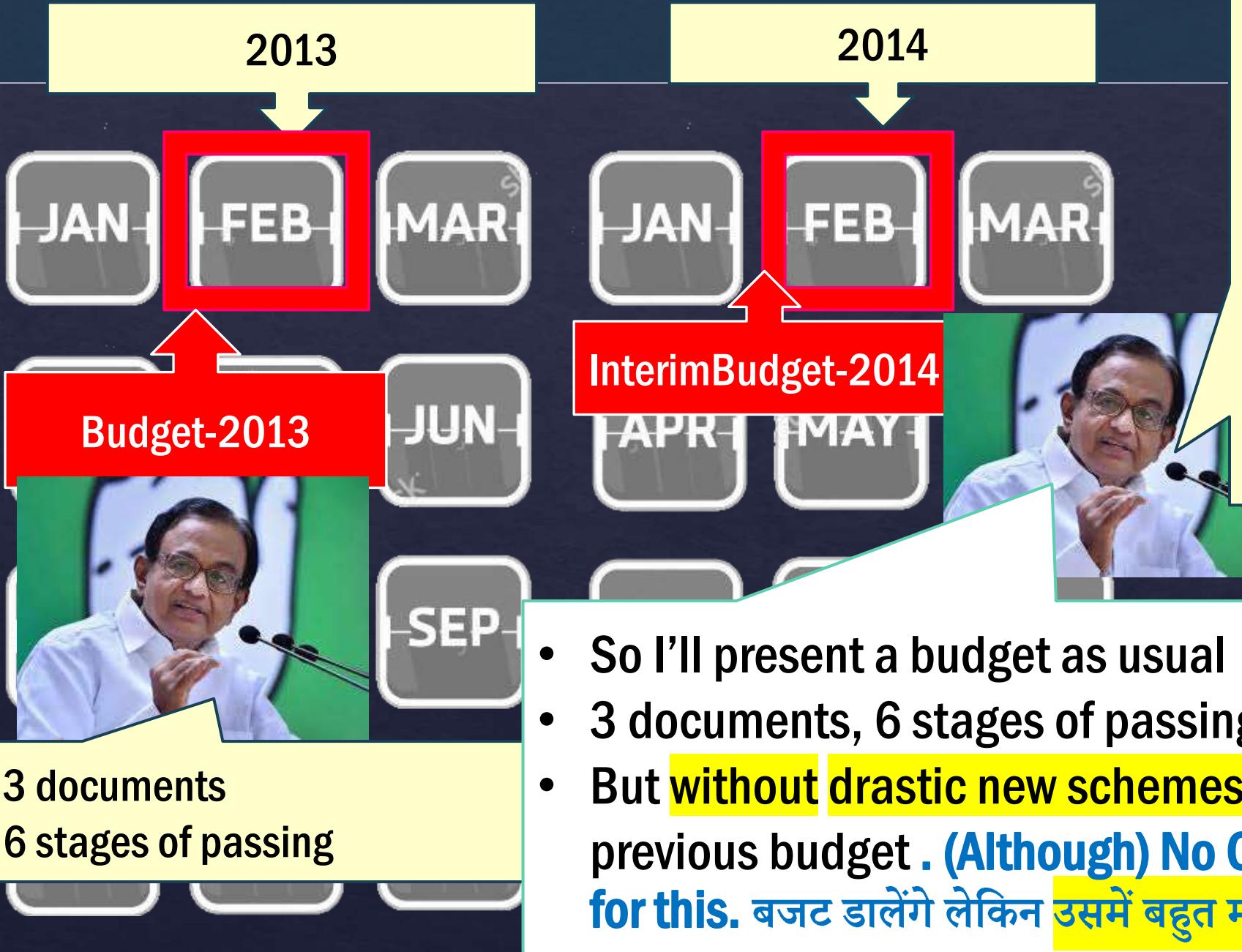


3 Docx



**3) Appropriation Bill:
खर्च करने के लिए**

**To spend money from
Consolidated Fund of India**



General election coming in this year immoral / unethical for such outgoing Govt. to make drastic changes through budget like

- 0% IT for middle class
- Free mobile & moped for girls.

- So I'll present a budget as usual
- 3 documents, 6 stages of passing
- But without drastic new schemes /big-changes than previous budget . (**Although No Constitutional requirement for this.** बजट डालेंगे लेकिन उसमें बहुत मोटे-मोटे घोषणा ही नहीं होंगी

Lok Sabha Election Year
2014



If we (Congress) were elected again,

- A. we may present another budget for the same year.
- B. IF we don't present another budget after election,
then our **Interim Budget** could be valid for whole year.



After election result Modi govt:
(new) General Budget 2014 in 16th LS

Avoid populist announcements
(चुनावी वर्ष में लोकलुभावन बजट मत पेश करो)



1) Is it a Lok Sabha election year?

पापा मेरा पुराना prepaid प्लान खँत्म हो गया है। अगले महीने का रिचार्ज होना बाक़ी।
थोड़ा talk-time दोना! 🤝

Do not present Vote on Account



Present Interim budget



2) Present General Budget



Vote on Account



1) Annual Financial Statement (AFS)



2) Finance Bill: Tax वसूलने के लिए



3 Docx



3) Appropriation Bill:
खर्चे करने के लिए



4) Does Govt need
Temporary funds until
Next Appropriation Bill
is passed?

To spend money from
Consolidated Fund of India

What's the difference?

Vote on Account

- Every year for cash problem between Feb to April when budget is passed
- It asks only for temporary fund release
- Valid: ~2 months. ~1/6th amount.
- Not required in 2017, 2018 as we advanced the Budget presentation to Febweek1

Interim Budget

मेरे पुराने प्री-पेइड प्लान की वेलिडिटी समाप्त हो गयी। लेकिन नया रिचार्ज करने से पहले मुझे संसद ने कुछ दिनों का 'talk-time' दे दिया।



IS IT ELECTION YEAR?

✓ YES

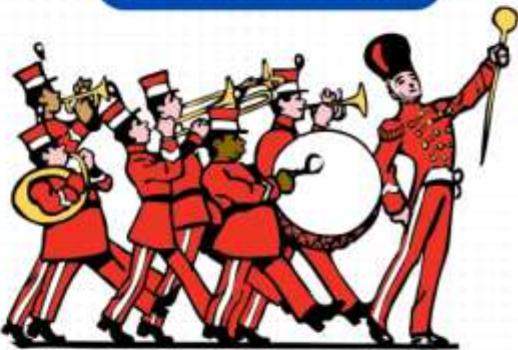
INTERIM
BUDGET



DONT DO MEGA SCHEMES
ANNOUNCEMENT

✗ NO

GENERAL
BUDGET



CAN DO

IS IT ELECTION YEAR?

✓ YES

INTERIM
BUDGET



✗ NO

GENERAL
BUDGET



CAN DO

DO U WANT TEMPORARY FUNDS BEFORE PASSING APPRO.ACCT?

✓ YES

VOTE ON
ACCOUNT



✗ NO

NO NEED FOR
VOTE ON ACCOUNT

DONT DO MEGA SCHEMES
ANNOUNCEMENT

vote on account asked?

2018- full

 NO

2019-interim

 YES

2019-full

 NO

2020-full

 NO

- ideally they shd not ask.
- kyoki budget presented on 1st Feb
- but there is no 'rule'. so Govt ki MARZI hai.
- we'll not waste time in "WHY" part.
- Faded/outdated

vote on account asked?	
2018- full	✗ NO
2019-interim	✓ YES
2019-full	✗ NO
2020-full	✗ NO



यूपीएससी के
बाबू शोने

I've 500 types of doubts on it.
MEREKO PHD KRAAO मेरे को बस इसी टोपिक का ► जंडा लेके
 शहीद हो जाना है ...मेरी लाश जब घर पे आए तो इसी ► जंडे में
 लिपटी होनी चाहिए!



- Not important for exam.
- # ↗ थोड़ा-पढ़ो-आगे-बढ़ो

Mrunal's Economy Pillar2A: Budget – an introduction



Fiscal policy



Budget ke
3 DOCX



Constitution ke
3 FUNDS



PM CARES Fund



Interim Budget



Vote on Account



[Yearbook] FinMin ke
Departments

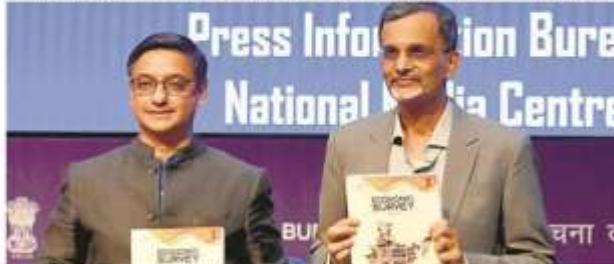


Economic Survey &
CEA?

20.6.1

⇒

⇒ Officially, budget is normally presented in two volumes. Read 300 pages to understand the themes of volume#1 to the data of volume#2. We have decided to compress it to single volume so that ideas can be presented in a crispy condensed manner. (दो अंकों में प्रकाशित किया जाए तो सामान्य व्यक्ति इतने सारे पढ़े पढ़ने नहीं सकता, उसमें प्रस्तुत विचारों को आपस में जोड़ नहीं सकता। इसलिए सिर्फ एक अंक में प्रकाशित किया)



Pg 250 onw

20.6.2

⇒

ES22 – WHY prepared by Principal Economic Adviser?
Traditionally the economic survey is prepared & signed by the Chief Economic Adviser (CEA) to FinMin. But in 2021: K. Subramanian left job. → 28th January 2022: V Anand becomes the new CEA → 31st Jan 2022 the new economic survey had to be published/presented. So, in reality Nageswaran would not have any time to himself! So, this ES22 was prepared and signed by another officer in Sanjeev Sanyal (Principal Economic Adviser to FinMin, प्रधान आर्थिक सलाहकार (आर्थिक सर्वेक्षण २०२२ प्रकाशित होने के तीन दिन पहले ही नवा साहब 'नागेश्वरन' तो नीकरी पे लगा था, इस असल ये सर्वेक्षण ने एक अन्य अफसर 'संजीव सान्याल' ने बनाया है, और संजीव सान्याल के हस्ताक्षर से प्रकाशित होना चाहिए।)

20.6.3

⇒

Chief Economic Advisor (CEA: मुख्य आर्थिक सलाहकार)

- Works under Finance ministry's Department of Economic Affairs
- Usual tenure 3 years, reappointment possible, but not a constitutional or statutory control over Indian Economic Service (IES) officers. (तीन साल का कार्यकाल पुनर्नियुक्ति का नहीं)
- Notable CEAs in Past: Manmohan Singh, Raghuram Rajan, Arvind Subramanian

Audio/Video
Problem?



CTRL R

Edu Doubt?
Ask through



Chief Economic Advisor (CEA: मुख्य आर्थिक सलाहकार)

- ◆ Finmin → Dept of Economic Affairs
- ◆ Usual tenure 3 years, reappointment possible, but not a constitutional or statutory body.
- ◆ Has control over Indian Economic Service officers (IES: specialists, recruited by UPSC separate exam)
- ◆ Prepares economic survey

Notable CEAs in Past:

- ◆ Manmohan Singh, Raghuram Rajan
- ◆ 2014-18: Arvind Subramanian
- ◆ 2018-2021: Krishnamurthy Subramanian.
- ◆ 2022: Dr V. Anantha Nageswaran



ECONOMIC SURVEY (आर्थिक सर्वेक्षण)

- ◆ No constitutional obligation to prepare it
- ◆ but usually it's tabled in the parliament **ONE** day before the Union Budget.

Vol2

- Past years' data



Vol1

- Future Suggestion
- Future projections

2022: Stopped **TWO** volumes

2022: Only **ONE** volume Economic Survey.

Reason: public doesn't have time to read 2 volumes.



Economic Survey 2022 published on 31st Jan 2022

is NOT prepared/signed by CEA Nageswaran.



अच्छा चलता हूँ दुआओं में याद रखना

Previous CEA Left Job in 2021

मैं तो 3 दिन पहले ही नौकरी पर लगा हूँ भाई
Joined 2022-Jan-28th



Survey owes deep gratitude to the families of all those involved in its preparation for
years important, but was especially true this year as the Economic Survey 2021-22



31st Jan 2022 Economic Survey
Published & signed by
**Sanjeev Sanyal (Principal
Economic Adviser, FM)**

Sanjeev Sanyal
(Principal Economic Adviser)
Ministry of Finance
Government of India



JANUARY

	T	W	T	F	S	
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30	31				

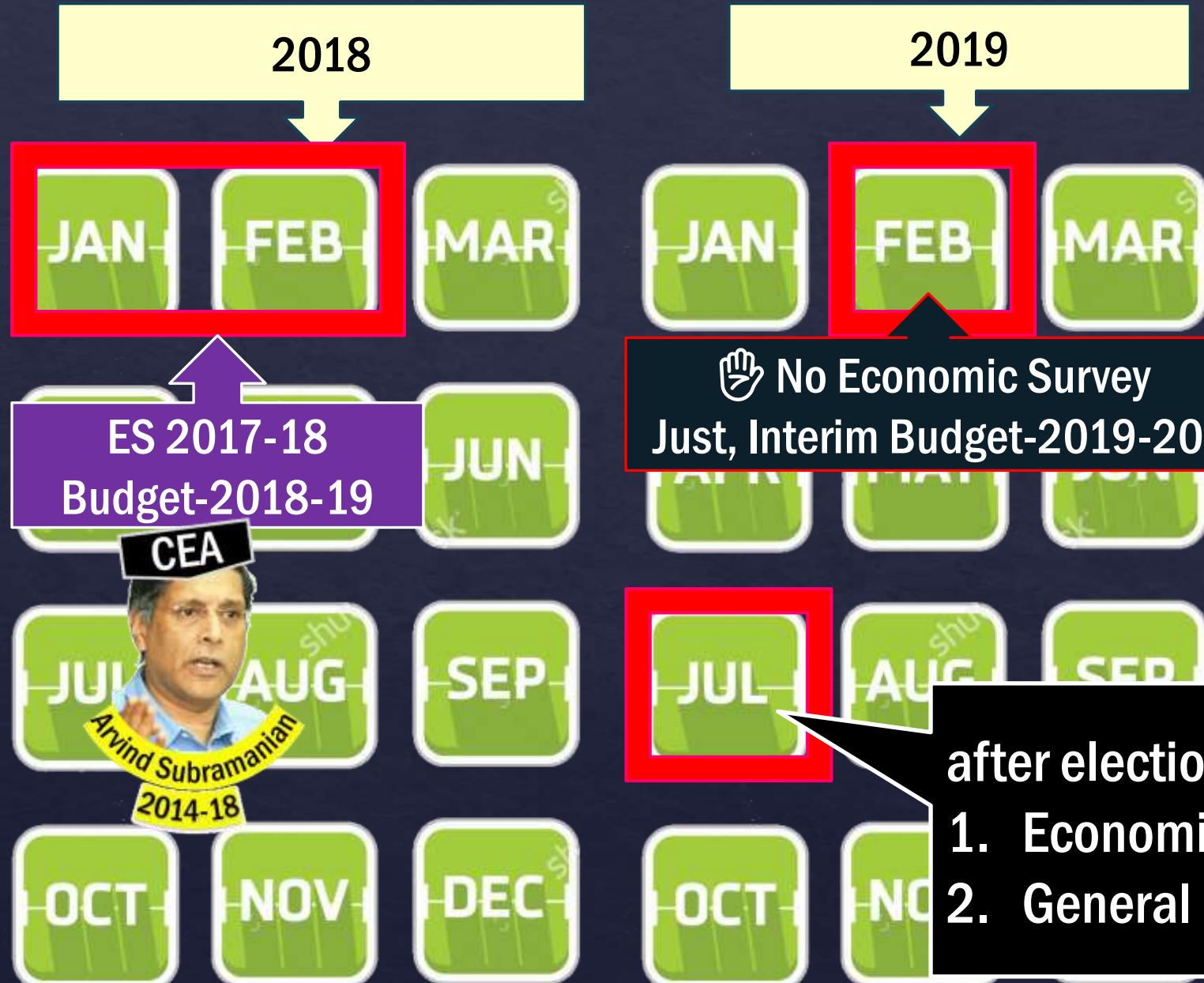
Budget 2023-24

FEBRUARY

S	M	T	W	T	F	S
			1	2	3	4
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28				



Economic Survey 2022-23



Will you teach economic surveys?: yes but pillarwise, not 'chapter wise'



PSB 50 years:
psbn, AI-ML, JAY-HO

1) MBFI

Behavioral change to boost tax income
Countercyclical fiscal policy



2) Budget

Protectionism

- Son meta preference, JAM trinity, UBI,
- Demography @2040
- Basic necessity index



Make in India
Assemble in India
focus on textile
Min. wages



6) HRD

4) Sectors of Economy

5) Infrastructure



Wealth creation, Is India's GDP overrated, Thalinnomics, V-Shaped Recovery

E-vehicles, renewable energy

Yes, We'll look previous economic surveys as and where applicable in the respective pillars.

What about latest budget and Economic Survey 2022 ? Yes they'll be covered..

नया आर्थिक सर्वेक्षण किधर पढ़ाओगे आप?

A	B
ES22Ch_01:- State of the Economy (अर्थव्यवस्था की स्थिति)	All
ES22Ch_02:- Fiscal Developments (राजकोषीय घटनाक्रम)	2
ES22Ch_03:- External Sector (वैदेशिक क्षेत्र)	3
ES22Ch_04:- Monetary Management and Financial Intermediation (मौद्रिक प्रबंधन और वित्तीय मध्यस्थता)	1
ES22Ch_05:- Prices and Inflation (कीमतें और मुद्रास्फीति)	4C
ES22Ch_06:- Sustainable Development and Climate Change (संधारणीय विकास और जलवायु परिवर्तन)	6
ES22Ch_07:- Agriculture and Food Management (कृषि और खाद्य प्रबंधन)	4A
ES22Ch_08:- Industry and Infrastructure (उद्योग एवं अवसंरचना)	5
ES22Ch_09:- Services (सेवाएं)	4B
ES22Ch_10:- Social Infrastructure, Employment and Human Development (सामाजिक अवसंरचना, रोजगार और मानव विकास)	4C, 6
ES22Ch_11:- Tracking Development through Satellite Images and Cartography (उपग्रह चित्र तथा मानचित्रण द्वारा विकास की निगरानी (ट्रैकिंग))	5



They'll be covered in respective pillars.

What about latest budget and Economic Survey 2023 ? Yes they'll be covered..

नया आर्थिक सर्वेक्षण किधर पढ़ाओगे आप?

Content

- Preface
- State of the Economy 2022-23: Recovery Complete
- India's Medium-term Growth Outlook: With Optimism and Hope
- Fiscal Developments: Revenue Relish
- Monetary Management and Financial Intermediation: A Good Year
- Prices and Inflation: Successful Tight-Rope Walking
- Social Infrastructure and Employment: Big Tent
- Climate Change and Environment: Preparing to Face the Future
- Agriculture & Food Management: From Food Security to Nutritional Security
- Industry: Steady Recovery
- Services: Source of Strength
- External Sector: Watchful and Hopeful



Nages
-waran

They'll be
covered in
respective
pillars.

Do I have to study economic survey myself?

मुझे खुद से आर्थिक सर्वेक्षण पढ़ना है कि नहीं

INDIA'S MEDIUM-TERM GROWTH OUTLOOK: WITH OPTIMISM AND HOPE

02
CHAPTER

2014-2022 is an important period in the economic history of India. The economy underwent a gamut of wide-ranging structural and governance reforms that strengthened the economy's fundamentals by enhancing its overall efficiency. With an underlying emphasis on improving the ease of living and doing business, the reforms were based on the broad principles of creating public goods, adopting trust-based governance, co-partnering with the private sector for development, and improving agricultural productivity. Under normal circumstances, reforms of such scale and relevance would have accelerated economic growth. However, largely due to the balance sheet stress caused by the credit boom in the previous years and secondarily due to the one-off global shocks that followed, key macroeconomic variables growth were adversely impacted with lagged effects as thei

Intro= italic para in beginning

- After course is over
- Read **introduction** and **conclusion** of chapters
- To improve vocab

How many surveys introduction / conclusion should I read?

कितने वर्षों का पढ़ूँ?

INDIA'S MEDIUM-TERM GROWTH OUTLOOK: WITH OPTIMISM AND HOPE

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CHAPTER

2014-2022 is an important period in the economic history of India. The economy underwent a gamut of wide-ranging structural and governance reforms that strengthened the economy's fundamentals by enhancing its overall efficiency. With an underlying emphasis on improving the ease of living and doing business, the reforms were based on the broad principles of creating public goods, adopting trust-based governance, co-partnering with the private sector for development, and improving agricultural productivity. Under normal circumstances, reforms of such scale and relevance would have accelerated economic growth. However, largely due to the balance sheet stress caused by the credit boom in the previous years and secondarily due to the one-off global shocks that followed key macroeconomic variables growth were adversely impacted with lagged effects as thei

Intro= italic para in beginning

- Minimum last 4-5
- Maximum NOT older than 2014-15 (Modi Govt)
- इससे पुराना नहीं

If old surveys has two volumes. Then IGNORE second volume
when u read introduction/conclusion

What was the theme of latest budget & Eco survey?

Presented in Paper / digital tablet? Ans given in handout

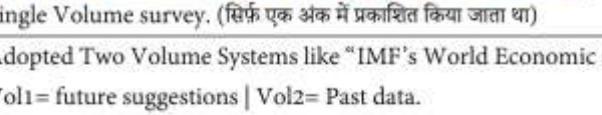
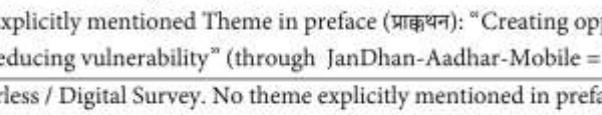
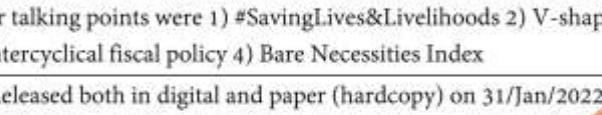
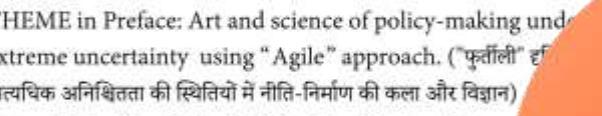
20.5.1 Budget's THEME (बजट की विषयवस्तु)

Constitution doesn't require, but sometimes FM will do it to create media-hype:

Budget Year	Did FM Speech mention a specific theme (विषयवस्तु) ?
2021 (Full) Paperless	<ul style="list-style-type: none"> No specific theme mentioned in speech but focus on AtmaNirbhar Bharat Paperless/Digital Budget in a Samsung tablet made in India, covered in Red-colored cover.
2022 (Full) Paperless	<ul style="list-style-type: none"> ⇒ Azadi ka Amrit Kaal, the 25-year-long leadup to India@100. ⇒ Four priorities: 1) PM GatiShakti, 2) Inclusive Development 3) Productivity Enhancement & Investment, Sunrise Opportunities, Energy Transition, and Climate Action 5) Financing of Investments ⇒ Paperless/Digital Budget in a tablet, covered in Red-colored cover.
2023 (Full) Paperless	<p>'Saptarishi' (7 priority) for Amrit Kaal, namely:</p> <ol style="list-style-type: none"> Inclusive Development , 2) Reaching the Last Mile, 3) Infrastructure and Investment, 4) Unleashing the Potential, 5) Green Growth, 6) Power , 7) Financial Sector



This type of GK more imp for
NON-IAS exam

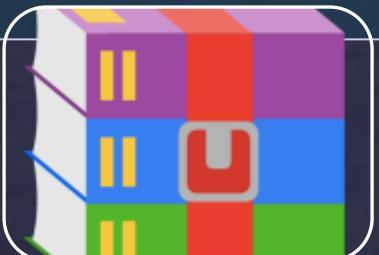
	<p>Till 2013-14</p> <p>⇒ Single Volume survey. (सिर्फ़ एक अंक में प्रकाशित किया जाता था)</p>
	<p>2014-15 2 volumes</p> <p>⇒ Adopted Two Volume Systems like "IMF's World Economic Outlook". (दो-अंक)</p> <p>⇒ Vol1= future suggestions Vol2= Past data.</p> <p>⇒ Explicitly mentioned Theme in preface (प्राक्षयन): "Creating opportunity and reducing vulnerability" (through JanDhan-Aadhar-Mobile = JAM trinity)</p>
	<p>2020-21 2 volumes</p> <p>Paperless / Digital Survey. No theme explicitly mentioned in preface. but focus areas / major talking points were 1) #SavingLives&Livelihoods 2) V-shaped Recovery 3) Countercyclical fiscal policy 4) Bare Necessities Index</p>
	<p>2021-22 1 Volume</p> <p>⇒ Released both in digital and paper (hardcopy) on 31/Jan/2022</p> <p>⇒ THEME in Preface: Art and science of policy-making under extreme uncertainty using "Agile" approach. ("फूर्तीली" द्वारा अत्यधिक अनिश्चितता की स्थितियों में नीति-निर्माण की कला और विज्ञान)</p> <p>⇒ Not published by CEA. Published by Principal Economic Advisor. (CEA का नहीं बनाया गया, बल्कि प्रमुख एकाडमी द्वारा बनाया गया। यह आवश्यक था, लेकिन इसके बारे में विस्तृत विवरण नहीं दिए गए।)</p> <p>⇒ Shifted from TWO Volumes to ONE Volume. (Reason explained in video lecture so save page space in handout)</p>
	<p>2022-23 1 Volume</p> <p>⇒ Released both in digital and paper (hardcopy) on 31/Jan/2023</p> <p>⇒ No theme explicitly mentioned in preface. but focus areas / major talking points were 1) #SavingLives&Livelihoods 2) V-shaped Recovery 3) Countercyclical fiscal policy 4) Bare Necessities Index</p> <p>⇒ India's Post-Corona economic recovery is complete</p> <p>⇒ GDP growth likely to be 6% to 6.8% for 2023-24</p> <p>⇒ 2022's survey: the social sector was covered in chapter 1</p> <p>⇒ 2023's survey: social sector chapter was shifted to chapter 2, which shows that Modi Govt is very serious about social sector</p>



Mrunal's Economy Pillar2A: Budget – an introduction



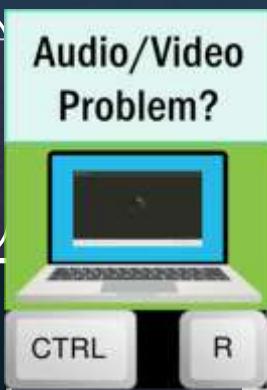
Fiscal policy



Budget ke
3 DOCX



Constitution ke
3 FUNDS



Audio/Video
Problem?



CTRL R

Page 250 onw



20.7.1 Department of Economic Affairs (DEA: आर्थिक कार्य/ आर्थिक मामलों का विभाग)

Functions of DEA:

- ⇒ Fiscal policy, Preparation and presentation of Union budget including the Railway component of budget. Budget for union territories without legislature, budget for States under president rule.
- ⇒ DEA announces the Interest rates of small saving schemes.
- ⇒ DEA assigns infrastructure status to a particular sector, maintains a website www.pppinindia.gov.in, to provide information related to Public Pvt Partnership. (Ref-Pill5)

Organizations under/related to DEA

- 1) Constitutional Body: Art. 280: Finance Commission. DEA liaisons with it.
- 2) Statutory Body: Board for Industrial and Financial Reconstruction (BIFR) – abolished after the coming of another statutory body- Insolvency and Bankruptcy Board of India (IBBI) under



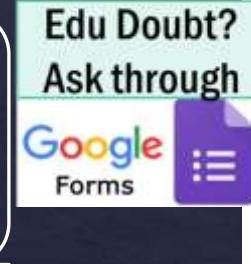
PM CARES Fund



Interim Budget



Vote on Account



Edu Doubt?
Ask through



[Yearbook] FinMin ke
Departments



Economic Survey &
CEA?

वित्त मंत्रालय के अलग अलग विभाग
कौन कौन से हैं?

l nor statutory
odies- such as RBI,

tered under the

FinMin departments...

❖ <https://unacademy.com/course/hindi-upsc-mrunals-yearbook-ministries-depts-statutory-autonomous-bodies/CIRW2HPS>

Test Preparation > UPSC CSE > Practice & Strategy > Crash Course

(Hindi) UPSC: Mrunal's [Yearbook] Ministries, Depts, Statutory, Autonomous Bodies

Enroll 1.1k

4.8 ★★★★★ • 60 ratings • 5 reviews

In this lecture series, we'll see various ministries, dept, bodies for [Yearbook] type MCQs in UPSC IAS/IPS Prelims.

Lessons (6) Reviews (5) Similar Courses (6)

- 1. Mrunal's [Yearbook] Ministries and Departments. → Forms of Government Organisations (in Hindi)
14m 46s
- 2. Mrunal's [Yearbook] Finance Ministry: Departments, Attached Bodies, PSUs (in Hindi)
14m 55s
- 3. Mrunal's [Yearbook] Finance Ministry Part-II: Departments & Practice MCQs
14m 48s

Share with friends

f t



Mrunal Patel



Further factual details are given in the handout. Not a rocket science. However, if still doubts, then go through first 3 videos of this 'free-app' lessons.

Types of organizations संगठनों के प्रकार



Ministry, dept, attached / subordinate offices

- Created by Gazette notification
- Dept : Recruitment: UPSC / SSC / dept itself
- attached / subordinate offices: slight freedom in operations / recruitment / budget

Statutory-वैधानिक

e.g. Health Ministry → National Health authority (NHA) for PM-JAY 5L health insurance

- Separate act
- May have powers to hear 'disputes': Quasi-Judicial= GST anti-profiteering authority
- May have Regulatory powers: RBI, SEBI
- May be for commercial objective: LIC, SBI (Statutory Corporation)
- Freedom in operations / recruitment / budget



Types of organizations संगठनों के प्रकार

CPSE (सरकारी कंपनियां)	
Examples	ONGC, SAIL, Coal India etc companies
Created by	Registration in Companies Act
Decision Making	Board of directors, Share holding

If made through separate act for
commercial objective
e.g. RBI, LIC, SBI, EPFO, FCI =
Statutory Corporation



Types of organizations संगठनों के प्रकार

	CPSE (सरकारी कंपनियां)	Autonomous bodies (स्वायत्त संस्थाएं)
Examples	ONGC, SAIL, Coal India etc companies	NAFED, Lalit Kala Akademi, Film and Television Institute of India (FTII), Pune
Created by	Registration in Companies Act	<ul style="list-style-type: none"> Societies Registration Act : Art, Science etc. Multistate Cooperative Society Act: some type of production / procurement
Decision Making	Board of directors, Share holding	Trustee board / Governing council = Voting by shareholding doesn't apply strictly

If made through separate act for commercial objective
e.g. RBI, LIC, SBI, EPFO, FCI =
Statutory Corporation





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YEAR END REVIEW 2020

Related Releases

- YEAR END REVIEW 2020: LEGISLATIVE DEPARTMENT
 - OVER 1.5 LAKH COVID RELATED COMPLAINTS RESOLVED ON SWACHHTHA APP—APP W...

- Year End Review: Department Of Youth Affairs
 - Year End Review 2020 Ministry Of Home Affairs
 - MEITY: YEAR END REVIEW 2020
 - Year End Review 2020 Of Ministry Of Social Justice & Empowerment Welfare
 - Year End Review 2020 Of Ministry Of Social Justice & Empowerment Welfare
 - 46 Footage
 - Year End Review 2020 Of Ministry Of Social Justice & Empowerment Welfare



- YEAR END REVIEW: 2020- DEPARTMENT OF TELECOMMUNICATIONS
 - Year End Review- 2020: Ministry Of Labour And Employment
 - Year End Review 2020- Ministry Of Panchayati Raj
 - Year End Review: Department Of Sports
 - Ministry Of Tourism: Year End Review 2020
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 - Year End Review- 2020 - Ministry Of Social Justice & Empowerment
 - Flash Flood Guidance Services Launched; The First Of Its Kind For Sout...
 - Year End Review -2020-Ministry Of Petroleum & Natural Gas
 - Year End Review 2020: Ministry Of Parliamentary Affairs
 - Year End Review 2020- Ministry Of Coal
 - MNRE: YEAR END REVIEW-2020
 - Year End Review- 2020 For Department For Promotion Of Industry & Inte...
 - DEPARTMENT OF JUSTICE: YEAR END REVIEW-2020

Watch 2 hours video for every ministry!

- = yearend review added in Handout itself.  खुद पढ़ना नहीं अलग से
 - This is just like 500 PAGES ka Economic Survey= doesn't mean everything is iMP. ज्यादातर तो बोल बच्वन होती है



ये लोग बजट
बनाते हैं

ये विभाग
टैक्स लेता है

FinMin ke Depts

सरकारी बैंक
और बीमा
कंपनियों से
समन्वय

1) Economic
Affairs

2) Revenue

CBIC

3) Expenditure

प्रधानमंत्री जन-धन प्रोजेक्ट
₹



4) Financial
Services

ओएनजीसी
ONGC

5) DIPAM

6) DPE



CBDT

ये विभाग
खर्चे करता है

Financial
Services
Institutions
Bureau

आखिरी के दो विभाग अन्य
सरकारी कंपनियों का काम
देखते हैं

FINANCE MINISTRY AND ITS DEPARTMENTS

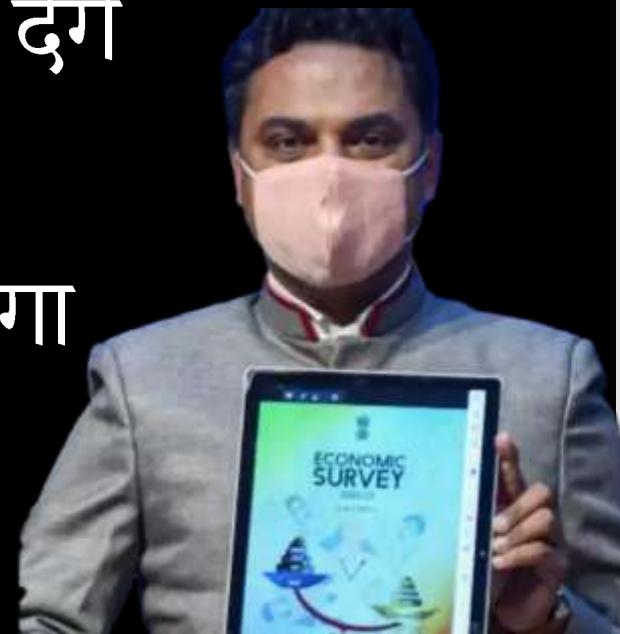
वित्त मंत्रालय के विभाग → 1) आर्थिक मामले 2) राजस्व 3) खर्च

ये बजट बनाएगा

1) Economic Affairs

- Preparation of budget,
- interest rates of small saving schemes.
- Chief economic advisor (CEA) sits here

बाकी सब विभाग इसको अलग अलग आंकड़े देंगे
उनका संकलन करके
आर्थिक मामलों का विभाग बजट निर्माण करेगा
जिसे वित्त मंत्री संसद में पेश करेंगे



FINANCE MINISTRY AND ITS DEPARTMENTS

वित्त मंत्रालय के विभाग → 1) आर्थिक मामले 2) राजस्व 3) खर्च

ये बजट बनाएगा

1) Economic Affairs

Statutory bodies:

CBDT, CBIC

2) Revenue

चुन चुन के टैक्स लेगा

3) Expenditure



- Preparation of budget, interest rates of small saving schemes.
- Chief economic advisor (CEA) sits here

- Central Board Direct Taxes (CBDT)
- Central Board of Indirect Taxes and Customs (CBIC). + a few others given in handout.

- Controller General of Account (CGA) prepares the estimate of how much ₹ from CFI

सालाना कितना खर्च होगा उसका अनुमान लगाता है

FinMin → (3)Dept of Expenditure → खर्च व्यय विभाग

Controller General of Account (CGA) → Two Web portals

Public Financial Management System - PFMS
O/o Controller General of Accounts, Ministry of Finance

MINISTRY OF FINANCE

Today's Transactions
Count: 2,67,165
Amount (Crores): 221

FY 2019 - 20 Transactions
Count: 63,14,17,393
Amount (Crores): 19,27,727

What's New ?

Publications

Distribution of scheme money to other ministries, dept, states, beneficiaries
PFMS: योजनाओं का पैसा नीचे भेजने का पोर्टल



FinMin



Union
Ministry/Dept



States



Beneficiary

FinMin → (3)Dept of Expenditure → Controller General of Account (CGA) → Two Web portals

Public Financial Management System - PFMS
O/o Controller General of Accounts, Ministry of Finance

MINISTRY OF FINANCE

1

Today's Transactions
Count: 2,67,165
Amount (Crores): 221

FY 2019 - 20 Transactions
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Amount (Crores): 19,27,727

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योजनाओं का पैसा नीचे भेजने का पोर्टल

Non-Tax Receipt Portal
Government of India

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Bharatkosh
सरकारी चीजें
बेचने का पोर्टल

BHARAT-2019
Rs.350.00
Available

INDIA-2019
Rs.350.00
Available

2

FINANCE MINISTRY → Departments

वित्त मंत्रालय के विभाग → 4) वित्तीय सेवा (बैंक और बीमा योजनाओं का काम) 5) विनिवेश

4)
Financial
Services



- **Bank board Bureau (FSIB),**
- PSB recapitalisation, public sector financial intermediaries, financial inclusion schemes.

सरकारी बैंक
और वित्तीय
संस्थानों के
मामले देखता है

भगवान के नाम पे कोई
BASEL कैपिटल दे, दौ
रे बाबा ☺ ☺



FINANCE MINISTRY → Departments

वित्त मंत्रालय के विभाग → 4) वित्तीय सेवा (बैंक और बीमा योजनाओं का काम) 5) विनिवेश

4)
Financial
Services

- Bank board Bureau, PSB recapitalisation, public sector financial intermediaries, financial inclusion schemes.

5) DIPAM



- Department of Investment and Public Asset Management (DIPAM)
- looks after Disinvestment. (Pillar2D)

6) DPE

- Department of Public Enterprises (DPE) = NEXT SLIDE



भगवान के नाम पे कोई
BASEL कैपिटल दे दौ
रे बाबा 😊😊



सरकारी बैंक
और वित्तीय
संस्थानों के
मामले देखता है

विनिवेश यानी की सरकारी
कंपनियों से सरकार के शेयर
बेचने के मामले देखता है

चुन चुन के
सरकारी कंपनियों
को बेचेंगे



FinMin gets 6th Department (2021,July): Department of Public Enterprises (DPE)



#6) Department of Public Enterprises (DPE)

Employee Training

VRS (Explained in 1B1)

Supervision performance monitoring

'Ratna Status' to Profit making Govt companies

#5) Department of Investment and Public Asset Management (DIPAM)

- Disinvestment of govt companies (More in Pill2D)



विनिवेश यानी की सरकारी कंपनियों से सरकार के शेयर- निजी निवेशक उद्योगपति अदानी अंबानी को बेचने के मामले देखता है

FinMin gets 6th Department (2021,July): Department of Public Enterprises (DPE)



BEFORE	AFTER
<p>Department of Public Enterprises (DPE) functioned under Ministry of Heavy Industries and Public Enterprise (पहले ये सार्वजनिक उपक्रम विभाग “भारी उद्योग तथा सार्वजनिक उपक्रम मंत्रालय” के अंतर्गत काम करता था)</p>	<ul style="list-style-type: none">- Department of Public Enterprises (DPE) shifted to Finance Ministry.- Benefit? DPE can work with more synergy / coordination with DIPAM Department. (तालमेल संकलन में बेहतर होगी)



PSBs / Govt companies – recruitment of top-officials

सरकारी बैंक और सरकारी कंपनियों में उच्च पदाधिकारियों का चयन कौन करता है



Selection/Interview of Managing Director, Chairman & other Top-Officials in __

Public Sector Banks/NBFCs/AIFI e.g.

SBI, PNB, LIC, NABARD, NHB etc (What
are they? Ref: 1B1: Classification) → →

- Government companies Other than [Public Sector Bank/NBFC/AIFI]

e.g. ONGC, Coal India, Hindustan Copper,
Hindustan Aeronautics Limited (HAL) etc

- LOWER hierarchy in above organizations
(managers, Clerk, typist, Driver etc) →

RBI Governor, SEBI Chief etc → → →

Who is responsible?

(इन उच्च पदाधिकारियों का चयन कौन करता है)

BBB / FSIB (More in Pillar#1B2)

(सरकारी बैंकों/सरकारी वित्तीय संस्थान में उच्च
अधिकारियों के चयन के लिए अलग संस्था है)

Public Enterprises Selection Board (PESB)

under the Ministry of personnel (सरकारी बैंक/
सरकारी वित्तीय संस्थान के अलावा वाली सरकारी कम्पनियों
में उच्च अधिकारियों के चयन के लिए अलग संस्था PESB
है)

IBPS, SBI, ONGC, NABARD etc.

Selection Committee under Cabinet
Secretary (IAS)

1



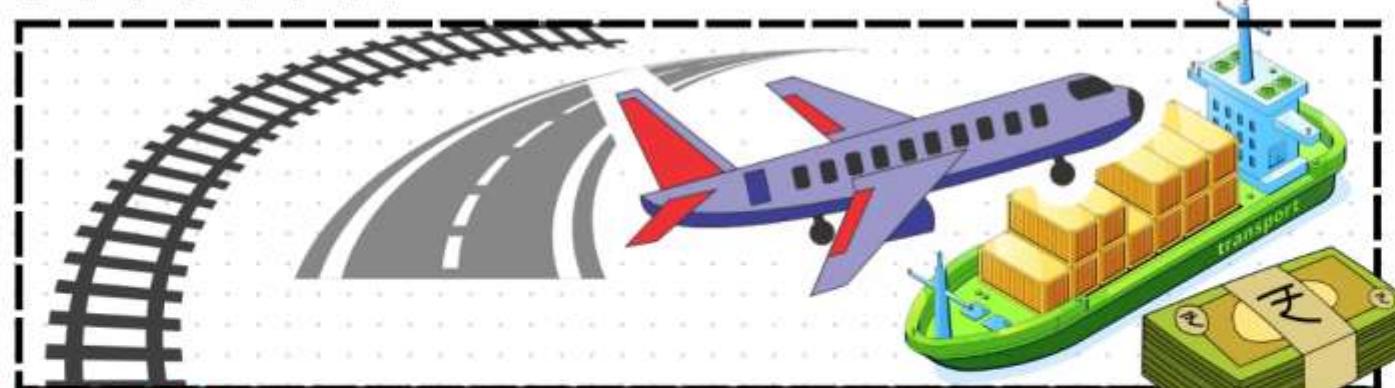
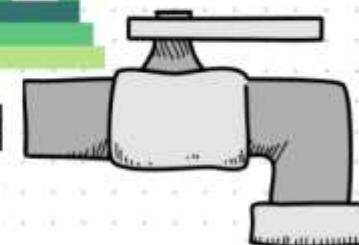
Govt companies'
land, building etc.

sell/rent



2

National Land
Monetization
Corporation



4

'PM Gati Shakti' for faster transport of
man-material

3

National
MONETISATION
Pipeline 2021



ये लोग बजट
बनाते हैं

ये विभाग
टैक्स लेता है

FinMin ke Depts

1) Economic Affairs

2) Revenue

CBIC

3) Expenditure



सरकारी बैंक और बीमा
कंपनियों से समन्वय

आखिरी के दो विभाग अन्य
सरकारी कंपनियों का काम
देखते हैं



ये विभाग
खर्चे करता है



4) Financial Services



5) DIPAM

Bank Board Bureau



6) DPE

NLMC

- Each of these dept headed by a 'Secretary' (usually an IAS Officer),
- Among them senior most designated as **Finance Secretary**, who **signs one rupee note**. इन पांचों सचिवों में जो सबसे वरीष्ठ होगा उसे मैं वित्त सचिव का पद, वो ₹1 के नोट पर हस्ताक्षर करेगा

ये लोग बजट
बनाते हैं

ये विभाग
टैक्स लेता है

FinMin ke Depts

1) Economic Affairs

2) Revenue

CBIC

3) Expenditure



सरकारी बैंक और बीमा
कंपनियों से समन्वय

आखिरी के दो विभाग अन्य
सरकारी कंपनियों का काम
देखते हैं



ये विभाग
खर्चे करता है



4) Financial Services



5) DIPAM

Bank Board
Bureau



6) DPE



7th (lesser known) Dept: Indian Audit and Accounts Department headed by CAG but as per Press release only 6 dept so for MCQ remember “6 Dept”

This type of KBC GK is useless for UPSC, because poor cost:Benefit



- ❖ first Union budget of independent India was presented by **R. K. Shanmukham Chetty** on November 26, 1947.
- ❖ The maximum number of budget presented by: **Morarji Desai (10 times), P Chidambaram (8 times)**

Mrunal's Economy Pillar2A: Budget – an introduction

Pg 212-21

FINANCE MINISTRY AND ITS DEPARTMENTS: (जिल मंत्रालय और उसके विभाग)

Department of Economic Affairs (DEA): आर्थिक कार्य/ आर्थिक व्यवस्था का विभाग

Fiscal policy, Preparation and presentation of Union budget including the Railway component of budget. Budget for union territories without legislature, budget for States under president rule.

DEA announces the interest rates of small saving schemes.

DEA assigns infrastructure status to a particular sector, maintains a website www.pppinindia.gov.in, to provide information related to Public-Private Partnership. (Ref-Pill2)

Organizations under/related to DEA

- Constitutional Body: Art. 280: Finance Commission. DEA liaisons with it.
- Statutory Body: Board for Industrial and Financial Reconstruction (BIFR) – abolished after the coming of another statutory body - Insolvency and Bankruptcy Board of India (IBBI) under Corporate Affairs Ministry. (more on BIFR in Pillar4B)
- Chief Economic Advisor (CEA) that we learned in previous section.
- Financial Stability and Development Council (FSDC): is neither Constitutional nor statutory body. FM is chairman. Members include the chiefs of all financial regulatory bodies- such as RBI, SEBI, IRDAI, PFRDA and the chief of IBBI (Ref: 1C)
- PSU: Security Printing and Minting Corporation of India Ltd. (SPMCL). Registered under the

Budget ke 3 DOCX

Constitution ke 3 FUNDS

Edu Doubt? Ask through Google Forms

PM CARES Fund

Interim Budget

Vote on Account

INDIA 2020

[Yearbook] FinMin ke 5 Departments

Economic Survey & CEA?



Mrunal's Economy Pillar2A: Budget – an introduction



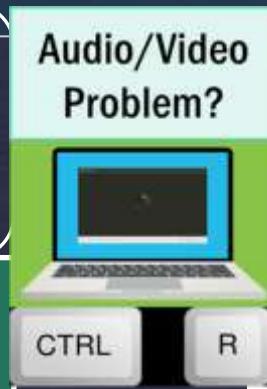
Fiscal policy



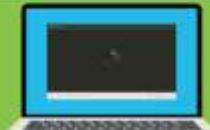
Budget ke
3 DOCX



Constitution ke
3 FUNDS



Audio/Video
Problem?



CTRL R

Pg 263 onwards

20.7

FINANCE MINISTRY AND ITS DEPARTMENTS: (वित्त मंत्रालय और उसके विभाग)



20.7.1

Department of Economic Affairs (DEA: आर्थिक कार्य/ आर्थिक मामलों का विभाग)

Functions of DEA:

- ⇒ Fiscal policy, Preparation and presentation of Union budget including the Railway component of budget. Budget for union territories without legislature, budget for States under president rule.
- ⇒ DEA announces the Interest rates of small saving schemes.
- ⇒ DEA receives infrastructure status to a particular sector, maintains a website ov.in, to provide information related to Public Pvt Partnership. (Ref-Pill5)

Edu Doubt?
Ask through



मेरे को दुसरी शादी में
घूमने फिरने से टाइम
ही नहीं मिल रहा!



Organizations under/related to DEA

dy: Art. 280: Finance Commission. DEA liaisons with it.

oard for Industrial and Financial Reconstruction (BIFR) – abolished by the
statutory body- Insolvency and Bankruptcy Board of India

Ministry. (Ref more on BIFR in Pillar4B)

- 3) Chief Economic Advisor (CEA) that we learned in previous section.
- 4) Financial Stability and Development Council (FSDC): is neither Constitutional nor statutory body. FM is chairman. Members include the chiefs of all financial regulatory

SEBI,
PSU:

वक्त होता नहीं है, वक्त
निकलना पड़ता है!



[Yearbook] FinMin ke
Departments



Economic Survey &
CEA?



यूपीएससी के
बाबू शोने

How does budget look like in real life?

1

विवरण । - भारत का समेकित निधि - राजस्व खाता - प्राप्तियाँ

STATEMENT I - CONSOLIDATED FUND OF INDIA - REVENUE ACCOUNT - RECEIPTS

	मुख्य शीर्ष Major Head	वास्तविक Actuals 2019-2020	बजट अनुमान Budget Estimates 2020-2021	संशोधित अनुमान Revised Estimates 2020-2021	बजट अनुमान Budget Estimates 2021-2022
A. TAX REVENUE					
(a) Taxes on Income and Expenditure		1037155.03	1306000.00	893000.00	1095500.00
Corporation Tax	0020	556875.55	681000.00	446000.00	547000.00
Taxes on Income Other Than Corporation Tax	0021	480348.14	625000.00	447000.00	548500.00
Hotel Receipts Tax	0023	1.26	—	—	—
Interest Tax	0024	2.09	—	—	—
Fringe Benefit Tax	0026	-135.27	—	—	—
Other Taxes on Income and Expenditure	0028	63.26	—	—	—
(b) Taxes on Property and Capital Transactions		12394.04	13000.00	12000.00	12500.00
Estate Duty	0031	1.70	—	—	—
Taxes on Wealth	0032	18.11	—	—	—
Securities Transaction Tax	0034	12374.23	13000.00	12000.00	12500.00
(c) Taxes on Commodities and Services		957710.05	1099520.00	992219.49	1105327.13
Central Goods and Services Tax (CGST)	0005	494070.60	580000.00	431000.00	530000.00
Union Territory Goods and Services Tax (UTGST)	0007	3034.98	3000.00	2719.49	3327.13
Integrated Goods and Services Tax (IGST)	0008	9125.21	—	—	—
Goods and Services Tax	0009	95553.09	110500.00	84100.00	100000.00

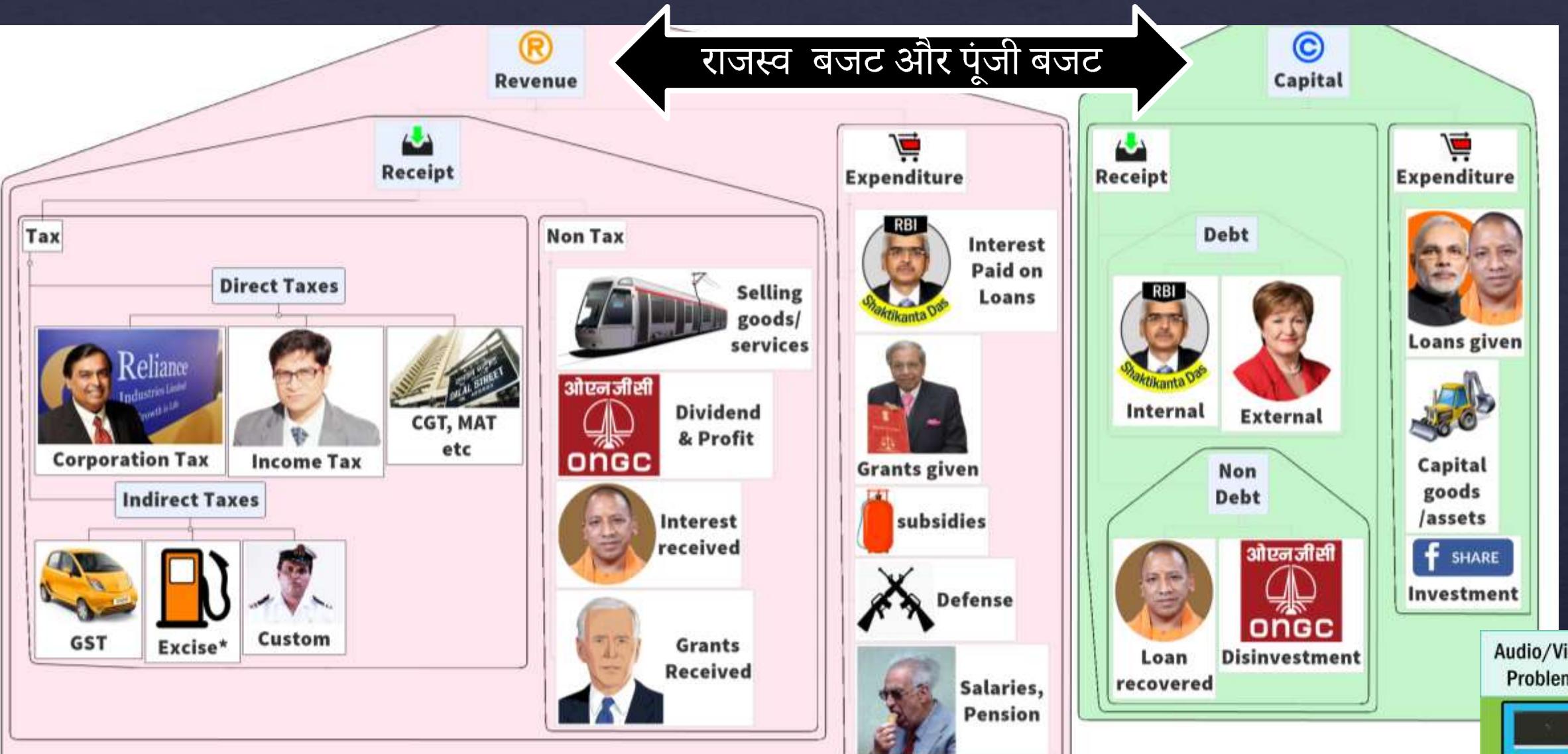
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विवरण । - भारत का समेकित निधि - पूँजी खाता - संवितरण

NTI - CONSOLIDATED FUND OF INDIA - CAPITAL ACCOUNT - DISBURSEMENTS

	मुख्य शीर्ष Major Head	वास्तविक Actuals 2019-2020	बजट अनुमान Budget Estimates 2020-2021	संशोधित अनुमान Revised Estimates 2020-2021	बजट अनुमान Budget Estimates 2021-2022
A. CAPITAL ACCOUNT OF GENERAL SERVICES					
Currency, Coinage and Mint	4046	670.97	—	—	—
Other Fiscal Services	4047	2588.45	2605.01	2520.01	2755.01
Police	4055	8991.09	9268.12	4925.65	9041.88
Stationery and Printing	4058	—	100.00	10.00	88.00
Public Works	4059	1270.92	1825.74	1698.83	2606.15
Other Administrative Services	4070	220.73	369.10	426.08	1382.95
Miscellaneous General Services	4075	-27.17	0.62	0.82	0.69
Defence Services	4076	111092.43	113734.00	134510.00	135060.72
B. CAPITAL ACCOUNT OF SOCIAL SERVICES					
Education, Sports, Art and Culture	4202	2215.89	2325.30	258.41	107.49
Medical and Public Health	4210	1640.21	996.19	4166.30	2434.33
Family Welfare	4211	8.94	10.00	7.15	10.22
Housing	4216	962.62	1030.78	1181.21	1344.67
Urban Development	4217	3713.06	3416.00	1720.85	3484.91
Information and Publicity	4220	4.29	12.56	6.40	12.62

राजस्व बजट और पूँजी बजट



Let the entire series get completed, then this picture will make sense to

you. पूरे बजट का चित्र को जैसा दिखता है हालांकि
अभी पूरे चित्र पर नहीं हम सिर्फ कराधान पर ध्यान देंगे

Budget: Annual Financial Statement (Art.112)

