

HIGHLIGHTS OF UNION BUDGET 2023-24: PART A

Why in News?

- Union Finance Minister Nirmala Sitharaman presented the Union Budget 2023-24 in Parliament.
- She emphasized that **Indian economy is on the right track, and despite a time of challenges, heading towards a bright future.**
- In this article, vision priority areas and budget estimates mentioned in the Union budget are covered in detail.

Highlights of Union Budget 2023-24:

- **Achievements since 2014 –**



Achievements Since 2014

From 10th To 5th Largest Economy In The World Within 9 Years

- ✓ 11.7 Cr household toilets under Swachh Bharat Mission
- ✓ 9.6 Cr LPG connections under Ujjawala Yojana
- ✓ 220 Cr Covid vaccinations of 102 crore persons
- ✓ 47.8 Cr bank accounts under PM Jan Dhan Yojana
- ✓ 44.6 crore persons covered under PM Suraksha Bima and PM Jeevan Jyoti Yojana
- ✓ 2.2 Lakh Cr cash transferred to over 11.4 crore farmers under PM Kisan Samman Nidhi
- ✓ Per capita income more than doubled to Rs 1.97 lakh



- The Union Finance Minister said that the government's efforts since 2014 have ensured for all citizens a better quality of living and a life of dignity and the **per capita income has more than doubled to Rs 1.97 lakh.**
- Since 2014, the Indian economy has increased in size from being 10th to 5th largest in the world.
- Moreover, the economy has become a lot more formalized as reflected in the EPFO membership, more than doubling to 27 crore, and **7,400 crore digital payments of Rs 126 lakh crore through UPI in 2022.**

- **Vision for Amrit Kaal –**

- The Finance Minister said that our vision for the Amrit Kaal includes technology-driven and knowledge-based economy with strong public finances.

- Following four opportunities can be transformative during Amrit Kaal –

- **Economic empowerment of women**

- **PM Vishwakarma Kaushal Samman (PM VIKAS)**

- For centuries, traditional artisans and craftspeople, who work with their hands using tools, have brought renown for India and they are generally referred to as **Vishwakarma**.

- for the first time, a package of assistance for them has been conceptualized.

- The new scheme will enable them to improve the quality, scale and reach of their products, integrating them with the MSME value chain.

- **Tourism**

- **Green Growth**

Priorities of the Budget 2023-24:

- The Finance Minister said that **seven priorities** of the Union Budget and said that they complement each other and act as the ‘**Saptarishi**’ guiding us through the **Amrit Kaal**.

- These seven priorities are as follows –

- Inclusive Development

- Reaching the Last Mile

- Infrastructure & Investment

- Unleashing the Potential

- Green Growth

- Youth Power

- Financial Sector

Budget Estimates 2023-24:

- The Finance Minister said that the total receipts other than borrowings and the total expenditure are estimated at Rs 27.2 lakh crore and Rs 45 lakh crore respectively.

- The **net tax receipts are estimated at Rs 23.3 lakh crore**.

- The **fiscal deficit is estimated to be 5.9 per cent of GDP**.

- Government plans to continue the path of fiscal consolidation, reaching a fiscal deficit below 4.5 per cent by 2025-26.
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HIGHLIGHTS OF UNION BUDGET 2023-24: PART B

Why in News?

- Union Finance Minister Nirmala Sitharaman presented the Union Budget 2023-24 in Parliament.
- She emphasized that **Indian economy is on the right track, and despite a time of challenges, heading towards a bright future.**
- In this article, announcements related to Taxation are covered in detail.

Highlights of Union Budget 2023-24:

- **Personal Income Tax –**
 - People with income of up to Rs 7 lakh per annum will not have to pay any tax, under the new tax regime.
 - The tax structure in the new personal tax regime has been changed by **reducing number of slabs to five** and increasing the tax exemption limit to Rs 3 lakh.
 - The **highest surcharge rate in personal income tax has been reduced from 37% to 25%** in the new tax regime for income above Rs 2 crore.
 - This would result in maximum tax rate of personal income tax come down to 39% which was earlier 42.74%.
- **Indirect Tax Proposals –**



- The indirect tax proposals announced in the budget emphasized on simplification of tax structure with fewer tax rates so as to help in reducing compliance burden and improving tax administration.
- The **number of basic customs duty rates on goods, other than textiles and agriculture, has been reduced from 21 to 13.**
- **Common IT Return Form –**
- The Union Budget also proposes to roll out a next-generation common IT return form for tax payer convenience.
- It also stipulates a plan to strengthen the grievance redressal mechanism for direct taxes.
- **Better Targeting of Tax Concessions –**
- For better targeting of tax concessions and exemptions, deduction from capital gains on investment in residential house has been capped at Rs 10 crore.
- Income tax exemption from proceeds of insurance policies with very high value will also have limit.
- There are a number of proposals relating to rationalization and simplification of direct taxes in the Union Budget.
- **Proposals relating to MSMEs –**

- Describing Micro, Small and Medium Enterprises (MSMEs) as growth engines of our economy, the Budget proposes enhanced limits for micro enterprises and certain professionals for availing the benefit of presumptive taxation.
- To support MSMEs in timely receipt of payments, the Budget allows deduction for expenditure incurred on payments made to them only when payment is actually made.
- **Cooperation –**
 - The Budget has a slew of proposals for the cooperative sector.
 - **New cooperatives that commence manufacturing activities till 31st March next year shall get the benefit of a lower tax rate of 15%.**
- **Startups –**
 - The Budget proposes to extend the date of incorporation for income tax benefits to start-ups from 31.03.2023 to 31.03.2024.
 - It also provides the **benefit of carry forward of losses on change of shareholding of start-ups from 7 years of incorporation to 10 years.**
- **Amendments in CGST Act –**
 - The Budget provides for amending the Central Goods and Services Tax (CGST) Act so as to **raise the minimum threshold of tax amount** for launching prosecution under GST from Rs 1 crore to Rs 2 crore.
 - It will also decriminalize certain clauses of the Act like obstruction and preventing of any officer from discharge of his duties, deliberate tempering of evidence or failure to supply the information.
- **Implications of Tax Changes –**
 - Announcing the changes in the direct and indirect taxes, the finance minister said that **revenue of about Rs 38,000 crore will be foregone** as a result of these proposals, while revenue of about Rs 3,000 crore will be additionally mobilized.
 - Thus, the **total revenue foregone is about Rs 35,000 crore annually on account of these proposals.**

CONSERVATION INITIATIVES IN THE BUDGET

During the Budget speech Union finance minister announced multiple schemes towards the protection and conservation of India's natural heritage, including mangroves and wetlands.



Key schemes announced in the budget are:

- **MISHTI (Mangrove Initiative for Shoreline Habitats & Tangible Incomes)**
 - It is a new programme that will facilitate **mangrove plantations** along India's coastline and on saltpan lands.
 - The programme will operate through "convergence between MGNREGS, Campa Fund and other sources."
 - This new programme will aim at the intensive afforestation of coastal mangrove forests.
- **Amrit Dharohar**
 - This is a scheme that will be implemented over the **next three years** to encourage the **optimal use of wetlands** and enhance bio-diversity, carbon stock, eco-tourism opportunities and income generation for local communities.
 - Amrit Dharohar will emphasise the importance of wetlands and their preservation, with an outlook that is inclusive of local communities as caretakers of the ecosystem.

[EKALAVYA MODEL RESIDENTIAL SCHOOLS \(EMRS\)](#)

Finance Minister recently said that as many as 38,800 teachers will be hired for Ekalavya Model Residential Schools.



About Ekalavya Model Residential Schools (EMRS)

- EMRS started in the year 1997-98 to impart quality education to **ST children in remote areas** to enable them to access the best opportunities in education and to bring them at par with the general population.

- EMRS are established in the States/UTs from the grants received under Article 275(1) of the Constitution of India.
- **Features:**
 - EMRS are co-educational residential schools from Class VI to XII.
 - Eklavya schools will be on par with Navodaya Vidyalayas and will have special facilities for preserving local art and culture besides providing training in sports and skill development.
 - Each school has a capacity of 480 students with equal number of seats for boys and girls.
 - Non-ST students can be admitted in these schools on seats up to 10% of the total seats.
 - CBSE curriculum is followed in these schools, and education is completely free.
- The National Education Society for Tribal Students (NESTS), an autonomous organization has been set up under the Ministry of Tribal Affairs to establish and manage EMRS across the country.
- **Government Target:** As per the Budget 2018-19, every block with more than 50% ST population and at least 20,000 tribal population will have an EMRS by the year 2022.

AGRICULTURE AND FARMERS' WELFARE INITIATIVES ANNOUNCED IN BUDGET 2023-24

During the Budget speech Union finance Minister announced multiple schemes towards Agriculture and Farmers' Welfare.



Key initiatives announced are:

- PM PRANAM (Prime Minister Programme for Restoration, Awareness, Nourishment and Amelioration of Mother Earth)
 - This programme will seek to incentivise states and union territories to promote alternative fertilisers and the balanced use of chemical fertilisers.
- **Bhartiya Prakritik Kheti Bio-Input Resource Centres**
 - Under this 10,000 Bio-Input Resource Centres will be set up, creating a national-level distributed micro-fertiliser and pesticide manufacturing network.
 - This will impact over 1 crore farmers over the next three years.

- **Agriculture Accelerator Fund**
 - The Fund will aim at bringing **innovative and affordable solutions** for challenges faced by farmers.
 - It will also bring in modern technologies to transform agricultural practices, and increase productivity and profitability."
- **Cotton crop productivity enhancement**
 - Union government will adopt a **cluster-based approach** to enhance the cotton crop.
 - To enhance the productivity of extra-long staple cotton, the government will adopt a cluster-based and value chain approach through Public Private Partnerships (PPP).
- **Centre of excellence for millets**
 - **Indian Institute of Millet Research, Hyderabad** will be made into a Centre for Excellence and it will be supported for sharing best practices, research and technologies at the international level.
- **Agriculture credit to be increased**
 - The agriculture credit target will be **increased to Rs 20 lakh crore** with a focus on animal husbandry, dairy, and fisheries.
- **GOBARdhan scheme**
 - Five-hundred new ‘waste to wealth’ plants under GOBARdhan (Galvanizing Organic Bio-Agro Resources Dhan) scheme will be established for promoting a circular economy.

UNIFIED PAYMENTS INTERFACE (UPI): NRIS FROM 10 COUNTRIES CAN USE UPI WITH THEIR INTERNATIONAL MOBILE NUMBERS

Why in News?

- According to a notice by the **National Payments Corporation of India (NPCI)**, non-resident account types that have international mobile numbers will now be allowed to transact with Unified Payments Interface (UPI).

- Consequently, the Union Cabinet **approved an incentive scheme** (with an outlay of ₹ 2,600 crore) for the promotion of RuPay debit Cards and low value BHIM UPI transactions (person to merchant) in FY 2022-23.

What are the Benefits of NPCI Notification and Who will Receive them?

- **Non-resident accounts** such as non-resident external accounts (NRE) and non-resident ordinary accounts (NRO), having international numbers, will now be allowed into the UPI payment system.
 - **NRE accounts** are those used by non-residents Indians (NRIs) to transfer earnings from foreign soil to India while **NRO accounts** are used to manage income earned in India (rent, interest, pension, etc) by NRIs.
- The NPCI had allowed UPI transactions **to and from NRO/NRE accounts** linked to Indian numbers back in October 2018.
- At present, **users from 10 countries** will be able to avail the facility - Singapore, Australia, Canada, Hong Kong, Oman, Qatar, the U.S., Saudi Arabia, UAE, and the U.K.
- The development would **allow NRIs to -**
 - **Use the payment method for making utility bill payments** for their families (or themselves) in India,
 - Make purchases from e-commerce or online platforms and
 - Make payments to physical merchants who accept UPI QR based payments when they travel to India.
- **Currently**, all the internal systems as well as ecosystem players such as banks, NPCI, etc., only understand India-based mobile numbers for UPI transactions.
- With this enablement, a **significant number of systems** will need **infrastructural and technological changes** required to support such payments.

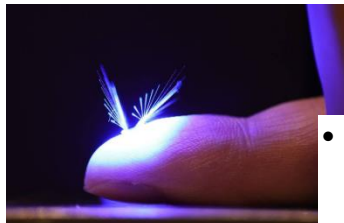
What is the Discussion on Merchant Discount Rate (MDR)?

- MDR (alternatively referred to as the Transaction Discount Rate (TDR)) **is the sum total of all the charges and taxes** that a digital payment entails.
- For instance, the MDR **includes bank charges**, which a bank charges customers and merchants for allowing payments to be made digitally.

- Similarly, **MDR also includes the processing charges** that a payments aggregator has to pay to online or mobile wallets or indeed to banks for their service.
- Presently, **there is no MDR charge levied for RuPay** based debit card and UPI transactions.
- In 2022, the Finance Ministry stated that **it was not planning to levy any charges for UPI services** and the concerns of the service providers for cost recovery have to be met through other means.
- The Reserve Bank of India (RBI) and various stakeholders expressed concerns about the potential adverse **impact of the zero MDR regime on the growth of the digital payments' ecosystem.**
- **The NPCI requested the incentivisation** of BHIM UPI and RuPay debit card transactions to -
 - Create a cost effective value proposition for ecosystem stakeholders,
 - Increase merchant acceptance footprints and
 - Faster migration from cash payments to digital payments.

FAIRY ROBOTS

Tampere University researchers recently developed a Dandelion seed-inspired flying robot that could potentially replace pollinators.



About FAIRY Robots:

- The FAIRY robot, which is based on the **Light Responsive Materials** Assembly, is a tiny lightweight robot that floats in the wind.
- Surprisingly, the robot can be **controlled by a light source** like a laser beam or an LED.
- Researchers could use light to change the shape of the robot, allowing it to adapt to the direction of the wind.
- A soft actuator made of light-responsive liquid **crystalline elastomer** powers the polymer assembly robot inspired by dandelion seeds.

As a result, the researchers were able to stimulate the actuator's bristles to open or close by using visible light.

WHAT ARE LAB-GROWN DIAMONDS?

In a recent Budget speech Union finance Minister announced that the Customs duty on the seeds used in lab-grown diamond manufacturing will be reduced.



About Lab-grown diamonds:

- Lab-grown diamonds are diamonds that are produced **using specific technology** which mimics the geological processes that grow natural diamonds.

- The diamond simulants such as Moissanite, Cubic Zirconia (CZ), White Sapphire, YAG, and others are used to make them look like natural diamonds.

How are LGDs produced?

- There are multiple ways in which LGDs can be produced.
- **High pressure, high temperature” (HPHT) method**
 - It is the most common and cheapest method.
 - In this method, extremely **heavy presses** that can produce up to 730,000 psi of pressure under **extremely high temperatures** of at least 1500 celsius are applied.
 - Usually, **graphite** is used as the “**diamond seed**” and when subjected to these extreme conditions, the relatively inexpensive form of carbon turns into one of the most expensive carbon forms.
- **Chemical Vapor Deposition (CVD)** and explosive formation create what is known as detonation nanodiamonds.

Application of Lab-grown diamonds:

- Used for **industrial purposes**, in machines and tools and their hardness and extra strength make them ideal for use as cutters.
- Pure synthetic diamonds are used in **electronics** as a heat spreader for high-power laser diodes, laser arrays and high-power transistors.