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1. Interim Budget 2024: 6 key takeaways

A regular Budget outlines the country's economic and financial trajectory for the entire financial year. The interim Budget, on the other hand, gives an outline of the same, only for the transition period till the new government comes to power after the elections. The finance minister said the regular Budget would be scheduled for July after the elections.

Interim Budget 2024 Key Takeaways:

1. Muted expectations from nominal GDP growth

Nominal GDP is the fundamental variable in any Budget. The real GDP growth that is commonly talked about is derived from nominal GDP growth after removing the effect of inflation. So, if nominal GDP growth in a particular year is 12% and inflation is 4%, then the real GDP growth will be 8%.

For the coming financial year (2024-25), the government expects the nominal GDP to grow by 10.5%. According to the latest Budget documents, the government projects India's nominal GDP to be Rs 3,27,71,808 crore, assuming 10.5 % growth over the estimated nominal GDP of Rs 2,96,57,745 crore in the current financial year (2023-24).

2. Significant reduction in fiscal deficit

Fiscal deficit essentially shows the amount of money that the government borrows from the market. It does so to bridge the gap between its expenses and income. Fiscal Deficit is the most watched variable because if a government borrows more, it leaves a smaller pool of money for the private sector to borrow from. That, in turn, leads to higher interest rates, which, further drags down economic activity.

In the run-up to the Budget, analysts expected the government to bring down the fiscal deficit to 5.9% of the GDP. The FM did slightly better by announcing that the fiscal deficit has been brought down to 5.8% level. Further, the FM announced similarly ambitious targets for the FY25 — at 5.1% of GDP— and FY26 — at 4.5% of GDP.

3. Capital expenditure target not met

The cornerstone of last year's Budget presentation was the spike in capital expenditure by the government. The government received a lot of praise for raising capex target to Rs 10 lakh crore. But the data for Revised Estimates shows that the capex was not met; it stands at Rs 9.5 lakh crore. This explains some part of the reduction in fiscal deficit.

4. Cuts in health and education spending

Health and education budget allocations are typically much lower than what India needs but the revised estimates show that even those targets have not been met in the current financial year.

The government was supposed to spend Rs 1,16,417 crore on education but ended up spending Rs 1,08,878 crore.

Similarly on health, it budgeted an expenditure for Rs 88,956 crore but actually spent only Rs 79,221 crore.

5. Cuts in core schemes for the marginalised sections

Similar cuts can be seen in the allocation for the core schemes for marginalised sections such as SCs, STs, and minorities.

For instance, the Revised Estimates (RE) for the Umbrella Scheme for Development of Schedule Castes are Rs 6,780 crore against the Budget Estimates (BE) of Rs 9,409 crore.

For STs, the RE is Rs 3,286 crore against a BE of Rs 4,295 crore.

For minorities, the fall has been the sharpest. From a BE of Rs 610 crore in FY24 to an RE of Rs 555 crore.

For the Umbrella Programme for Development of Other Vulnerable Groups, the RE is Rs 1,918 crore, down from a BE of Rs 2,194 crore.

6. Income tax is now the biggest income generator for the government

Most government financial resources come from borrowings. But the second biggest contributor — or the top income generator — is the revenues from income tax. The Budget documents suggest that income tax revenues will account for 19% of all government resources in FY25. Corporate tax will account for 17%, GST for 18% and borrowings for 28%.

Relevance: GS Prelims & Mains Paper III; Economics

Source: The Indian Express

2. Delhi's property geo-tagging exercise

Why in news?

The national capital's property geotagging deadline has been extended, according to a statement released by the Municipal Corporation of Delhi (MCD). For the financial year 2024–2025, residents will have until February 29 to finish the geotagging procedure and receive a 10% refund on their lump sum advance tax payments.

What is geo-tagging?

Geotagging is the process of allotting geographic coordinates to media based on the location of a mobile device. Geotags can be applied to photos, videos, websites, text messages, and QR codes, and could also include time stamps or other contextual information.

Nowadays, smartphones and digital cameras come equipped with GPS (Global Positioning System) or use other location-based technologies to automatically geotag photos. By default, every photo you take with your iPhone or Android tags your GPS location and stores that data with your photo. In the context of photographs, for example, geotagging allows users to associate a specific location with the image.

Geotagging properties means digitally mapping a property with the geographic information system (GIS). This means that a property can be identified on a map with its unique and permanent latitude and longitude coordinates. MCD officials say that the capital's property geotagging exercise will have several benefits, not only for the corporation but also for residents.

Why is geo-tagging important?

According to an MCD official, geo-tagging properties will prove instrumental in boosting tax collection potential. By distinguishing between tax-paying and non-tax-paying entities, it will reduce tax evasion and help enhance revenue collection.

Another advantage of geotagging is the ability to pinpoint illegal and unauthorised properties and colonies. This will help in urban planning, as it will allow the civic body to take corrective actions as required.

According to the MCD, geotagging will also streamline essential services such as sanitation and road repairs in colonies, and help recognise area-based residential needs. This will make it easier for civic bodies to ensure more efficient service delivery.

In times of emergencies, such as natural disasters or accidents, geotagged information can become crucial for quick and targeted interventions in future as responders can utilise the data to navigate and address issues. It can help in maintaining healthy urban spaces by monitoring environmental factors like green spaces, pollution sources, and ecological reserves.

Which other cities have made attempts to geotag properties?

Prior to the MCD, several other cities have made attempts to geo-tag. The Municipal Corporation of Greater Mumbai (MCGM) has been working on geotagging properties to improve urban planning and service delivery.

The Bruhat Bengaluru Mahanagara Palike (BBMP) has also undertaken geotagging initiatives for property tax assessment and urban planning. Initiatives to geo-tag trees, potholes were also announced by the BBMP.

Municipal Corporations of Chennai, Hyderabad, Ahmedabad and Pune have previously shown interest in geo-tagging of different public entities.

Relevance: GS Prelims & Mains Paper II; Governance

Source: The Indian Express

3. India increases its tally of Ramsar sites (Wetlands of International Importance) to 80 by adding Five more wetlands

Why in news?

Union Minister for Environment, Forest and Climate Change and Labour and Employment Shri Bhupender Yadav said on the eve of World Wetlands Day 2024, India has increased its tally of Ramsar sites (Wetlands of International Importance) to 80 from existing 75 by designating five more wetlands as Ramsar sites. Shri Yadav said he met Dr Musonda Mumba, the Secretary General of Ramsar Convention who handed over the certificates of the aforesaid five sites.



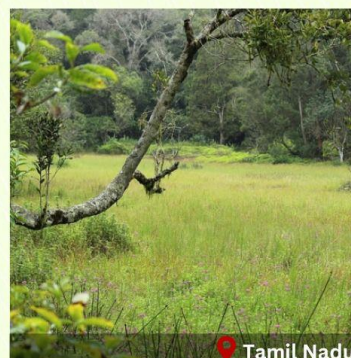
Karaivetti Bird Sanctuary

Tamil Nadu



**Magadi Kere
Conservation Reserve**

Karnataka



**Longwood Shola
Reserve Forest**

Tamil Nadu



Ankasamudra Bird Conservation Reserve

Karnataka



Aghanashini Estuary

Karnataka

Relevance: GS Prelims; Environment

Source: The Indian Express