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CURRENT AFFAIRS

Date: 10 November 2023

FINANCE COMMISSION

This article covers "Daily Current Affairs" and the topic details "Finance Commission". This topic has relevance in the "Polity and Governance" section of the UPSC CSE exam.

For Prelims:

What is Finance Commission?

Appointment, Eligibility Criteria?

For Mains:

GS2: Polity and Governance

Appointment to various Constitutional posts, powers, functions and responsibilities of various Constitutional Bodies.

Why in the news?

The government has begun the constitution process for the Sixteenth Finance Commission. This commission, crucial for determining the tax-sharing formula between the Centre and states, is expected to be formed by the end of this year.

Finance Commission

- The Finance Commission, established as a constitutional body, provides recommendations on distributing tax revenues among the Union and the States and the States themselves.
- It is constituted by the President under Article 280 of the Constitution, occurring at the end of every fifth year or earlier if deemed necessary.

Composition

- The Commission comprises **a chairman and four members appointed by the President.**
- They serve for a period specified by the president in his order and are eligible for reappointment.
- The Constitution authorises Parliament to determine commission members' qualifications and selection process.
- The Parliament, under the ***Finance Commission (Miscellaneous Provisions) Act, 1951***, has specified the qualifications for the chairman and members:
 - **Chairman:** Must have experience in public affairs.
 - **Members:** Can be selected from among individuals with the following qualifications:
 - A **high court judge** or someone qualified to be appointed as one.
 - A person with **specialised knowledge of government finance** and accounts.
 - Someone with extensive **experience in financial matters and administration.**
 - An individual with **exceptional knowledge of economics.**

Functions:

The Commission is tasked with making recommendations to the President on:

- The distribution of net tax proceeds between the Centre and states and the allocation among states.
- Principles governing grants-in-aid to states from the Consolidated Fund of India.
- Based on state finance commission recommendations, measures to augment a state's consolidated fund to support resources for panchayats and municipalities.
- Any other matter referred by the President in the interests of sound finance.

Nature of FC's Recommendations:

- The Constitution does not mandate that the Commission's recommendations be binding or confer a legal right on beneficiary states to receive the recommended funds.
- The Union government can decide whether to implement the Commission's suggestions regarding financial allocations to states.

Achievements:

- The Finance Commission of India has significantly reduced vertical and horizontal fiscal imbalances, accomplishing its core objectives.
- It has played a pivotal role in promoting cooperative federalism by serving as a platform for dialogue and negotiation between the central and state governments.

The Finance Commission is a valuable institution that plays a vital role in Indian fiscal federalism. However, it can be improved by making its formula for distributing tax revenues more transparent and giving more weight to the needs of special category states and new fiscal challenges.

Sources:

Govt begins process of constituting Sixteenth Finance Commission | Business News – The Indian Express

Q1. With reference to the Finance Commission, consider the following statements:

1. It is established as a constitutional body.
2. It provides recommendations on distributing tax revenues among the Union and the States and the Local Bodies.

Which of the statements given above is/are correct?

- (a) 1 only
- (b) 2 only
- (c) Both 1 and 2
- (d) None

Answer: (a)

Q2. Consider the following statements regarding the Finance Commission:

1. The Constitution has specified the qualifications for the chairman and members.
2. The Commission's recommendations are advisory and not binding on the government.
3. The Commission plays a vital role in Indian fiscal federalism.

How many of the abovementioned statements are correct?

- (a) Only one

- (b) Only two
- (c) All three
- (d) None

Answer: (b)

Q3. The Finance Commission is regarded as a balancing wheel of fiscal federalism in India. Discuss.

Gaurav

GREEN CRACKERS

This article covers "Daily Current Affairs" and the topic details " Green Crackers". This topic has relevance in the Environment Section of the UPSC CSE exam.

GS 3: Environment

Why in the news?

The Supreme Court has specified that its directive, prohibiting the utilization of barium and other prohibited chemicals in firecrackers, is applicable nationwide and extends beyond the confines of the National Capital Region.

- **Definition and Characteristics:** Green crackers, as defined by the CSIR-National Environmental Engineering Research Institute (CSIR NEERI), are characterized by a smaller shell size, absence of ash, and additives like dust suppressants. These modifications aim to reduce emissions, particularly particulate matter, contributing to environmental health.
- **Barium-Free Composition:** Distinguished by the absence of barium compounds, green crackers deviate from conventional counterparts known for their distinctive green color. Barium, a metal oxide in traditional firecrackers, is a known air pollutant and noise contributor.
- **Emission Reduction Benefits:** Burning green crackers results in water vapor emission, diminishing the release of dust. Compared to conventional firecrackers, green counterparts reduce particulate matter (PM) emissions by an impressive 30%.
- **Noise Reduction Measures:** Green firecrackers exhibit sound levels between 110 and 125 decibels, in stark contrast to the approximately 160 decibels produced by conventional firecrackers. This makes green crackers nearly 30% less noisy, contributing to noise pollution mitigation.
- **Identification Criteria:** Recognition of green crackers is facilitated by the distinct green logo of CSIR-NEERI and PESO, along with a Quick Response (QR) code.

Varieties of Green Crackers:

- **SWAS (Safe Water Releaser):**
 - Releases water vapor to minimize dust emission.
 - 30% reduction in particulate matter.
 - Free of Sulphur and potassium nitrate.

- **STAR (Safe Thermite Cracker):**
 - No potassium nitrate or Sulphur content.
 - Lower particulate matter emission.
 - Reduced sound intensity.
- **SAFAL:**
 - Minimal aluminum usage, increased magnesium content.
 - Lower noise production compared to traditional firecrackers.

Legal Framework and Supreme Court Directives:

- In 2021, the Supreme Court issued directions to prevent the use of banned chemicals in firecrackers before Diwali.
- The court clarified that the ban was specific to firecrackers containing barium salts.
- Green crackers received approval as per the 2018 directives.
- In 2023, the Supreme Court extended firecracker restrictions beyond Delhi-NCR to all states, emphasizing the need for nationwide measures to control air and noise pollution.

SOURCE:

SC says cracker order applies to country, not just NCR: What types of fireworks are allowed, and where | Explained News – The Indian Express

Q.1 Consider the following statements regarding green crackers:

1. Green crackers, defined by CSIR-NEERI, aim to reduce emissions by incorporating larger shell sizes and additives.
2. The distinctive green color of traditional firecrackers is attributed to the presence of barium compounds.
3. SWAS, a type of green cracker, releases Sulphur and potassium nitrate, contributing to a 30% reduction in particulate matter emissions.

How many of the above statement/s is/are correct?

- (a) Only one
- (b) Only two
- (c) All three
- (d) None

ANSWER: D

- #### **Q.2 Evaluate the role of green crackers in aligning with the court's objectives and contributing to environmental sustainability. Additionally, analyze the challenges and opportunities associated with implementing and enforcing the Supreme Court's directives on firecrackers.**

Rishabh