

ECONOMY

PRE-CONTEXT

GOODS & SERVICES TAX

THE HINDU, PG.NO: 8.

News: "Levy a higher GST rate on tobacco, sugared beverages."

Context:

- Proposed GST hike to 35% is expected to reduce tobacco consumption and boost tax revenues.
- India is the second-largest consumer of tobacco globally, with 30% of adults above 15 years and 10% of students aged 13 to 15 years using tobacco in some form.
- Tobacco is a leading risk factor for non-communicable diseases (NCDs) and causes over 3,500 daily deaths in India.

About GST:

- Vision:** सरलीकृत कर, समग्र विकास
- One nation, one **indirect Tax** regime i.e a unified national market.
- Destination based tax.**
- Components of GST:** CGST, IGST, SGST.
- Both CGST, SGST are levied across the value chain **on both goods and services.**

Taxes subsumed by GST:

- Central Taxes:** Cess, Surcharge, Central Excise Duty, Service Tax, Customs.
- State Taxes:** VAT, Entertainment tax, Luxury Tax, Entertainment Tax.
- Items not covered under GST:** Electricity, Alcohol, Petrol & its products. But sales tax & VAT are levied on Alcohol, Petrol & its products.

About GST COUNCIL:

- Constitutional body under Art.279A,**
- It empowers the **President** to constitute a GST Council to make recommendations on levy of various taxes.
- Responsibility:** To make recommendations on:
 - Inclusion & exclusion of Goods & services under GST.
 - GST floor rates.
 - Surcharges, taxes, cess levied by Centre, States, Local bodies that would get merged into GST.
 - Revenue sharing between Central and state govts.
- Composition:**
 - Chaired by Finance Minister.**
 - Union Minister of State in charge of revenue (finance) from the centre.
 - Members nominated by each State.
- Decision making in council:**
 - Every decision = Minimum **3/4th Majority** of weighted votes.
 - Centre vote weighs = 33%, States = 66%.

Other functions:

- Adjudication of Disputes over GST** b/w Centre & States, States & States etc.
- GST Appellate tribunal:** Statutory body under CGST Act.

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GREEN WASHING

THE HINDU, PG.NO: 8.

News: "The hidden cost of greenwashing the Indian Railways."

About Greenwashing:

- Greenwashing is a **deceptive marketing practice** wherein organisations or companies falsely portray their products, activities or policies as environment friendly options.
 - Eg. **Misleading claims, Selective disclosure, False certifications, Green imagery.**

Regulation of Greenwashing:

- MoEFCC has issued guidelines** to ensure that environmental claims by industries are accurate, verifiable, and not misleading.
- Eco mark:** Eco-labelling by BIS, certify products meeting specific environmental criteria.
- GRIHA:** Building Certification: Provides a comprehensive rating system for sustainable buildings.
- Consumer Protection Act, 2019:** addresses grievances related to misleading advertisements.
- Corporate Social Responsibility Act 2013:** Mandates genuine CSR activities, including environmental sustainability, discouraging superficial compliance.

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UNCCD

THE HINDU, PG.NO: 24.

News: "UN talks on drought deal in Saudi fail to produce pact."

Context: The 12-day meeting of parties to the United Nations Convention to Combat Desertification (UNCCD), known as COP16, concluded early on Saturday morning.

About United Nations Convention to Combat Desertification:

- A key international treaty aimed at **addressing desertification and mitigating the effects of drought.**
- It is one of the three pillars of international environmental governance, alongside the **UNFCCC** and the **CBD** in 1994.
- Legally binding agreement.**
- India ratified the UNCCD** in 1996.
- Initiatives by India supporting UNCCD:**
 - National Action Programme to Combat Desertification (**NAPCCD**).
 - Green India Mission:** Enhances forest cover.
 - National Afforestation Program:** Increase forest cover and restore degraded lands.
 - Soil Health Card Scheme.**
 - Integrated Watershed Management Program (IWMP):** PM Krishi Sinchai Yojana (PMKSY), etc.

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POLITY

PRE-CONTEXT

JUDGES APPOINTMENT & REMOVAL

THE HINDU, PG.NO: 10.

News: "What is the procedure for removing judges?"

"Art. 124 & Art. 217 of Indian Constitution deal with the appointment of judges to higher judiciary."

Qualifications for Judge of the Supreme Court:

- According to Constitution of India:
 - A person must be a **citizen of India**.
 - Have been a **High Court judge** for at least five years.
 - Have been a **High Court advocate** for at least 10 years.
 - Be considered a **distinguished jurist** by the President.

Collegium System:

- For **appointment and transfer of judges** in the higher judiciary in India.
- For **Supreme Court (SC) appointments**: collegium consists of **CJI plus 4 senior-most Supreme Court judges**.
- For **High Court appointments**: collegium consists of CJI plus 2 senior-most Supreme Court judges.
- CJI after consultation with collegium **recommends to President** for an appointment.
- Supreme Court Judges retire upon attaining the **age of 65 years**.

Evolution of Collegium:

- **1st judges case (1982)**: the word '**consultation**' only implies exchange of views.
- **2nd judges case (1993)**:
 - Word '**consultation**' = **concurrence**, advice by CJI (plus 2 judges) is binding on President.
 - If collegium reiterates, judicial appointments must be cleared (a healthy convention).
- **3rd Judges case: Collegium** (4 Judges + CJI).
- **99th CAA 2015: NJAC** (3 judicial members & 2 executive appointees): Declared Unconstitutional by SC.

Removal of Judges:

- **Articles 124 and 217 of the Constitution**:
 - Provide that a judge of the Supreme Court/High Court shall be removed by the **President**, on the **grounds** of '**proved misbehaviour**' or '**incapacity**'.
- **Judges Inquiry Act, 1968 lay down Procedure**:
 - A **removal motion** signed by 100 members (in case of Lok Sabha) or 50 members (in case of Rajya Sabha) is to be given to the Speaker/Chairman.
 - If the motion is admitted, then a **three-member committee** to investigate into the charges is constituted.
 - If the committee **finds the judge to be guilty of the charges (misbehaviour or incapacity)**, the House in which the motion was introduced, can take up the consideration of the motion.
 - **Special majority**: Majority of total membership of the House & majority of not less than two thirds members present and voting.
 - Once, the House in which **removal motion was introduced passes it with special majority, it goes to the second House which also has to pass it with a special majority**.
 - After the motion is passed, an address is presented to the President for removal of the judge.
 - The **President** then passes an order removing the judge.

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LA NIÑA

THE HINDU, PG.NO: 10.

News: "How does La Niña affect India's climate?"

About La Niña:

- A climate phenomenon characterized by the **cooling of surface ocean waters in the central and eastern equatorial Pacific Ocean**. It is the counterpart to **El Niño**, and together they constitute the El Niño-Southern Oscillation (**ENSO**) cycle which significantly influences global weather pattern.
- **Phases of ENSO**:
 - **El Niño**: Warming of SST in the central and eastern Pacific.
 - **Neutral Phase**: Neither El Niño nor La Niña conditions.
 - **La Niña**: Cooling of SST in the central and eastern Pacific.

Impacts of La Niña:

- Weather patterns: increased rainfall, Drier conditions, enhanced hurricanes.
- **Impact on India**:
 - **Stronger and more reliable monsoon rains** in India.
 - **Beneficial for Kharif crops** (e.g., rice, maize) due to ample rainfall.
 - **Landslides and flooding** due to increased rainfall.

About Project Mausam:

- **Implemented by: Ministry of Earth Sciences**.
- **Enhances India's weather and climate research** while addressing extreme weather events and the impacts of climate change.
- **Key areas of focus**:
 - Improved weather observations and understanding.
 - Accurate and timely forecasts for monsoons, air quality, cyclones etc.
- **Critical Components**:
 - **Next-generation radars and satellite systems** with advanced sensors.
 - High-performance **supercomputers**.
 - Enhanced Earth system models.
 - **GIS-based automated Decision Support System** for real-time data.

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P.T.O



ECONOMY

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MFN STATUS

THE HINDU, PG.NO: 15.

News: "Switzerland nixing MFN status won't affect EFTA deal"

About Most Favoured Nation:

- One of the **WTO Instruments** for **fair trade**.
- MFN status means **a country promises to treat another country as favourably as it treats its most favoured trading partner**.
- This means extending any special privileges, like reduced tariffs or quotas, to all MFN countries.
- **Exemptions to MFN:**
 - **Regional group agreements** (FTA, PTA, GSP etc) are exempted.
 - Above can offer preferential treatment to each other, which may not be extended to non-member countries.

Double Taxation Avoidance Agreement:

- A **bilateral agreement between two countries** designed to **prevent individuals and businesses from being taxed twice** on the same income.
- Switzerland had **granted India MFN status under the DTAA**, which allowed Indian companies operating in Switzerland to benefit from reduced withholding tax rates on dividends, interest, and royalties.
- **Switzerland decided to withdraw the MFN status for India**, citing a lack of reciprocity and the Supreme Court ruling.

European Free Trade Association (EFTA):

- India's Trade and Economic Partnership Agreement (**TEPA**) signed with the four-nation EFTA nations, that include **Switzerland, Iceland, Liechtenstein, Norway**.
- EFTA is unique for its inclusion of a **binding \$100 billion investment commitment by companies in those countries into India over the next 15 years**, with one million direct jobs to be created.

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ENERGY

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GREEN HYDROGEN

THE HINDU, PG.NO: 9.

News: "Green hydrogen and the financing challenge."

Green Hydrogen:

- Produced through **electrolysis (splitting water into hydrogen and oxygen)** using **renewable energy**.
- During the production process, **no CO2 or GHGs are emitted**.
- **Applications:**
 - Fuel for hydrogen fuel cells.
 - Decarbonisation of heavy industries Eg. Steel, cement, aviation etc.
 - Energy storage in renewable energy grids.
 - Raw material for industrial processes.

Note:

- **Brown Hydrogen:** made from coal through process called gasification.
- **Grey Hydrogen:** extracted from coal or methane but emit large amounts of CO2.
- **Blue Hydrogen:** Also made of coal or methane but CO2 is captured and stored.

National Hydrogen Mission:

- To promote Green Hydrogen and to become global hub for green hydrogen production and exports.
- **Implemented by Ministry of New and Renewable Energy**.
- Contribute India to become Atmanirbhar through clean energy production.
- Creation of Green Hydrogen Hubs.
- **BEE under Ministry of Power nodal authority** to accreditation of agencies for green hydrogen.
- Aim to **produce 5GW**.
- **VOC port in Chennai** became **1st hydrogen port**.

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Thank you!