

DAILY CURRENTS AFFAIRS (30 July 2024)

TOPICS COVERED

1. SC refuses to stay HC ruling quashing 65% quota in Bihar (GS Paper-II: Polity)
2. AIFB faults call to 'bring back Netaji's remains (GS Paper-I: History)
3. Mekedatu project will ensure Cauvery water for T.N. even in distress years: Karnataka CM (GS Paper-II)
4. Kerala falls back on Nipah learnings to prime future response (GS Paper-III: Basic Science)
5. Quad calls for end to violence in Ukraine, Gaza, and Myanmar (GS paper-II: IR)
6. Defence Acquisition Council approves amendment to MQ-9B UAV deal with U.S. (GS Paper-III: Internal Security)
7. Centre likely to move ILO against its India employment report (GS Paper-III)
8. NCERT proposes 10 'bagless days' a year for students from Classes 6 to 8
9. Any further delay in Census taking is perilous
10. In 2024, newer districts are affected by militancy in Jammu
11. Can States tax mining activities?

International Tiger Day

- It is observed annually on **July 29th** to raise awareness about the plight of tigers and the importance of conserving their natural habitats.

History

- The day was first observed in 2010 at the Saint Petersburg Tiger Summit in Russia.
- This summit brought together 13 tiger range countries to address the alarming decline in tiger populations.
- The goal of the summit was to double the number of wild tigers by 2022 (Tx2).

Objectives

- To raise public awareness about the critical threats faced by tigers, including habitat loss, poaching, and human-wildlife conflict.
- To promote the conservation of tiger habitats and ecosystems.
- To support anti-poaching efforts and the enforcement of wildlife trade laws.
- To encourage cooperation among governments, NGOs, and local communities in tiger conservation.

Significance

- Tigers are apex predators and play a vital role in maintaining the ecological balance.
- Their decline is a serious indicator of ecosystem health.
- International Tiger Day serves as a platform to highlight the importance of tiger conservation and to mobilize global efforts to protect these magnificent animals.

Cool cat



In awe: Schoolchildren watch a tiger swim in a pond inside the Mumbai Zoo on **International Tiger Day** on Monday. EMMANUAL YOGINI

- This year's theme for International Tigers Day is - Call for Action.

The Significance of Tigers

- Tigers, as apex predators, play a vital role in maintaining the ecological balance of their ecosystems.
- They help to regulate prey populations, which in turn impacts the entire food chain. Unfortunately, due to habitat loss, poaching, and human-wildlife conflict, tiger populations have declined drastically over the past century.

Global Efforts for Tiger Conservation

- **Global Tiger Forum (GTF):** An intergovernmental body dedicated to tiger conservation.
- **World Wildlife Fund (WWF):** A leading conservation organization actively involved in tiger protection.
- **National Tiger Conservation Authority (NTCA), India:** India, home to the world's largest tiger population, has established the NTCA to oversee tiger conservation efforts.



SC refuses to stay HC ruling quashing 65% quota in Bihar

GS Paper II: Polity

The Hindu Bureau
NEW DELHI

The Supreme Court on Monday refused to order interim stay of a Patna High Court decision quashing reservation up to 65% for the Backward Classes, the Extremely Backward Classes, the Scheduled Castes, and the Scheduled Tribes in public employment and institutions.

However, while refusing the interim relief, a three-judge Bench headed by Chief Justice of India D.Y. Chandrachud agreed to hear the appeal filed by the State of Bihar against the High Court judgment in September.

Solicitor-General Tushar Mehta and senior advo-

HC had said that stretching the quota from 50% to 65% was violative of the right to equal opportunity

cate Shyam Divan, for Bihar, urged the court to stay the High Court decision which had set aside the amendments in the State reservation law. "Lots of interviews going on the basis of impugned Act," Mr. Mehta urged. "We are not inclined to stay at this stage," Chief Justice Chandrachud replied.

'Violation of rights'

On June 20, the High Court had concluded that stretching quota from 50%

to 65% in government jobs and educational institutions, leaving only 35%, for merit was violative of the right to equal opportunity for citizens.

The High Court had set aside the Bihar Reservation of Vacancies in Posts and Services (for Scheduled Caste, Scheduled Tribes and Other Backward Classes) Amendment Act, 2023, and the Bihar (In admission in Educational Institutions) Reservation (Amendment) Act, 2023, as ultra vires the constitution and violative of equality clause under Articles 14, 15 and 16 of the Constitution.

The High Court ruling had come as a blow to the Nitish Kumar government.

The All India Forward Bloc (AIFB)

- The All India Forward Bloc (AIFB) is a prominent left-wing political party in India with a rich history rooted in the Indian independence movement.
- **Founded in 1939 by Subhas Chandra Bose** after his resignation from the Indian National Congress, the AIFB emerged as a platform for those who sought a more aggressive approach to achieving independence.
- Bose's vision of a strong, independent India inspired the party's core ideology.

AIFB faults call to 'bring back Netaji's remains'

Shiv Sahay Singh
KOLKATA

The general secretary of All India Forward Bloc (AIFB), G. Devarajan, on Monday described the demand to bring back Netaji Subhas Chandra Bose's alleged mortal remains from Japan as ill-intentioned.

The AIFB founded by Netaji Subhas Chandra Bose is a prominent Left party and is a key constituent of the Left Front in West Bengal.

The remarks came a day after Netaji's grandnephew Chandra Kumar Bose on Sunday wrote to Prime Minister Narendra Modi, urging him to bring back the "mortal remains of Netaji" from Japan's Renkoji temple. "The ashes kept at Renkoji Temple were found to be unrelated to Netaji," Mr. Devarajan said.

- The **Wari Padayatra** is an annual pilgrimage where thousands of devotees embark on a journey by foot to the town of Pandharpur to worship **Lord Vithoba**, a form of Lord Krishna.
- This tradition has been carried on for over 800 years and is one of the most prominent and vibrant religious festivals in the region.

Historical and Cultural Significance

- The pilgrimage typically begins from two main starting points: Alandi, associated with the saint-poet Sant **Dnyaneshwar**, and Dehu, associated with the **saint-poet Sant Tukaram**.
- The devotees, known as Warkaris, walk in large groups known as Dindis, singing devotional songs and playing musical instruments, creating a festive and spiritual atmosphere.
- **Sant Dnyaneshwar and Sant Tukaram**: These saints are revered figures in the Bhakti movement, and their teachings and works are integral to the Warkari sect, which forms the backbone of the Wari pilgrimage. The journey commemorates their deep devotion to Lord Vithoba and their message of love, devotion, and equality.

The Journey

- **Duration and Route**: The pilgrimage covers a distance of approximately 250-300 kilometers and takes about 21 days to complete. The route is dotted with several villages, where the pilgrims rest and are often provided with food and shelter by local residents and charitable organizations.
- **Participation**: People from all walks of life participate in the Wari, regardless of age, gender, or social status. The journey is seen as a way to seek spiritual solace, penance, and a connection with the divine.

Religious Observance

- **Ashadhi Ekadashi**: The culmination of the pilgrimage is on the auspicious day of Ashadhi Ekadashi, which falls in the Hindu month of Ashadha (June-July). On this day, the Warkaris reach the temple town of Pandharpur, where they offer their prayers and seek the blessings of Lord Vithoba.

Krishnaraja Sagar (KRS) dam:

This gravity dam, constructed from surki mortar, lies below the confluence of the river Kaveri and its tributaries, Hemavati and Lakshmana Tirtha, in the district of Mandya.

Historical Context

- Krishna Raja Wadiyar IV, the Maharaja of Mysore, undertook the construction of the dam during a period of famine despite the critical financial condition of the state.
- Historically, the region of Mysore, especially Mandya, experienced dry conditions and mass migration during hot summers. A severe drought in 1875–76, exacerbated by British policies, decimated one-fifth of the population in the Kingdom of Mysore.
- Crop failures were frequent due to the lack of irrigation water. The Kaveri river was identified as a potential irrigation source for farmers in and around the Mysore region.

Construction

- Construction of the dam began in November 1911, employing 10,000 workers.
- A mortar known as surki was used instead of cement, as cement was not manufactured in India at the time and importing it would have been costly for the state.
- The dam provides water for irrigation in Mysore and Mandya and is the primary source of drinking water for Mysore, Mandya, and nearly the entire city of Bengaluru, the capital of Karnataka.
- The water released from the KRS dam flows into Tamil Nadu and is stored in the **Mettur dam in the Salem** district.

Environmental and Ecological Significance

- The landscape surrounding the dam includes agricultural land, rural habitation, sparsely spread trees, and patches of original vegetation near the Ranganathittu Wildlife Sanctuary.
- This sanctuary attracts a wide variety of local and migratory birds, with nearly 220 species recorded in large numbers.



Mekedatu Project:

- The Mekedatu project is a multipurpose initiative aimed at constructing a balancing reservoir near Kanakapura in the Ramanagara district of Karnataka.
- Mekedatu, meaning "goat's leap," is a deep gorge located at the **confluence of the rivers Cauvery and its tributary Arkavathi**.

Objectives

The primary objectives of the Mekedatu project are:

1. **Drinking Water Supply:** Provide 4.75 TMC of drinking water to Bengaluru and neighboring areas.
2. **Hydroelectric Power Generation:** Generate 400 MW of power.

Benefits of the Project

- The project aims to meet the growing demand for drinking water in Bengaluru and its adjoining areas, which face water scarcity and dependence on groundwater.
- By generating 400 MW of hydroelectric power, the project will contribute to renewable energy production, helping reduce carbon emissions.
- The project will regulate the flow of water, preventing floods and droughts, thereby benefiting farmers and communities.



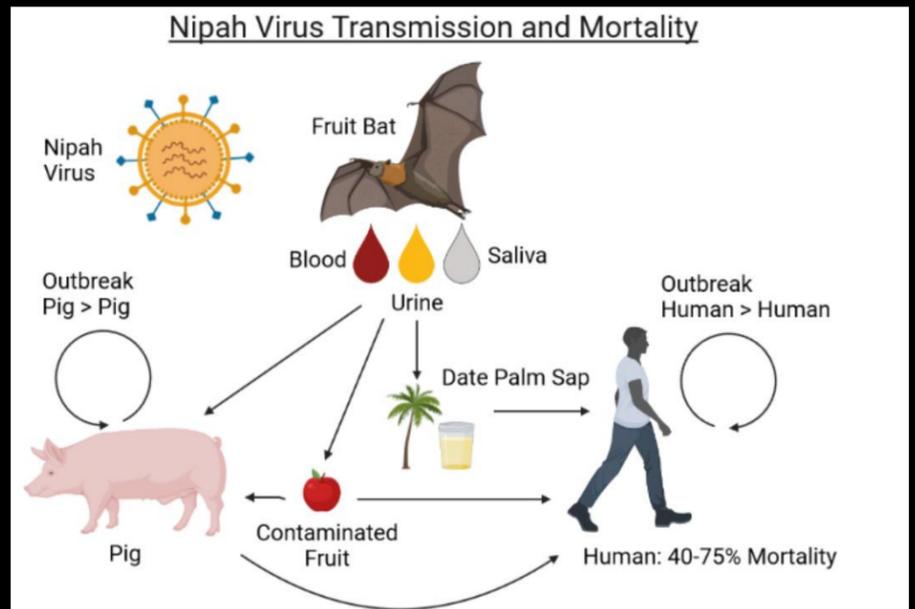
Nipah virus

- It is a zoonotic paramyxovirus that causes a serious disease in animals and humans.
- The virus is named after Nipah village in Malaysia, where it was first identified in 1998.
- Nipah virus infection is a newly emerging zoonosis that can cause severe disease and death.

Symptoms of Nipah Virus Infection

The symptoms of Nipah virus infection can vary depending on the stage of the infection. In the early stages, symptoms may include:

- Fever
- Headache
- Muscle aches
- Nausea
- Vomiting
- Dizziness
- Cough



As the infection progresses, more serious symptoms can develop, including:

- Encephalitis (inflammation of the brain)
- Meningitis (inflammation of the membranes around the brain and spinal cord)
- Coma
- Seizures
- Death

Transmission of Nipah Virus

- Nipah virus is transmitted from animals to humans through contact with infected animals or their bodily fluids.
- The virus can also be transmitted from person to person through close contact with an infected person's secretions, such as saliva or respiratory secretions.

Treatment of Nipah Virus Infection

There is no specific treatment for Nipah virus infection. Supportive care is the mainstay of treatment, which may include:

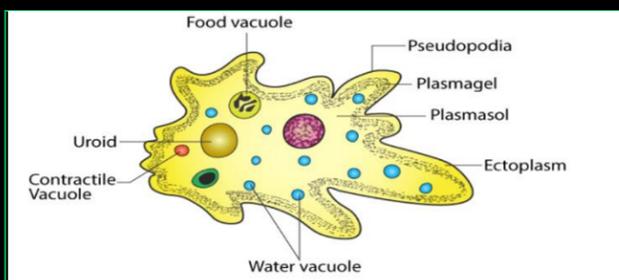
- Fluids and electrolytes to prevent dehydration
- Medication to manage symptoms, such as pain relievers and anti-seizure medications
- Respiratory support if needed

Prevention of Nipah Virus Infection

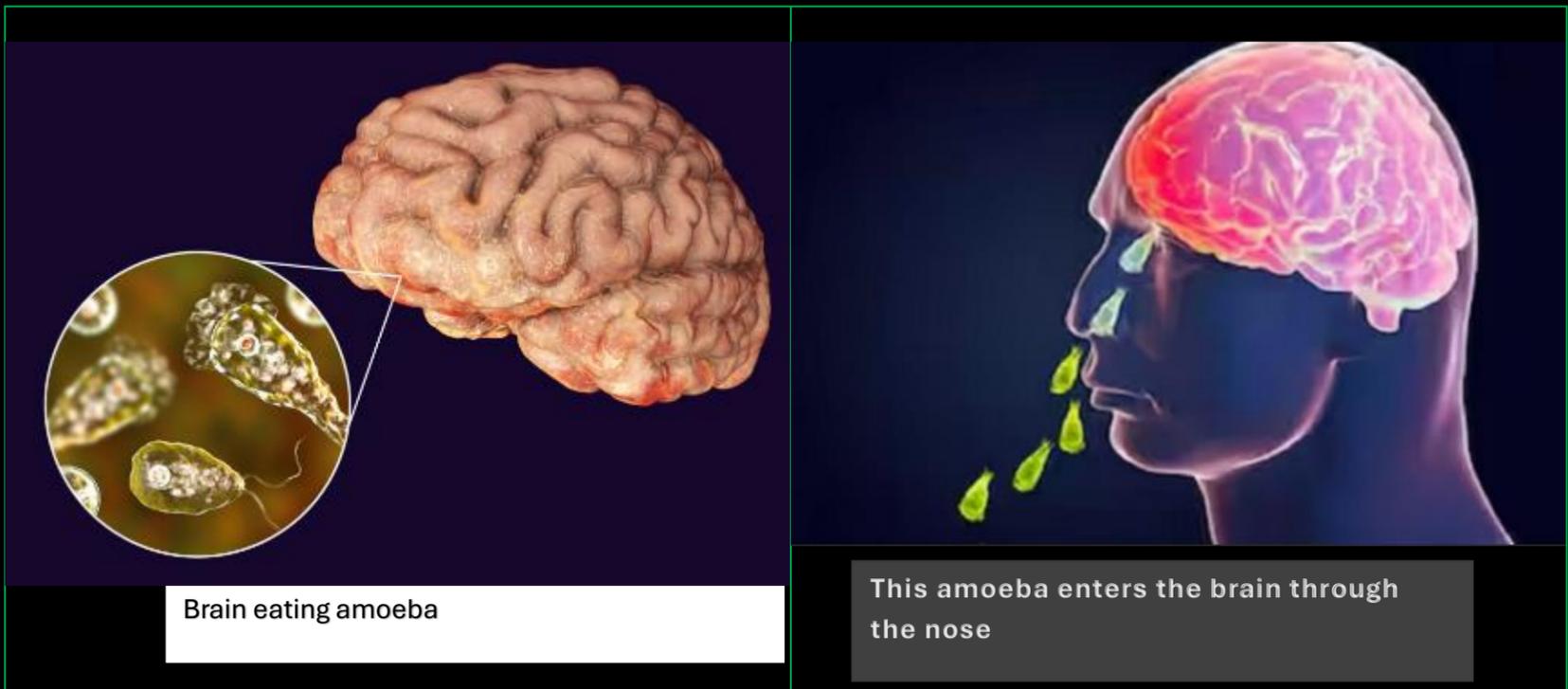
There is no vaccine available to prevent Nipah virus infection. The best way to prevent infection is to avoid contact with infected animals and their bodily fluids. This includes:

- Avoiding travel to areas where Nipah virus outbreaks are occurring
- Avoiding contact with bats and pigs
- Washing hands frequently with soap and water
- Cooking meat and meat products thoroughly
- Avoiding consuming raw date palm sap

‘Brain-Eating Amoeba’ cases



- Amoebas are single-celled microorganisms that belong to the **phylum Amoebozoa**.
- They are characterized by their shape-shifting abilities and their method of movement through the extension and retraction of pseudopods, or "false feet."



- Four cases of primary amoebic meningoencephalitis (PAM) in Kerala in the last two months.
- PAM (primary amoebic meningoencephalitis): **PAM is caused by Naegleria fowleri, also known as 'brain-eating amoeba.'**
- **The amoeba thrives in warm freshwater lakes, ponds, rivers, and poorly maintained swimming pools.**
- It infects the brain through the nose, destroying brain tissues and causing swelling.
- Infection is rare but fatal, with a **97% mortality rate**.
- Symptoms include headache, fever, nausea, vomiting, stiff neck, confusion, loss of balance, hallucinations, coma, and death within 1-18 days.
- PAM does not spread from person to person or through swallowing water containing the amoeba.
- Warmer temperatures and stagnant, unhygienic water contribute to the infection.

How is it diagnosed and treated?

- PAM can be diagnosed through PCR tests of cerebrospinal fluid.
- Detection is challenging due to its rarity.
- No standard treatment exists; CDC guidelines are followed.
- State Health department procured miltefosine from Germany; **Azithromycin and Amphotericin B** are also available.
- Past PAM cases in Kerala: Alappuzha (2016, 2023), Malappuram (2019, 2020), Kozhikode (2020), Thrissur (2022).
- Children with ear infections advised against bathing in ponds or stagnant water, and avoiding diving.
- Water theme parks and swimming pools instructed to chlorinate water regularly.
- Suggested precautions: use swimming nose clips, hold nose while jumping or diving, keep head high in warm water, avoid digging in shallow waters, use distilled or boiled water for nasal passages.

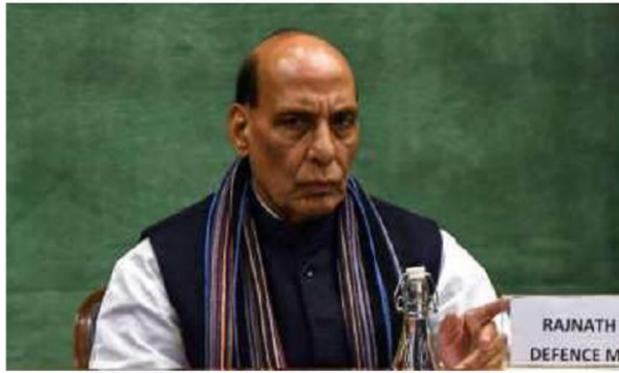
Defence Acquisition Council approves amendment to MQ-9B UAV deal with U.S.

GS Paper III:
Internal Security

NEW DELHI

The Defence Acquisition Council (DAC), chaired by Defence Minister Rajnath Singh, on Monday reviewed and approved amendments to the deal for procuring 31 MQ-9B High Altitude Long Endurance (HALE) Unmanned Aerial Vehicles (UAV) from General Atomics of the U.S., defence sources said. The DAC also gave approval to a proposal regarding the scheduled refit of aircraft carrier *INS Vikramaditya* later this year, sources said.

“The amendments approved are within the scope of the Acceptance of Necessity (AoN) that was granted for the MQ-9B



The DAC, chaired by Rajnath Singh, approved amendments to the deal for 31 MQ-9B UAVs from General Atomics. SUSHIL KUMAR VERMA

deal. They are related to the indigenous content and related aspects,” a defence source said.

Official sources said the U.S. has completed the process from its end with the letter of offer and acceptance to India delivered early on March and it's

now for India to complete the procedure before the deal can be signed. In the final step, the deal has to be approved by the Cabinet Committee on Security, before it can be inked. With the Quad leaders summit scheduled to be hosted by India in Decem-

ber, the MQ-9B deal and the GE-414 jet engine deal are expected to be concluded during the visit of the U.S. President to India.

India is looking to procure 31 MQ-9B UAVs – 15 Sea Guardians for the Indian Navy and 16 Sky Guardians (eight each for the Indian Army and Air Force) – at an estimated cost of \$3.99 billion. As part of the deal, General Atomics is scheduled to establish a Global Maintenance, Repair and Overhaul (MRO) facility in India which would count towards offset obligations.

The DAC also accorded AoN, the first step of the procurement process, for procurement of Advanced Land Navigation System (ALNS) for Armoured

Fighting Vehicles (AFVs) of the Army and 22 Interceptor Boats for the Coast Guard.

The ALNS Mk-II offers compatibility with defence series maps resulting in very high accuracy in navigational applications for AFVs. This equipment will be procured from Bharat Electronics Limited.

The second AoN is for procurement of 22 Interceptor Boats for the Coast Guard with latest state-of-art system capable of quick interception and shallow water operation in territorial waters, the Ministry said. “These boats will be used for coastal surveillance and patrolling, search & rescue operations, including medical evacuation,” it added.



INS Vikramaditya:

- **Type:** Modified Kiev-class aircraft carrier
- **Service:** Entered service with the Indian Navy in 2013
- **Name:** Renamed in honor of Vikramaditya, a legendary emperor of Ujjain, India

History

- **Soviet and Russian Service:**
 - Originally served with the Soviet Navy
 - Later served with the Russian Navy as Admiral Gorshkov
 - Decommissioned in 1996
- **Acquisition by India:**
 - Bought by India in 2004 for \$2.33 billion

The problem with India's blocking of the Chinese (30 July)

- Indian authorities promised more visas to Chinese technicians needed by Indian businesses.
- Rajesh Kumar Singh acknowledged a significant skill gap between Chinese and Indian factory supervisors and workers.
- A Vellore-based shoe manufacturer highlighted Chinese professionals' high productivity.
- The Engineering Export Promotion Council of India's chairman supports more visas for Chinese technicians.
- Indian businesses in various sectors have bought Chinese machines but struggle to use them without Chinese technicians.
- Industry leaders emphasize that idle machines and unfulfilled export orders are common issues.
- Gautam Adani's solar manufacturing facility also awaits Chinese workers' visas.

- The government recognizes India's significant skill deficit, noting that even low-tech production requires expertise.
- China developed this expertise over 40 years, becoming a manufacturing hub with cost-effective experts.
- Despite few restrictions on international experts, the government limits Chinese workers, citing national security concerns.
- Utilizing Chinese expertise could help India improve its position in global manufacturing.
- Government is slow in fulfilling the promise of more visas to Chinese technicians.
- This highlights the need to address the poor state of Indian education.
- Without foreign technical assistance and better domestic education, India's job-rich prosperity will remain unattainable.
- In 2019, Chinese nationals received 200,000 visas, but numbers dropped sharply after 2020 due to clashes between Indian and Chinese troops.
- Indian officials accused the Chinese of visa violations and money laundering to evade taxes.
- In 2023, only 2,000 visas were granted to Chinese personnel, with a security-driven approach prevailing.
- This year, 1,000 visas for Chinese electronics professionals are pending intensive screening.
- Despite positive comments from Commerce and Industry Ministry officials, a cabinet minister warned that visas would only be issued after thorough screening.
- This screening process may hinder the initiative.
- National security concerns are framed within the rhetoric of "Atmanirbhar Bharat" (self-reliant India).
- There is irony in promoting self-reliance while India's economic growth depends on foreign expertise, especially from China.

Integrating foreign knowledge

- Foreign knowledge is essential for development but requires well-educated domestic workers.
- India's weak education system makes foreign expertise especially urgent.
- In the 1980s, Korean businesses bought foreign machines to reverse engineer them, needing minimal human assistance due to a strong educational foundation.
- China began its growth in the early 1980s with weaker education than Korea but benefited from solid primary education during the Communist era.
- Deng Xiaoping sent policymakers on international study tours and attracted foreign investors to bring global knowledge to China, boosting its manufacturing capabilities.
- India built more schools and increased enrollment, but learning outcomes remain poor.
- Only about 15% of Indian students have basic reading and arithmetic skills needed for the international economy, compared to 85% of Chinese children.
- Since 2018, Chinese students have excelled in the Programme for International Student Assessment (PISA) by the OECD.
- Successive PISA evaluations and Chinese assessments show increasing numbers of Chinese children achieving world-class learning levels.
- India participated in PISA in 2009 but withdrew after poor performance.
- China has learned the lesson from Lewis Carroll's "Through the Looking Glass": to stay competitive, you must run faster.
- Chinese universities are among the world's best, particularly in computer science and mathematics.
- Chinese scientists are advancing in various applied sciences relevant to industrial progress.
- China is a world leader in electric vehicles and solar technology and is advancing in artificial intelligence. China is at the forefront of global technology, capturing the attention of Western leaders.
- Western leaders are building trade barriers against Chinese imports instead of fixing their education systems.
- Protectionism, labeled as "industrial policy," won't address the fundamental education shortcomings in the West.
- Indian and international elites fail to learn from China's example.
- Economists Rohit Lamba and Raghuram Rajan suggest India should focus on technology-enhanced service exports, ignoring the large global market for labor-intensive products.
- This overlooks India's small base of high-quality university education.
- Historian Mukul Kesavan highlights the decay of Delhi University, pointing to the evisceration of some of India's best institutions by its leadership.

The reality in India

- India's growth in technology-related service exports during COVID-19 has halted.
- Even IIT graduates are struggling to find jobs.
- Many IT workers in Bengaluru are moving to gig economy roles.
- IT jobs peaked at just over five million in 2023, a small number compared to India's working-age population of a billion and workforce of 600 million.
- Martin Wolf of the Financial Times predicts India will be a global economic superpower, despite its education and job challenges.

- India has missed the "China-plus-one" opportunity, which Mexico and Vietnam have seized.
- Foreign investors are avoiding India.
- India's labor-intensive manufactured exports hold a 1.3% share of global markets, below Vietnam's share.
- Blocking visas for foreign experts due to national security and self-reliance concerns will cause India to miss opportunities.
- Dysfunctional school and university education, along with an overvalued rupee, hinder labor-intensive manufactured exports.
- India needs to improve its human capital instead of having unrealistic global aspirations.
- The global competition (Red Queen race) is intensifying.
- More opportunities will be missed, and millions will continue to wait for dignified jobs.

Any further delay in Census taking is perilous (30 July)

- The government did not extend the June 30, 2024 deadline to freeze administrative boundaries for the Census.
- Hopes were raised that the Census operations would start in October 2024.
- Preparations for the Census typically take about three months after boundaries are set.
- The Budget 2024-25 allocated ₹1,309.46 crore for the Census, significantly less than ₹3,768 crore in 2021-22, indicating further delays.
- The next Census is still on hold with no new schedule announced.
- Conducting the Census is essential for accessing schemes, benefits, and services, and for implementing the women's Reservation Act, which reserves 33% of seats in Parliament and Assemblies for women.
- The government did not extend the June 30, 2024 deadline to freeze administrative boundaries for the Census.
- Hopes were raised that the Census operations would start in October 2024.
- Preparations for the Census typically take about three months after boundaries are set.
- The Budget 2024-25 allocated ₹1,309.46 crore for the Census, significantly less than ₹3,768 crore in 2021-22, indicating further delays.
- The next Census is still on hold with no new schedule announced.
- Conducting the Census is essential for accessing schemes, benefits, and services, and for implementing the women's Reservation Act, which reserves 33% of seats in Parliament and Assemblies for women.
- Officials at the Census Directorate of Tamil Nadu in Chennai are ready to begin once the new Census date is set, requiring only quick refresher training.
- The ₹1,309.46 crore allocated in the 2024-25 budget can be used for preliminary activities:
 - Finalizing enumeration areas
 - Finalizing the questionnaire
 - Refresher training for core staff in digital census methods
 - Developing the tabulation plan
- The Constitution (Eighty-Fourth Amendment) Act of 2001 prevents delimitation of constituencies until after the first Census conducted post-2026.
- If the Census is planned for 2027 for delimitation purposes, the Census reference date and new deadline for freezing administrative boundaries should be announced soon

Clarifications

- The National Population Register (NPR) was first prepared in 2010 during the Houselisting and Housing Census phase of Census 2011.
- The NPR was updated in 2015 to include changes from births, deaths, and migration.
- The NPR will be updated again during the House listing and Housing Census Operations (Phase 1) of the next Census.
- The draft form of the NPR for the upcoming Census includes new questions not present in the 2011 NPR, such as "mother tongue, place of birth of father and mother, and last place of residence."
- Some States and citizen groups oppose these new questions, fearing that the NPR is a step towards the National Register of Citizens (NRC) as per the Citizenship Rules 2003.
- The Centre has clarified that NPR data will not be used to prepare the NRC.
- The Centre needs to decide whether to keep or remove contentious questions from the NPR format for the upcoming Census.
- There is increasing demand for a caste-based census to better understand the economic status of marginalized communities.
- The Union Government stated in an affidavit to the Supreme Court on September 23, 2021, that a caste census (beyond the traditional data for Scheduled Castes and Scheduled Tribes) is unfeasible, administratively difficult, and cumbersome.
- The Centre must now decide whether to include caste information in the next Census.

Human failure (30 July)

The deaths of IAS aspirants in basement fooding were preventable

- The tragic accident at an IAS coaching centre in New Delhi, where flooding led to three deaths, was largely a man-made disaster.
- Localized urban flooding often results from human failures.
- Basements in buildings have limited access and ventilation, making them prone to flooding and trapping occupants.
- Special pumping arrangements are needed to manage flooding in basements.
- Rules typically prohibit habitation in basements, allowing only for storage, parking, and utilities.
- In some interpretations, classrooms or study centers in basements could be considered habitation.
- Delhi's 2016 building byelaws categorize basements as storage areas but allow mixed-use buildings with other purposes.
- As urbanization increases and land/building values rise, basements are often used for additional income, leading to non-compliance with regulations.
- The Delhi Master Plan 2021 requires basement use in coaching centres to be approved by fire authorities and other statutory bodies.
- It is unclear if the IAS coaching centre had the necessary permissions or if changes in basement use were reported to authorities.
- In India, there are concerns about whether permits are renewed after inspections, as users often avoid notifying authorities to bypass hurdles and bribe demands.
- A stormwater drain burst, causing flooding in the coaching centre's basement, highlighting poor civic infrastructure.
- Urban flooding has become routine due to natural topography, land use changes, and haphazard construction.
- In 2015, Chennai experienced basement flooding that damaged electric equipment and disrupted businesses, leading to deaths due to failed emergency generators in a hospital.
- Buildings can be made flood-resilient by preventing water entry up to 1-1.5 meters with measures like concrete walls, flood-barrier gates, and non-return valves on plumbing lines.

Widening conflict (30 July)

As long as the Gaza war drags on, peace will be elusive in West Asia

- A rocket attack on a football ground in Majdal Shams, Golan Heights, killed 12 young people, escalating tensions in West Asia.
- Israel and the U.S. blame Hezbollah, a Lebanese Shia militia backed by Iran, for the attack.
- Hezbollah initially claimed responsibility for rocket strikes on an Israeli military outpost but later denied involvement in this incident.
- Since October 7, 2023, when Hamas attacked Israel, killing about 1,200 people, there has been ongoing conflict between Israel and Hezbollah.
- Following the Hamas attack, Hezbollah launched rocket attacks from southern Lebanon, targeting Israeli military positions.
- These attacks displaced around 60,000 Israelis in Upper Galilee and prompted Israeli air strikes in Lebanon.
- Hezbollah claimed it was fighting in solidarity with Palestinians, while Israel vowed retaliation for any attacks.
- The Majdal Shams attack appears to have broken previous restraints, increasing the risk of a larger war.
- Hezbollah's denial of involvement in the Majdal Shams attack is questionable; they may have targeted IDF outposts in the Golan Heights, with the rocket accidentally hitting the football field.
- Both Hezbollah and Israel have committed acts that exacerbate the conflict: Hezbollah's attacks and Israel's strikes in Lebanese civilian areas.
- The last major conflict between Hezbollah and Israel was in 2006, which ended unfavorably for Israel. Hezbollah also forced Israel's withdrawal from southern Lebanon.
- Since 2006, Hezbollah has strengthened its military and amassed significant weaponry.
- There is a high risk that a new war could escalate with Iran's involvement.
- The ongoing cycle of violence between Hezbollah and Israel, with each side provoking the other, has not led to effective deterrence.

- Peace can only be achieved if both parties de-escalate current hostilities and address the broader issue, starting with

Can States tax mining activities?

Why was an earlier judgment on the matter by a seven-judge Bench called into question? What are the provisions of the Mines and Minerals (Development and Regulation) Act, 1957? Are royalties the same as tax? What did the latest verdict on the issue state?

GS Paper II:
Financial Relations
EXPLAINER

Aaratrika Bhaumik

The story so far:

In a landmark ruling on July 25, the Supreme Court affirmed that States have the legislative authority to impose taxes on minerals in addition to the royalty levied by the Centre. Upholding the principles of federalism, the verdict clarified that the power of State legislatures to tax mineral activities within their respective territories is not constrained by Parliament's Mines and Minerals (Development and Regulation) Act, 1957 (1957 Act). The case which has been pending for more than a quarter century was decided by an 8:1 ruling with Chief Justice of India (CJI) D.Y. Chandrachud authoring the majority opinion. Justice B.V. Nagarathna gave a dissenting opinion where she cautioned that allowing States to impose additional levies could hinder the development of the nation's mineral resources and disproportionately advantage mineral-rich States.

What was the case?

Section 9 of the 1957 Act requires those who obtain leases to conduct mining activities to "pay royalty in respect of any mineral removed" to the individual or corporation who leased the land to them. The key question for consideration was whether the royalties paid by mine leaseholders to State governments under the 1957 Act should be classified as "tax." Additionally, the court needed to determine whether the Centre could impose such charges or if the States possessed the sole authority to levy them within their jurisdictions.

The case has its genesis in a dispute between India Cement Ltd and the Tamil Nadu government which arose after the company secured a mining lease in Tamil Nadu. Although India Cement was already paying royalties, the government imposed a cess – an additional tax on land revenues, including royalties. The company challenged this in the Madras High Court contending that the cess on royalties effectively constituted a tax on royalties, the imposition of which exceeded the State's legislative authority. In 1989, a seven-judge Bench of the Supreme Court in *India Cement Ltd. v. State of Tamil Nadu* decided in favour of India Cement by reasoning that States only have the power to collect royalties and not impose taxes on mining activities. It pointed out that the Union government exercises overriding authority over the "regulation of mines and mineral development" under Entry 54 of the Union List, as specified by law (in this case, the 1957 Act). Thus, States are not empowered to levy additional taxes on this subject.

Over a decade later, a five-judge Bench in 2004, while hearing a similar dispute between West Bengal and Kesoram Industries Ltd held that there was a typographical error in the *India Cement* decision and that the phrase "royalty is a tax" should be read as "cess on royalty is a tax". However, since the Bench was smaller than the one in the *India Cement* case, it was unable to overrule or amend the previous ruling.

In 2011, a three-judge Bench led by former Chief Justice S.H. Kapadia, while examining a challenge to a Bihar law imposing a cess on land revenue from mineral-bearing lands, recognised the conflicting precedents set by *Kesoram Industries* and *India Cement*. It accordingly referred the issue to a nine-judge Bench to definitively settle the



Tug of war: A goods train transporting mining materials from Odisha on July 23. BISWARANJAN ROUT

legal position.

What is the difference between royalty and tax?

The majority ruling clarified the distinction between royalty and tax. It defined royalty as the "contractual consideration" paid by the mining lessee to the lessor (who may also be a private party) for the right to extract minerals. In contrast, a tax was characterised as an "imposition by a sovereign authority." The judges underscored that taxes are determined by law and can only be levied by public authorities to fund welfare schemes and public services. Meanwhile, royalties are paid to a lessor in exchange "for parting with their exclusive privileges in the minerals".

Can States tax mining activities?

Entry 50 of the State List under the seventh Schedule of the Constitution gives States the exclusive authority to make laws regarding "taxes on mineral rights", but this power is limited by any laws Parliament may pass concerning mineral development. On the other hand, Entry 54 of the Union List gives the Centre the power to regulate "mines and mineral development," especially when Parliament decides it is necessary in public interest. During the proceedings, the Centre argued that Entry 50 in the State List had allowed Parliament to impose "any limitations" on taxes on mineral rights through the promulgation of laws relating to mineral development – in this case, the 1957 Act.

However, the majority reasoned that since royalties could not be classified as a tax, they do not fall within the category of "taxes on mineral rights" as defined in Entry 50 of the State List. As a result, it was held that the 1957 Act merely provided States with another source of revenue through royalties, without interfering with their authority to levy taxes on mineral rights under Entry 50.

While the Centre is empowered to regulate mining development under Entry 54 of the Union List, the court clarified that this authority does not include the power to impose taxes, which is exclusively under the jurisdiction of the State legislatures. However, this express power, it said, is subject to "any limitations" that may be imposed by Parliament which could even include a "prohibition" against imposing taxes. This implies that if the Centre wanted to modify the existing legislative framework under the 1957 Act to divest States of their power to levy a tax, it could do so.

The majority also held that States have the power to tax the land where mines and quarries are located by virtue of Article 246 read with Entry 49 (taxes on lands and buildings) of the State List. "In other words, mineral-bearing lands also fall within the description of lands under Entry 49 of List 2," the CJI declared, adding that the income of the land yield can be adopted as a measure of tax.

Why did Justice Nagarathna dissent? Disagreeing with the majority, Justice Nagarathna held that royalties paid under

the 1957 Act should be considered as tax for developing the country's mineral resources.

She pointed out that a central legislation, like the 1957 Act, was intended to promote mineral development and this objective could be severely undermined if States were allowed to impose levies and cesses (additional taxes) on top of the royalties they collect. The passage of the 1957 Act thus "denuded" States' powers to levy taxes by entrusting the Centre with complete control over mineral development and limiting States to generating revenue solely through royalties, she underscored.

Elucidating upon the likely consequences of allowing States to tax mineral rights, the judge highlighted that this would lead to an "unhealthy competition between the States to derive additional revenue" resulting in a steep, uncoordinated, and uneven increase in the cost of minerals. Such a scenario, she warned, might exploit the national market for arbitrage, where differences in pricing could be manipulated for profit, disrupting the market's stability.

What happens next?

On July 31, the court will consider whether the verdict should be applied retroactively or prospectively.

If applied retroactively, it could result in significant financial benefits for mineral-rich States such as West Bengal, Odisha, and Jharkhand, which have enacted local laws to impose additional taxes on mining lessees.

THE GIST

▼ The Supreme Court affirmed that States have the legislative authority to impose taxes on minerals in addition to the royalty levied by the Centre.

▼ The majority ruling clarified the distinction between royalty and tax. It defined royalty as the "contractual consideration" paid by the mining lessee to the lessor for the right to extract minerals. In contrast, a tax was characterised as an "imposition by a sovereign authority."

▼ On July 31, the court will consider whether the verdict should be applied retroactively or prospectively.