



26 July, 2024

Power of states over minerals

Context: In an 8-1 ruling, the Supreme Court's nine-judge Bench affirmed that states have the power to levy royalty on mineral extraction and tax lands with mines and quarries.

➤ Background on the Legal Case

- **Escalation to Nine-Judge Bench:** The conflict between past rulings on whether royalties are a tax necessitated a nine-judge Bench for a definitive resolution.
- **Majority View:** The majority decision affirmed that while Indian federalism leans towards central authority, states retain essential constitutional functions. It held that royalties are distinct from taxes and that states can levy taxes on mineral development within constitutional limits.
- **Differentiating Royalties from Taxes:** The majority found that royalties are contractual payments rather than public taxes, and thus do not fall under the category of taxes.
- **State Taxation Powers:** States can tax mineral development and land with mines, as long as they adhere to any limitations imposed by Parliament. The ruling clarified that parliamentary limitations could include restrictions but not necessarily a prohibition.

➤ Dissenting Opinion Analysis

- **Definition of Royalties:** The dissenting opinion argued that royalties should be classified as a tax to ensure consistent mineral development. Allowing additional state taxes could undermine the MMDRA's objectives.
- **Statutory Authority:** The MMDRA gives the Centre regulatory authority over mineral development, and states should not impose extra taxes beyond royalties.
- **Interpretation of Constitutional Entries:** It was argued that Entry 49 of the State List does not grant states the power to tax mineral-bearing lands, with focus remaining on royalties as defined under Entry 50.

Difference Between Royalty and Tax

➤ Royalty

- Originates from an agreement between parties, representing compensation for rights and privileges.
- Directly tied to the benefit or privilege conferred by the grantor.
- Specific to the agreement, often linked to resource exploitation or use of a privilege.
- Precedents: Hingir-Rampur Coal Co. Ltd. vs. State of Orissa (1961) and State of West Bengal vs. Kesoram Industries Ltd. (2004) establish royalties as contractual obligations with direct benefits.

➤ Tax

- Imposed under statutory authority, not linked to any special benefit conferred on the payer.

- Enforced by law for public purposes, with no specific benefit to the taxpayer.
- Mandatory payment, not related to any particular privilege or benefit.
- Precedents: State of Himachal Pradesh vs. Gujarat Ambuja Cement Ltd. (2005) and Jindal Stainless Ltd. vs. State of Haryana (2017) highlight taxes as common burdens without direct quid pro quo.

➤ Mines and Minerals (Development and Regulation) Act, 1957

- Key legislation regulating India's mining sector, aimed at development, mineral conservation, and operational transparency.

➤ 2015 Amendment

- **Auction Method:** Introduced mandatory auctioning of mineral concessions for greater transparency.
- **District Mineral Foundation (DMF):** Established to aid areas affected by mining.
- **National Mineral Exploration Trust (NMET):** Created to enhance mineral exploration.
- **Penalties for Illegal Mining:** Imposed strict penalties to deter illegal mining.

➤ 2016 and 2020 Amendments

- Addressed sector-specific issues to streamline operations and regulatory frameworks.

➤ 2021 Amendment

- **Captive and Merchant Mines:** Removed the distinction, allowing captive mines to sell up to 50% of production in the open market, while merchant mines sell minerals commercially.
- **Auction-Only Concessions:** Mandated auctions for all private-sector mineral concessions.

➤ 2023 Amendment

- **Critical Minerals:** Removed six minerals from the atomic minerals list to facilitate exploration and auction of critical minerals.
- **Exploration Licenses:** Introduced to attract foreign investment and engage junior mining companies in exploring critical minerals.
- **Focus:** On reducing import dependence, promoting private sector involvement, and supporting future technologies and energy transition goals.

Evolution of Olympics

Context: The 2024 Summer Olympics, officially known as the Games of the XXXIII Olympiad and commonly referred to as Paris 2024, are scheduled to be held in France from July 26 to August 11, 2024.

➤ Paris 2024 Summer Olympics

- Paris will be the main host city, with 16 other cities across European France also participating.

Face to Face Centres





26 July, 2024

- Tahiti, an island in French Polynesia, will host a subsite for the Games.
 - The 2024 Summer Olympics will return to the traditional four-year cycle after the COVID-19 pandemic disruption.
 - This edition will set the stage for the 2028 Summer Olympics in Los Angeles and the 2032 Summer Olympics in Brisbane.
- **Historical Significance**
- Paris was awarded the Games on September 13, 2017, during the 131st IOC Session in Lima, Peru.
 - This will be Paris's third time hosting the Summer Olympics and will coincide with the centenary of the 1924 Paris Games.
 - France will have hosted the Olympics six times, with the last French-hosted Games being the 1992 Winter Olympics in Albertville.
- **Olympic Logo and Motto**
- The Olympic Rings, created by Pierre de Coubertin in 1913, feature five interlocking rings in blue, yellow, black, green, and red on a white background, representing the five continents.
 - The original motto "Citius, Altius, Fortius" ("Faster, Higher, Stronger") was proposed in 1894.
 - In 2021, the motto was updated to "Citius, Altius, Fortius – Communiter," adding "Communiter" ("Together") to emphasize unity.
- **Recently Added Sports**
- Tokyo 2020 introduced five new sports:
- Surfing
 - Skateboarding
 - Sport Climbing
 - Karate
 - Baseball/Softball
- Paris 2024 has new sports:
- Breaking
 - Kayak cross
 - Artistic swimming (men)
- **Olympic Games Overview**
- The Olympic Games are major international multi-sport events held every four years.
 - The ancient Olympics took place in Olympia, Greece, from the 8th century BC to the 4th century AD.
 - The modern Olympics were revived in 1896 by Pierre de Coubertin, with the first Games held in Athens.
 - The International Olympic Committee (IOC) oversees the organization and staging of the Games. Host cities are selected through a bidding process and are responsible for providing necessary infrastructure.

➤ **Summer and Winter Olympics**

- The Summer Olympics include sports like athletics, swimming, and gymnastics and are held in different cities around the world during summer.
- The Winter Olympics focus on cold-weather sports such as skiing and ice hockey, hosted in cities with suitable winter conditions.

➤ **Olympic Torch Relay**

- The Olympic Torch Relay symbolizes continuity, unity, and competition and has roots in ancient Greek mythology.
- The tradition was revived for the 1936 Berlin Games, with a symbolic flame transported from Olympia to Berlin.
- The relay has evolved to include diverse participants, and the final torchbearer's identity is kept secret to build anticipation.
- The torch relay has become more inclusive over time, with women and individuals with disabilities participating since the 1972 Munich Games.
- The flame remains alight from the start to the end of the Games, representing hope, unity, and athletic excellence.

State of Food Security and Nutrition in the World (SOFI)

Context: The SOFI Report states that between 713 and 757 million people, or 1 in 11 globally, faced hunger in 2023.

➤ **Access to Financing for Food Security and Nutrition:**

- Approximately 63% of low- and middle-income countries analyzed have limited or moderate access to financing for food security and nutrition.
- Despite this, 74% of these countries are affected by major factors contributing to food insecurity and malnutrition.
- Countries with limited access to financing experience a higher prevalence of undernourishment (23.1%) compared to those with moderate (10.4%) and high (6.9%) financing access.
- A similar trend is observed in child stunting rates, though the difference is less pronounced: 23.9% in countries with limited access versus 20.9% in those with moderate access.
- Countries with high levels of hunger and food insecurity face structural limitations that hinder their ability to increase financing for food security and nutrition.

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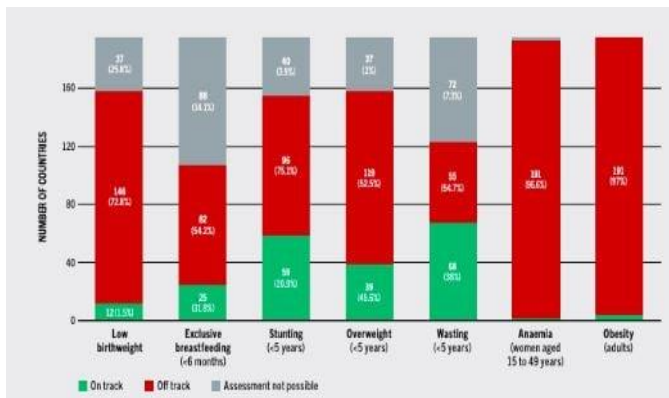
26 July, 2024

➤ **Official Development Assistance (ODA) for Food Security:**

- The SOFI report, published on July 24, revealed that less than 25% of total official development assistance is allocated to food security and nutrition.
- From 2017 to 2021, annual flows to food security and nutrition were \$76 billion, with only 34% addressing the major drivers of food insecurity and malnutrition.
- More countries are off track for achieving most global nutrition targets.

➤ **Public Spending and Food Security:**

- The report found a correlation between increased government spending on agriculture and higher percentages of overweight children under five.
- **Possible explanations include:**
 - Increased spending may address child overweight issues through nutrition programs.
 - Public spending may lack support for nutrition-sensitive actions or healthy food environments.
 - Subsidies for staple foods may make unhealthy, processed foods cheaper, while making fruits and vegetables more expensive.



➤ **New Definition of Financing for Food Security and Nutrition:**

- The report calls for a new, standardized definition and approach to mapping financing for food security and nutrition, citing the current lack of clarity and adequate attention.
- There is no agreed definition or measurement standard for financing flows in this area, which undermines efforts to address food security and malnutrition.
- A proposed definition: Financing for food security and nutrition includes public and private resources, both

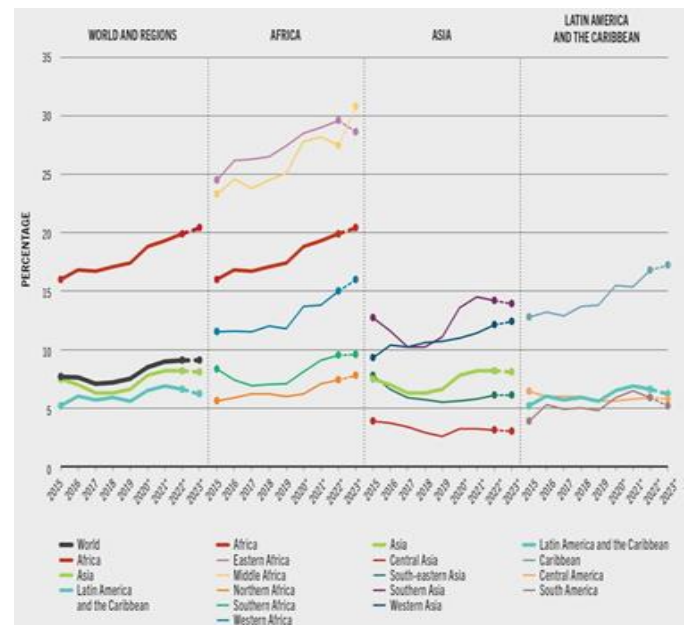
domestic and foreign, aimed at eradicating hunger, food insecurity, and malnutrition.

➤ **India's Food Security and Nutrition:**

- Over half of India's population (55.6%) cannot afford a healthy diet, higher than the South Asian average of 53.1% and second only to Pakistan (58.7%).
- This figure declined from 69.5% in 2017.
- The report defines a healthy diet based on diversity, adequacy, moderation, and balance.
- In India, 83% of food security spending is directed towards food consumption, with only 15% addressing major drivers of food insecurity and malnutrition.
- A May report highlighted a rise in unhealthy food consumption in India, with 38% of the population eating unhealthy foods and only 28% consuming all five recommended food groups.

➤ **Global and Regional Food Security:**

- Globally, 35.4% of people cannot afford a healthy diet, with 64.8% of these in Africa and 35.1% in Asia.
- Between 2021 and 2023, India had 194.6 million undernourished people, representing 13.7% of the population.
- In 2022, 21.9 million children (18.7%) were affected by wasting, and 36.1 million children (31.7%) were stunted.
- Asia has the highest levels of wasting among children under five.





26 July, 2024

NEWS IN BETWEEN THE LINES

Kargil Vijay Diwas



Today on July 26, 2024, the Prime Minister of India marked the 25th anniversary of Vijay Diwas by paying tribute to 545 martyrs, honoring India's "brave heroes" from the Kargil War.

About Kargil Vijay Diwas:

- Kargil Vijay Diwas is celebrated annually on July 26.
- The day commemorates the **victory of the Indian armed forces** in the Kargil War fought **against Pakistan in 1999**.
- The year 2024 marks the 25th anniversary of Kargil Vijay Diwas.
- India **launched Operation Vijay on May 3, 1999**, to reclaim the occupied territory.
- The Kargil War, also known as the Kargil conflict, took place **from May to July 1999** along the **Line of Control (LoC)** in the Kargil district of Jammu and Kashmir.
- The war concluded with the successful **reclamation of Indian territory** and the expulsion of Pakistani troops from the **occupied positions on July 26, 1999**.
- India and Pakistan signed the **Lahore Agreement in 1999** to resolve the Kashmir issue peacefully.
- The **National War Memorial, inaugurated in 2019** near India Gate, honors soldiers from key conflicts with its four concentric circles representing different aspects of sacrifice and bravery.

Central Board of Direct Taxes

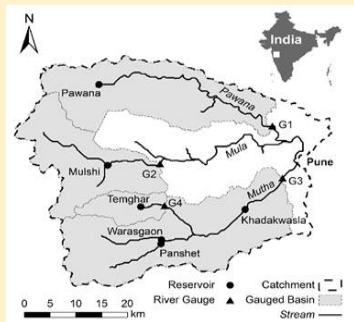


Recently, the July 31 deadline for filing income tax (I-T) returns is unlikely to be extended, as the Central Board of Direct Taxes has addressed portal glitches by enhancing its back-end capacity to handle the increased workload.

About the Central Board of Direct Taxes:

- The Central Board of Direct Taxes (CBDT) is a **part of Department of Revenue** in the **Ministry of Finance**, Government of India.
- It is a **statutory authority, established under the Central Board of Revenue Act, 1963**.
- It deals with the task of formulation of policies related to the levy and **collection of Customs, Central Excise duties, Central Goods & Services Tax and IGST**.
- It also works on **preventing smuggling** and administering matters concerning Customs and Narcotics within its jurisdiction.
- It is headed by a **Chairman** and **comprises six ex-officio** Special Secretary members, including those for **Income Tax, Legislation and Computerization, Revenue, Personnel & Vigilance, Investigation and Audit & Judicial**.
- The Chairman coordinates the Central of Board Direct Taxes, with each member assigned a specialized function and **both are selected from the Indian Revenue Service (IRS)**.

Mutha River



Recently, heavy rainfall in Pune district, Maharashtra, caused the Mutha river to overflow, resulting deaths, injuries and widespread flooding in low-lying areas.

About the Mutha River:

- The Mutha River is a river in **western Maharashtra** that originates in the Western Ghats and flows east into the city of Pune, where it merges with the Mula River.
- It has two tributaries, the **Ambi** and **Moshi**, which both drain into the Mutha upstream of the **Khadakwasla dam, the first dam built on the river in 1880 by the British**.
- After merging with the Mula River, the Mutha River continues as the **Mula-Mutha River**, which eventually flows into the **Bhima River, a tributary of the Krishna River** that empties into the Bay of Bengal.
- In **November 2023**, the State Environment Impact Assessment Authority (SEIAA) directed the Pune Municipal Corporation (PMC) to stop construction at a site near Bund Garden that included three river stretches.

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26 July, 2024

The Shinkun La Tunnel



Today, the Prime Minister of India will virtually initiate the first blast of the Shinkun La Tunnel project in Ladakh.

About the Shinkun La Tunnel:

- The Shinkun La Tunnel is situated in the **Ladakh region of India**, specifically in the **Zaskar Valley**.
- The Shinkun La Tunnel is a **4.1 km motorable twin-tube tunnel** that will be constructed under the 15,580 ft high **Shinku-La Pass**, connecting Himachal Pradesh's Lahaul Valley to Ladakh's Zaskar Valley.
- The tunnel will be **part of the Nimu-Padam-Darcha Road link** and is being **built by the Border Roads Organization (BRO)**.
- Upon completion, the Shinkun La Tunnel will be the **highest tunnel in the world**, providing all-weather connectivity to Leh.
- The tunnel is a significant infrastructure project that aims to improve connectivity in Ladakh's border areas, providing all-weather road access and reducing travel time.
- This tunnel will also **protect against long-range artillery shelling and missile attacks**, strengthening **defense capabilities** in the region.
- The project is expected to be completed by **2026**.

Bharachukki Falls



Recently, heavy rain and water release from dams have increased the flow at the Bharachukki Falls.

About the Bharachukki Falls:

- Bharachukki Falls is a **69-meter waterfall** in Chamarajanagar district of **Karnataka**, that is the **part of the Shivanasamudra Falls cluster**.
- The **Kaveri River creates the falls** as it flows down a 75-meter gorge and splits into two branches that encircle the island town of Shivanasamudra.
- Bharachukki Falls, along with the 90-meter **Gaganachukki Falls** in Malavalli, form the Shivanasamudra Falls, which mark the **boundary between the Chamarajanagara and Mandya districts**.
- The Shivanasamudra Falls are also home to one of **Asia's first hydroelectric power stations**, which was built in **1902**.
- The power generated from the falls supplies Mysore, Bangalore, and the Kolar Gold Fields. Some say the best time to visit the falls is right after the rains during peak season.

POINTS TO PONDER

- Which two halls at Rashtrapati Bhavan have been renamed by President Droupadi Murmu, and what are their new names?
– **Durbar Hall to Ganatantra Mandap and Ashok Hall to Ashok Mandap**
- Recently, who has been appointed as the festival director for the 55th and 56th editions of the International Film Festival of India (IFFI)? – **Shekhar Kapur**
- Recently, researchers discovered fossil remains of magnetic particles known as magnetofossils produced by magnetotactic bacteria in which of the union territories of India? – **Ladakh**
- Which new open-source AI model has Meta recently unveiled? – **Llama 3.1**
- India plans to apply for licenses from the International Seabed Authority (ISA) to explore deep-sea minerals in which region of the Pacific Ocean? – **Clarion-Clipperton Zone**

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