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MK Yadav Sir

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INDIAN EXPRESS

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LISTERIA

(Syllabus: GS Paper 3 – Sci and Tech)

LISTERIOSIS OUTBREAKS IN US AND CANADA: WHAT YOU NEED TO KNOW

ANAGHA JAYAKUMAR
NEW DELHI, JULY 25

TWO SEPARATE outbreaks of listeriosis, an infection caused by consuming food contaminated with the bacterium *Listeria monocytogenes*, have recently been reported in the US and Canada.

The United States Centers for Disease Control and Prevention (CDC) reported the outbreak having taken place across 12 states. So far, 28 people have been hospitalised, of whom two have died.

Canada has thus far reported 12 cases spread across three provinces. Two people have succumbed to the illness.

What is listeria and listeriosis?

Listeria is a type of bacteria found in soil, vegetation, water, sewage, and animal and human faeces. It is more likely to contaminate certain kinds of foods — such as milk, raw sprouts, soft cheeses, and deli meat.

Most people who ingest contaminated food do not fall sick. For vulnerable populations, which includes people with compromised immune systems, the elderly (aged 65 and above), and pregnant women, the infection can be deadly. The median age of the infected patients in the US outbreak is 75.

Symptoms of listeriosis include vomiting, nausea, cramps, severe headache, constipation, and fever.

How is listeriosis treated?

Intestinal listeriosis, which manifests within a day or two of consuming the contaminated food, can be treated like routine stomach infections, using antibiotics.

If the infection spreads beyond the intestines — causing what is known as invasive listeriosis — urgent hospitalisation might be needed. Severe symptoms generally present two weeks after the contamined food is consumed. According to the CDC, almost 1 in 6 non-pregnant people with invasive listeriosis succumb to the infection.



Contaminated deli meat is behind the outbreak in US. *Getty Images*

What do we know about the recent outbreaks?

Of the 18 infected people the CDC interviewed, 16 had consumed raw/undercooked meat sliced at delis.

Canada's listeria outbreak is connected to the contamination of plant-based refrigerated beverages, including the Danone's Silk brand. About 15 items under the Silk brand were recalled on July 8 by the Canada Food Inspection Agency (CFIA), the regulatory body.

There are concerns the outbreak may be similar to one in 2008 when contaminated cold cuts from Maple Leaf Foods, one of Canada's largest meatpackers, left 22 people dead, and 57 ill.

What are some measures that the public should take?

The CDC advised the public, especially high-risk groups, to avoid unheated deli meats, cheeses and salads, and opt for packaged items instead. Deli equipment, surfaces, and food can be easily contaminated. Crucially, refrigeration of deli items does not kill the bacteria.

The CDC recommends heating all deli meats to an internal temperature of 165 degrees Farenheit before consumption. Refrigerators, containers and surfaces that have come into contact with deli meats should be thoroughly sanitised. Medical attention is advised for those presenting symptoms.

Context: Recent weeks have seen two separate outbreaks of listeria, a food-contaminating bacteria, reported in the United States and Canada.

Listeria

- **About**: It is a type of bacteria found in soil, vegetation, water, sewage, and even the feces of animals and humans.
  - Listeria-contaminated food can lead to an i**nfection called listeriosis**.
- **Symptoms**: Most people who ingest listeria-infected food do not fall sick or develop symptoms.
  - The bacteria can be present in the infected person's system for up to two months until the symptoms present themselves, making it difficult to establish the connection between what was consumed and the infection.
- **Vulnerable People**: With compromised immune systems, pregnant persons and their offspring, and the elderly (aged 65 and above) are vulnerable.
- **According to the CDC**, pregnant women are 10 times more likely to develop a listeria infection and risk pregnancy loss, premature birth, or even life-threatening infection in the newborn.
- **Risk**: Listeria can result in hospitalization and even death for the immunocompromised and the elderly.
- **Treatment:** It depends on the extent of the infection.
  - The treatment is similar to one for a routine stomach infection and could require antibiotics.

TIMES OF INDIA Page 14

PROJECT CHEETAHS
(Syllabus GS Paper 3 – Env and Eco)

MP cites national security, junks RTI plea on cheetahs

Govt Response Leaves Wildlife Activists Bewildered

TIMES NEWS NETWORK

Bhopal: Madhya Pradesh govt has rejected an RTI application seeking correspondences related to 'Project Cheetah', citing concerns over "national security, sovereignty, and integrity of India".

Wildlife activists aren't amused. What does cheetah management have to do with national security or sovereignty, they wonder.

Activist Ajay Dubey had filed the RTI plea for details about the cheetah reintroduction project, particularly how they are being cared for at Kuno Wildlife Sanctuary in Sheopur district and the plans for a second home at Gandhi Wildlife Sanctuary in Mandsaur district. He had sought records on "management correspondence" at both cheetah sites.

To his dismay, the state govt denied his request, invoking Section 8(1)(a) of RTI Act, which allows public authorities to withhold information whose disclosure could "affect the sovereignty and integrity of India, its security, strategic, scientific, or economic interests, or its relations with a foreign state".

iStock



Activist Ajay Dubey had filed the RTI plea for details about the cheetah reintroduction project

Saurav Kumar Kabra, public information officer at the office of the principal chief conservator of forests (wildlife), said: "This information is related to management branch, which has decided not to provide information under Section 8(1)(a) of RTI Act, 2005."

A bewildered Dubey remarked, "This is the first instance where information regarding cheetah conservation has been linked to national security. My efforts to shed light on the project have met with significant resistance from the authorities."

In Feb this year, Dubey said he obtained a photograph of a cheetah cub with a bandaged leg through RTI. The picture was shared widely on social media. Dubey then filed a complaint with National Tiger Conservation Authority (NTCA), alleging that MP forest authorities had not informed it about the cheetah's injury.

Context: Madhya Pradesh government has rejected an RTI application seeking correspondence related Project Cheetah citing concerns over 'national Security, sovereignty and Integrity of India.

Project Cheetah

- **About:** To reintroduce the cheetah in its forests, seven decades after the last member of the species went extinct in the country.
  - Under Project Cheetah, the animals are translocated from the forests of South Africa and Namibia to the Kuno National Park in Madhya Pradesh.

Cheetah

- **About:** cheetah is the world's fastest land animal.
- **Family:** The cheetah is a prominent cat family member.
- **Subfamily:** Feline
- **Distribution**: found across **Africa and some parts of Iran**.
- cheetahs are divided into four subspecies; the Southeast African cheetah, the Northeast African cheetah, the Northwest African cheetah, and the rare Asiatic cheetah.
- **Habitat:** The cheetah **prefers grassland habitats** where it has enough space to go after its prey without any obstacles.
- The cheetah prefers grassland habitats where it has enough space to go after its prey without any obstacles.
  - cheetahs are **divided into four subspecies**; the Southeast African cheetah, the Northeast African cheetah, the Northwest African cheetah, and the rare Asiatic cheetah.

THE PRINT July 25

LOKMANYA TILAK
(Syllabus: GS Paper 1 – History)

PM Modi pays tribute to Lokmanya Tilak on birth anniversary

Context: The Prime Minister of India recently paid tributes to Lokmanya Tilak on his birth anniversary.

Lokmanya Tilak

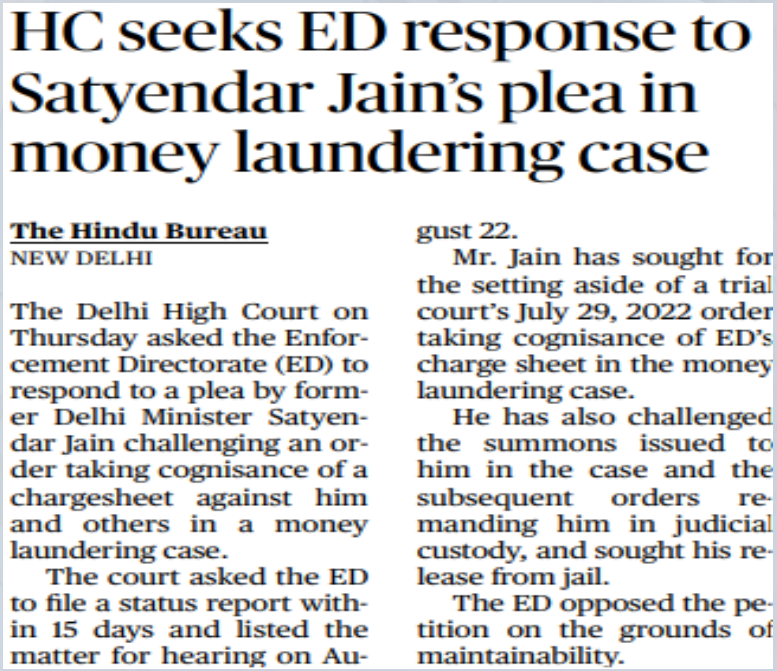
- **About**: He widely known as Lokmanya Tilak, was a leading Indian nationalist, freedom fighter, social reformer, and political leader in the Indian independence movement.
- **Advocate of Swaraj**: Tilak was a key proponent of Swaraj (Self Rule) for India and is renowned for his slogan, "Swaraj is my birthright, and I shall have it."
- **Title**: He was honored with the title 'Lokmanya', meaning 'revered by the people', by his followers.
- **Radical Nationalist**: Tilak was recognized as a radical nationalist and was labeled by the British Government as the "Father of Indian Unrest."
- **Contributions:**
  - **Indian National Congress**: He joined the INC Party in 1890.
  - **All India Home Rule League:** Tilak co-founded the All India Home Rule League in 1916-18 with G. S. Khaparde and Annie Besant.
    - He established his Home Rule League in Maharashtra, Central Provinces, Karnataka, and Berar, while Besant's League was active throughout the rest of India, focusing on self-rule and public awareness.
- **Literary Contributions**: Tilak was a distinguished writer and journalist, utilizing his newspapers "Kesari" (Lion) in Marathi and "Maratha" in English to spread nationalist ideas.
- **Notable Works**: His key literary works include "The Arctic Home in the Vedas," proposing the Vedic origin in the Arctic, and "Shrimad Bhagavad Gita Rahasya," a nationalist interpretation of the Bhagavad Gita.
- **Educational Initiatives**: Tilak established the Deccan Education Society in Pune in 1884, which founded Fergusson College and the New English School, promoting modern education in Maharashtra.
- **Social Reforms**: Tilak supported the eradication of social evils like untouchability and child marriage and promoted women's education.
- **Lal-Bal-Pal Triumvirate:** Tilak worked with Bipin Chandra Pal and Lala Lajpat Rai, collectively known as the 'Lal-Bal-Pal triumvirate.'
- **Lucknow Pact**: In 1916, he played a crucial role in concluding the Lucknow Pact with Mohammed Ali Jinnah, which aimed at Hindu-Muslim unity in the nationalist cause.

THE HINDU

Page 2

MONEY LAUNDERING

(Syllabus: GS Paper 3 – Internal Security)



HC seeks ED response to Satyendar Jain's plea in money laundering case

The Hindu Bureau
NEW DELHI

The Delhi High Court on Thursday asked the Enforcement Directorate (ED) to respond to a plea by former Delhi Minister Satyendar Jain challenging an order taking cognisance of a chargesheet against him and others in a money laundering case.

The court asked the ED to file a status report within 15 days and listed the matter for hearing on August 22.

Mr. Jain has sought for the setting aside of a trial court's July 29, 2022 order taking cognisance of ED's charge sheet in the money laundering case.

He has also challenged the summons issued to him in the case and the subsequent orders remanding him in judicial custody, and sought his release from jail.

The ED opposed the petition on the grounds of maintainability.

Context: Recently, Delhi high court asked Enforcement Directorate to respond to a plea of former Delhi Minister Related to money laundering case.

Money Laundering

- **Definition**: Money laundering is the **process of hiding the source of money** obtained from illegal sources and converting it to a clean source, for the purpose of avoiding prosecution, conviction, and confiscation of the criminal funds.
- **Stages of money laundering:** Placement – layering – integration.
- **As per FATF**: The **goal of a large number of criminal acts is to generate a profit** for the individual or group that carries out the act.
  - Money laundering is the **processing of these criminal proceeds** to disguise their illegal origin.
  - **This process is of critical importance, as it enables** the criminal to enjoy these profits without jeopardizing their source.

Prevention of Money Laundering Act (PMLA)

- **Aim**: To prevent money-laundering
- **To provide for confiscation of property** derived from or involved in money laundering.
- The Department of Revenue within the Ministry of Finance oversees the investigation of money laundering offenses under the PMLA through the Enforcement Directorate (ED).

Impact of Money Laundering

- **Distortion of Economic Sectors**: Money laundering disrupts fair competition and market integrity by injecting illicit funds into legitimate businesses.
- **Undermining Financial Stability**: Money laundering weakens the financial system, increasing the risk of crises and compromising the credibility of banks.
- **Undermining the Rule of Law**: Money laundering undermines the rule of law by allowing criminals to benefit from their illegal activities, eroding trust in legal systems.

BUSINESS STANDARD

July 26

KARGIL VIJAY DIWAS

(Syllabus: GS Paper 3 – Internal Security)

PM Modi targets Pak on Kargil Vijay Diwas, says 'hasn't learnt any lesson'

Context: 25th Kargil Vijay Diwas was celebrated on 26 July 2024 with great pride and fervour across the country.

Kargil Vijay Diwas

- **About**: It has been named after the **success of Operation Vijay**.
  - **Operation Vijay (1999):** the Indian operation to push back infiltrators in the Kargil War
  - On this auspicious day, **Indian Armed Forces successfully reclaimed the command of the high outposts which were treacherously occupied by Pakistani soldiers in 1999 in Kargil.**

About Kargil war:

- **Beginning:** The conflict was triggered when infiltrators from Pakistan crossed the LoC and occupied high positions in **Ladakh's Kargil district.**
- **Kargil War:** The Kargil war was a three-month long skirmish between India and Pakistan. It commenced in May 1999 when approx. 1500 Pakistani soldiers intruded into the Indian Territory in Kargil, Jammu and Kashmir with an aim of severing link between Kashmir and Ladakh.
- **End:** The Kargil war was fought for more than 60 days and ended on **26 July 1999** with gallant victory for India.
- **Operation Safed Sagar:** It was the codename assigned to the **Indian Air Force's strike** to support the Ground troops during Kargil war.
- **Other Operation Vijay:** Operation Vijay (1961), the operation by the Military of India that led to the capture of Goa.

TRIPUT
(Syllabus: GS Paper 3 - Security)

LAUNCH OF 'TRIPUT'
FIRST OF TWO ADDITIONAL P1135.6 FOLLOW ON SHIPS

Context: Goa Shipyard Limited (GSL) has recently launched the first indigenously-built Talwar-class frigate, named 'Triput'.

Triput

- **About**: It is the first indigenously built Talwar-class frigate.
- In October 2016, India and Russia signed a deal to buy four stealth frigates of the Admiral Grigorovich class.
- **Import and Indigenous Construction**: Two of these frigates, 'Tushil' and 'Tamal', will be directly imported, and the remaining two frigates will be built in India by GSL through a transfer of technology (ToT).
- **Built by**: GSL under this project. The second frigate, 'Tamal', will be delivered by February 2025.
    - The Indian Navy already operates six ships of this class: INS Talwar, INS Trishul, INS Tabar, INS Teg, INS Tarkash, and INS Trikand.
- **Features of INS Triput**
    - **Dimensions and Speed**: The 124-meter-long and 15.5-meter-wide ship is propelled by four gas turbines, designed to achieve a maximum speed of 28 knots at a displacement of approximately 3200 tons.
    - **Capabilities**: It features a hull design that reduces radar cross-section, enhancing its stealth capabilities.
    - **Advanced Systems**: The ship is equipped with a state-of-the-art weapons and sensors system, an Integrated Platform and Bridge Management System, and other advanced features.
    - **Air Defence**: The ship's air defence capability includes a vertical launch long-range Surface-to-Air missile system to counter enemy aircraft and anti-ship cruise missiles.
    - **Indigenous Systems**: It has an indigenous power generation and distribution system, AC, steering system, and stabilisers developed by private industry.

FINANCIAL EXPRESS

Page 1

CAPITAL GAINS TAX

(Syllabus: GS Paper 3 – Economy)



'No review of capital gains tax for real estate'

THE GOVERNMENT IS not open to reviewing the long-term capital gains regime for sale of property, which has ignited a debate, Sanjay Malhotra, secretary, department of revenue, told Priyansh Verma. "For most sellers, the new regime will result in reduced tax incidence. Only for some, it will lead to an increase," he said, adding that the cut in TDS rates may be taken up. ■ Page 2

Context: Recently debate going on because government is not open to reviewing the long term capital gains for sale of property.

Capital gains tax

- **About:** Any profit or gain that arises from the sale of a 'capital asset' is known as 'income from capital gains'. Such capital gains are taxable in the year in which the transfer of the capital asset takes place. This is called capital gains tax.
- **Types**:
  - **STCA (Short-term capital asset)** An asset held for a period of 36 months or less is a short-term capital asset.
  - **LTCA (Long-term capital asset):** An asset held for more than 36 months is a long-term capital asset.
- **Budget update:**
  - For classifying assets into long-term and short-term, there will only be two holding periods: 12 months and 24 months. The 36-month holding period has been removed.
  - The holding period for all listed securities is 12 months. All listed securities with a holding period exceeding 12 months are considered Long-Term. The holding period for all other assets is 24 months.
  - The taxation of Short-Term Capital Gain for listed equity shares, a unit of an equity-oriented fund, and a unit of a business trust has been increased to 20% from 15%.
  - The limit on the exemption of Long-Term Capital Gains on the transfer of equity shares or equity-oriented units or units of Business Trust has increased from Rs.1 Lakh to **Rs.1.25 lakh** per year. However, the rate at which it is taxed has increased from 10% to **12.5%**

DTE July 24

NON-FUNGIBLE TOKEN
(Syllabus: GS Paper 3 – Economy)

Non–Fungible Tokens can make Indian agriculture profitable; but challenges exist

Context: Time has come to discuss the future of Non-Fungible Tokens (NFT) to transform the agri-food structure for the betterment of farming in India.

Non-Fungible Token

- **About:** NFTs, are blockchain-based tokens that each represent a unique asset like a piece of art, digital content, or media.
  - An NFT can be thought of as an irrevocable digital certificate of ownership and authenticity for a given asset, whether digital or physical
- **Representation:** They can represent digital or real-world items such as artwork, photographs, songs, videos, real estate, individuals' identities, property rights, and more.
- **Tokenization:** NFTs are assets tokenized via a blockchain, with unique identification codes and metadata that distinguish them from other tokens
- **Non-Fungible:** The term 'non-fungible' means each token is different, unlike fungible currencies (e.g., one ten-rupee note can be exchanged for another).
- **Trading:** NFTs can be traded and exchanged for money, cryptocurrencies, or other NFTs, depending on their market value and the value placed on them by owners
- **Blockchain Record:** NFT transactions are recorded on blockchains, which are digital public ledgers. Most NFTs are part of the Ethereum blockchain.
- **key characteristics:** (NFTs) are designed to be i) cryptographically verifiable, ii) unique or scarce and iii) easily transferable
- **Popularity:** NFTs gained popularity in 2021, as artists began to see them as a convenient way to monetize their work.

PIB July 25

MAGNETOTACTIC BACTERIA

(Syllabus: GS Paper 3 – Sci and Tech)

Ladakh's rock varnish may help identify habitable environments in space

Context: Researchers have uncovered fossil remains of magnetic particles, known as magnetofossils produced by magnetotactic bacteria, in rock varnish layers in Ladakh, India.

Magnetotactic Bacteria

- **About**: These are mostly prokaryotic organisms that arrange themselves along the Earth's magnetic field.
- **Habitat**: These bacteria are found in both freshwater and marine environments.
- **Oxygen Navigation**: Historically, it was believed that these bacteria follow the magnetic field to find optimal oxygen concentrations.
- **Iron-Rich Compass**: These organisms contain novel structured particles rich in iron, housed in small sacs that function as a compass.
- **Crystal Formation**: Magnetotactic bacteria produce tiny crystals of iron-rich minerals, magnetite or greigite, to navigate changing oxygen levels in their habitat.

Highlights of the Research

- **Comparison**: Researchers are examining similarities between rock varnish in Ladakh and those observed on Mars by the Perseverance rover.
- **Organic Signatures Detection**: Elevated concentrations of oxidized manganese (Mn^{4+}) and carboxylic acid functionalities were identified on the varnish surface, indicating possible organic signatures.
- **Biotic Origin of Magnetic Minerals:** The findings suggest that the magnetic minerals in rock varnish are likely biotic in origin.
- **Importance for Space Missions**: Detecting biotic signatures in rock varnish enhances the focus on identifying biosignatures on Mars and other celestial bodies.
- **Future Space Exploration**: This information is essential for future space missions, including those planned by ISRO and other agencies, aiming to explore Mars and evaluate its habitability.

INDIAN EXPRESS Page 17

TAXATION POWER ON MINERAL

(Syllabus: GS Paper 3 – Economy)

Mining and power of states

Royalty is not a tax, the Supreme Court has ruled. States have the power to tax mining activities. How did this long-pending matter reach a nine-judge Constitution Bench; what issues did the judges consider?

AJOY SINHA KARPURAM
NEW DELHI, JULY 25

INDIA'S states have the power to tax mining activities, and collecting "royalties" from mining leaseholders is entirely separate from, and does not interfere with, the power to impose taxes, a nine-judge Constitution Bench ruled on Thursday.

Following the judgment, states can generate additional revenues in the form of taxes on mining activities and on the land used to conduct these activities.

The case, *Mineral Area Development Authority v M/s Steel Authority of India*, which had been pending for more than a quarter century, was decided by an 8-1 split. Chief Justice of India D Y Chandrachud authored the majority opinion for himself and Justices Hrishikesh Roy, Abhay S Oka, J B Pardiwala, Manoj Misra, Ujjal Bhuyan, Satish Chandra Sharma, and Augustine George Masih. Justice B V Nagarathna gave a dissenting opinion.



If a state government leases land for mining activities, does this make royalties a 'tax' under India's mining law? The SC first considered this question in 1989. *File*

How did this matter reach the nine-judge Bench?

Royalties refer to the fees paid to the owner of a product in exchange for the right to use that product. For example, if a movie studio wants to use an existing piece of music by a specific artist in their new film, they will have to pay a royalty fee that goes to the artist.

Section 9 of the Mines and Minerals (Development and Regulation) Act, 1957 (MMDRA) 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.

This raises a question: If a state government is the entity leasing the land to a lessee-holder, does this make royalties under the MMDRA a form of tax?

The Supreme Court answered this question for the first time in *India Cement Ltd v State of Tamil Nadu* (1989). A seven-judge Bench heard a challenge by the company to a Tamil Nadu law imposing a cess — a tax levied in addition to the normally taxable amount — on land revenues, including royalties.

The court held that states only have the power to collect royalties, not to impose taxes on mining activities. It said that the Centre has overriding authority over "regulation of mines and mineral development" under Entry 54 of the Union List to the extent provided by law (MMDRA in this case), and that states do not have the power to impose further taxes on the subject.

"We are of the opinion that royalty is a tax, and as such a cess on royalty being a tax on royalty, is beyond the competence of the State Legislature because s. 9 of the Central Act covers the field," the court said.

The statement "royalty is a tax", however, triggered events that led to the formation of a nine-judge Bench at the Supreme Court.

In 2004, in a similar case dealing with cesses on land and mining activities (*State of West Bengal v Kesoram Industries Ltd*), a five-judge Constitution Bench 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".

The court said: "The words 'cess on' appear to have been inadvertently or erroneously omitted while typing the text of judgement... (in the preceding paragraphs) their Lordships have held that 'royalty' is not a tax". However, as the Bench in *Kesoram Industries* was smaller than the one in *India Cement*, the court could not overrule and rectify the position.

Fast forward to 2011 and the *Mineral Area Development Authority* case — when the court was already 12 years into hearing a challenge to a Bihar law imposing a cess on land revenue from mineral-bearing lands.

The court took note of the apparent conflict between *Kesoram Industries* and *India Cement* — which had direct ramifications on the case before it. It decided to refer the matter to a nine-judge Bench to finally settle the legal position.

So why did the majority in Thursday's decision hold that royalty not a tax?

The majority held that a royalty is not a tax because there is a "conceptual difference" between royalties and taxes. Royalties are based on specific contracts or agreements between the mining leaseholder and the lessor (the person who leases the property) who can even be a private party.

Also, taxes are meant for public purposes such as welfare schemes and creating public infrastructure, whereas the payment of royalties is to a lessor in exchange "for parting with their exclusive privileges in the minerals".

And why did the court find that states have the power to tax 'mineral development'?

The second aspect that the court considered was whether states have the power to tax mineral development activities, or whether such taxes are the sole province of the Centre under the MMDRA. This friction can be traced to the Seventh Schedule of the Constitution.

Under the State List, states are given the exclusive power to make laws relating to "Taxes on mineral rights subject to any limitations imposed by Parliament by law relating to mineral development" (Entry 50). However, Entry 54 of the Union List gives the Centre the power over "Regulation of mines and mineral development to the extent to which... is declared by Parliament by law to be expedient in the public interest".

According to the *India Cement* position, the royalty collected by state governments under the MMDRA would be in the form of a tax which "covers the field", barring any further taxes from being imposed. However, the court in *Mineral Area Development Authority* held that royalty is not a tax. As a result, "royalty would not be comprehended within the meaning of the expression 'taxes on mineral rights'" (under Entry 50 of the State List). Effectively, the court held that the MMDRA only gives states another revenue stream through royalties, and does not interfere with states' powers to impose taxes under Entry 50.

The court also held that Parliament's powers under Entry 54 of the Union List do not extend to imposing taxes, as that power exclusively rests with state legislatures. However, Entry 50 allows Parliament to place "any limitations" on states' power to impose taxes, which the court held "may include even a 'prohibition'" against imposing taxes.

The court did not limit states' power to tax mineral development activities to Entry 50, though. It held that the state also had the power to tax the land where mines and quarries are located as it includes "(i) all types of lands; and (ii) covers everything under or over land". These taxes, the court held, "will not be affected by the MMDR Act".

Why did Justice Nagarathna dissent?

Justice Nagarathna disagreed with the majority on both these counts.

She held that royalties under the MMDRA must be considered a tax in the interest of mineral development in the country. She held that the purpose of the MMDRA was to spur mineral development and mining activities, and this aim would be defeated if states were given the power to impose additional levies and cesses (different types of taxes) on top of the royalties they collect.

Justice Nagarathna also held that states' powers to impose taxes were "denuded" after the MMDRA was passed, as it gives states the power to collect taxes in the form of royalties, and otherwise gives Parliament and the Centre complete control over mineral development.

Lastly, she held that Entry 49 of the State List does not give states the power to tax mineral-bearing land.

Context: A nine-judge Constitution Bench ruled that Indian states have the authority to tax mining activities and collect royalties from mining leaseholders, asserting that this does not interfere with their power to impose taxes.

Taxation Power on Mineral Rights

- **Background of the Case:** In 1989, a seven-judge Bench ruled that the Centre has primary authority over mining regulation under the Mines and Minerals (Development and Regulation) Act, 1957, and Entry 54 of the Union List.
  - States were permitted only to collect royalties and not impose additional taxes. The court classified royalties as taxes, making any cess on them beyond state authority.
- **Supreme Court Rule:** The SC's ruled that the 1989 verdict, which classified royalties on minerals as a tax under the Mines and Minerals (Development and Regulation) Act, 1957, was incorrect.

Difference Between Royalty and Tax

- **Royalty:** It refer to the fees paid to the owner of a product in exchange for the right to use that product.
  - **Example of Royalties**: If a movie studio wants to use an existing piece of music by a specific artist in their new film, they will have to pay a royalty fee that goes to the artist.
  - **Legal Framework**: Section 9 of the Mines and Minerals (Development and Regulation) Act, 1957 (MMDRA) requires lessees to pay royalty in respect of any mineral removed to the individual or corporation who leased the land.
- **Tax**: It is imposed under statutory power without reference to any special benefit conferred on the payer.
  - **Purpose**: Taxes are imposed for public purposes and are part of the common burden borne by all citizens.
  - **No Specific Benefit:** Unlike royalties, taxes do not involve a quid pro quo arrangement; the payment is mandatory and not linked to any specific privilege or benefit.

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