

# RIGHTS TO TAX MINERAL-RICH LANDS

## POLITY & GOVERNANCE

A nine-judge Constitution Bench, headed by Chief Justice of India D.Y. Chandrachud, held by an 8:1 majority that Parliament cannot limit the power of State legislatures to tax mineral-bearing lands and quarries. The judgment came in a batch of 86 appeals filed by different State governments, mining companies and public sector undertakings in a dispute between India Cements Ltd. and the Tamil Nadu government. The verdict noted per capita sub-par per-capita income of mineral-rich States such as Chhattisgarh, Jharkhand and Odisha.

### Is Royalty a tax or not?

The court held royalty paid to the States by mining lease holders as a contractual consideration paid by the mining lessee to the lessor for enjoyment of mineral rights and not a tax. Justice B.V. Nagarathna the sole dissenting opinion on the Constitution Bench agreed to the majority on the Bench that royalty as not a tax.

### Can Centre tax mines and quarries?

Entry 49 in the State List of the Seventh Schedule of the Constitution dealing with tax on lands and buildings. Entry 50 in the State List empowers the Parliament to impose "any limitations" on taxes on mineral rights through laws relating to mineral development, such as Mines and Minerals (Development and Regulation) Act of 1957.

### Can State legislate?

State legislatures derive their power to tax mines and quarries under Article 246 of the Indian Constitution reading with Entry 49 in the State List. The Chief Justice noted that Entries 50 and 49 of the State List "deal with distinct subject matters and operate in different fields". Justice B.V. Nagarathna the sole dissenting opinion on the Constitution Bench noted the States' power to tax under Entry 49 of List II did not include "mineral-bearing lands" noting the "unique" Entry 50 of the State List limits the taxing powers of a State Legislature imposed by Parliament by law relating to mineral development. The majority verdict cited "General" Entry 54 of the Union List (Regulation of mines and minerals development declared by parliamentary law to be expedient in the public interest) does not empower the Parliament to have the legislative competence to tax mineral rights.



“ Any dilution in the taxing powers of the State legislatures will necessarily impact their ability to raise revenues, which in turn will impede their ability to deliver welfare schemes and services to the people. The ability of the State governments to invest in physical infrastructure, health, education, human capacity, and research and development is directly correlated to the raising of government revenues... Fiscal federalism entails that the power of the States to levy taxes within the legislative domain carved out to them and subject to the limitations laid down by the Constitution must be secured from unconstitutional interference by Parliament ”

**D Y Chandrachud**  
Chief Justice

# TRIBUTE TO DEPARTED VIETNAMESE LEADER

## INTERNATIONAL RELATIONS

National Security Adviser Ajit Doval represented India at the state funeral of Nguyen Phu Trong, General Secretary of the Central Committee of the Communist Party of Vietnam. Trong, 80, passed away on July 19 at the 108 Central Military hospital due to old age and serious illness.

Trong rose to the general secretaryship at the party's 11th National Congress in 2011 and was re-elected at the 12th National Congress in 2016. He became state president in 2018 following the death of President Trần Đại Quang, becoming the third person to simultaneously head the party and state after Hồ Chí Minh and Trường Chinh. At the 13th National Congress in 2021, he was re-elected as general secretary, becoming the third leader of Vietnam to secure a third term (after Hồ Chí Minh and Lê Duẩn), and was succeeded by Nguyễn Xuân Phúc as president.

During his tenure, Trong pursued a wide anti-corruption campaign, implicating numerous senior officials to a degree unprecedented in Vietnamese political history. His foreign policy, known as "bamboo diplomacy", sought to balance Vietnam's relations with both the United States and China. He presided over a period of rapid economic growth.

# REVAMPED MODEL SKILL LOAN SCHEME LAUNCHED

## POLITY & GOVERNANCE

Skill Development Minister Jayant Chaudhary launched the revamped Model Skill Loan Scheme, hiking the eligible size of loans for high-end skilling courses under the scheme to ₹ 7.5 lakh from ₹ 1.5 lakh. The Credit Guarantee Fund Scheme for Skill Development, notified in November 2015 to create a credit guarantee fund for courses aligned to the National Skills Qualification Framework attracted a lukewarm response loan amounting ₹ 115.75 Cr to just 10,077 borrowers.

Skill Development Ministry officials said the low fund utilisation over the past decade under the scheme was due to low ticket size of loans (up to ₹1.5 lakh), even as course costs and fees rose due to inflation, leaving many high-cost courses out of the scheme. Under the new scheme, the lending network has been broadened from Only member lending institutes of the Indian Banking Association (IBA) to include Non-Banking Financial Companies and small finance banks, with access to more skill courses and higher loan limits.



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# JAISHANKAR PUSHES FOR RESOLVING STAND-OFF AT LAC

## INTERNATIONAL RELATIONS

External Affairs Minister S. Jaishankar met his Chinese counterpart Wang Yi in Vientiane, Laos along the sidelines of ASEAN-related meetings. Their talks focused on finding an early resolution of the four-year-old military stand-off at the Line of Actual Control (LAC) with “purpose and urgency” to stabilise and rebuild bilateral relations

Both sides decided that an “early meeting” of the Working Mechanism on Consultation and Coordination on India-China Border Affairs (WMCC) that includes External Affairs Ministry, border, and military officials would take discussions forward. The two Ministers met for the fourth time in the past 12 months, and have been making a concerted push for complete disengagement of troops. While the two sides had earlier achieved disengagement on several flashpoints from 2020-22, several rounds of WMCC and border commander talks have yielded no further breakthrough, which hinges on the PLA withdrawing from positions at the Demchok and Depsang sectors. In March, the WMCC grouping held its 29th meeting in Beijing.

External Affairs Minister S. Jaishankar underscored the need for both sides to ensure respect for the LAC and for past agreements, indicating that agreements from the 1990s on managing the boundaries are still relevant for India in resolving the military stand-off that began in April 2020, when the Chinese PLA transgressed along the LAC, leading to deadly clashes in Galwan.

### India – Sino bilateral treaties to address border disputes

- 1993: Agreement on the Maintenance of Peace and Tranquillity along the Line of Actual Control in the India-China Border Areas
- 1996: Agreement on Confidence-Building Measures in the Military Field Along the Line of Actual Control in the India-China Border Areas
- 2005: Protocol on the Modalities for the Implementation of Confidence Building Measures in the Military Field Along the Line of Actual Control in the India-China Border Areas
- 2012: Establishment of a Working Mechanism for Consultation and Coordination on India-China Border Affairs
- 2013: Border Defense Cooperation Agreement between India and China



“Stable bilateral ties as the “two most populous nations and among the two key economies of the world is of “exceptional significance”. Our ability to ensure that they are stable and forward-looking is essential both for the prospects of Asia and that of the multipolar world. There are also issues on which our interests converge”

**S. Jaishankar**  
External Affairs Minister



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# Clashes, standoffs between Chinese and Indian armies

Last few years, Indian and Chinese armies have witnessed frequent face-offs along un-demarcated boundary. Border tensions between the two countries have existed for over seven decades now

**HERE IS A TIMELINE OF RECENT DISPUTES:**

- May 5**  
**Indian and Chinese soldiers clash at Pangong Tso**, the lake that extends from Ladakh to the Tibetan Autonomous Region, China, with the LAC passing through it
- May 10**  
**Faceoff at the Muguthang Valley in Sikkim.** Several troops numbering 11 left injured, of which seven are Chinese soldiers and four Indian ones, according to CNN-News18
- May 21**  
 Chinese troops enter into the **Galwan River Valley in Ladakh region**, citing objections to Indian road construction. The road under construction is said to branch off from the **Darbuk-Shyok-Daulat Beg Oldi Road**
- May 24**  
 Chinese camp at three places: Hot Springs, Patrolling **Point 14**, and Patrolling **Point 15** at Galwan Valley
- June 15**  
**An Indian colonel and 19 soldiers killed** in a "violent face-off" with the Chinese troops at the Galwan Valley. The Indian army sources say the soldiers were not shot but killed in a physical fight that involved stones and batons

# INDIA REJECTS U.S. CRITICISM OF MODI'S RUSSIA VISIT

## INTERNATIONAL RELATIONS



In a congressional hearing on Budget Request for South and Central Asian Affairs over India's close ties to Ukraine, U.S. Under Secretary of State for South and Central Asia Donald Lu expressed disappointment of Washington about the "symbolism and timing" of Prime Minister Narendra Modi's visit to Moscow earlier this month. External Affairs Minister S. Jaishankar began a visit to Laos and Japan, where he is expected to interact with U.S. Secretary of State Antony Blinken on the sidelines of the ASEAN and Quad meetings.

Mr. Lu even sought to defend the visit, explaining that Mr. Modi had also met Ukraine President Volodymyr Zelenskyy a few weeks prior to travelling to Russia, and had spoken to Mr. Putin about the missile attacks, particularly on children in Ukraine. He also pointed out that there were no new major defence deals or major discussions on technology cooperation in the outcomes.



*"I could not agree with you more about our disappointment about the symbolism and the timing of Prime Minister Modi's trip to Moscow. We are having those tough conversations with our Indian friends, I assure you,"*

**Donald Lu**

**U.S. Under Secretary of State for South and Central Asia**

*"You must understand that India has a long-standing relationship with Russia that is based on the mutuality of interests. In a multipolar world, all countries have freedom of choice. It is essential for everybody to be mindful of and appreciate such realities"*



**Randhir Jaiswal**

**External Affairs Ministry spokesperson.**

# TWO HALLS IN RASHTRAPATI BHAVAN RENAMED

## INDIAN CULTURE

President Droupadi Murmu has renamed Durbar Hall as Ganatantra Mandap which translates to Republic Hall and Ashok Hall as Ashok Mandap at the Rashtrapati Bhavan. Renaming both the halls will bring uniformity in language and remove traces of anglicisation while still upholding the key values of Indian culture.



### DURBAR HALL

Currently, the Durbar Hall is used to host Civil and Defence Investiture Ceremonies wherein the Hon'ble President of India confers the prestigious honours to the recipients. Swearing-in ceremonies of incoming governments, additions to the Council of Ministers and the swearing in of the Chief Justices of India are all conducted at the Durbar Hall.

### ASHOK HALL

The ornately decorated rooms of Rashtrapati Bhavan, Ashok Hall now used for important ceremonial functions, was erstwhile used as the State Ballroom. The Ashok Hall is used for presentation of credentials by Heads of Missions of foreign countries and as a formal place of introductions for the visiting and Indian delegations prior to the commencement of the State Banquets hosted by the President.





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