

5th Dec, 2024

1. India's strategic focus on West Africa GS 2 (International Relations)

- **Why in News:** Prime Minister Narendra Modi's visit to Nigeria marks the first visit to the country in 17 years and is significant as the first African visit of his third term. It highlights the strengthening of **strategic ties between India and Nigeria**, underlining India's rising global stature and the importance of its relations with African nations.
- **India-Nigeria Strategic Partnership**
 - **Importance of the Visit:** Prime Minister Modi's visit to Nigeria is the first by an Indian Prime Minister in 17 years, symbolizing the strengthening of ties between the two nations.
 - **Nigeria's Recognition of India:** Nigeria honored Modi with its second-highest national award, the Grand Commander of the Order of the Niger, underscoring the growing significance of India in global diplomacy.
 - **Areas of Cooperation:** India and Nigeria have expressed interest in deepening cooperation in defense, energy, technology, trade, health, and education, with particular focus on security challenges such as terrorism and piracy.
- **Defense and Development Cooperation**
 - **India as a Defense Supplier:** India has become an emerging defense supplier to African nations, with Nigeria showing interest in purchasing Indian weapons, particularly following a defense delegation's visit to Nigeria.
 - **Development Assistance:** India's support to Nigeria includes concessional loans (worth USD 100 million) and capacity-building training, cementing India's role as a significant development partner for Nigeria.
 - **Security Cooperation:** India is expected to enhance cooperation with Nigeria on counterterrorism efforts, especially in combating Boko Haram and other Islamist groups.
- **Challenges and Competition from China**
 - **China's Influence in Nigeria:** China has a large presence in Nigeria, with significant investments in infrastructure and technology. Chinese loans and companies are involved in major projects such as the Lekki Deep Sea Port and the Abuja Light Rail project.
 - **Economic and Trade Dynamics:** Despite Nigeria's growing ties with China, India remains an important partner, though trade between the two countries has declined due to increasing oil imports from Russia.
 - **Global South Impact:** Strengthening India-Nigeria relations is expected to enhance the larger Global South's position, promoting mutual development and cooperation among developing nations.

India's strategic focus on West Africa

Last month, on his way to Brazil to participate in the G-20 Summit, Prime Minister Narendra Modi made a strategic halt in Nigeria. During his first two terms, Mr. Modi travelled to 10 African countries, including Uganda, where he delivered a historic speech reaffirming India's vision of Africa. However, his visit to Nigeria is significant as it marks the first African visit of the Prime Minister in his third term. This visit is also the first by an Indian Prime Minister to Nigeria in 17 years.

The importance accorded to India by Nigeria was evident from the very moment Nigerian President Bola Ahmed Tinubu welcomed Mr. Modi at Abuja airport. Later, the Indian Prime Minister was conferred Nigeria's second highest national award, the Grand Commander of the Order of the Niger. He became the only second foreign dignitary to receive the distinction since 1960, after Queen Elizabeth II, underscoring India's rising global stature and the trust and recognition Mr. Modi has gained for his commitment to the Global South.

India-Nigeria ties
Nigeria is both the largest economy and the largest democracy in Africa. Nigeria is also a regional hegemon in West Africa and plays an important role at the African Union level. It is regarded as a democratic role model and has, in the past, used its clout to mediate disputes on the African continent.

Strengthening India's ties with Nigeria would undoubtedly have far-reaching implications for the continent.

In his conversation with President Tinubu, Mr. Modi emphasised the India priority India accords to its strategic partnership with Nigeria and expressed interest in boosting ties in areas such as defence, energy, technology, trade, health, and education. With terrorism,

separation, piracy, and drug trafficking as major challenges for Nigeria, Mr. Modi underscored the continuing salience of strong cooperation on security issues. This encompasses the purchase of Indian weapons and cooperation in the counterterrorism operations against the Islamist groups, particularly Boko Haram.

Mr. Modi's trip is also a follow-up to an Indian defence industry delegation's visit to Lagos earlier this year. Mr. Tinubu had expressed interest in buying arms from India during that visit. India is emerging as a key defence supplier to Africa, with sales to Egypt, Algeria, Morocco, Tanzania, and Mozambique.

It was six decades of close partnership between India and Nigeria, India has also emerged as a development partner of Nigeria on two fronts – offering developmental assistance through concessional loans (\$100 million) and capacity-building training programmes – shaping this partnership as a distinctive 'India Way'.

Nigeria's China connection
Nigeria currently has over 200 Chinese companies. It is China's largest export market and its second largest trading partner in Africa. On the other hand, China is Nigeria's third largest export market. China has funded over \$45 billion for 22 large-scale infrastructure projects across the country. As of March 31, 2023, Chinese loans to Nigeria totalled \$3.12 billion, or 11.26% of Nigeria's \$27.67 billion in external debt.

Earlier, Nigeria had undertaken several significant infrastructure projects using Chinese money, such as the National Public Security Communications System project and the Abuja Light Rail project, and planned terminal building.

In 2023, China funded the Lekki Deep Sea Port, one of the largest in West Africa, will relieve cargo congestion, which costs billions of dollars in annual revenue and is expected to generate over 170,000 new jobs. It is anticipated that the port will boost Nigeria's emerging economy.

The Chinese technology giant Huawei has a significant presence in Nigeria. Since 2003, Huawei has trained 2,000 Nigerian youths and 1,000 federal civil servants across Ministries, Departments, and Agencies, and it plans to continue training government employees in cybersecurity strategy. Huawei has deployed over 27,300 mobile phone towers and up to 10,000 kilometres of fibre optic cable in Nigeria. It has also signed a contract with the Federal government to install an electronic surveillance system at the country's head offices.

China is also active in Nigeria's mining sector. Last February, Kaduna selected China's Ming Xin Mining Separation Ltd. to build the nation's first lithium-processing plant. It aims to produce batteries for electric vehicles. Six months ago, the Nigerian government rejected India's proposal to buy rare lithium from the country. Meanwhile, China's Shenghe International Engineering and Nigeria's Dangote Industries Limited also signed a contract to construct a cement plant with six million tonnes per year in two, Ogun state.

Despite growing Chinese interest in financing and building infrastructure, India remains one of Nigeria's key partners. Trade between India and Nigeria has declined from \$1.18 billion in 2013-14 to \$7.49 billion in 2023-24, primarily due to India's increasing oil imports from Russia. India and Nigeria, however, continue cooperating on multiple issues. As leaders of the Global South, an enhanced bilateral relationship between India and Nigeria should also augur well for the larger Global South.

Mr. Modi's visit to Nigeria has brought the country into the spotlight, but much more sustained effort will be required to convert the goodwill into concrete deliverables.

2. Is the Caste Census a Useful Exercise? GS 2 (Governance)

- **Introduction**
 - The debate around conducting a caste census in India has gained momentum, with proponents arguing for its utility in determining caste populations to allocate resources, reservations, and policy benefits proportionally.
 - However, historical experiences and current complexities suggest significant challenges in executing such an exercise.

- **Conclusion:**

- While the idea of a caste census is rooted in achieving equity, historical and contemporary evidence highlights significant challenges in execution, data reliability, and fairness.
- Alternative approaches that prioritize socio-economic development and inclusivity without exacerbating caste divisions may offer more sustainable solutions.

3. **Boilers Bill, 2024**

GS 2 (Governance)

- **Why in News:** The Boilers Bill, 2024 was introduced in the Rajya Sabha for consideration and was passed. It will now be moved for consideration in the Lok Sabha.

- **About the Bill**

- This Bill aims to replace the old **Boilers Act, 1923**, a **pre-constitution law**, to ensure the safety of life and property in relation to boilers.
- It addresses the need for reviewing outdated provisions, and aligning the law with the **Jan Vishwas (Amendment of Provisions) Act, 2023** which aims to decriminalize certain offenses.
- The existing Boilers Act was last amended in 2007, introducing **third-party inspections**, but further changes are necessary to improve its relevance and clarity.

- **Key Changes in the Boilers Bill, 2024:**

- **Simplification and Reorganization:** The new Bill has been divided into six chapters, unlike the old Act which had no chapters, making it easier to understand.
 - Redundant provisions from the **original 1923 Act** have been removed, including applicability to feed-pipes and economizers, and a section on the applicability of the Act to the whole of India.
- **Definitions and Clarifications:** New definitions have been added, such as terms for "notification," "regulations," and "State Government." Some existing definitions have been updated for clarity, including those for "boiler components," "competent authority," and "inspecting authority."
- **Decriminalization and Penalties:** The Bill introduces decriminalization provisions in line with the **Jan Vishwas (Amendment) Act**. Some offenses, instead of leading to criminal prosecution, will now incur a penalty that is imposed through an executive mechanism (instead of court proceedings).
 - The Bill keeps criminal penalties for severe offenses, especially those that could lead to loss of life or property, but allows for penalties (rather than fines) for non-criminal offenses.
 - New provisions for appeals and adjudications (i.e., resolving disputes) have been added.
- **Expanded Powers:** The Bill grants more detailed powers to the Central Government, State Governments, and the Central Boilers Board to make rules and regulations. These powers have been clearly defined in the Bill.
- It also allows for the removal of difficulties in implementing the new law over the next three years, and saves existing rules under the 1923 Act until new rules are framed.

- **Impact and Benefits:**

- The reorganization into six chapters and clearer definitions will make the law easier to follow.
- The introduction of decriminalization provisions aligns the law with the goal of simplifying business processes and reducing legal burdens on the industry, especially for smaller businesses (like MSMEs).
- Enhanced safety measures ensure that boilers are operated and repaired only by qualified personnel, thus improving safety for those working with boilers.

RS passes Boilers Bill for safety at factories

The Hindu Bureau
NEW DELHI

The Rajya Sabha on Wednesday passed the Boilers Bill replacing the Boilers Act of 1923 brought by the colonial administration. Union Commerce Minister Piyush Goyal said the Bill would ensure safety at factories where industrial boilers were used.

Mr. Goyal said the Bill was for ensuring uniformity throughout India in all technical aspects pertaining to the regulation of boilers.

"This included standards of construction, maximum pressure specifications, as well as the registration and periodic inspection of all boilers, with particular focus on matters concerning the safety of life and property," he said.

Mr. Goyal added that the Bill would provide for the regulation of the manufacture and use of boilers, ensuring the safety of life and property of persons from the danger of explosions in boilers.

The amendments moved by the Opposition to the Boilers Bill were defeated in a voice vote.

4. Illegal sand mining serious, needs to be curbed: SC **GS 2 (Governance)**

- **Why in News:** The Supreme Court underscored the severity of illegal sand mining in India, labeling it a significant issue that **"needs to be dealt with effectively"**.
- **Sand Mining in India**
 - Sand mining is a widespread issue across India and globally.
 - It has been prevalent in various regions, including the **Garo Hills in Meghalaya, Sutlej in Punjab, Yamuna in Delhi, Ganga in Haridwar, Chambal and Narmada in Madhya Pradesh, Musi in Telangana, and Cauvery in Tamil Nadu**, among others.
 - Globally, sand consumption is over 40 billion tons annually, with demand exceeding natural replenishment by rivers, according to a United Nations study.
 - Sand, the **second most consumed natural resource** after water, is essential for construction, glass production, paint, and road paving, among other things.
 - **River sand**, specifically, is preferred over desert or marine sand due to its angular grains, which are more suitable for industrial uses.
 - However, sand generation is **static and not uniform**, leading to shortages and illegal mining. The extraction of sand from riverbeds, which is a crucial source, causes environmental and socio-economic issues.
- **Why the World Is Running Out of Sand?**
 - The rapid demand for sand is driven by growing populations, urbanization, and infrastructure development. However, sand production is insufficient to meet global consumption due to:
 - **Static Natural Generation:** Natural sand replenishment by rivers is slow and insufficient compared to the rising demand.
 - **Desert Sand vs. River Sand:** Desert sand is unsuitable for construction as its grains are too rounded, and marine sand is corrosive. River sand is ideal, but its extraction causes long-term damage to ecosystems.
 - **Price Variability:** Due to supply constraints, the price of sand fluctuates significantly, leading to black markets and illegal mining.
- **Environmental Impact of Sand Mining**
 - **Alteration of Riverbeds:** Excessive sand mining deepens rivers, erodes banks, changes river courses, and can lead to flooding.
 - **Biodiversity Loss:** Mining harms river ecosystems, destroys habitats, and negatively impacts species like the Gharials in the Chambal River.
 - **Water Quality Degradation:** Sand mining leads to increased erosion, which raises suspended solids in water, impacting water quality and aquatic ecosystems.
 - **Altered Sediment Budget:** Mining disrupts sediment flow to oceans, affecting beaches and river deltas, and contributing to coastal erosion.
 - **Saline Intrusion:** Excessive mining can lead to saltwater intrusion from nearby seas into freshwater systems.
- **Geology and Composition of Sand**
 - Sand is mainly composed of finely divided rock and mineral particles, often rich in silica (silicon dioxide or SiO₂), usually in the form of quartz.
 - Under the **Mines and Minerals (Development and Regulations) Act, 1957 (MMDR Act)**, sand is classified as a "minor mineral."

Top court directs five States to provide facts and figures on illegal sand-mining

The Hindu Bureau
NEW DELHI

Directing five States to be ready with facts and figures showing the extent of sand-mining, the Supreme Court on Wednesday made it clear that authorities have to check the illegal exploitation.

"Certainly, sand-mining has to be checked... There has to be control. There is illegal sand-mining," Chief Justice Sanjiv Khanna observed.

The Bench, including Justice Sanjay Kumar, was hearing a petition filed by M. Alagarsamy, represented by advocate Prashant Bhushan, who has sought an investigation by the Central Bureau of Investigation into rampant illegal mining of beach and river sand.

The petition said sand-mining caused severe ecological imbalance, disturbance in the water table, and degradation of land



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Chief Justice of India

across Tamil Nadu, Maharashtra, Andhra Pradesh, Punjab, and Madhya Pradesh.

The plea said illegal sand-mining in these five States had reached alarming proportions.

Scant respect was paid to the Sustainable Sand Mining Management Guidelines framed in 2016, it added.

CCTV cameras installed
The court directed these States to come prepared for the next hearing with the facts and figures on sand-mining.

The case has been listed for the week commencing January 27.

The Tamil Nadu Additional Advocate-General, senior advocate Amit Anand Tiwari, said closed-circuit television cameras had been installed in various sand-mining spots across the State.

Mr. Bhushan sought a direction to the Tamil Nadu government to place the first information reports registered in sand-mining cases on record in the top court.

"Unscientific mining has caused degradation of land, topographical disorder and damage to land use patterns in and around mining regions," the petition filed by M. Alagarsamy said.

The plea said armed miners "run the racket" and cause a loss of thousands of crores to the exchequer.

The 2010 Guidelines had not been implemented in consultation with the States to maintain sustainable mining practices and to check illegal activities which harm the ecology, the petition said.

Indiscriminate mining
Mr. Alagarsamy had referred to media reports saying that investigations in Tamil Nadu had revealed illegal mining of one crore tonnes of beach sand from Tirunelveli, Thoothukudi and Kanyakumari districts.

The petition also said that there was indiscriminate mining on the basins of the Godavari, Krishna, Penna, Mahanadi, Tungabhadra, Vamsadhara, Bahu-da and Mahendratana rivers flowing in Andhra Pradesh.

- **Legal Classification of Minerals in India**
 - **Minor Minerals:** Sand falls under the category of "minor minerals" as per the MMDR Act, with the State Governments overseeing their regulation and extraction. The central government has the power to notify such minerals.
 - **Major Minerals:** Major minerals, including coal, uranium, iron ore, and gold, are managed by the central government. There is no official definition for "major minerals" in the MMDR Act; any mineral not listed as a minor mineral is considered a major mineral.
- **Regulations and Provisions for Sand Mining in India**
 - Since sand is a minor mineral, different state governments in India have their own rules for regulating sand concessions and mining activities. To curb illegal mining, various judicial bodies have intervened:
 - **National Green Tribunal (NGT):** In August 2013, the NGT banned sand mining without proper environmental clearance.
 - **Sustainable Sand Mining Management Guidelines 2016:** The Ministry of Environment, Forest and Climate Change (MoEFCC) introduced guidelines to promote scientific and environmentally friendly sand mining practices.
 - **Mining Surveillance System (MSS):** The Ministry of Mines has implemented a system to monitor illegal mining activities using space technology.
 - **Punitive Measures:** Under the Indian Penal Code, 1860 (Sections 120B and 34), illegal sand mining without a legal permit is punishable.

5. Why concern about India's Falling Fertility Rate is Misplaced

Recent events of importance

- **Why in News:** RSS Chief Mohan Bhagwat's recent statements about India's declining fertility rate and the need for population growth have sparked a debate on demographic transitions, socioeconomic implications, and regional imbalances. His comments have triggered political concerns, especially regarding the potential impact on political representation and economic growth, prompting discussions on whether the population control measures should be revisited.
- **Fertility Rate Concerns and Political Impact**
 - **Fertility Rate and Regional Imbalances:** Bhagwat's concerns about India's falling fertility rate, especially in Southern states, stem from fears about losing political representation as the delimitation process is based on population growth.
 - **Impact of Political Slogans:** The call for increasing fertility rates by promoting larger families in states like Kerala, Tamil Nadu, and Punjab, where fertility rates are already below replacement levels, ignores the complex socio-economic realities of these regions.
 - **Population Growth and Regional Disparities:** Advocating for larger families in poorer states like Bihar and Uttar Pradesh could exacerbate regional population imbalances, leading to greater disparities in economic development and political power.
- **Socioeconomic Challenges and Labour Market Issues**
 - **Labour Shortage Concerns:** The fear of a looming labour shortage due to declining fertility rates is unlikely to materialize in the near future, as the total fertility rate in many states is stabilizing above replacement levels.
 - **Labour Mobility and Skills Development:** Instead of focusing on population growth addressing labour shortages can be achieved through improved mobility, skill development, and reducing state-imposed barriers on interstate migration.
 - **Women in the Labour Market:** Despite improvements, India's work participation rate for women remains low compared to other developing economies, and demographic changes present an opportunity to improve women's skills and integrate them into the labour force.
- **Policy Responses and Future Roadmap**

SJM says low fertility will affect India's economy

Ishita Mishra
NEW DELHI

Days after Rashtriya Swayamsewak Sangh (RSS) chief Mohan Bhagwat urged couples to have more than two children, another branch of the Sangh Parivar has warned of the economic repercussions of slowing population growth.

Swadeshi Jagran Manch co-convenor Ashwani Mahajan said on Wednesday the challenge facing India's economy today is to maintain its population so that development efforts do not face any hurdles. "If we fail to rise to the occasion, it may cause dangerous imbalance in the population in the form of raising the dependency burden, slowing down our growth," he said in a statement.

Prime Minister Narendra Modi, however, has said on many occasions that India needs plans to manage challenges posed by population growth.

- **Challenges for the Elderly:** The rising number of elderly workers poses a challenge to the labour market. While many elderly individuals continue working due to household survival needs, the focus should be on relieving them from strenuous work and providing suitable employment.
- **Support for Elderly Families:** The government could consider schemes like the Shram Yogi Maandhan Yojana to support families of elderly workers, providing financial relief after the demise of family members.
- **Need for Strategic Planning:** Rather than panicking over demographic changes, there is a need for a high-level committee to analyze demographic trends across states and devise a roadmap for future socioeconomic stability

6. Windfall gains tax on oil production, diesel-petrol export removed GS 3 (Economy)

• Why in News:

- Recently, the government officially withdrew the windfall gains tax on domestic crude oil production and fuel exports (diesel, petrol, and ATF).
- The levy, introduced 30 months ago during a surge in international crude oil and fuel prices following Russia's invasion of Ukraine, aimed to address global energy turmoil and ensure domestic fuel availability.

• Windfall tax

○ About

- Windfall taxes are designed to tax the profits a company derives from an external, sometimes unprecedented event—for instance, the energy price-rise as a result of the Russia-Ukraine conflict.
- The United States Congressional Research Service defines a windfall as an **unearned, unanticipated gain in income through no additional effort or expense**.
- These are profits that cannot be attributed to something the firm actively did, like an investment strategy or an expansion of business.
- Governments typically levy a one-off tax retrospectively over and above the normal rates of tax on such profits, called windfall tax.

○ Rationale behind levying this tax

- Redistribution of unexpected gains when high prices benefit producers at the expense of consumers,
- To fund social welfare schemes, and
- As a supplementary revenue stream for the government,
- As a way for the Centre to narrow the country's widened trade deficit.

○ Criticism

▪ Brings uncertainty in the market

- Since windfall taxes are imposed retrospectively and are often influenced by unexpected events, they can brew uncertainty in the market about future taxes.
- This may affect the future investment in the related sectors.

▪ Populist in nature

- Many analysts believe that such taxes are populist and politically opportune in the short term.
- The IMF advice note also said that taxes in response to price surges may suffer from design problems—given their expedited and political nature.

Windfall gains tax on oil put to rest: the move and its significance

SUNALP SHARMA
NEW DELHI, DECEMBER 4

THE GOVERNMENT on Monday withdrew the windfall gains tax on domestic production of crude oil and export of diesel, petrol, and aviation turbine fuel (ATF), scrapping the levy that was introduced 30 months ago amid a surge in the price of crude oil and key fuels in the international market in the wake of Russia's invasion of Ukraine.

Agencies about the availability of the fuels in the domestic market amid the global energy turmoil at the time had contributed to the decision to impose the levy. But within a few months, then, after the initial shock and supply concerns, global oil and fuel prices have stabilised. International crude oil and fuel prices are significantly lower, and there is abundant supply in the Indian domestic market.

Primarily due to these reasons, the windfall gains tax was not generating significant revenue. In fact, the levy generated losses had been seen since July 20, 2022, and on diesel exports, it had been in since March 1, 2024. On ATF exports, the windfall gains tax was reduced to zero from January 1, 2024, when domestic oil producers, the levy was brought down to zero from September 10, 2024.

For all practical purposes then, the tax was already dead—it has now been buried. When it was first introduced on July 1, 2022, the windfall gains tax on domestic crude was Rs 29.22 per litre, which translated to roughly \$40 per barrel. Crude oil prices were around \$100 per barrel at the time. They are now under \$75 per barrel, and are unlikely to cross \$100 again unless there is another major supply shock.

The levy on diesel exports was initially Rs 15 per litre, and exports of ATF and petrol attracted a levy of Rs 10 per litre. The tax and its rationale The windfall gains tax was used to describe losses under the ambit of central excise imposed on fuel exports and domestic crude oil production to tax super-normal profits of fuel exporters and oil producers.

For domestic crude oil and ATF exports, the windfall gains tax was in the form of Special Additional Excise Duty (SAED). For diesel and petrol, it was a combination of SAED and Additional Excise Duty (AED), which was also known as Road and Infrastructure Tax (RIT).

EXPLAINED ECONOMICS

The duties were reviewed fortnightly, based on the movement in margins on fuels in the international market and global crude oil prices. The levy on petrol was reduced to nil in the first revision itself, and was not liked after that.

These levies were imposed as global oil and fuel prices surged in the aftermath of Russia's invasion of Ukraine. In the price of crude oil production in India is benchmarked to international prices, domestic oil prices margins on fuel were a lot more lucrative in other markets, incentivising refiners, particularly the private sector, to export fuels. This had resulted in fuel supply disruptions in some parts of the country.

As per the making a share of windfall profit of oil producers and fuel exporters to partly offset the blow of duty cuts on domestic petrol and diesel sales, the government also wanted to ensure enough supply to meet domestic demand. Several other countries too had imposed taxes on super-normal profits of energy companies at the time.

The impact and signal

The country's oil industry was understood to have always been against the windfall tax regime. It was argued that it limited the profitability of publicly listed companies, and discouraged efforts to increase oil production in a country that depends on imports to meet more than 85% of its oil needs. The frequent removal of the levies, it was argued, made the taxation unpredictable.

The windfall gains tax, though up was around Rs 25,000 crore in 2022-23, FY23, and to Rs 6,000 crore in FY24 so far. The petroleum charges have not, however, continued to replace even as the levy itself was cut. With Monday's move, the government has effectively withdrawn the levy as well. This may be seen as an assurance to the country's oil industry that the taxation regime will be predictable and stable.

- **Profits earned in such instances are reward for the risk taken**
 - Companies argue that it is the profit they earned as a reward for the industry's risk-taking to provide the end user with the petroleum product.
- **Who should be taxed is another issue**
 - Another issue is who should be taxed- only the big companies responsible for the bulk of high-priced sales or smaller companies as well.
 - This raises the question of whether producers with revenues or profits below a certain threshold should be exempt.
- **Withdrawal of windfall gains tax**
 - **Background - Introduction of Windfall Gains Tax**
 - It was introduced on July 1, 2022, amid a surge in crude oil and fuel prices caused by Russia's invasion of Ukraine.
 - It was aimed to address concerns about fuel availability in the domestic market during the global energy turmoil.
 - Apprehensions about the availability of the fuels in the domestic market amid the global energy turmoil at the time also contributed to the decision to impose the levy.
 - **Windfall gains tax removed**
 - On December 2, 2024, the govt withdrew the windfall gains tax on domestic production of crude oil and export of diesel, petrol, and aviation turbine fuel (ATF).
 - Decision reflects current global oil market stability and diminished likelihood of another supply shock.
 - **Reasons for Withdrawal**
 - **Global Stabilisation:**
 - Oil and fuel prices significantly reduced (from over \$100 to under \$75 per barrel).
 - Supply flows stabilised after initial shocks.
 - **Domestic Market Conditions:**
 - Robust fuel availability in the domestic market.
 - Declining revenue from the tax due to market adjustments.
 - **Scrapping the levy: Impact and signal**
 - **Opposition to the Windfall Tax**
 - The oil industry opposed the tax, citing reduced profitability for publicly listed companies and a discouraging environment for increasing oil production.
 - Frequent changes in levies created unpredictability in taxation, deterring investments in a country heavily reliant on oil imports (85% dependency).
 - **Decline in Revenue Collection**
 - Significant softening of international crude oil and fuel prices had reduced windfall gains tax revenues:
 - FY23: Rs 25,000 crore.
 - FY24: Rs 13,000 crore.
 - FY25 (so far): Rs 6,000 crore.
 - **Impact on Key Stakeholders**
 - No significant financial impact on domestic producers (ONGC, OIL) or major exporters (Reliance Industries, Nayara Energy).
 - Signals confidence in market stability and reduced risks of price surges or supply shocks.

- **The Authority of the Akal Takht Jathedar**

- **Power**

- The Jathedar of the Akal Takht is the supreme temporal and religious authority of the Sikh community, holding the final say on its affairs.
 - The position requires the individual to be baptized, well-versed in Sikh history and scriptures, and free from moral flaws.

- **Jurisdiction**

- The Akal Takht can summon any self-identifying Sikh for trial and sentencing, with its justice applying only to those who voluntarily accept its authority.
 - Religious punishments (tankhah) aim to instill humility by removing ego.

- **No one has ever defied its directives**

- As per the historians, no one has ever defied its directive.
 - A prominent Jathedar demonstrated this authority by summoning Maharaja Ranjit Singh for a moral lapse, **resulting in the Maharaja undergoing public flogging at the Akal Takht.**

- **Relationship between the Shiromani Akali Dal (SAD) and the SGPC**

- **The Origins of SGPC and SAD**

- The SGPC and SAD share roots in the Gurdwara Reform Movement of 1920.
 - The SGPC, established on November 15, 1920, was created to manage Sikh shrines, while the SAD, formed a month later, initially served as its task force to combat corrupt mahants and British interference.
 - Together, **they institutionalized the Khalsa identity and became central to Sikh religious and political leadership.**

- **The Three Pillars of Sikh Politics**

- The Akal Takht, SGPC, and SAD are described as the “three poles” of Sikh politics by political scientists.
 - Controlling the SGPC, which appoints the Akal Takht Jathedar, provides the SAD with significant influence due to the SGPC’s electoral structure, comprising 170 elected members out of 191.

- **Akali Influence Over the SGPC**

- The SAD dominated the SGPC during the 1960s and 1970s, maintaining control even as Punjab faced unrest in 1979.
 - However, their influence waned when Gurcharan Singh Tohra became SGPC president in 1973, holding the post for 27 years.
 - Following Tohra’s demise and the decline of militancy, the Akalis regained control.
 - Critics argue that the lack of SGPC elections since 2011 has helped SAD maintain its influence.

- **Influence of SAD on Akal Takht Jathedar Decisions**

- The SAD’s control over the SGPC has significantly impacted the independence of the Akal Takht Jathedar, with decisions often appearing politically influenced.