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MK Yadav Sir

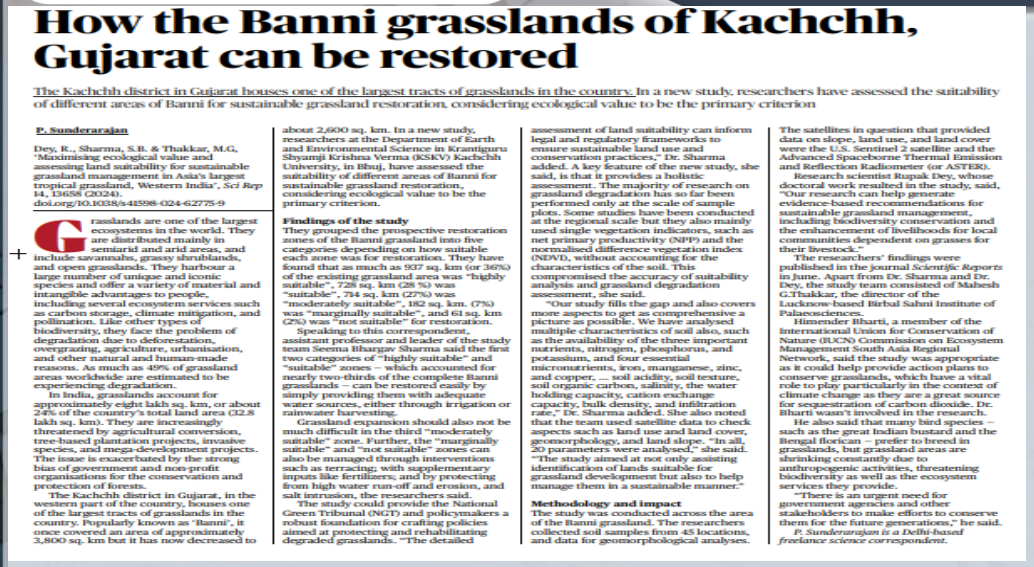
Table of Contents

1. Grasslands
2. RISE Accelerator
3. Gross Environment Product Index
4. Triple Talaq
5. Godda Project
6. National Coal Index (NCI)
7. RoDTEP
8. National Mission for Clean Ganga
9. Purandar Figs
10. Peer To Peer Lending

THE HINDU Page 9

GRASSLANDS

(Syllabus: GS Paper 3 – Env and Eco)



How the Banni grasslands of Kachchh, Gujarat can be restored

The Kachchh district in Gujarat houses one of the largest tracts of grasslands in the country. In a new study, researchers have assessed the suitability of different areas of Banni for sustainable grassland restoration, considering ecological value to be the primary criterion

P. Sunderarajan

Dey, R., Sharma, S.R. & Thakkar, M.G, 'Maximising ecological value and assessing land suitability for sustainable grassland management in Asia's largest tropical grassland, Western India', *Sci Rep* 14, 13658 (2024). doi.org/10.1038/s41598-024-62775-9

Grasslands are one of the largest ecosystems in the world. They are distributed mainly in semiarid and arid areas, and include savannahs, grassy shrublands, and open grasslands. They harbour a large number of unique and iconic species and offer a variety of material and intangible advantages to people, including several ecosystem services such as carbon storage, climate mitigation, and pollination. Like other types of biodiversity, they face the problem of degradation due to deforestation, overgrazing, agriculture, urbanisation, and other natural and human-made reasons. As much as 49% of grassland areas worldwide are estimated to be experiencing degradation.

In India, grasslands account for approximately eight lakh sq. km, or about 24% of the country's total land area (32.8 lakh sq. km). They are increasingly threatened by agricultural conversion, tree-based plantation projects, invasive species, and mega-development projects. The issue is exacerbated by the strong bias of government and non-profit organisations for the conservation and protection of forests.

The Kachchh district in Gujarat, in the western part of the country, houses one of the largest tracts of grasslands in the country. Popularly known as 'Banni', it once covered an area of approximately 3,800 sq. km but it has now decreased to about 2,600 sq. km. In a new study, researchers at the Department of Earth and Environmental Sciences in Kramtiguru Shyamji Krishna Verma (KSKV) Kachchh University, in Bhuj, have assessed the suitability of different areas of Banni for sustainable grassland restoration, considering ecological value to be the primary criterion.

Findings of the study

They grouped the prospective restoration zones of the Banni grassland into five categories depending on how suitable each zone was for restoration. They have found that as much as 937 sq. km (or 36%) of the existing grassland area was "highly suitable", 728 sq. km (28 %) was "suitable", 714 sq. km (27%) was "moderately suitable", 182 sq. km. (7%) was "marginally suitable", and 61 sq. km (2%) was "not suitable" for restoration.

Speaking to this correspondent, assistant professor and leader of the study team Seema Bhargav Sharma said the first two categories of "highly suitable" and "suitable" zones – which accounted for nearly two-thirds of the complete Banni grassland's – can be restored easily by simply providing them with adequate water sources, either through irrigation or rainwater harvesting.

Grassland expansion should also not be much difficult in the third "moderately suitable" zone. Further, the "marginally suitable" and "not suitable" zones can also be managed through interventions such as terracing; with supplementary inputs like fertilizers; and by protecting from high water run-off and erosion, and salt intrusion, the researchers said.

The study could provide the National Green Tribunal (NGT) and policymakers a robust foundation for crafting policies aimed at protecting and rehabilitating degraded grasslands. "The detailed assessment of land suitability can inform legal and regulatory frameworks to ensure sustainable land use and conservation practices," Dr. Sharma added. A key feature of the new study, she said, is that it provides a holistic assessment. The majority of research on grassland degradation has so far been performed only at the scale of sample plots. Some studies have been conducted at the regional scale but they also mainly used single vegetation indicators, such as net primary productivity (NPP) and the normalised difference vegetation index (NDVI), without accounting for the characteristics of the soil. This compromised the accuracy of suitability analysis and grassland degradation assessment, she said.

"Our study fills the gap and also covers more aspects to get as comprehensive a picture as possible. We have analysed multiple characteristics of soil also, such as the availability of the three important nutrients, nitrogen, phosphorus, and potassium, and four essential micronutrients, iron, manganese, zinc, and copper, ... soil acidity, soil texture, soil organic carbon, salinity, the water holding capacity, cation exchange capacity, bulk density, and infiltration rate," Dr. Sharma added. She also noted that the team used satellite data to check aspects such as land use and land cover, geomorphology, and land slope. "In all, 20 parameters were analysed," she said. "The study aimed at not only assisting identification of lands suitable for grassland development but also to help manage them in a sustainable manner."

Methodology and impact

The study was conducted across the area of the Banni grassland. The researchers collected soil samples from 45 locations, and data for geomorphological analyses. The satellites in question that provided data on slope, land use, and land cover were the U.S. Sentinel 2 satellite and the Advanced Spaceborne Thermal Emission and Reflection Radiometer (or ASTER).

Research scientist Rupak Dey, whose doctoral work resulted in the study, said, "Our research can help generate evidence-based recommendations for sustainable grassland management, including biodiversity conservation and the enhancement of livelihoods for local communities dependent on grasses for their livestock."

The researchers' findings were published in the journal *Scientific Reports* in June. Apart from Dr. Sharma and Dr. Dey, the study team consisted of Mahesh G.Thakkar, the director of the Lucknow-based Birbal Sahni Institute of Palaeosciences.

Himender Bharti, a member of the International Union for Conservation of Nature (IUCN) Commission on Ecosystem Management South Asia Regional Network, said the study was appropriate as it could help provide action plans to conserve grasslands, which have a vital role to play particularly in the context of climate change as they are a great source for sequestration of carbon dioxide. Dr. Bharti wasn't involved in the research.

He also said that many bird species – such as the great Indian bustard and the Bengal florican – prefer to breed in grasslands, but grassland areas are shrinking constantly due to anthropogenic activities, threatening biodiversity as well as the ecosystem services they provide.

"There is an urgent need for government agencies and other stakeholders to make efforts to conserve them for the future generations," he said.

P. Sunderarajan is a Delhi-based freelance science correspondent.

Key Highlights of Study

- **Categorization**: The prospective restoration zones were grouped into five categories based on suitability for restoration.
- **Highly Suitable Areas**: 36% of the grassland was classified as "highly suitable" for restoration.
- **Suitable Areas:** 28% was found to be "suitable" for restoration efforts.
- **Moderately Suitable Areas:** 27% was identified as "moderately suitable" for grassland expansion.
- **Marginally Suitable Areas**: 7% was labeled as "marginally suitable" for restoration, requiring additional interventions.
- **Not Suitable Areas**: 2% was determined as "not suitable" for restoration, needing significant management efforts.
- **Recommendations:** Interventions like terracing, fertilizers, and protection from water run-off and salt intrusion were recommended for the "marginally suitable" and "not suitable" zones.

Context: Researchers have conducted a new study in Gujarat's Kachchh district, home to one of India's largest grasslands, assessing areas in Banni for sustainable restoration, with ecological value as the primary focus.

Grasslands

- **About:** These are one of the largest ecosystems in the world.
- **Habitat**: They are distributed mainly in semiarid and arid areas, and include savannahs, grassy shrublands, and open grasslands.
- **Biodiversity**: They harbour a large number of unique and iconic species and offer a variety of material and intangible advantages to people, including several ecosystem services such as carbon storage, climate mitigation, and pollination.
    - As much as 49% of grassland areas worldwide are estimated to be experiencing degradation.
- **Grasslands in India:** Cover approximately eight lakh sq. km, accounting for about 24% of the country's total land area.
- **Threatened by:** Agricultural conversion, tree-based plantation projects, invasive species, and mega-development projects.
- **Banni Grasslands:** The Kachchh district in Gujarat houses one of India's largest grassland tracts, known as 'Banni', which has reduced in size from approximately 3,800 sq. km to about 2,600 sq. km.

PIB

Aug 19

RISE ACCELERATOR
(Syllabus GS Paper 2 – IR)

India Australia RISE Accelerator calls for Start-ups and MSMEs in Climate Smart Agritech

Context: The Atal Innovation Mission, in partnership with CSIRO Australia, is calling for applications from start-ups and MSMEs in both India and Australia for the Climate Smart Agritech cohort of the India Australia **Rapid Innovation and Start-up Expansion (RISE)** Accelerator.

RISE Accelerator

- **About:** It is particularly interested in start-ups and MSMEs with solutions that prioritise farmer needs, priorities, and on-farm practices.
- **Launched**: 2023
- **Partnership between**: CSIRO, Australia's National Science Agency and Atal Innovation Mission (AIM).
- **Focus**: It addresses shared challenges between India and Australia with a focus on environment and climate issues, supporting the expansion of innovative agritech solutions across borders.

Climate Smart Agritech Cohort

- **Focus on Agricultural Productivity**: The Climate Smart Agritech cohort will focus on start-ups and MSMEs with technologies that enhance agricultural productivity and resilience against climate variability, resource scarcity, and food insecurity.
- **Emphasis on Farmer Needs**: The program is particularly interested in solutions that prioritize farmer needs, priorities, and on-farm practices.
- **Benefits**: Over nine months, participants will experience a blend of self-paced online learning and in-person sessions, including immersion weeks in both India and Australia.



GROSS ENVIRONMENT PRODUCT INDEX

(Syllabus: GS Paper 3 – Env and Eco)

What is Gross Environment Product Index? Uttarakhand leads the way in eco-conservation

Context: Uttarakhand has become the first Indian state to launch a Gross Environment Product Index, marking a significant step in measuring environmental performance.

Gross Environment Product Index

- **About:** The Gross Environment Product Index (GEP) is a novel, integrative metric designed to evaluate ecological development resulting from human interventions.
- **Constituents**: The GEP is determined by four main environmental factors directly impacted by development activities: air quality, water quality, the number of trees planted annually, and the area of organic soil.
- **Formula**: GEP index = (Air-GEP index + Water-GEP index + Soil-GEP index + Forest-GEP index).
- **Assessment**: The GEP provides quantifiable assessments of improvements in air, water, soil, and forest quality.
- **Significance**: It helps assess the impact of anthropogenic pressure on ecosystems and natural resources and provides a robust method for evaluating a state's ecological growth, capturing various aspects of environmental well-being resulting from human actions.

Gross Environment Product' (GEP)

- **About:** It measures the ecological status of a region and evaluates the value of ecosystem services for human welfare and sustainable development.
- **Components**: GEP includes the value of provisioning, regulating, and cultural ecosystem services provided by the environment, contributing to economic and social sustainability.
- **Comparison with GDP**: In some instances, GEP can exceed GDP; for example, Qinghai's GEP was higher than its GDP in 2000 and three-fourths as large as GDP in 2015.

TRIPLE TALAQ

(Syllabus: GS Paper 2 – Social Issues)

Govt in SC: Triple talaq legitimised abandonment of Muslim women

EXPRESS NEWS SERVICE
NEW DELHI, AUGUST 19

BACKING THE triple talaq law, the Centre has told the Supreme Court that the Act "helps in ensuring the larger constitutional goals of gender justice and gender equality of married Muslim women and helps subserve their fundamental rights of non-discrimination and empowerment".

The Centre said this in an affidavit filed earlier this month in response to a plea by the Samastha Kerala Jem-iyyathul Ulama, which sought a declaration that the Muslim Women (Protection of Rights on Marriage) Act, 2019, is unconstitutional and violative of Articles 14, 15, 21, and 123 of the Constitution.

Explaining the context in which the law was enacted, the government said "essentially" the "practice" of talaq-e-biddat or instantaneous triple talaq "legitimised and institutionalised abandonment of wives by their husbands" and "did not simply result in a private injury but in a public wrong as it militated against the rights of women and the social institution of marriage itself".

It said that despite the August 22, 2017, ruling of a Constitution bench in the Shayara Bano case, holding it unconstitutional and the assurance of the All India Muslim Personal Law Board, there were reports of such divorces from different parts of the country. "It was seen that setting aside talaq-e-biddat by this Hon'ble Court has not worked as a sufficient deterrent in bringing down the number of divorces by this practice among certain Muslims. Therefore, it was felt that there is a need for State action to give effect to the order of this Hon'ble Court and to redress the grievances of victims of illegal divorce" and the law was made eventually, the affidavit said.

The Centre pointed out that the Supreme Court "has consistently held that the Court cannot go into the wisdom of the measure, but only its constitutionality of the legislation. Likewise, the Court is only concerned to interpret the law and if it is valid, to apply the law as it finds it and not to enter upon a discussion as to what the law should be. It is further acknowledged and upheld by this Hon'ble Court repeatedly that it is the function of the Legislature alone to determine what is and what is not good and proper for the people of the land and they must be given the widest latitude to exercise their functions within the limit of their powers else all progress is barred".

The Centre said when the SC itself had set aside the practice of talaq-e-biddat "and if such an Act is declared to be an offence punishable under law…", the court "ought not to interfere into the legislative enactment of making punishable such a manifestly arbitrary act which is already declared under law to be violative of Article 14 of the Constitution. …"

The affidavit said, "Thus, the impugned Act is a piece of legislation made by Parliament to implement the decision laid down by this Hon'ble Court. In view of this, the writ petition deserves to be dismissed in limine".

Context: The Centre has defended the 2019 law criminalising triple talaq in the Supreme Court, arguing that the practice legitimised and institutionalised the abandonment of wives. It urged the court to dismiss the petition challenging the law.

Triple Talaq

- **About:** Instant Triple Talaq is a practice where a Muslim man can divorce his wife by pronouncing 'Talaq' three times in a single sitting.
- **Irrevocability:** This form of Talaq is irrevocable, meaning there is no opportunity for reconciliation once it is uttered.
- **Prevalence**: It is predominantly used by the Hanafis, a sub-sect of Sunni Muslims in India.
- **Legal Status**: Also known as Talaq-e-biddat, was declared unconstitutional and outlawed by the Supreme Court of India in 2017.

Muslim Women (Protection of Rights on Marriage) Act, 2019

- **Declaration of Talaq**: The Act renders all declarations of talaq, whether written or electronic, void and illegal.
- **Definition of Talaq**: It is defined as talaq-e-biddat or any similar form pronounced by a Muslim man, leading to an instant and irrevocable divorce.
- **Offence and Penalty**: Declaring talaq is classified as a cognizable offence, punishable by up to three years imprisonment and a fine.
- **Cognizable Offence**: The offence is cognizable only if reported by the married woman or someone related to her by blood or marriage.
- **Bail:** The Magistrate may grant bail after hearing the woman and if reasonable grounds for bail are established.
- **Compounding Offence**: The offence may be compounded upon the woman's request, with terms set by the Magistrate.
- **Allowance**: A Muslim woman can seek a subsistence allowance for herself and her dependent children, with the amount determined by the Magistrate.
- **Custody**: A Muslim woman is entitled to seek custody of her minor children, with custody arrangements decided by the Magistrate.

THE HINDU Page 8

GODDA PROJECT
(Syllabus: GS Paper 2 – IR)

A change in India's power export rules

When did India's first transnational power project that supplies all the power generated to another nation come into being? Why did the Bangladesh Power Development Board request a revision of the power purchase agreement? What does the latest amendment mandate?

EXPLAINER

Saptaparno Ghosh

The story so far:

On August 14, *Reuters* reported on the introduction of an amendment to India's power export rules. Purported to hedge against political risks in Bangladesh, it allows Indian power exporters to reroute their output to Indian grids if there is a delay in payments from partner countries. Adani Power's plant in Godda (Jharkhand) supplies its entire generated power to Bangladesh. In a statement, a spokesperson of Adani Power emphasised their commitment of supplying electricity to Bangladesh, stating that the amendment does not affect its existing contract.

What is the Godda project?

The Jharkhand-subsidiary of Adani Power supplies 1,496-megawatt net capacity power to Bangladesh from the ultra super-critical thermal power plant in Godda. This is facilitated under a Power Purchase Agreement (PPA) entered with the Bangladesh Power Development Board (BPDB) in November 2017 for a period of 25 years.

The Godda plant is India's first transnational power project that supplies all the power generated to another nation. In a statement on July 15 last year, Adani Power stated that the electricity supplied from Godda will have a positive impact on the neighbour's power situation by replacing costly power generated using liquid fuel. It elaborated that the transition would help reduce the average cost of power purchased. As per the Bangladesh Power Development Board's (BPDB) annual report for 2022-23, the total installed generation capacity of the country was 24,911 MW in June 2023. Of this, 2,656 MW was imported from India (more than 10% of overall) with the Godda plant contributing 1,496 MW (about 6% of overall). On the policy prerogative for



GETTY IMAGES

power export, India's Ministry of Power illustrating the guidelines for power export in 2016 said the exchange of electricity across South Asia would promote "economic growth and improve the quality of life for all the nations".

Why was the project criticised?

The criticisms emanated from the use of coal imported from the Carmichael mine in Australia into India to produce power for Bangladesh. Thermal plants utilise coal as a primary fuel. The Institute for Energy Economics and Financial Analysis (IEEFA), analysing the PPA back in April 2018 held that it allowed Adani Power to "push the high cost of importing and transporting coal into India, plus the cost of transmitting the electricity across the border onto Bangladesh." *United News of Bangladesh* had reported in February 2023 about the BPDB writing to Adani Power for a revision in the PPA. The publication, quoting an official with anonymity, reported that in BPDB's view the coal price quoted at $400/MT was "excessive", adding, "it should be less than $250/MT, which is what we are paying for the imported coal at our other thermal plants". The other concern, as stated in the Bangladesh-based *Daily Star* in February last year, entailed the high capacity and maintenance charges regardless of whether it generates any electricity. The reportage held it was "very high" by industry standards.

Why does Bangladesh need imports?

The answer is underutilisation. In a separate context, Soumya Bhowmick, public policy analyst and economist, explained to *The Hindu* that Bangladesh has made notable progress in expanding electricity access, especially in rural areas. However, notwithstanding the increase in electricity generation, India's South Asian neighbour continues to experience fuel and gas supply constraints, thus, contributing to the underutilisation of its power plants. In fact, in July 2022, Bangladesh had sought support from the International Monetary Fund (IMF) to cushion itself against a financial shock originating from volatile energy prices after Russian actions in Ukraine. This was after the country experienced blackouts, sometimes up to 13 hours a day, as utilities struggled to source enough diesel and gas to meet demand, AFP had reported.

Separately, Hasan Mehedi, Bangladesh-based activist specialising in matters relating to power and climate change, also pointed to "serious levels of overcapacity in Bangladesh". Quoting official figures, Mr. Mehedi pointed to total power generation capacity as on June 30 this year being 28,098 MW, of which the highest power generation was scaled at 16,477 MW — an unutilised idle capacity of about 11,621 MW.

Where do we stand now?

Mr. Bhowmick states that the regulatory change endows greater flexibility to power exporters by permitting them access to the domestic market and reducing the dependency on external markets. He explains that it mitigates risks associated with instability or economic challenges in neighbouring countries.

Further, Mr. Mehedi explained to *The Hindu* that delay in payments have been a standard phenomenon. "There is an entire internal vetting mechanism that follows after a bill is presented to the BPDB," he stated, elaborating, "The BPDB would then evaluate the prices of coal in the open market and that of other expenditures as stated in the bill. It would then send it back to the company for any corrections as necessitated."

On the potential impact to Bangladesh from the latest development, Mr. Mehedi said, "Even if the supply is stopped totally, the impact would last for 2 to 3 days because of the sudden nature, but not in the long-term."

THE GIST

- On August 14, *Reuters* reported on the introduction of an amendment to India's power export rules. Purported to hedge against political risks in Bangladesh, it allows Indian power exporters to reroute their output to Indian grids if there is a delay in payments from partner countries.
- The Jharkhand-subsidiary of Adani Power supplies 1,496-megawatt net capacity power to Bangladesh from the ultra super-critical thermal power plant in Godda.
- The criticisms emanated from the use of coal imported from the Carmichael mine in Australia into India to produce power for Bangladesh.

Context: To mitigate political risks in Bangladesh, Indian power exporters can reroute their output to Indian grids in case of payment delays from partner countries. Adani Power's plant in Godda (Jharkhand) supplies all its generated power to Bangladesh.

Godda Project

- **About:** It is a power supply initiative managed by Adani Power's Jharkhand subsidiary.
- **Power Capacity**: The project has a net capacity of 1,496 megawatts, which is supplied to Bangladesh.
- **Power Purchase Agreement (PPA):** This supply is facilitated under a PPA with the Bangladesh Power Development Board (BPDB), signed in November 2017 for 25 years.
- **Transnational Power Supply:** The Godda plant is India's first power project that exclusively supplies electricity to another nation.
- **Impact on Bangladesh**: The electricity from Godda is expected to positively impact Bangladesh by replacing more expensive power generated using liquid fuel.
- **Contribution to Bangladesh's Power Capacity**: As of June 2023, Bangladesh's total installed generation capacity was 24,911 MW, with 2,656 MW imported from India. The Godda plant contributes 1,496 MW, about 6% of Bangladesh's total power capacity.

Export Rules Amendment

- **Expanded Market Access**: New rules permit electricity producers who export power to also sell in the domestic market, providing flexibility in case of drops in offtake or payment defaults.
- **Impact on Export-Dependent Plants**: The amendment is particularly beneficial for plants like Adani Power's 1.6-gigawatt Godda plant in Jharkhand, which exports electricity to Bangladesh, allowing for potential domestic sales if export demand decreases.
- **Mitigation of Payment Risks**: Producers facing consistent payment defaults or reduced demand from export markets can now rely on domestic sales to stabilize revenue and operations.

PIB

Aug 18

NATIONAL COAL INDEX (NCI)

(Syllabus: GS Paper 3 – Economy)

National Coal Index declines 3.48% in June 2024

Context: The National Coal Index (NCI) reported a notable decline of 3.48% in June 2024, falling to 142.13 points from 147.25 points in June 2023, according to provisional data.

National Coal Index (NCI)

- **Definition:** The NCI is a price index that reflects the change in the price level of coal in a particular month relative to a fixed base year.
- **Components of the Index:** NCI combines the prices of coal from all sales channels: Notified Prices, Auction Prices, and Import Prices.
  - It considers prices of coking and non-coking coal of various grades transacted in the regulated (power and fertilizer) and non-regulated sectors.
- **Launched**: June 2020
- **Nodal Agency:** Ministry of Coal
- **Development**: The concept and design of the NCI, including representative prices, were developed by the Indian Statistical Institute, Kolkata.
- **Base Year:** 2017-18.
- **Scope of the Index**: The NCI encompasses all transactions of raw coal in the Indian market, including both coking and non-coking grades in regulated and non-regulated sectors.

Coal

- Coal is the most important and abundant fossil fuel in India. It accounts for 55% of the country's energy need. The country's industrial heritage was built upon indigenous coal.
- Indian coal offers a unique ecofriendly fuel source to domestic energy market for the next century and beyond. Hard coal deposit spread over 27 major coalfields, are mainly confined to eastern and south central parts of the the country.(See Coal Reserves).The lignite reserves stand at a level around 36 billion tonnes, of which 90 % occur in the southern State of Tamil Nadu.

FINANCIAL EXPRESS

Page 10

RODTEP

(Syllabus: GS Paper 3 – Economy)



REMISSION OF TAXES ON EXPORTS

Why India needs to zero-rate its exports

The department of commerce has reportedly asked for an extension of the RoDTEP scheme for exporters, beyond September 2024. *Ajay Sahai* explains the contours of the scheme meant to neutralise the tax content in export products, and why it isn't yet an open-ended one

₹16,500 cr

BUDGET ALLOCATION IN 2024-25 FOR RoDTEP, WHICH COVERS 10,342 EXPORT ITEMS

EXTENDING THE SCHEME WILL HELP INDIAN EXPORTS TO REMAIN COMPETITIVE

Sep 30, 2024

CURRENT VALIDITY OF THE SCHEME WHICH WAS STARTED ON JANUARY 1, 2021

What is the RoDTEP scheme for exporters?

IT IS ONE of the basic tenets of global trade that countries can opt for "zero-rating" their exports. RoDTEP (Remission of Duties and Taxes on Export Products) aims at zero-rating of exports to relieve any incidence of duties in exports. The basic customs duty, on inputs used in exports, is refunded through Duty Drawback/ Advance Authorisation /DFIA or through EOU/ SEZ schemes. GST is refunded via the IGST/ ITC refund mechanism. Any other tax not refunded through these is remitted through the RoDTEP scheme.

The primary objective of the scheme is to (a) offset the hidden taxes and duties borne by exporters which are not refundable through other mechanisms; (b) make Indian exports more competitive in the global market; (c) comply with WTO norms by replacing the Merchandise Exports from India Scheme (MEIS), which was facing challenges in terms of WTO compliance. Essentially, RoDTEP aims to create a level playing field for Indian exporters by reducing their cost of production and thereby enhancing their competitiveness in the international market.

Taxes to be compensated under this

THE SCHEME AIMS to compensate the taxes at the central, state and local levels on the exported product, including prior stage cumulative indirect taxes on goods and services used in the production and distribution of the exported product.

These includes (i) VAT and excise duty on the fuel used in self-incurred transportation costs; (ii) VAT and excise duty on the fuel used in generation of electricity via power plants or DG sets; (iii) VAT and excise duty on the fuel used in running of machineries/plant; (iv) electricity duty on purchase of electricity; (v) mandi tax/ municipal taxes/ property taxes; (vi) stamp duty on export documents; (vii) embedded GST on inputs with end product exempted from GST.

Current validity

THE SCHEME WAS introduced on January 1, 2021 and has been extended from time to time with current validity up to September 30, 2024. The government is looking into extending the scheme to continue to provide competitiveness to exports, more so at a time when India is witnessing huge headwinds in global trade which are impacting its exports adversely.

RoDTEP vs MEIS

MEIS WAS A promotional scheme to encourage exports of certain thrust sectors whereas RoDTEP is a duty remission scheme, compliant with the norms of WTO. The objective of the MEIS was to incentivise the export of the goods whereas the objective of RoDTEP is neutralise the taxes and duties suffered on exported goods which are otherwise not remitted in any manner.

Why it needs a budget allocation

WHILE RoDTEP IS designed to be a zero-rating scheme, it is still subject to budget allocation as our resources are limited. The budget allocation for 2024-25 is about ₹16,500 crore. Being a refund scheme, sufficient funds should be allocated to cover all sectors of exports at a rate which justifies the incidence of unrebated taxes.

Applicability of the scheme

THE RoDTEP SCHEME is applicable on exports to all countries and currently, it covers 10,342 HS items. However, there are some sectors such as iron and steel, glass and glass products, apparel and madeups (covered by Rebate of State and Central Taxes and Levies), etc., which have not been given benefit under this scheme.

Ports where it can be availed

THE RoDTEP IS designed on the backbone of the electronic interface and thus it only covers exports from electronic data interchange (EDI) ports. Exports from non-EDI ports are under the ineligible categories, thus impacting small exporters and small value shipments who generally use non EDI ports. If goods are sold online and physical export of the goods happens from an EDI port, RoDTEP can be availed by e-commerce exporters also.

The Indian Customs EDI System (ICES) is designed to exchange/ transact customs clearance related information electronically using EDI, and is operational at 252 major customs locations handling nearly 98% of India's international trade.

The writer is director-general and CEO, Federation of Indian Export Organisations

RoDTEP vs MEIS

- MEIS WAS A promotional scheme to encourage exports of certain thrust sectors whereas RoDTEP is a duty remission scheme, compliant with the norms of WTO.
- The objective of the MEIS was to incentivise the export of the goods whereas the objective of RoDTEP is neutralise the taxes and duties suffered on exported goods which are otherwise not remitted in any manner.

Context: The department of commerce has reportedly asked for an extension of the RoDTEP scheme for exporters, beyond September 2024.

RoDTEP (Remission of Duties and Taxes on Export Products)

- **About:** It is one of the basic tenets of global trade that countries can opt for "zero-rating" their exports.
- **Implementation**: 1st January 2021
- **Validity**: September 2024
- **Objectives:**
  - Offset the hidden taxes and duties borne by exporters which are not refundable through other mechanisms,
  - Make Indian exports more competitive in the global market,
  - Comply with WTO norms by replacing the **Merchandise Exports from India Scheme (MEIS),** which was facing challenges in terms of WTO compliance.
- **Applicability of the Scheme**: Exports to all countries,
  - However, there are some sectors such as iron and steel, glass and glass products, apparel and madeups (covered by Rebate of State and Central Taxes and Levies), etc., which have not been given benefit under this scheme.

THE HINDU Page 12

NATIONAL MISSION FOR CLEAN GANGA

(Syllabus: GS Paper 2 – Govt Policy)

Clean Ganga mission head flags slow pace of projects

Jacob Koshy
NEW DELHI

The head of the National Mission for Clean Ganga (NMCG), the Centre's marquee project to clean the Ganga and its tributaries, in a recent meeting, expressed concern over the tardiness of river-cleaning projects being executed in various States under the mission.

A variety of projects have been commissioned since 2015 as part of the Namami Gange mission, the costliest and the most critical in the development of sewage-management infrastructure. In all, nearly ₹37,550 crore has been sanctioned under various Namami Gange projects but only ₹18,033 crore has been spent as of June 2024, records show. Sewage infrastructure projects alone make up ₹15,039 crore of the latter.



This mission is the most critical project in the development of sewage-management infrastructure. RANJEET KUMAR

"DG, NMCG (Rajeev Mittal) observed that the pace of expenditure so far is extremely slow," say records of a meeting conducted on July 12 to review projects. He asked authorities in Uttar Pradesh, which has the bulk of the projects, why expenditure was low. In response, the representative said that ₹15.16 crore have been spent on six projects in Jaunpur, Kasganj, Varanasi, Bareilly, Salori, and Agra. He said funds that have come in April, or in the beginning of the quarter, were received in mid-June. "Payment amounting to ₹25 crore are under process," the official said.

In response to a request for clarification from *The Hindu*, the NMCG said that the observation was made in context of all States and not specifically for Uttar Pradesh. The expenditure in the first quarter was normally "sluggish" and tended to accelerate in subsequent quarters. "The focus of the review by DG (NMCG) was to ensure that the pace of expenditure picks up in the remaining quarters of the financial year," the note added.

Normally, the NMCG executed 15 or 16 projects in a year and has completed 112 projects in the past seven years, therefore, four projects in a quarter are a normal trend, the response added.

Context: The head of the National Mission for Clean Ganga (NMCG) recently expressed concern over the slow progress of river-cleaning projects across various states under the Centre's flagship initiative to clean the Ganga and its tributaries.

National Mission for Clean Ganga (NMCG)

- **About**: It was registered as a society on 12th August 2011 under the Societies Registration Act 1860.
- **Formation**: It was formed to act as the implementation arm of National Ganga River Basin Authority (NGRBA) which was constituted under the provisions of the Environment (Protection) Act (EPA),1986, and was established to address pollution challenges in the Ganga River.
- **Objective**: To reduce pollution and rejuvenate the Ganga by fostering intersectoral coordination for comprehensive planning and management.
- **Ecological Focus:** Ensures minimum ecological flow in the river to maintain water quality and promote environmentally sustainable development.
- **Organization Structure**: Governing Council and Executive Committee.

Need for the Policy

- **Significant River System**: The Ganga flows over 2,500 kilometers from Uttarakhand to West Bengal, covering 26% of India's landmass.
- **Historical Pollution**: In 2010, approximately 1.4 billion liters of untreated sewage were discharged into the river, prompting the government to take action.
- **Previous Efforts**: Initial engineering-based approaches in 2011, though significant, failed due to limited community involvement.

NEW INDIAN EXPRESS

Aug 19

PURANDAR FIGS

(Syllabus: GS Paper 3 – Economy)

India's GI-tagged agro-product Figs juice exported first time to Poland



Context: The Agricultural and Processed Food Products Export Development Authority (APEDA) has successfully facilitated the export of India's first ready-to-drink fig juice, crafted from GI-tagged Purandar figs, to Poland.

Purandar figs

- **About**: These are celebrated as one of India's finest, recognized for their sweet taste, size, and nutritional benefits.
  - These are known for their unique tastes and textures.
  - It has high pulp content and rich source of vitamins & minerals
- **Cultivation Area**: Grown in various villages of Purandar taluka, Pune district, Maharashtra.
- **Agro-Climatic Condition**: Requires dry weather, hilly slopes, and well-drained medium land for optimal growth.
- **Soil Composition**: Red and black soil with high Calcium and Potassium content contributes to the fig's violet color and size.
- **GI Tag**: Awarded the Geographical Indication (GI) Tag in 2016.

Agricultural and Processed Food Products Export Development Authority (APEDA)

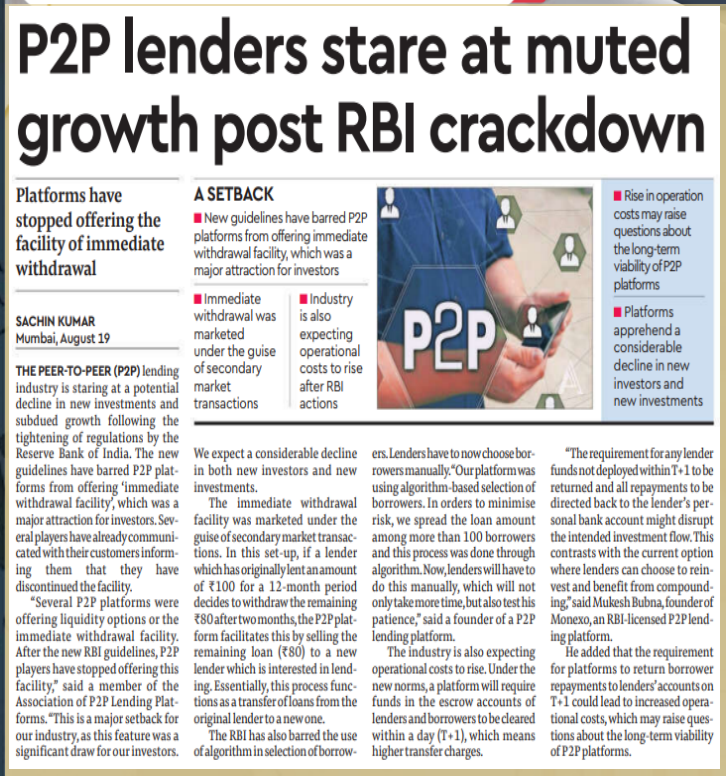
- **Establishment:** Founded by the Government of India under the Agricultural and Processed Food Products Export Development Authority Act of 1985.
- **Objective:** Aims to develop and promote the export of scheduled products.
- **Scheduled Products:** Products specified under the APEDA Act, with exporters required to register with APEDA.
- **Headquarters:** New Delhi.

FINANCIAL EXPRESS

Page 6

PEER TO PEER LENDING

(Syllabus: GS Paper 3 – Economy)



P2P lenders stare at muted growth post RBI crackdown

Platforms have stopped offering the facility of immediate withdrawal

SACHIN KUMAR
Mumbai, August 19

THE PEER-TO-PEER (P2P) lending industry is staring at a potential decline in new investments and subdued growth following the tightening of regulations by the Reserve Bank of India. The new guidelines have barred P2P platforms from offering 'immediate withdrawal facility', which was a major attraction for investors. Several players have already communicated with their customers informing them that they have discontinued the facility.

"Several P2P platforms were offering liquidity options or the immediate withdrawal facility. After the new RBI guidelines, P2P players have stopped offering this facility," said a member of the Association of P2P Lending Platforms. "This is a major setback for our industry, as this feature was a significant draw for our investors.

A SETBACK

- New guidelines have barred P2P platforms from offering immediate withdrawal facility, which was a major attraction for investors
- Immediate withdrawal was marketed under the guise of secondary market transactions
- Industry is also expecting operational costs to rise after RBI actions

- Rise in operation costs may raise questions about the long-term viability of P2P platforms
- Platforms apprehend a considerable decline in new investors and new investments

We expect a considerable decline in both new investors and new investments.

The immediate withdrawal facility was marketed under the guise of secondary market transactions. In this set-up, if a lender which has originally lent an amount of ₹100 for a 12-month period decides to withdraw the remaining ₹80 after two months, the P2P platform facilitates this by selling the remaining loan (₹80) to a new lender which is interested in lending. Essentially, this process functions as a transfer of loans from the original lender to a new one.

The RBI has also barred the use of algorithm in selection of borrowers. Lenders have to now choose borrowers manually. "Our platform was using algorithm-based selection of borrowers. In orders to minimise risk, we spread the loan amount among more than 100 borrowers and this process was done through algorithm. Now, lenders will have to do this manually, which will not only take more time, but also test his patience," said a founder of a P2P lending platform.

The industry is also expecting operational costs to rise. Under the new norms, a platform will require funds in the escrow accounts of lenders and borrowers to be cleared within a day (T+1), which means higher transfer charges.

"The requirement for any lender funds not deployed within T+1 to be returned and all repayments to be directed back to the lender's personal bank account might disrupt the intended investment flow. This contrasts with the current option where lenders can choose to reinvest and benefit from compounding," said Mukesh Bubna, founder of Monexo, an RBI-licensed P2P lending platform.

He added that the requirement for platforms to return borrower repayments to lenders' accounts on T+1 could lead to increased operational costs, which may raise questions about the long-term viability of P2P platforms.

Context: The Peer-to-Peer (P2P) lending industry is staring at a potential decline in new investments and subdued growth following the tightening of regulations by the Reserve Bank of India.

Peer to Peer Lending

- **About:** It is a form of crowdfunding facilitated through an online platform that matches lenders with borrowers for unsecured loans.
- **Participants**: Borrowers can be individuals or businesses needing a loan.
- **Popular Platforms**: Faircent, OMLP2P, Lendenclub, Finzy, i2ifunding, Cashkumar, Rupeecircle, and Lendbox.
- **Regulation of P2P Lending Platforms**
- **Regulatory Body**: These platforms are regulated by the Reserve Bank of India (RBI) and categorized as NBFC-P2P.
- **Restrictions**: Platforms must not engage in direct financial activities of lending money.
- **Benefits of P2P Lending**
    - P2P lending companies operate online with lower overhead, making their services cheaper than traditional financial institutions.
    - Lenders can earn higher returns compared to savings and investment products offered by banks.
    - Borrowers benefit from lower interest rates even after platform fees.

New Guideline of P2P

- Platforms are prohibited from offering credit enhancements or guarantees; any losses must be borne by lenders with necessary disclosures.
- Platforms cannot cross-sell insurance products beyond those related to the loan and must avoid credit enhancement practices.
- Loans can only be disbursed if all participants are properly matched and a signed loan contract is in place, with matching within close user groups banned.
- NBFC-P2Ps must deploy funds only as specified by regulations, cannot use one lender's funds to replace another's, and must disclose fees at the lending stage.
- Fund transfers between participants must be managed through bank-promoted trustee escrow accounts, with separate accounts for lenders and borrowers.

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