

● POLITY

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INDIA IS PLANNING TO HOLD QUAD MEET IN JAPAN, SAYS FOREIGN SECRETARY



Narendra Modi

KALLOL BHATTACHERJEE
NEW DELHI

Prime Minister Narendra Modi will leave on Friday for a three-nation visit covering Japan, Papua New Guinea and Australia.

In Japan, Mr. Modi will participate in the G-7 summit where India is a guest country which will be followed by a visit to Papua New Guinea where he will jointly lead the summit of the Forum for India-Pacific Islands Cooperation (FIPIC). Briefing presspersons, Foreign Secretary Vinay Mohan Kwatra said on Thursday that India is planning to hold a Quadrilateral Security Dialogue (Quad) on the sidelines of the G-7 meeting in Japan.

"India's regular participation at the G-7 summits clearly points to increasing recognition that India should be a part of any serious effort to resolve global challenges including those of peace, security, development and environment preservation," said Mr. Kwatra.

The meet will be held in Hiroshima where the leaders will visit the peace memorial of the city that pays tribute to the victims of the first use of atomic weapon in the history of the world. Mr. Modi will begin his engagements in Japan by unveiling a bust of Mahatma Gandhi in Hiroshima.

On the sidelines of the G-7 summit, Mr. Modi is expected to be joined by U.S. President Joe Biden, Australian Prime Minister Antony Albanese and Japanese Prime Minister Fumio Kishida for a special meeting of the Quad leaders. After Hiroshima, Mr. Modi will proceed to Papua New Guinea where he will inaugurate the 3rd summit of the FIPIC on May 22.

India has been supporting a number of programmes in the member countries of the FIPIC in the fields of sustainable development, solar energy and health. Mr. Modi will hold his bilateral meetings with the leaders of the FIPIC during his stay in Papua New Guinea. He will call on the Governor-General of the island nation after which he will hold a meeting with Prime Minister James Marape. He will also meet his counterpart from New Zealand Chris Hipkins, said Mr. Kwatra.

Later, Mr. Modi will land in Sydney where he will hold bilateral talks with the Australian Prime Minister. India and Australia are in talks to upgrade the Economic Cooperation and Trade Agreement to the level of a Comprehensive Economic Cooperation Agreement. Mr. Modi will interact with Australian CEOs and business leaders during his visit.

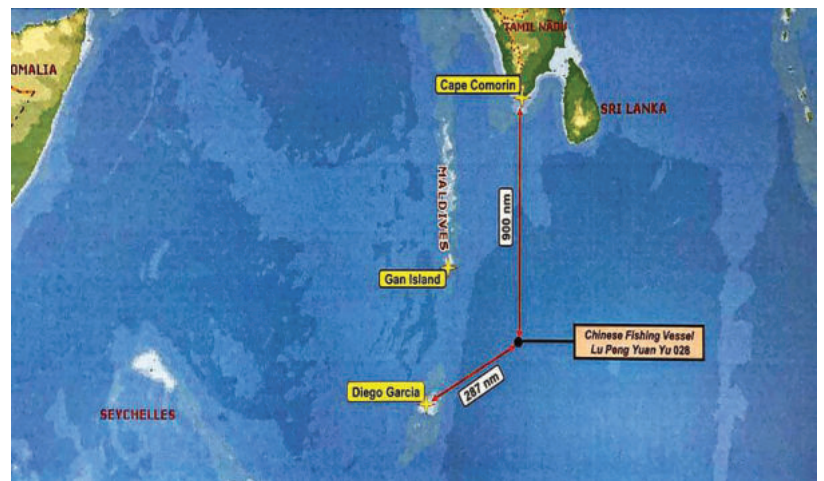
TWO DEAD IN SUNKEN CHINESE VESSEL; INDIAN NAVY DEPLOYS P-8I FOR SEARCH

Immediate response: The approximate location of the Chinese fishing vessel, Lu Peng Yuan Yu 028, in the Indian Ocean Region. PTI

DINAKAR PERI
ANANTH KRISHNAN
NEW DELHI

Two crew of the capsized Chinese deep sea fishing vessel are confirmed dead, the Chinese Ministry of Transport said on Thursday as a multinational effort is racing against time to locate the missing crew. The Indian Navy said that responding to a distress call from the fishing vessel Lu Peng Yuan Yu 028, it had deployed P-8I maritime patrol aircraft on May 17 for search and rescue (SAR) efforts in the southern Indian Ocean Region, approximately 900 nautical miles from India.

The Australian Maritime Safety Authority (AMSA), which is coordinating the rescue effort in waters located around 5,000 km from Australia and 1,300 km south of Sri Lanka, said that they had identified a large area in the Indian Ocean where they will focus the search. The Australian Defence Force too has deployed a P-8A aircraft for the search.



Multiple searches

According to the Chinese ministry, as of 2 p.m. Thursday, 10 vessels, including three Chinese Navy ships and one foreign ship, were involved in SAR efforts, and more ships are scheduled to arrive.

"P8I aircraft have carried out multiple and extensive searches despite adverse weather and located multiple objects possibly belonging to the sunken vessel. As an immediate response, SAR equipment was deployed at the scene by the Indian aircraft on request of PLA(N) (Chinese Navy) ships closing the area," the Indian Navy spokesperson said on Thursday. The missing crew includes 17 Chinese nationals, 17 Indonesians, and five persons from the Philippines.

Chinese news agency Xinhua, quoting a spokesperson of the AMSA, reported that based on drift modelling, a remote 12,000 sq. km zone has been identified to search for the vessel. "A number of merchant ships and other vessels have been assisting with the search and will continue to do so today. AMSA would like to thank these vessels and their crews for their invaluable assistance," the AMSA spokesperson was quoted as having said on Thursday. "Australia has been liaising with the Chinese Maritime Rescue Coordination Centre, with three Chinese naval ships continuing the search in the area today."

Distress signal

According to AMSA, the massive search effort was launched after they received a distress beacon signal from the fishing vessel at about 5.30 a.m. Australian Eastern Standard Time on the morning of May 16.

The Indian Navy spokesperson further stated that in a display of India's obligations as a "credible and responsible partner" for ensuring safety at sea,

Indian Navy units also coordinated SAR efforts with other units in the area, and guided PLA(N) warships transiting to the scene of the incident. "Indian Navy continues to remain deployed to provide all possible assistance to the ongoing SAR efforts," the spokesperson added.

Chinese Foreign Ministry spokesperson Wang Wenbin said on Thursday that countries "such as Australia, India, Sri Lanka, Indonesia, the Maldives and the Philippines have extended emergency assistance and sent sympathies for the Chinese boat and crew." "The operation has been commended from various quarters in China and abroad. The Chinese government sincerely appreciates the help from those countries. As we speak, the search and rescue operation is still underway," he said.

So far, no survivors have been found with extreme weather and rough seas hampering the SAR efforts, which slightly improved on Thursday.

As reported by The Hindu, diplomatic sources said the Indian Navy's Information Fusion Centre-Indian Ocean Region was sharing information on the incident with affiliated partners and agencies.

'Timely help'

Chinese President Xi Jinping on Wednesday "demanded all out efforts in the rescue of the missing people", state media reported. He also called for "efforts to further strengthen the investigation and early warning of potential safety risks in deep sea operations to ensure the safety of life and property". Later in the evening, Chinese Embassy in India acknowledged Indian Navy's assistance in ongoing search efforts on social media. "Truly appreciate the timely help!", the Embassy said on Twitter responding to the Indian Navy's post on its SAR efforts.

JAPAN SEEKS TO SEND OUT STRONG MESSAGE AGAINST RUSSIA: ENVOY

SUHASINI HAIDAR
NEW DELHI

Upholding the rule of law and ensuring that Russia "pays a price" for its continuing invasion of Ukraine will be among the highest priorities for Japan as it hosts the G-7 summit of the world's most developed countries this weekend, Japan's Ambassador to India Hiroshi Suzuki said on Thursday.

"Prime Minister Fumio Kishida wants to send a strong message from Hiroshima that unilateral attempts to change the status quo by force must not be allowed anywhere in the world. That is to say, if Russia is allowed to go [ahead], without paying any price, then other countries may be tempted to do the same," Mr. Suzuki told The Hindu in an interview.

Asked about U.S. President Joseph Biden's last-minute decision to cancel his subsequent visits to Australia and Papua New Guinea, the Ambassador said that Australian officials were working "very hard" to convene a shortened version of the Quad meeting in Hiroshima, that was meant to be held in Sydney, but that arrangements were still being negotiated.

'Greater stress'

He denied that the cancellation of the planned Quad summit signalled a greater stress on the challenge from Russia, that the G-7 is focused on, than on issues with China and the Indo-Pacific, that the Quad would have discussed. However, the Japanese Ambassador made it clear that stopping the Russian invasion, and supporting Ukraine were at the top of the agenda. "We stand at a critical juncture to send a clear message that we should never allow the world to slide back to the dark ages of the law of the jungle," Mr. Suzuki added, in a sharp statement on the eve of the summit, which will see leaders of the U.S., Canada, the U.K., France, Germany, Italy and Japan come together in Hiroshima to discuss major geopolitical developments.

The occasion will also be used to hold a number of "outreach" sessions with invitees from India, South Korea, Australia, Brazil, Vietnam, Indonesia, Comoros and the Cook Islands. Russia was a member of the erstwhile "G-8" grouping until it was expelled after the Crimean war in 2014.

"Prime Minister Modi is a key partner because though India has not criticised

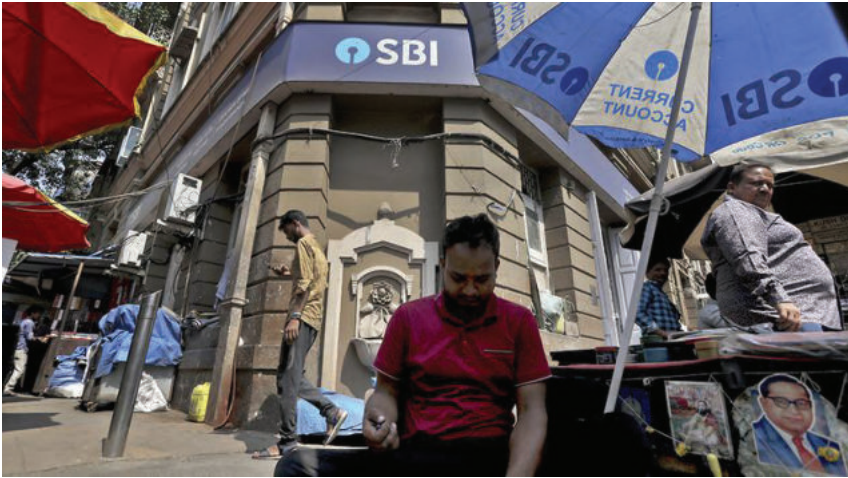
Russia in public, by naming Russia, India always said it supports the fundamental principles like sovereignty, territorial integrity, rule of law, peaceful settlement of conflicts, you know, those are the fundamental rules enshrined in the UN Charter," Mr. Suzuki said.



Hiroshi Suzuki

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SBI Q4 PROFIT SURGES 83% TO ₹16,695 CR., ASSET QUALITY RISES



Small loans buoy: The state-run lender logged 16% credit growth last quarter with retail personal advances increasing 17.6%.REUTERS

Lender's gross NPA ratio improved by 119 basis points year-on-year to 2.78% in the quarter; bank expects credit growth to sustain momentum in the current financial year, says Chairman Khara

THE HINDU BUREAU
MUMBAI

State Bank of India reported an 83% surge in standalone fourth-quarter net profit to ₹16,695 crore on an improvement in asset quality and steady credit growth.

Operating profit for the period at India's largest lender grew by 24.9% to ₹24,621 crore. Net interest income (NII) rose 29.5% to ₹40,393 crore in the three months ended March, while domestic net interest margin (NIM) increased by 44 basis points (bps) from a year earlier to 3.84%.

SBI's net profit for FY23 crossed the ₹50,000-crore mark to ₹50,232 crore, a 58.6% jump. NII for FY23 rose 20% to ₹1,44,841 crore. Domestic NIM for FY23 increased by 22 bps to 3.58%.

"Credit growth has continued to grow at double digit" notwithstanding the fact that the RBI raised interest rates to curb inflation, observed Chairman Dinesh Khara. "We expect credit growth to continue in this financial year as well," he added.

The bank logged 16% credit growth last quarter with retail personal advances increasing 17.6%.

Gross NPA ratio improved 119 bps year-on-year in Q4 to 2.78%.

AMAZON'S CLOUD ARM TO INVEST \$12.7 BN IN INDIA

MINI TEJASWI
MUMBAI

Amazon Web Services (AWS) said it plans to invest \$12.7 billion in India by 2030 to meet the fast-growing demand for cloud services in the country.

The cloud-computing arm of e-tailer Amazon had invested \$3.7 billion in India between 2016-2022.

India was a rapidly expanding cloud market and the newly-announced investments would help create more beneficial ripple effects, supporting the country on its path to becoming a global digital powerhouse, said Puneet Chandok, president of commercial business, AWS India and South Asia.

"Our investments in data-centre infrastructure will support an estimated average of 1,31,700 full-time equivalent (FTE) jobs in India every year," he said at an AWS event.



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WARMING WARNING

India must invest in infrastructure that boosts defence against disasters

The World Meteorological Organization (WMO) has issued its annual update on its projections for temperature trends in the next decade. The prognosis, expectedly, is worrying. The annual mean global near-surface temperature for each year between 2023 and 2027 is likely to be 1.1°-1.8°C higher than the average from 1850-1900. There is a 66% chance that the global near-surface temperature will exceed 1.5°C above pre-industrial levels, in at least one year before 2027 though it is unlikely that the five-year mean will exceed this threshold. The 1.5°C threshold, the Intergovernmental Panel on Climate Change has repeatedly said, is one that is best left unbreached to avoid the disastrous consequences of global warming. While world leaders at climate summits are in agreement, few of their actions are consistent with keeping temperature-rise within this rubicon, with current climate policies poised to heat the globe beyond

2°C by the end of the century.

At least one of the years, the WMO adds, from 2023 to 2027 will be the hottest on record — exceeding the 14.84°C reported in 2016 (it was about 0.07°C warmer than the previous record set in 2015). The five-year mean for 2023-2027 was very likely to be higher than that in the last five years (2018-2022). The oceans too are on fire. The El Niño-Southern Oscillation (ENSO) is likely to be positive in December to February 2023-24, meaning that the Central Equatorial Pacific Ocean is likely to be at least half a degree, more likely over a degree above what is normal. India is bracing for this El Niño during the monsoon, with the India Meteorological Department already indicating that monsoon rainfall will be on the lower side of 'normal'. The El Niño "will combine with human-induced climate change to push global temperatures into uncharted territory", WMO Secretary-General Petteri Taalas said in a press statement in the context of the

update. Hotter oceans also mean stronger cyclones. Cyclone Mocha, which barrelled through Myanmar this week and claimed at least 60 lives and wrought severe damage, ended up being stronger than what was initially estimated. The WMO update does not have specific inputs for India; however, the overall trend in indicators suggests that India, dependent as it is on rain-fed agriculture and with its long coastline, will be severely tested due to changes in the global climate. India's abilities at forecasting cyclones and weather anomalies have improved but developing resilience is far more challenging. Greater investments in bolstering disaster-related infrastructure are the need of the hour.

A LONG-DRAWN TEST FOR INDIA'S DIPLOMATIC SKILLS

Suhasini Haidar

As Prime Minister Narendra Modi embarks on a week-long journey to Japan, Papua New Guinea and Australia from May 19, a number of substantive global issues are on the anvil in his discussions with leaders of the G-7 outreach in Hiroshima, Japan, as well as during his travels from there, with bilateral issues taking a back seat to India's position in the multilateral sphere. These mandate a very careful balance between the two ends of an increasingly polarised world that has been blown apart after the Russian war in Ukraine. This is also a world that looks uneasily at facing the geopolitical challenge from China, worries over trade access, supply chain reliability, and food and energy security.

Although the Quad Summit (Australia, India, Japan, U.S.) due to be held in Sydney has been cancelled in the wake of U.S. President Joe Biden's domestic troubles, all four Quad leaders will meet on the sidelines of the G-7. Following this foray with the Indo-Pacific "coalition of democracies", Mr. Modi will be in Washington in June for a state visit — a rare honour accorded by the U.S. President, that has been reserved for only two Indian leaders in the past, President Sarvepalli Radhakrishnan (1963) and Prime Minister Manmohan Singh (2009). This visit will be marked by many strategic forays to bring India-U.S. ties closer.

Almost immediately after his return, Mr. Modi will need to pivot to the opposing coalition however, hosting the Shanghai Cooperation Organisation (SCO) Summit scheduled for July 3-4, where he is expected to receive China's President Xi Jinping, Russia's President Vladimir Putin, the Pakistan Prime Minister Shehbaz Sharif, leaders of central Asian states, the soon-to-be added SCO members, the President of Iran, Ebrahim Raisi, and the President of Belarus, Alexander Lukashenko, and other guests.

The world of the SCO

The composition of the SCO, which includes those being inducted as observers such as Myanmar, gives the impression of it being a largely anti-western grouping, with practically every country sanctioned by the West as a part of it. With the SCO, a grouping that represents most of the world's population, GDP growth, and energy reserves, India has comfort in its common stand against unilateral sanctions such as those against Russia.

A lesson or two may also be learnt from the Shanghai Cooperation Organisation Council for Foreign Ministers (SCO-CFM) held in Goa earlier this month, where India's bilateral relations with mainly Pakistan, but China and even Russia, were allowed to overshadow more substantive multilateral outcomes. This is of particular annoyance to Central Asian countries, that have always insisted that no bilateral issues are brought up at the SCO, lest it go the way of the other regional South Asian grouping, the South Asian Association for Regional Cooperation (SAARC).

A week after the SCO summit, Mr. Modi will pivot back to the European Union, as chief guest at France's national "Bastille day" parade; visits to other European capitals are likely. August will see yet another turn, with the BRICS summit in South Africa. Mr. Modi will engage with the leaders of Russia, China, Brazil and South Africa on an alternative BRICS payment mechanism to the dollar-dominated international system, along with other ideas on the agenda seeking to build a counter-narrative to the U.S.-European Union combine. In

September, as Mr. Modi hosts every global leader at the G-20 summit in Delhi, his diplomatic skills will be tested again — not since 2010 have leaders of all permanent members of the UN Security Council visited Delhi in the same year, let alone at the same time.

Striking a balance

The timing of these engagements is no accident; nor is it explained by India's traditional adherence to the principle of non-alignment. If anything, Mr. Modi has consistently refused to attend Non-Aligned Movement summits thus far, and has preferred his own version of "multi-directional engagements". In 2017, the same year that India took part in reviving the Quad in the face of overt belligerence from Beijing, India also joined the SCO as a full member, agreeing to host the summit this year. New Delhi also exchanged places with both Italy and Indonesia in order to host the G-20 in 2023. If it is hosting the two major summits in the same year, it is by choice, not coincidence. It is to India's credit that it continues to maintain this balance, and is being courted by countries across the global divide, even as it seeks to hold out against two nuclear-armed land neighbours at its frontiers. Mr. Modi has even managed to maintain India's "sweet spot" without needing to follow Indonesian President Joko Widodo's example in travelling to Kiev, or inviting Ukraine's President Volodymyr Zelenskyy and its Foreign Minister Dmytro Kuleba to address the G-20, in order to strike a balance on the war.

While India's attempts at being a "balancing force" (as a senior official put it) are playing out much more visibly, it is also setting off a trend — many countries in South East Asia and the Global South, not to mention countries such as Saudi Arabia, the United Arab Emirates, Turkey and Israel, are managing their ties with the West without joining its stand on Ukraine or sanctions. France's latest reiteration of "Strategic Autonomy" after French President Emmanuel Macron's visit to Beijing indicates that even the western coalition has its fissures on this point. Clearly, autonomous strategy or multi-alignment has paid off for India in this critical year.

Disturbing the balance

There are a few unlikely "black swan" events that could jolt India off its careful tightrope walk and force a rethink of its policies one way or the other. A sudden success for Ukraine in its much-delayed, upcoming spring offensive, for example, would require New Delhi to reconsider its unalloyed ties with Moscow. Any major aggression by China across any part of the Line of Actual Control would be another such event requiring a strategic overhaul. India may also be forced to rethink if Russia turns more belligerent over the payment problem or withhold supplies of defence hardware to India under pressure from China. Equally, any decision by the U.S. and Europe to "force a choice" on India: to go forward with unilateral sanctions for the increase in Russian oil inflows processed at the Rosneft-owned refinery in Gujarat, or through the old threat of Countering America's Adversaries Through Sanctions Act-Related Sanctions (CAATSA) for India's acquisition of the Russian S-400 missile systems. In the absence of these 'at present unlikely' scenarios, India is likely to continue to try to work its interests on both sides of the geopolitical fence.

India's tasks ahead will be made more difficult if New Delhi fails to ensure at the SCO summit in July or during the BRICS summit in August, that Moscow and Beijing accede to a consensus on a joint communique at the G-20 summit in September. The U.S.-led G-7 bloc seems sanguine in allowing the differences in text to continue, suggesting that the "two outliers" can be ignored, or even omitted from the group. For India, tasked with forging a consensus, which has accompanied every G-20 summit in the past, the failure to issue a joint statement would be an ignoble distinction. Given the high stakes involved, the next 100 days will decide whether India can retain its reputation in forging a fair balance between its conflicting interests across the global divide, while remaining a gracious and successful host as the world comes home for the G-20.

ELECTIONS AND THE AIRWAVES

GURU PRASAD

PAWAN PARAMANANDAN
EXPLAINER

The story so far:

In the recently-concluded Karnataka Assembly elections, political parties were provided free airtime on public broadcasters, All India Radio (Akashvani) and Doordarshan during elections. The allotment was available to six recognised national parties — the Bharatiya Janata Party (BJP), the Indian National Congress (INC), the Bahujan Samaj Party (BSP), the National People's Party (NPP), the Aam Aadmi Party (AAP) and the Communist Party of India (Marxist) and one recognised State party, the Janata Dal (Secular). The parties

were allocated a base time of 45 minutes and additional slots based on performance in previous polls. A total of 630 minutes of free airtime was issued under this allotment.

What is the rationale of the scheme?

The facility to provide free airtime for political parties during elections was given statutory basis through the 2003 amendment to the Representation of People Act, 1951. The Supreme Court, in its famed judgment (The Secretary, Ministry of Information and Broadcasting vs Cricket Association of Bengal and ANR, 1995), held that airwaves are public property and its use should serve the greater public good. Elections being the lifeblood of a democracy, the misuse or abuse of airwaves to gain unfair electoral advantage is a key regulatory

apprehension of governments around the world.

In the U.S., for example, the Federal Communications Commission, which regulates the electronic media in the country, devised the fairness doctrine to keep electioneering on the airwaves equitable. The now defunct fairness doctrine placed a positive obligation on broadcasters who carry political content of one candidate on its programme to extend the same to another candidate in the electoral fray.

In the U.K. too, political parties are allocated designated slots by Parliament, called the party political broadcasts (PPBs) to convey important political information to the people. The British Communication watchdog, Ofcom, is responsible for ensuring that PPBs are included in every licensed public service television channel and commercial radio services. Similar requirements are adopted in Singapore, Brazil and Japan.

What is the working of the scheme?

In the Karnataka elections, the BJP received 167 minutes of broadcast time on both DD and Akashvani, while the Congress got 174 minutes and the JD(S) got 107 minutes. Time vouchers are distributed by a lottery system by the Election Commission in a transparent process to obviate any preferential treatment in getting primetime slots.

The transcripts of political parties are vetted to ensure that they adhere to relevant codes. These codes proscribe any content which are inter alia critical of other countries, attack religions or other communities or incites violence and personal attacks. In case of any disagreements over the content of the script as vetted by the public broadcaster, it is referred to an Apex Committee comprising members from Akashvani and DD whose decision is final.

In the Indian media landscape, due to the pattern of ownership of media houses, the public generally identify a broadcaster as being affiliated with one political party or the other. In this regard, State-sponsored airtime provides more diversity and colour to the electoral process.

For example, the NPP, which was a rank outsider in the Karnataka elections, was afforded the same base time of 45 minutes as the INC and the BJP. Since the content being aired has to adhere to specific codes, it upholds the principle of fair play.

The guidelines by the Election Commission of India (ECI) also require that a maximum of two panel discussions are also aired by Akashvani and DD. These discussions provide an excellent platform for parties, both big and small, to debate and criticise each other's policies and manifestos, and in general promote an informed citizenry.

What are the operational challenges?

The fact that the scheme is available to national and recognised State parties may attract arguments that it is not truly equitable. In light of the recent retraction of the national party status for the Nationalist People's Coalition (NPC) and the Trinamool Congress (TMC), this observation becomes important. However, the ECI is constrained by the considerations of practicality and the fact that airwaves are not an infinite resource.

The Apex Committee comprises officials from Akashvani and DD and



Prime Minister Narendra Modi during a roadshow ahead of the Karnataka elections, in Bengaluru.

Why are political parties provided free airtime on public broadcasters during elections? How does the scheme work and how does it benefit a political party? How does the Election Commission distribute time vouchers to parties without any bias?

are expected to sit in review of their own decision in case of conflict with the political party on the content of the transcript. This leaves scope for conflicts of interest and therefore, a more representative committee may be constituted.

There are also calls for extending the provision to cover private broadcasters akin to the fairness doctrine of the U.S. A designated slot may be mandated for private channels to air content equitably and provide a platform for smaller parties and candidates. The political broadcast may be clearly differentiated from regular news broadcasts and programmes.

The 2024 General Elections will witness unprecedented levels of electioneering in the media. As spaces for sober, fair, considered and thoughtful debates shrink in a frenzy to grab attention, it is imperative that airwaves are used to nourish and enrich the Indian democracy and set standards for other electoral democracies.

The authors are Indian Information Service officers. Views expressed are personal and not those of the government.

WHAT ARE RBI REGULATIONS ON GREEN DEPOSITS?

What does the framework say? Can green deposits help the environment in any way?

PRASHANTH PERUMAL

The story so far:

Last month, the Reserve Bank of India (RBI) came up with a regulatory framework for banks to accept green deposits from customers. Under the new framework, banks that accept green deposits will have to disclose more information on how they invest these deposits.

What are green deposits?

Green deposits are not very different from the regular deposits that banks accept from their customers. The only major difference is that banks promise to earmark the money that they receive as green deposits towards environment-friendly projects. For example, a bank may promise that green deposits will be used towards financing renewable energy projects that fight climate change. A bank may also avoid using green deposits to invest in fossil fuel projects that are considered harmful to the climate. A green deposit is just one product in a wide array of other financial products such as green bonds, green shares, etc., that help investors put money into environmentally sustainable projects.

What does the RBI's regulatory framework say?

The RBI's framework for the acceptance of green deposits lays down certain conditions that banks must fulfill to accept green deposits from customers. Firstly, banks will have to come up with a set of rules or policies approved by their

respective Boards that need to be followed while investing green deposits from customers.

These rules need to be made public on the banks' websites and banks will also have to disclose regular information about the amount of green deposits received, how these deposits were allocated towards various green projects, and the impact of such investments on the environment. A third-party will have to verify the claims made by banks regarding the projects in which the banks invest their green deposits as well as the sustainability credentials of these business projects.

The RBI has come up with a list of sectors that can be classified as sustainable and thus eligible to receive green deposits. These include renewable energy, waste management, clean transportation, energy efficiency, and afforestation.

Banks will be barred from investing green deposits in business projects involving fossil fuels, nuclear power, tobacco, gambling, palm oil, and hydropower generation.

The new rules are aimed at preventing greenwashing, which refers to making misleading claims about the positive environmental impact of an activity. For example, a bank may advertise that their green deposits will have a huge positive impact on the environment, while the actual impact may be minimal. A bank could also invest in projects that are not environment-friendly, perhaps

because such projects offer higher returns, under the guise of green investing.

Will green deposits help depositors/investors and the environment?

Depositors who care about the environment may get some satisfaction from investing their money in environmentally sustainable investment products. However, there are challenges, for the range of projects in which green funds can be invested by the bank is limited by design.

When it comes to protecting the environment, green investing enthusiasts believe that putting money into green projects may be one of the best

ways to help the environment. Critics, however, argue that green investment products are often just a way to make investors feel good about themselves and that these investments don't really do much good to the environment.

Noted finance expert Aswath Damodaran, for instance, calls green investing "a feel-good scam" that enriches only consultants.

Second, in a complex world where any action involves second-order effects that are difficult to see, it can be extremely hard to know if a project is really environmentally sustainable.

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