


AG Group

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# GOVERNMENT POLICY REPORT

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# SUSTAINABILITY

## India's Mineral and Mine Sector is Emphasizing Efforts to Steer Sustainability and Innovation

India's mining sector is transforming, prioritizing sustainability and technological advancements to align with global standards. Recent government and industry initiatives focuses on responsible resource utilization, economic growth, and environmental conservation.

In January 2025, the 3rd National Mining Ministers' Conference was held in Konark, Odisha, to discuss the evolving role of India's mining sector in achieving self-reliance. The conference also launched the fifth tranche of mineral block auctions, offering 15 blocks across eight states, including essential minerals like Graphite, Tungsten, Rare Earth Elements (REE), and Nickel.


The Union Budget 2025-26 introduced several reforms to boost production and innovation in the mining sector. Notably, the removal of import duties on non-ferrous metal scraps and critical mineral scraps, including cobalt powder and lithium-ion battery scraps, aims to enhance the competitiveness of India's recycling industries. Additionally, **₹300 Crores have been allocated for coal and lignite gasification, promoting pathways to lower emissions, carbon capture, and hydrogen production, in line with the energy transition goals of India**.

## INDIA'S MINING SECTOR: SUSTAINABILITY & INNOVATION

- 15 critical mineral blocks auctioned
- Import duties removed on key mineral scraps
- ₹300 Cr. allocated for clean energy initiatives
- AI & IoT enhancing mining efficiency
- State Mining Index launched for reforms
- Focus on green energy & circular economy

Technological advancements are revolutionizing mining operations. **The integration of the Internet of Things (IoT), Artificial Intelligence (AI), and Machine Learning (ML) is improving efficiency and safety**. These innovations enable predictive maintenance, real-time monitoring, and data-driven decision-making, contributing to sustainable mining practices. **Sustainability is now a core focus, driven by environmental, social, and economic imperatives**. The industry is adopting measures to reduce greenhouse gas emissions, shift towards renewable energy sources, and implement circular economy principles.

Investments in green energy solutions and improved waste management are helping mining companies align with international sustainability standards. **A key initiative supporting sustainable mining is the introduction of the State Mining Index**, which encourages states to adopt best practices in mineral exploration, auctioning, and environmental responsibility. This step is expected to drive efficiency and attract investments to the sector. With these strategic advancements, India's mining sector is positioning itself as a global leader in responsible mining, balancing economic progress with sustainability and innovation.

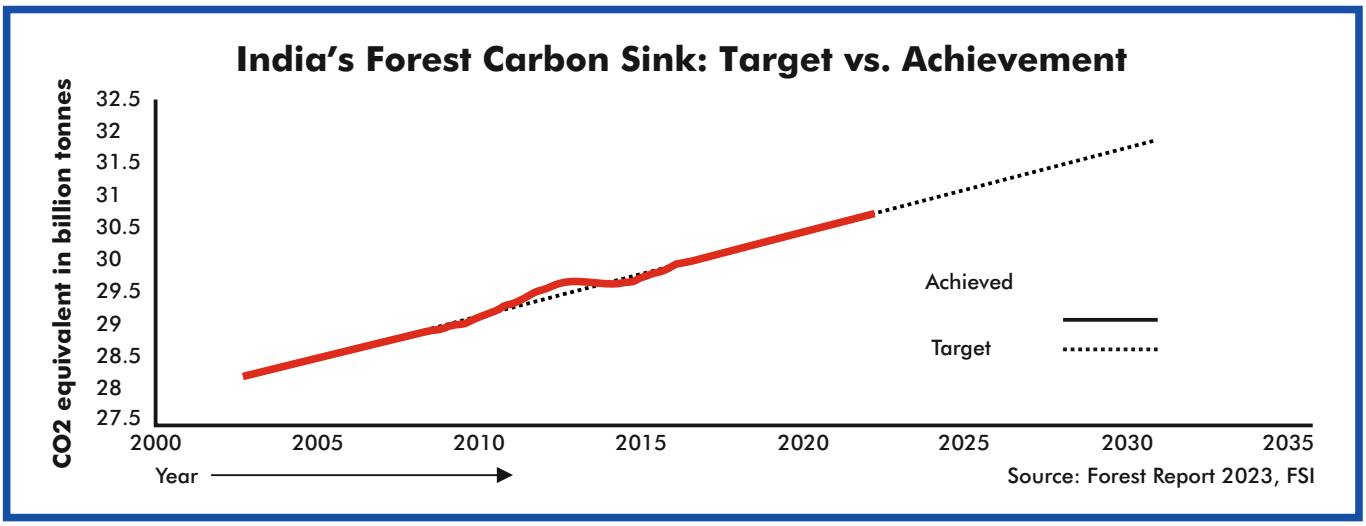
# CLIMATE CHANGE

## India Submitted the 4th Biennial Update Report to the UNFCCC

India has reaffirmed its commitment to climate action by submitting its 4th Biennial Update Report (BUR-4) to the United Nations Framework Convention on Climate Change (UNFCCC) on December 30, 2024. This report provides a comprehensive overview of the nation's Greenhouse Gas (GHG) emissions for 2020 and highlights significant strides in sustainable development, emission reduction, and renewable energy adoption.


In 2020, India's total GHG emissions decreased by 7.93% compared to 2019. Excluding Land Use, Land-Use Change, and Forestry (LULUCF), the emissions were 2,959 million tonnes of $CO_2$ equivalent ($CO_2e$). Including LULUCF, net emissions stood at 2,437 million tonnes of $CO_2e$. The energy sector was the most significant contributor, accounting for 75.66% of total emissions, followed by agriculture (13.72%), industrial processes and product use (8.06%), and waste (2.56%). The decline in emissions is attributed to increased energy efficiency measures, renewable energy expansion, and policy interventions supporting a low-carbon economy.

Notably, India's forest and tree cover sequestered approximately 522 million tonnes of $CO_2$ in 2020, offsetting 22% of the country's total carbon dioxide emissions. **Between 2005 and 2020, the nation reduced its emission intensity of Gross Domestic Product (GDP) by 36%, indicating a decoupling of economic growth from GHG emissions. As of October 2024, 46.52% of India's installed electricity generation capacity was derived from non-fossil sources.** With large hydro-power included, the installed capacity of renewable energy totalled 203.22 GW.




Notably, renewable power capacity (excluding large hydro projects) increased 4.5 times, from 35 GW in March 2014 to 156.25 GW. India's forest and tree cover has consistently increased, covering 25.17% of the country's geographical area. **Between 2005 and 2021, an additional carbon sink of 2.29 billion tonnes of $CO_2$ equivalent was created through afforestation efforts to achieve 2.5 to 3 billion tonnes of extra carbon sequestration by 2030**.

These achievements underscore India's proactive approach to addressing climate change, balancing economic development with environmental sustainability. The nation's efforts align with the principles of equity and common but differentiated responsibilities, as outlined in the UNFCCC.

## KEY HIGHLIGHTS

- ***7.93% reduction in GHG emissions (2020 vs. 2019)***
- ***2,959 million tonnes $CO_2e$ emissions (excluding LULUCF)***
- ***522 million tonnes $CO_2$ absorbed by forests & trees***
- ***Emission intensity reduced by 36% (2005-2020)***
- ***46.52% of power capacity from non-fossil sources***
- ***Renewable energy capacity: 203.22 GW (Oct 2024)***
- ***Target: 2.5-3 billion tonnes $Co_2$ sequestration by 2030***

# BUDGET GLIMPSE

## Key Highlights from Union Budget 2025-26

The Union Budget 2025-26, presented on February 1, 2025, outlines a strategy to boost economic growth, enhance social welfare, and promote sustainability. It emphasizes key sectors such as agriculture, MSMEs, infrastructure, and social development.

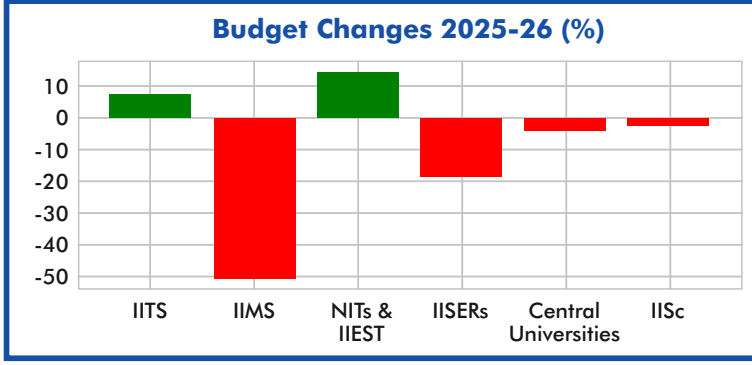

The budget introduces the 'Prime Minister Dhan-Dhaanya Krishi Yojana,' targeting 100 districts with low productivity to benefit 1.7 crore farmers. A six-year mission aims for self-reliance in pulses, focussing on Tur, Urad, and Masoor, with procurement support from NAFED and NCCF. A national program for vegetables and fruits will enhance production, supply chains, and pricing.

| | | |
|---|---|---|
| **BUDGET ESTIMATES AND FISCAL OUTLOOK** | Total Expenditure: ₹50.65 lakh crore | Total Receipts (excluding borrowings): ₹34.96 lakh crore |
| Net Tax Receipts: ₹28.37 lakh crore | Fiscal Deficit: 4.4% of GDP | Capital Expenditure: ₹11.21 lakh crore (3.1% of GDP) |

Investment and turnover limits for MSMEs will increase by 2.5 and 2 times, respectively. 10 lakh micro-enterprises will receive customized credit cards with a spending limit of ₹5 lakh. A ₹10,000 crore Fund of

Funds supports startups, while term loans up to ₹2 crore over five years will assist 5 lakh first-time women, SC, and ST entrepreneurs. An allocation of ₹1.5 lakh crore has been set for states as interest-free loans for 50 years. The Asset Monetization Plan 2025-30 aims to reinvest ₹10 lakh crore into new projects. The Urban Challenge Fund (₹1 lakh crore) will support initiatives like 'Cities as Growth Hubs' and 'Creative Redevelopment of Cities.'

## CHANGE IN ALLOCATED FUND PATTERN TO ESTEEMED EDUCATIONAL AND RESEARCH INSTITUTES




The Gender Budget now constitutes 8.86% of the total budget, up from 6.8% in FY 2024-25, reflecting a 37.25% increase to ₹4.49 lakh crore for women's welfare. The Ministry of Women and Child Development allocates 81.79% of its budget to gender-focused programs, underscoring the government's commitment to gender equality and women-led development.

## NEW INCOME TAX REGIME CHANGES

**OLD SLABS**

| Income Slab | Income Tax Rate |
|---|---|
| Up to ₹3,00,000 | Nil |
| ₹3,00,001 to ₹7,00,000 | 5% |
| ₹7,00,001 to ₹10,00,000 | 10% |
| ₹10,00,001 to ₹12,00,000 | 15% |
| ₹12,00,001 to ₹15,00,000 | 20% |
| Above ₹15,00,000 | 30% |

**NEW SLABS**

| Income Slab | Income Tax Rate |
|---|---|
| 0 to ₹4,00,000 | Nil |
| ₹4,00,001 to ₹8,00,000 | 5% |
| ₹8,00,001 to ₹12,00,000 | 10% |
| ₹12,00,001 to ₹16,00,000 | 15% |
| ₹16,00,001 to ₹20,00,000 | 20% |
| ₹20,00,001 to ₹24,00,000 | 25% |
| Above ₹24,00,000 | 30% |

The budget proposes raising the income tax threshold to ₹12 lakh per annum, with revised tax slabs benefiting various income groups. The highest tax slab of 30% is applicable for incomes exceeding ₹24 lakh. These measures aim to increase disposable income, stimulate consumption, and encourage savings among the middle class. In summary, the Union Budget 2025-26 presents a balanced approach to fostering economic growth, supporting key sectors, and promoting social welfare, aligning with the government's vision of inclusive and sustainable development.

# GREEN ENERGY

## Operational Guidelines Under PM-Surya Ghar Issued by MNRE to Support India's Green Energy Transition

The Ministry of New and Renewable Energy (MNRE) has issued operational guidelines under the PM-Surya Ghar: Muft Bijli Yojana to accelerate India's green energy transition by promoting residential rooftop solar installations. **The scheme approved on February 29, 2024, has a ₹75,021 crore outlay to install rooftop solar systems in one crore households**.

The scheme follows two primary implementation models. **The Renewable Energy Service Company (RESCO) model allows third-party entities to invest in rooftop solar systems**, enabling consumers to pay only for electricity consumed without upfront costs. **The Utility-Led Aggregation (ULA) model involves DISCOMs or state-designated entities installing rooftop solar projects for individual households**.


**To mitigate investment risks in RESCO-based models, the scheme establishes a ₹100 crore Payment Security Mechanism (PSM) fund**, which may be supplemented through other grants and sources upon approval. These guidelines support the existing consumer-driven capital expenditure model via the national portal, offering multiple avenues for rooftop solar adoption. **The scheme provides up to 300 units of free electricity monthly, with a 60% subsidy for systems up to 2 kW and 40% for additional capacity between 2 to 3 kW, capped at 3 kW**. Households can apply through the national portal, select vendors, and access collateral-free, low-interest loans for systems up to 3 kW.

## CENTRAL FINANCIAL SUPPORT STRUCTURE UNDER THE SCHEME

| S. No. | Type of Residential Segment | CFA |
|---|---|---|
| 1. | Residential Sector (first 2 kWp of RTS capacity or part thereof) | 60% of benchmark cost of 2 kWp |
| 2. | Residential Sector (with additional RTS capacity of 1 kWp or part thereof) | 40% of benchmark cost of additional kWp |
| 3. | Residential Sector (additional RTS capacity beyond 3 kWp) | No additional CFA |
| 4. | Group Housing Societies/ Residential Welfare Associations (GHS/RWA) etc, for common facilities including EV charging up to 500 kWp (@3 kWp per house) | AS per CFA of S.No. (2) above |

The scheme includes initiatives such as developing a Model Solar Village in each district, incentives for Urban Local Bodies and Panchayati Raj Institutions, and a fund for innovative rooftop solar projects. **The anticipated outcomes include the addition of 30 GW of solar capacity, generating 1,000 billion units of electricity, reducing 720 million tonnes of $CO_2$ equivalent emissions over 25 years**, and creating approximately 17 lakh direct jobs across various sectors.

### A QUICK SNAPSHOT TO PM-SURYA GHAR: MUFT BIJLI YOJANA

1. ₹75,021 Cr Budget | 1 Crore Households
2. 300 Units Free Electricity/Month
3. 17 Lakh Jobs Created
4. 30 GW Solar Capacity Addition
5. 1,000 Billion Units Clean Energy
6. 720 Million Tonnes $CO_2$ Reduction
7. 60% Subsidy (Up to 2 kW) | 40% (2-3 kW)

By implementing these guidelines, MNRE aims to streamline the adoption of rooftop solar solutions, contributing to India's renewable energy targets and environmental commitments. These efforts will enhance energy security and support economic growth by creating jobs and reducing dependence on fossil fuels.

# WATER

## "Water Use Efficiency: Strategies for a Sustainable Future" Workshop Organized Under National Water Mission

**On January 27, 2025, the Bureau of Water Use Efficiency (BWUE), under the National Water Mission (NWM) of the Ministry of Jal Shakti, in collaboration with the Indian Plumbing Association (IPA)**, organized a one-day workshop at the NDMC Convention Centre, New Delhi. The event focussed on enhancing water use efficiency in the domestic sector and addressed innovative solutions and collaborative strategies.


The workshop, inaugurated by the Union Minister of Jal Shakti, brought together policymakers, industry leaders, and experts to discuss technological advancements and policy frameworks. A keynote address by the Department of Water Resources Secretary emphasized multi-sectoral collaboration for sustainable water management. Over 350 participants from ministries, industries, and NGOs attended, with more than 20 experts contributing insights.

A major highlight was the role of low-flow fixtures and innovative sanitary ware in reducing domestic water consumption. Experts shared case studies on implementing water-saving technologies in urban and rural households, demonstrating their impact on reducing water demand. Discussions also explored policy interventions needed to encourage the widespread adoption of such innovations. Industry representatives showcased advancements in innovative water management technologies, including sensor-based leak detection systems, efficient plumbing designs, and IoT - enabled water metres.

Experts emphasized integrating these technologies into new and existing infrastructure to optimize water usage. An interactive session encouraged industries to integrate water-efficient technologies into product design. Speakers highlighted the need for stricter regulations to enforce water conservation in households, commercial spaces, and industries. Case studies demonstrated successful water conservation models, showcasing how public-private partnerships can drive sustainable water management. The workshop also stressed the role of public awareness campaigns in promoting behavioural change in domestic water usage.

## FUTURE STRATEGIES FOR WATER EFFICIENCY

- ☑ **Policy Enhancement**
- ☑ **Public Awareness Campaigns**
- ☑ **Technological Integration**
- ☑ **Innovative Product Development**
- ☑ **Research and Development**
- ☑ **Collaborative Models**
- ☑ **Incentive Programs**

Experts noted that while technological advancements are crucial, community participation and strong policy support are equally important for achieving long-term water sustainability. The event concluded with a call for industries to develop innovative water-efficient products, encourage the adoption of low-flow fixtures, and expand collaborative water management strategies. Strengthening regulatory policies, promoting public awareness, and motivating sustainable practices will play a crucial role in ensuring efficient water use and securing water resources for future generations.

# RESOURCES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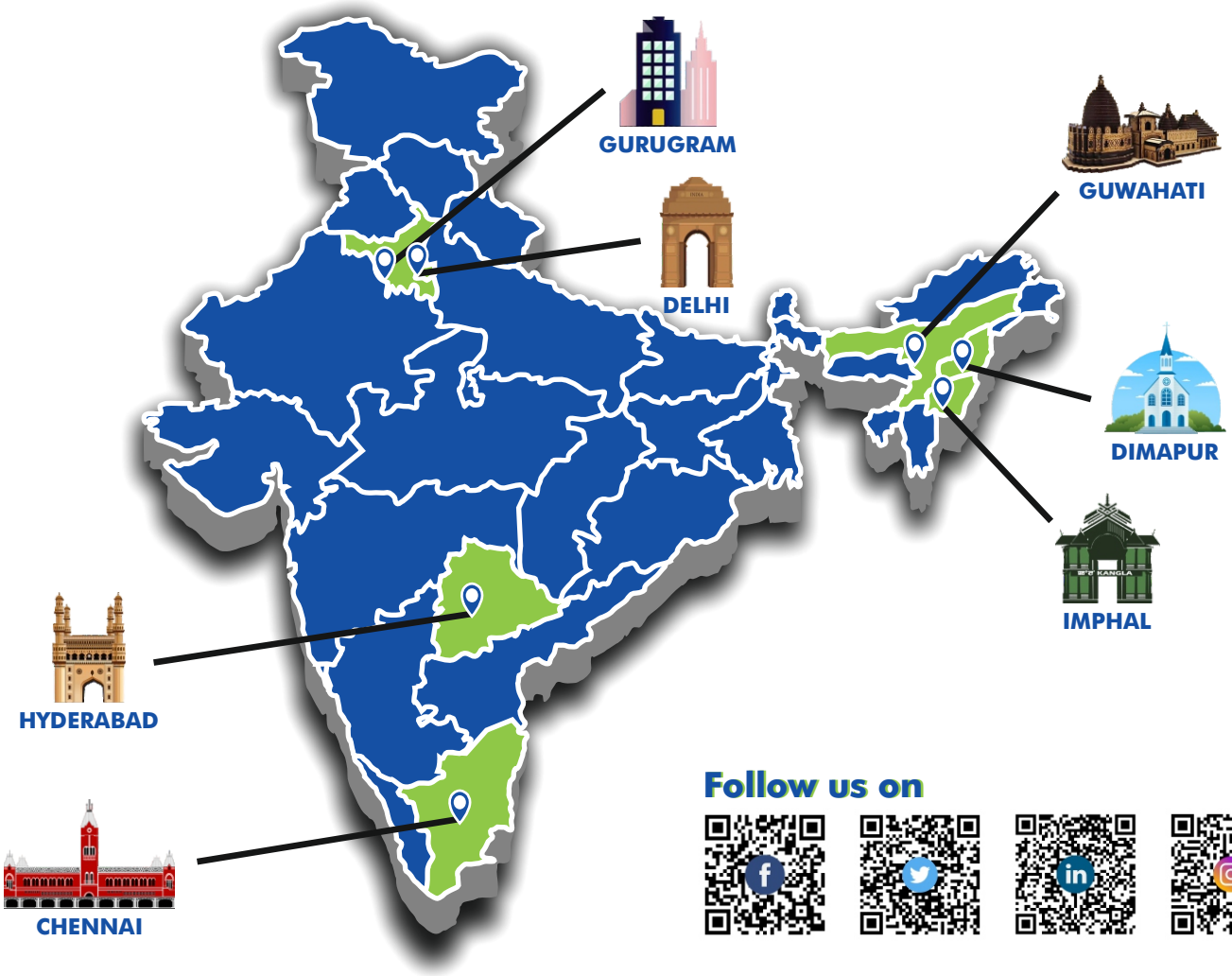


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