

# Forests a national asset and a major contributor to financial wealth, says Supreme Court

The judgment has come at a pivotal time when the controversial Forest Conservation (Amendment) Act of 2023 has attracted widespread criticism

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KRISHNADAS RAJAGOPAL



Representational file image. | Photo Credit: M. Srinath

The **Supreme Court** has asserted in a judgment that forests in India are a national asset and a major contributor to the nation's financial wealth.

“It is the spirit of the forest that moves the earth,” a Bench headed by Justice M.M. Sundresh observed in a judgment based on an appeal filed by the State of Telangana against a High Court decision “graciously gifting” forest land to a private person. The State’s forest officials, expected to preserve the forest, had made matters worse by filing conflicting affidavits in court about the nature of the land in question. The apex court ordered ₹5 lakh in costs from both the State government and the private persons. The State was asked to open an enquiry against its own forest officials.

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The judgment has come at a pivotal time when the controversial [Forest Conservation \(Amendment\) Act of 2023](#) or the FCAA has attracted widespread criticism. The FCAA is accused of giving a free hand to States to regularise encroachments in protected forests and determine diversions of forestlands. The Act has been criticised for paving the way for the commercial exploitation of forests, besides exempting infrastructural projects from environmental clearance.

“Depletion and disappearance of forests would ultimately lead to a massive extinction of organisms,” Justice Sundresh, who authored the judgment pronounced on April 18, observed.

The court said concepts of carbon credit and green accounting to evaluate a nation’s wealth had become a reality.

“A country with excess forest cover would be in a position to sell its excess carbon credit to the one in deficit. This in turn underlines the significance of forests in contributing to the financial wealth of a country,” the court noted.

The judgment said India’s forests serve as a major sink of carbon dioxide (CO<sub>2</sub>). The value of mitigation has put a conservative value of \$5 per tonne of CO<sub>2</sub> locked in our forests, this huge sink of about 24,000 mt of CO<sub>2</sub> is worth \$120 billion, or ₹6 lakh crores.

The court quoted from a 2009 report of the Ministry of Environment and Forests titled '*India's Forest and Tree Cover: Contribution as a Carbon Sink*', which said that from "1995 to 2005, the carbon stocks stored in our forests and trees have increased from 6,245 million tonnes (mt) to 6,662 mt, registering an annual increment of 38 mt of carbon or 138 mt of CO<sub>2</sub> equivalent".

## **Climate change**

Justice Sundresh highlighted the protective role of forests against climate change. It referred to a 2022-2023 report of the Reserve Bank of India on the macroeconomic impact of climate change and changing patterns of rainfall. These factors, the judgment quoted the report, could cost the economy 2.8% of its GDP and depress the living standards of nearly half of its population by 2050.

"India could lose anywhere around 3% to 10% of its GDP annually by year 2100 due to climate change," the judgment noted from the RBI document.

"The report of the Reserve Bank of India presents a very disturbing scenario. The report clearly suggests the enormous potential impact of climate change on the society, leading to serious job losses in every sector. Therefore, the adverse effect will be on the future of the nation as a whole, as against an identifiable group," the judgment said.

"Man, being an enlightened species, is expected to act as a trustee of the earth. It is not his right to destroy the habitat of other species but his duty to protect them from further peril," Justice Sundresh noted.