CFA
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POCKET MONEY

Brief on what they kept from you about your money this week

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01 Does the GDP figures hide more than they show?

While there has been a celebration of sorts on the part of the government around the GDP figures, Prof. Arun Kumar raises caution. In his estimations about 2.79% of GDP worth of demand has shifted from the unorganised to the organised sector under the cumulative impact of notebandi, GST and lockdown. In his alternative assessment the GDP growth comes to around 2.5% to 3.45% and not to the celebrated 7.2%. The strong growth in GST in recent times which are direct taxes collected from the organised sector is also proof of the same. The decline in the unorganised non-agriculture also indicates massive loss of jobs, another unfortunate reality of the times that the celebrations around GDP hides.

02

Even before govt's privatisation plan, public sector banks drag feet on welfare schemes

One of the main reasons the proposed privatisation of public sector banks has faced stiff resistance form bank unions, is that they would stop being the conduit of welfare schemes. As the government has faced stiff resistance for its privatisation plan, the welfare scheme implementation of PSBs is weakening. The National Commission for Scheduled Castes (NCSC) has discovered that 12 public sector banks in India are not effectively implementing government schemes, including low loan disbursal and failure to fill reserved vacancies for individuals belonging to the SC category. Govt norms require banks to ensure that 50% of beneficiaries of central schemes come from SC communities. The NCSC's preliminary review in northeastern states revealed that only 2% of loans disbursed were given to SC individuals. The NCSC plans to review the banks' performance to identify the obstacles. It has been found that banks lack a mechanism to collect and report data on the implementation of govt schemes and job vacancies. The NCSC aims to make it mandatory for all bank branches to collect and report data annually.

03

Profiting from Climate Emergency: ONGC to invest ₹ 1 Trillion in 'Green Initiatives'

If you thought mitigating climate change was about simply removing its immediate cause - the use of fossil fuels, coal, oil, gas - then you were wrong. ONGC's plan to reduce its carbon footprint demonstrates what's wrong with our approach to deal with climate change. Oil and Natural Gas Corp. (ONGC), an Indian oil explorer, has announced plans to spend ₹1 trillion on green initiatives by 2030. It currently has a renewable energy portfolio of 189 megawatts (MW) and plans to increase it to 10 gigawatts (GW) by 2030. The company also intends to venture into offshore wind and green ammonia production. ONGC has signed a memorandum of understanding for renewable energy projects in Rajasthan and is seeking another project with a capacity of 5 GW. The plan does not involve reducing the production of oil and gas, rather it involves expansion of what is called 'green' which itself leaves a heavy carbon footprint, through production of equipment, land acquisition, deforestation etc.

04

This time auditors again point at foulplay in Adani's operations

Everyone seems to suspect, everyone seems to know that there are irregularities, everyone is talking about hidden skeletons, and yet what seems to be making the headlines is the "clean chit" that supposedly has been offered to the Adanis. Contrary to such claims yet again there are whispers of trickery and foul play. And yet again it is about the allegations of price manipulation of share prices though related party transactions. Deloitte Haskins & Sells LLP raised concerns this week over the Adani port unit's transactions with three entities. Though the company claimed that these were unrelated parties, but the auditor said that it could not confirm that the parties were indeed unrelated. They also said that the Adanis refused to get an independent external examination that would help prove so.