NEWS ITEMS ON CAG/ AUDIT REPORTS (15.11.2022)

1. CAG to audit municipalities in context of 74th constitutional amendment *(business-standard.com)* November 15, 2022

The CAG audit looks into utilisation of grants that are released from the Centre to ULBs on recommendations of the finance commission

The Comptroller and Auditor General of India (CAG) has decided to audit the urban local bodies (ULBs) to bring out the performance of these authorities in the context of the 74th constitutional amendment carried out in early 1990s and respective state Acts.

Sources said that the audit of the implementation of the amendment is aimed at a holistic performance audit of these bodies.

The audit, to be carried out in the states, is based on the provisions of the amendment and the state Acts governing ULBs as well as rules and manuals framed there under.

The sources said empowerment of ULBs through the creation of a robust institutional framework as well as devolution/ transfer of functions, funds and functionaries is the key area of assessment.

They pointed out that financial grants to ULBs are released from the Centre through the states based on recommendations of the finance commission. "The CAG audit looks into utilisation of such grants," one of them said.

According to the 15th Finance Commission and studies conducted by think tanks, barring a few states, most of the state finance commissions (SFCs) have been rendered ineffective and toothless by the state governments, and many have not set up new SFCs after the stipulated five-year period. This impacts the flow of funds and the necessary devolution of powers to local bodies.

"The SFCs need to play a much more critical role in recommending taxes assigned to municipalities and other local governments and related financial relations between the States and their municipalities," the 15th Finance Commission had said in its report for the period 2021-2026. It added that there is a need to ensure consistency in the operation of SFCs and to ensure their continuing collaboration with Central Finance Commissions.

Some municipal bodies such as Surat were also required to go for a CAG audit when they went to raise funds through bonds. The sources said this time the audit will be a comprehensive study and not limited to a few specific initiatives.

They said while CAG had conducted audits of the ULBs earlier too, this time it would be holistic in nature in the context of the 74th amendment to the Constitution.

"What was the objective of that amendment? Whether those were fulfilled or not are some of the aspects the CAG would determine," another source said.

While the Directive Principles of State Policy refer to village panchayats, there is no specific reference to municipalities except indirectly in Entry-5 of the State List. This entry places the subject of local self-government as a responsibility of the respective state.

As such, the 74th constitutional amendment was introduced in Parliament in 1991 and enacted in 1993. It introduced a new part 'IXA' in the Constitution, which deals with the issues relating to municipalities.

The main provisions introduced by the above Act included the constitution of municipalities. It provided for three types of municipalities -- Nagar Panchayat, Municipal Council, and Municipal Corporation depending upon the size and area. The Municipal Corporation is the biggest of the three. It is left for the states to decide the area under these bodies. There have to be direct elections for these municipalities after every five years, according to the amendment.

The amendment left it to the state legislatures to specify the powers and responsibilities of the municipalities with respect to the preparation of plans for economic development and social justice and for the implementation of schemes as may be entrusted to them.

It has also been left to the state legislature to specify by law matters relating to the imposition of taxes by these municipalities. https://www.business-standard.com/article/economy-policy/cag-to-audit-municipalities-in-context-of-74th-constitutional-amendment-122111401705_1.html

2. To make auditing process more transparent, CAG to engage citizens *(millenniumpost.in)* 15 Nov 2022

New Delhi: In a major move aimed at making auditing of implementation of different welfare schemes sponsored by both the Centre and the state governments more transparent and accountable, it is learned that Comptroller & Auditor General (CAG) of India would have increased engagement with citizens during the process of auditing.

According to a senior official in the CAG, citizens would be engaged in selection of subjects of audit and their suggestions during the process of auditing may also be incorporated to expand the horizon of auditing.

"Involvement of citizens is required for selection of schemes to be audited as officials sitting in offices may not be able to know all the lapses in implementation of welfare schemes at the ground level. Public is a good source to get the information. It's the beneficiaries who are well versed with mistakes in the implementation of citizen-centric welfare schemes," the official said.

"Audit is an integral part of the government and CAG, through its different audit reports, keeps showing a mirror to the governments. But, why should only the government know about the performance of any programme implementation? People should also know about this," the official added.

Highlighting about the process, the official further said: "The CAG wants to do it in a positive way for maximum utilisation of resources. It will be a random process and identification of people for their comments/views would be done by integrating different panchayat level committees, prominent citizens at the levels of blocks, districts and states, etc."

The CAG has also planned to hold Audit Week at its all regional offices and organise seminars, workshops, interactive sessions, etc, to create awareness among masses about the benefits of auditing and their role in making the auditing process more transparent for beneficiaries.

As part of its citizen centric initiatives, the CAG celebrates Audit Diwas on November 16, which was started in 2021.

The national auditor would also organise meetings with stakeholders such as officials of different departments, intellectuals, experts, etc. The apex auditor would also hold community activities to get direct feedback of people by involving members of advisory boards of the CAG.

Notably, during his address at the 3rd Conference of Supreme Audit Leaders (SAI) of BRICS countries on the theme of "Citizen Engagement in public sector audit", CAG Girish Chandra Murmu had stressed that citizens have been the main beneficiaries of audit governance and transparency in governments across the world.

At the meeting, which was attended by delegates from Brazil, Russia, China and South Africa, the participating countries had exchanged their best practices and experiences on the theme "citizen engagement in public sector audit". The meeting was held in the national Capital in October.

Some of the citizen-centric audits conducted by the CAG include availability of drugs, medicines and equipment in government medical institutions throughout the country with a focus on the efficacy of centralised procurement, distribution and storage by leveraging technology.

The national auditor has also taken up audit of the implementation of the 74th Constitutional Amendment Act with a focus on decentralisation of funds, functions, functionaries, impact of the scheme and constraints in functioning of Urban Local Bodies (ULBs) as development in urban local bodies is directly connected with people.

The audit of Direct Benefit Transfer (DBT) focusing on coverage, identification of beneficiaries, efficiency and design of the payment process is also directly connected to citizens of the country. http://www.millenniumpost.in/big-stories/to-make-auditing-process-more-transparent-cag-to-engage-citizens-499177

STATES NEWS ITEMS

3. उत्तराखंड में पंचायत-निकायों ने खर्च किए 1374 करोड़, चार साल से नहीं दिया हिसाब *(amarujala.com)* November 15, 2022

उत्तराखंड के शहरी स्थानीय निकायों और पंचायती राज संस्थाओं ने 1374 करोड़ के खर्च का हिसाब नहीं दिया है। राज्य के विभिन्न शहरी स्थानीय निकायों और पंचायती राज संस्थाओं को यह धनराशि पिछले चार साल में केंद्रीय वित्त आयोग और राज्य वित्त आयोग की सिफारिशों के तहत जारी की गई थी। महालेखाकार के बार-

बार निर्देश के बाद अपर मुख्य सचिव (वित्त) ने दोनों विभागों के सचिवों को खर्च की गई धनराशि के उपयोगिता प्रमाण पत्र भेजने के निर्देश दिए हैं।

इस संबंध में सचिव शहरी विकास विभाग और सचिव पंचायती राज विभाग को बाकायदा एक पत्र भी जारी हुआ है। उपयोगिता प्रमाण पत्र (यूसी) में हो रही लेटलतीफी को महालेखाकार (लेखा एवं हकदारी) ने बहुत गंभीरता से लिया है। कैग की ओर से शासन को बाकायदा लंबित यूसी का वर्षवार ब्योरा भेजा गया है और इस पर चिंता भी जाहिर की गई है। इस संबंध में मुख्य सचिव डॉ.एसएस संधू और अपर मुख्य सचिव वित्त आनंद बर्द्धन भी अलग-
अलग बैठकों में संबंधित विभागों के सचिवों को ताकीद कर चुके हैं। इस संबंध में पूर्व में भी दिशा-
निर्देश जारी हो चुके हैं। लेकिन शहरी निकायों और पंचायती राज संस्थाओं पर इसका कोई असर होता नहीं दिखा है। अपर मुख्य सचिव ने अपने पत्र में चिंता जाहिर की है कि पूर्ण उपयोगिता प्रमाण पत्र उपलब्ध न कराए जाने से वित्त विभाग की छवि खराब होती है।

1022 करोड़ के यूसी देने हैं पंचायती राज विभाग को

करीब 1374 करोड़ रुपये के लंबित उपयोगिता प्रमाण पत्रों में से 1021.73 करोड़ रुपये के यूसी पंचायती राज विभाग के स्तर के हैं, जबकि 352.24 करोड़ रुपये के यूसी शहरी विकास विभाग से संबंधित हैं।

लंबित उपयोगिता प्रमाणपत्र और धनराशि का वर्षवार ब्योरा

वित्तीय वर्ष	लंबित प्रमाणपत्र	धनराशि (करोड़ में)
2018-19	01	3.85
2019-20	10	68.70
2020-21	231	812.53
2021-22	41	488.89
कुल	283	1373.97

अंतिम तिथि आज, नहीं भेजे यूसी

हीलाहवाली का यह आलम है कि पंचायती राज संस्थाओं और शहरी स्थानीय निकायों ने अभी तक वित्त विभाग को पूर्ण उपयोगिता प्रमाण पत्र नहीं भेजे हैं। जबकि अपर मुख्य सचिव ने 15 नवंबर यानी मंगलवार तक यूसी मांगे हैं।

शासन दिखा सकता है कड़ा रुख

महालेखाकार का लंबित यूसी को लेकर शासन पर लगातार दबाव बना है। ऐसे में यदि दोनों विभागों से मांगे गए उपयोगिता प्रमाण पत्र तय तिथि तक नहीं पहुंचे तो इस मामले में शासन स्तर पर कड़ा रुख अपनाया जा सकता है।

इसलिए जरूरी है उपयोगिता प्रमाणपत्र

राज्य वित्त आयोग और केंद्रीय वित्त आयोग की सिफारिशों के तहत जारी होने वाली धनराशि में उपयोगिता प्रमाणपत्र उपलब्ध कराने का प्रावधान है। वित्त विभाग को जारी धनराशि के ये उपयोगिता प्रमाणपत्र केंद्र सरकार को भेजने होते हैं। इनके आधार पर ही राज्य व केंद्र सरकार धनराशि की अगली किस्त जारी करती है। सीएजी राज्य सरकार के आय-व्यय के हिसाब-
किताब का रिकार्ड रखता है। इसी आधार पर उसने शासन से यूसी का हिसाब मांगा है।

मैं काफी दिनों से अवकाश पर था। आज ही लौटा हूं। मुझे पत्र की जानकारी नहीं है। मंगलवार को इस बारे में कुछ बता पाऊंगा। - नितेश झा, सचिव, पंचायती राज https://www.amarujala.com/dehradun/

uttarakhand-exclusive-news-panchayat-and-corporation-spent-1374-crore-but-did-not-give-account-for-four-years?pageId=1

4. 'Exhibition of Audit Reports' opens in Audit Bhavan *(thehitavada.com)* November 15, 2022

With the inauguration of 'Exhibition of Audit Reports' on Monday in the office of AG (Audit)-II, Maharashtra, Audit Bhavan, Civil Lines, the 'Audit Week' celebration has started. The inauguration of the expo was done at the hands of Director General, Regional Training Institute, Nagpur - Lata Mallikarjuna.

The Audit week is being jointly organised by the office of Accountant General (Audit), Accountant General (A&E), Regional Training Institute, and Postal & Telegraph (Audit), Nagpur, and DG (ODF, Ambazari).

The exhibition will remain open till November 30 and it is open to everyone. Anyone can walk in and study/enjoy the glory of the C&AG institution and its contribution towards the good governance. The authority, purpose, functions, international stature, audit tools and techniques, types of audits and its outcome has been highlighted in the exhibition. The exhibition will also display the posters, audio visuals, various reports of CAG. The citizens can walk in and win the gift prize by answering the quiz which will based on the exhibition slides.

Praveer Kumar, Accountant General (A&E)-II, Nagpur, R Thiruppathi Venkatasamy, Accountant General (Audit)-II, Nagpur, Pallavi Holkar, Senior Deputy Accountant General, Dinesh Mate, Senior Deputy Accountant General and Naresh Kumar Manne, Deputy Accountant General B Manimozhi, Deputy Accountant General, Sunita Gunashekhar, Deputy Director, P&T, Nagpur, Hari Priya S, Deputy Accountant General, Branch office of AG (Audit-I), Mumbai, staff of office were present on the occasion. https://www.thehitavada.com/Encyc/2022/11/15/-Exhibition-of-Audit-Reports-opens-in-Audit-Bhavan.html

5. Delhi BJP alleges DJB scam, demands FIR against CM Kejriwal *(thestatesman.com)* November 14, 2022

Alleging that there was a scam of Rs 20 crore in the Delhi Jal Board (DJB), the Delhi BJP, on Monday, demanded an FIR registered against Delhi Chief Minister Arvind Kejriwal.

Addressing a press conference here, Leader of Opposition in Delhi Assembly Ramvir Singh Bidhuri justified his party's demand for an FIR against Kejriwal as the chief minister was the chairman of the Jal Board at the time of the scam.

Bidhuri has requested the Lieutenant Governor (LG) to seize the Delhi Jal Board bank accounts and get them audited.

"The Delhi Jal Board had authorised Corporation Bank to collect the amount of water bills from consumers, but instead of depositing the received amount and the cheques with the Jal Board, the bank deposited them in fake bank accounts. The scam was revealed in 2018, when Chief Minister Kejriwal was the chairman of Jal Board. Despite the matter being brought to their notice, no FIR was lodged. Even then, instead of taking any action against the bank, not only the contract was continued of the bank but its per bill commission was also increased from Rs 5 to Rs 6," he said.

The BJP leader said, "Ever since the Aam Aadmi Party government came to office in Delhi, the balance sheet of the DJB has not been prepared. Not only this, 22 letters have been written by the CAG to the Delhi Government for an audit of the Jal Board, but the Delhi Government has not got the Jal Board audited."

The Leader of Opposition in Delhi Assembly said, "In the first place, Delhi Government is not getting the accounts of Delhi Jal Board audited since 2015-16 even after several letters of CAG, while the debt on Delhi Jal Board is also increasing."

"Today Jal board has become a den of corruption," he alleged.

Delhi BJP spokesperson Ajay Sehrawat was also present during the press conference.

Bidhuri said corruption of fresh Rs 20 crore in the Jal Board came to the fore when Lt Governor intervened.

The BJP leader said a scam was going on in the Jal Board since about 2015, under which crores of rupees were embezzled with the connivance of the Jal Board employees, fund collector agents appointed by the Jal Board and officials of a private bank.

He said the consumers who used to come to the Jal Board offices to deposit bills at the kiosks of private companies, this company used to deposit their cash and checks in fake accounts, which was known to the Jal Board staff, but this thing could not come out because everyone's share in it was fixed.

Bidhuri expressed surprise that when this scam came to light in 2018, instead of taking action on it, Kejriwal extended the contract of the private company for two years as well as increased the commission given to the private company.

He alleged that despite Kejriwal being aware of everything, his non-compliance with the police is proof of his complicity. Bidhuri said if there was a proper investigation of the Jal Board accounts, then who knows, this scam could have turned out to be of even Rs 200 crore.

Bidhuri said the BJP demands that the police should also investigate the matter as to why Kejriwal did not get the police FIR lodged.

The Leader of Opposition said after getting information about the scam in 2018, the Kejriwal government should have registered a police FIR, not doing which is proof of their patronage. https://www.thestatesman.com/cities/delhi/delhi-bjp-alleges-djb-scam-demands-fir-against-cm-kejriwal-1503130998.html

6. Kerala witnesses sharp drop in students enrolling for graduation courses *(onmanorama.com)* Nov 15, 2022

Thiruvananthapuram: There has been a sharp drop in the number of students enrolling for graduation courses in Kerala University which has been granted the A-Plus grade by the National Assessment and Accreditation Council (NAAC).

A casual enquiry reveals that the situation is the same in Mahatma Gandhi, Calicut, and Kannur universities.

Under Kerala University, 192 seats are remaining vacant in 14 government colleges while there were no takers for 2,446 seats in 39 aided colleges. Over 50% of the seats are vacant in 34 Institutes of Technology which are run directly by the university and 60 self- financing colleges.

Likely reasons
In earlier years, all the seats would be filled when three allotments and one round of spot admissions were completed. Now, seats remain vacant even after four admissions and two spot admissions. Students who score high marks in the qualifying examinations prefer to enroll in other States and countries for their professional and graduate courses.

Students who score low marks do not show interest in joining Science subjects. In most aided colleges, more seats remain vacant in the subjects of Physics, Chemistry, Mathematics, and English. Students are also not keen on joining the new-eneration courses introduced by the government.

One of the reasons for the phenomenon is the apprehension among the students over lack of job prospects and the policy of appointing teachers on a contract basis.

The report submitted by the Comptroller and Auditor General (CAG) in the Legislative Assembly had pointed out this fact. A significant number of seats in self-financing colleges remain vacant since many students are unable to bear the high fees in such institutions and depend on parallel systems for their studies.

The students are also persuaded not to enroll in State's universities due to concerns over non-revision of the syllabus, delay in the declaration of results and loss of academic days in colleges. In addition, the controversies dogging the higher education sector also act as a dampener for the students.

The Save University Campaign Committee has submitted memoranda to the Governor, Chief Minister, and the Minister for Higher Education, demanding measures to rectify the situation. https://www.onmanorama.com/career-and-campus/top-news/2022/11/15/sharp-drop-in-students-enrolling-for-graduation-courses-in-kerala-varsities.html

7. Goa Cong chief demands sacking of health minister Rane over CAG report, CM hits back *(theprint.in)* November 15, 2022

Goa Congress President Amit Patkar on Monday demanded the sacking of Health Minister Vishwajit Rane over a report by the Comptroller and Auditor General of India (CAG), flagging 'gross violations' in the purchase of medicines in 2018.

He called on Chief Minister Pramod Sawant to sack the health minister and order an investigation into the purchases, “The CAG report has mentioned that there are gross violations in purchases of about Rs 162 crores for Wellness Forever. I demand that CM Pramod Sawant ask Health minister Vishwajit Rane to resign,” Patkar said.

Labelling the BJP government as corrupt, Patkar said, “The state government had not approved the purchase. The CAG report shows that this BJP government is corrupt. Vishwajit Rane should be asked to step down.”

“The CAG report has exposed the ‘Wellness’ of Health Minister Vishwajit Rane and not the patients. The purchases cost the exchequer Rs 162 crores,” he said.

Responding to Patkar’s allegations, CM Sawant said the medicines were procured after obtaining approval from the committee set up during the Covid-19 pandemic.

“Congress doesn’t have any work these days other than to blame us. The medicines were procured after obtaining approval from the committee which was set up during the Covid-19 pandemic,” the CM told ANI. https://theprint.in/india/goa-cong-chief-demands-sacking-of-health-minister-rane-over-cag-report-cm-hits-back/1216376/

SELECTED NEWS ITEMS/ARTICLES FOR READING

8. Govt on track for bumper tax collections this fiscal year *(businesstoday.in)* November 14, 2022

Direct tax collections for fiscal 2022-23 are expected to surpass the budget target by at least Rs 1.5 lakh crore, finance ministry sources have told Business Today Television.

The budget for this fiscal year has estimated direct tax collections at Rs 14.20 lakh crore, higher than the actual collections of Rs 14.10 lakh crore in the previous fiscal year ending March 31, 2022.

"Inflation and increased compliance have helped boost tax receipts," a finance ministry source said.

The government last week released the figures for direct tax collections up to November 10, 2022.

The net amount after adjusting refunds stood at Rs 8.71 lakh crore, which is close to 60 percent of the budget estimate for the full year's direct tax collection target. Direct tax collections comprise income tax from both corporations and individuals.

Direct tax collections up to November 10, 2022, show that gross collections are at Rs. 10.54 lakh crore, which is 30.69 percent higher than the gross collections for the corresponding period of last year.

Refunds amounting to Rs 1.83 lakh crore have been issued between April 1 and November 10, 61 percent more than what was issued in the corresponding period last year. https://www.businesstoday.in/latest/economy/story/govt-on-track-for-bumper-tax-collections-this-fiscal-year-352817-2022-11-14

9. CPSEs get blueprint to shut down subsidiaries *(financialexpress.com)* November 15, 2022

To fast-track the closure of identified subsidiaries of central public sector enterprises (CPSEs), the Centre has issued new timelines for the disposal of assets and retrenchment of employees not opting for voluntary retirement scheme (VRS) to achieve closure of such units in less than nine months after getting nod from competent authority.

The new guidelines follow the government decision in May to give more powers to boards of parent CPSEs to close their subsidiaries by taking in-principle nod from a group of ministers (alternative mechanism or AM) instead of the Cabinet.

Currently, the boards do not have powers for disinvestment/closure of their subsidiaries or units or stake in JVs. Therefore, approval of the Cabinet/CCEA was needed by holding/parent CPSEs for the closure of their downstream companies, irrespective of the size of operations/capital deployed of such subsidiaries, etc.

Microfin industry needs $100 bn to promote green livelihood: Jayant Sinha

According to the guidelines issued by the department of public enterprises (DPE), from the date (T0) the department of investment and public asset management gets the nod from the AM for the closure of a unit, preparation of the draft closure note for the subsidiary and its approval by the parent CPSE Board has to be completed in five months.

Within seven months of T0, the norms prescribe the return of leasehold land of the subsidiary to the respective state governments, transfer of freehold land to the National Land Monetisation Corporation, intimation to labour ministry of closure, transfer of assets to holding company/administrative ministry, VRS to employees and statutory dues (retrenchment if VRS not availed), settlement of statutory dues/taxes, payment of secured creditors as one-time settlement and disposal of movable assets.

In T0 plus eight months and 15 days, the closure process will be completed with an application to the Registrar of Companies for the removal of the name of the subsidiary.

The Budget for FY22 unveiled the strategic sector policy which entails that the government have a minimum presence in the four broad sectors while the remaining ones can be privatised or merged or closed. These sectors are atomic energy, space and defence; transport and telecommunications; power, petroleum, coal and other minerals; banking, insurance and financial services. In the non-strategic sector, all CPSEs will be privatized or closed in case of privatization is not possible. https://www.financialexpress.com/industry/cpses-get-blueprint-to-shut-down-subsidiaries/2813370/

10. Tax-authorities tighten noose around under-invoicing of Chinese imports *(business-standard.com)* November 14, 2022

Tax authorities in India are investigating under-invoicing of goods imported from China after the trade data highlighted a glaring difference of around $12 billion in the data sourced from China and India, the Economic Times reported.

On comparison, the trade data from the two countries show invoiced imports into the country are far less than exports from China to India. Taking cognizance of the same, the customs authorities have issued tax-evasion notices to 32 importers since September. Tax authorities suspect a tax evasion of more than Rs 16,000 crore through under-invoicing by businesses from April 2019 to December 2020. And more such notices are likely to be issued by the tax authorities in the coming days, the report said.

In a 2019 report, a US-based think tank Global Financial Integrity said that India lost a staggering $13 billion, over Rs 90,000 crore, to trade mis-invoicing and it said most of it relate to imports from China.

According to a senior government official these imports largely involve electronics goods, gadgets, and metals, the Economic Times report said.

Why are electronic goods, gadgets, and metals facing under-invoicing?

To encourage domestic production, the government of India has levied import duties on electronic goods and mobile phones and this increased duty has resulted in increased cases of "under-invoicing" and tax evasion from businesses to dodge customs duties.

According to the official trade data, India imported goods worth $79.16 billion from January to September 2022. While customs data from China showed that country's exports to India stood at $89.99 billion in the same period.

This gap has only increased over the years. For instance, in 2019, this gap stood at $6 billion as India's imports from China stood at $68.35 billion, while China's data showed exports at $74.92 billion. In 2020, this increased to $8 billion in 2020 and $10 billion in 2021, the report said.

Industry take
However, the industry claims that this gap is a result of the time lag in the delivery of consignments and transactions on the high seas and there is not much to it. Some have also sighted the difference in the interpretation of data by different authorities as a probable reason. https://www.business-standard.com/article/economy-policy/tax-authorities-tighten-noose-around-under-invoicing-of-chinese-imports-122111401511_1.html

11. FCI’s grain stocks fall to five-year low, govt says no threat to food security *(financialexpress.com)* November 15, 2022

Stocks of wheat and rice with the Food Corporation of India (FCI) and state agencies have plunged to a five-year low to 37.6 million tonne (MT) at the beginning of this month against 72.1 MT a year ago.The FCI had wheat stock of 21 MT on November 1, a six-year low, against the buffer requirement of 13.8 MT for the beginning of the next year. However, the current stock of 16.6 MT of rice is more than double the buffer requirement of 7.6 MT for January 2023.

Food ministry officials said that despite decline in stocks, overall stock position in the next couple of months is expected to improve as around 17.6 MT of rice is yet to be received from the millers.“We have sufficient stocks to meet requirements under various schemes such as the National Food Security Act and Pradhan Mantri Garib Kalyan Anna Yojana (free ration scheme)," an official told FE.Meanwhile, kharif paddy procurement stood at 24.2 MT on Sunday, marginally higher than the year-ago level. Currently, paddy procurement is being carried out in Punjab, Chhattisgarh, Uttar Pradesh, Telangana, Haryana and Tamil Nadu.

According to food ministry officials, over 1.35 million farmers have received Rs 47,700 crore as minimum support price (MSP) since the commencement of procurement on October 1. The target is to procure 77 MT of paddy in the kharif season across key producing states.With the inclusion of rabi paddy, the government agencies are expected to purchase 90 MT of paddy during the 2022-23 season (October-September). Paddy to rice conversion ratio is 67%. After paddy is procured from the farmers by FCI and state agencies, it is handed over to millers for conversion into rice.In the previous year, rice procurement was a record 60.2 MT. Rice production had hit a record 130.29 MT in the 2021-22 crop year.

Meanwhile, sources said that FCI is likely to offer 2-3 MT of wheat under the Open Market Sale Scheme to bulk buyers to curb rising prices of the grains in the current marketing year (2022-23), despite the stocks hovering around the buffer.As per latest assessment, the wheat stocks held with FCI by March 31, 2023, would be around 11.3 MT against a buffer of 7.4 MT. "We are considering a proposal to offer wheat to bulk buyers from our stocks," a food ministry official said.Due to lower production and higher global demand, FCI's procurement in the 2022-23 season fell by more than 56.6% to only 18.8 MT against 43.3 MT purchased from the farmers in the previous year. According to the department of consumer affairs' price monitoring cell data, the modal retail price of wheat and flour (atta) on Monday rose to Rs 28/kg and Rs 35/kg, respectively, from Rs 23/kg and Rs 28/kg three months ago.

https://www.financialexpress.com/economy/fcis-grain-stocks-fall-to-five-year-low-govt-says-no-threat-to-food-security/2813116/

12. India's long-term strategy to transition to a 'low emissions' pathway involves more nuclear power, more ethanol *(thehindu.com)* Updated November 15, 2022

India on November 14, 2022 announced its long-term strategy to transition to a "low emissions" pathway at the United Nations Conference of Parties (COP) ongoing in Sharm el-Sheikh, Egypt, which is premised on expanding its nuclear power capacity by at least threefold in the next decade, apart from becoming an international hub for producing green hydrogen and increasing the proportion of ethanol in petrol.

These steps, Environment Minister Bhupendra Yadav said, were consonant with India's "five-decade journey" to net zero, or being carbon neutral by 2070 — a commitment made by Prime Minister Narendra Modi at Glasgow, where the 26th COP was held last year.
While 195-member countries, signatories to the UN climate agreements, were obliged to submit the long-term document by 2022, only 57 — to which India is the latest addition — have done so.

"The LT-LEDS (Long Term-Low Emission Development Strategy) has been prepared in the framework of India's right to an equitable and fair share of the global carbon budget. We have ensured that the strategy emphasises energy security, energy access, and employment, while keeping focus on our vision of Atmanirbhar Bharat," Mr. Yadav said. "The journey to net-zero is a five-decade-long one and India's vision is therefore evolutionary and flexible, accommodating new technological developments and developments in the global economy and international cooperation."

Addressed the High-Level Ministerial Dialogue on Climate Finance at COP27 in Egypt today. Stated that access to finance and technology in developing countries is a must if we expect to protect earth and ourselves from apocalyptic changes.

India "aspires" to maximise the use of electric vehicles, with ethanol blending to reach 20% by 2025 (it is currently 10%) and a "strong shift" to public transport for passenger and freight traffic. India will also focus on improving energy efficiency by the Perform, Achieve and Trade (PAT) scheme, the National Hydrogen Mission, increasing electrification, enhancing material efficiency, and recycling and ways to reduce emissions.

India's forest and tree cover are a net carbon sink absorbing 15% of CO2 emissions in 2016, and the country is on track to fulfilling its Nationally Determined Contributions (NDC) commitment of 2.5 to 3 billion tonnes of additional carbon sequestration in forest and tree cover by 2030, the document notes.

The NDCs, which India must periodically update, are voluntary commitments by countries to reduce emissions by a fixed number relative to a date in the past to achieve the long-term goal of climate agreements of preventing global temperature rising beyond 1.5 or 2 degrees Centigrade by the end of the century. Thus, India's most updated NDC commits to ensuring half its electricity is derived from non-fossil fuel sources by 2030, and reducing the emissions intensity by 45% below 2005 levels by 2030.

The LT-LEDS are qualitative in nature and are a requirement emanating from the 2015 Paris Agreement whereby countries must explain how they will transition their economies beyond achieving near-term NDC targets, and work towards the larger climate objective of cutting emissions by 45% by 2030 and achieve net zero around 2050. This is what, scientists say, offers the best chance of keeping temperature rise below 1.5 degrees Centigrade. So far, no country is on track towards such a pathway.

The document, however, also underlined that this transition entailed costs ranging in "trillion dollars" that the developed countries, responsible for the existing carbon accumulation, ought to be making good. "The transition to low carbon development pathway will entail several costs pertaining to the development of new technologies, new infrastructure, and other transaction costs. While several estimates exist, varying across studies, they all fall generally in the range of trillions of dollars by 2050. Provision of climate finance by developed countries will play a very significant role and needs to be considerably enhanced, in the form of grants and concessional loans, ensuring scale, scope and speed, predominantly from public sources, in accordance with the principles of the UNFCCC." the document noted.

Experts welcomed the document but said more could be done.

"India's long-term strategy (LTS) can guide the growth of Indian industry, urban planning, and infrastructure creation. Connecting India's net-zero target with near-term climate actions is critical to avoid investments that might be incompatible with a low-emissions and climate-resilient future," Ulka Kelkar, director, climate change programme, World Resources Institute (India), in a statement. "Currently, just half of the 50+ long-term strategies submitted by countries have full or partial legal backing. Going forward, India might also like to create a legal or institutional framework to pursue policies based on its long-term goal."

"India's long-term strategy (LTS) follows up on the net zero pledge. It clearly outlines key interventions across sectors that are going to be the focus of India's efforts. Importantly, the document is an outcome of intensive stakeholder discussions. However, it could have included carbon pricing through a domestic emissions trading scheme as a key element of India's strategy, given that the government has already announced the creation of the same in India," Vaibhav Chaturvedi, fellow, Council for Energy, Environment and Water, said in a statement. https://www.thehindu.com/sci-tech/energy-and-environment/indias-long-term-strategy-to-transition-to-a-low-emissions-pathway-involves-more-nuclear-power-more-ethanol-for-the-clean-energy-transformation/article66136754.ece

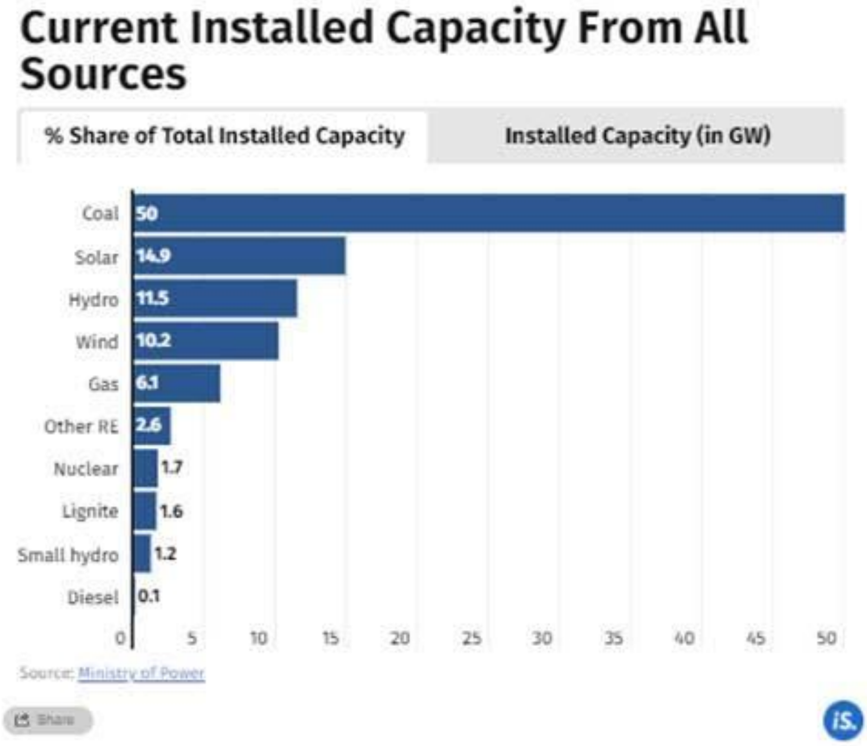
13. 5 Changes That Can Help India Reach Its Green Energy Goal Faster *(indiaspend.com)* 15 Nov, 2022

Experts say making the renewable energy (RE) sector more attractive for private investment through policy reform, reduction in duties and taxes, upgrading India's existing electricity grid infrastructure and an overhaul of power distribution companies (discoms) will help India achieve its goals of having clean energy as the source of 50% of its installed electricity capacity by 2030.

It has been a year since India announced its new climate pledges at the 26th Conference of the Parties (COP26) climate meet in Glasgow. As on November 11, 2022, India's non-fossil fuel electricity capacity stands at 171 GW (42%) of a total installed capacity of 407 GW. To achieve its pledge, India would have to increase current non-fossil capacity by 138.5% and reach 408 GW or 50% of the estimated electricity demand (817 GW) by 2030.

India's more ambitious energy pledge, to have 500 GW of installed capacity from non-fossil fuels by 2030 as announced by Prime Minister Narendra Modi in Glasgow last year, did not make it to the official climate pledges sanctioned by the country's Union cabinet.

Currently, the 27th global climate conference, COP27, is ongoing, and today, November 15 is Energy Day. We look at the big reforms that will help India achieve its renewable energy goals faster.

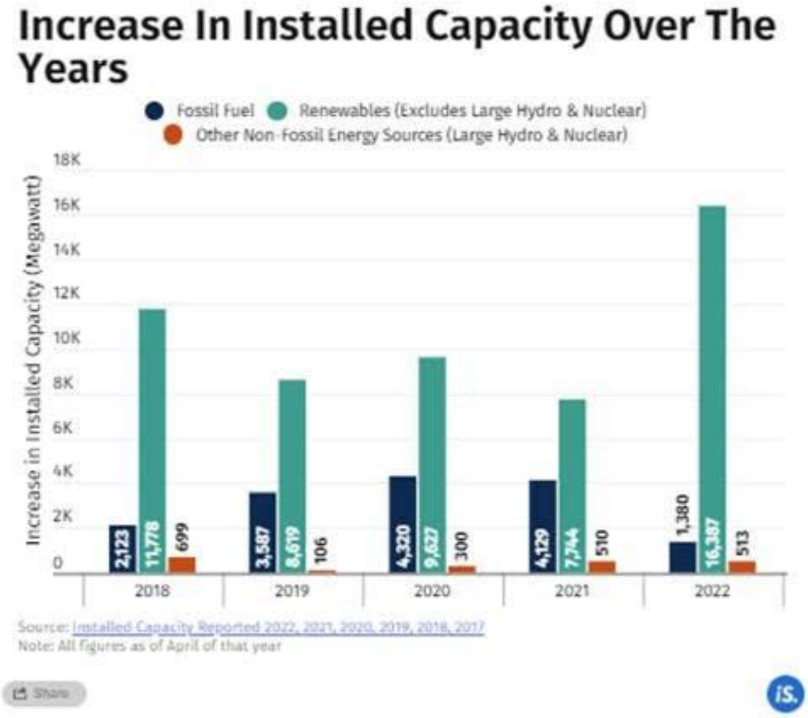


Growth in renewable energy capacity

The world uses two kinds of sources for almost all its energy needs: fossil fuels and non-fossil fuels [other sources are wood, dung and gaseous fuels]. Fossil fuel refers to coal, lignite, gas and diesel. Of these, coal is one of the biggest contributors to carbon emissions and therefore, to global warming. Non-fossil fuels include solar, wind, small hydropower, waste to energy, large hydropower and nuclear energy.

There is global consensus on the need to phase down the use of fossil fuels, particularly coal, and move to clean energy sources urgently to limit global warming.

India's non fossil-fuel capacity has grown manifold over the last five years. Though increased electricity demand due to a post-pandemic revival of the economy meant that India had to once again turn to coal, its non-fossil fuels' installed capacity has been growing faster than fossil fuels for at least five years. Yet, RE capacity is still short of the government's own targets. For example, India wanted to achieve 175 GW RE capacity (excluding large hydropower and nuclear) by 2022 but this capacity is currently at 118 GW.



To achieve its green energy goal of 408 GW (including large hydropower)--this is almost as much as India's current total installed capacity (fossil and non-fossil combined)--India will have to add around 30 GW each year until 2030. In comparison it has added an average installed capacity of 11.25 GW from non-fossil sources since 2018.

The Central Electricity Authority is optimistic about hitting the 2030 target and, in fact, in 2020, projected that in the year 2029-30, non-fossil fuels will make up about 64% of installed capacity and around 44.7% of generation.

India's climate pledge is based on installed capacity and not actual generation.

Installed electricity capacity refers to what an entity is capable of producing. However, the actual generation, or what that entity achieves, may differ drastically. At the moment, India's installed capacity of fossil fuel sources (coal, lignite, gas and diesel) stands at 57.9%, and of non-fossil fuels (solar, wind, hydro, nuclear) stands at 42.1%. In actual generation, coal still dominates India's power generation, while RE is at a low 26%.

Reducing custom duties to hasten solar sector growth

Of India's solar energy target of 100 GW by 2022, it has achieved 60%, 60 GW.

The Standing Committee on Energy had, in July this year, expressed its disapproval at the rate at which RE projects are being developed in India. India has a target to install 40 GW of solar power by setting up over 50 solar parks and ultra-mega solar power projects by 2022. Against this target, 39 solar parks of aggregate capacity of 22 GW have been approved to be set up in 17 states. Of these approved ones, infrastructure is almost fully developed in eight, and another four solar parks are partially developed.

"The committee observed that the remaining 11 solar parks of aggregate capacity of 17,121 MW [17 GW] have not even got the approval of the ministry," the Standing Committee report noted. "The major challenge is the acquisition of land that is dependent upon cooperation from the state governments and other stakeholders. But it is inexplicable as to why 11 solar parks are yet to get approval even after more than three years. The exercise of setting targets is rendered meaningless…"

In addition, by December 2021, India had added only 27% of its targeted capacity for rooftop solar in the residential sector; only about 21% of 359,000 standalone solar pumps that were announced in 2019 were installed as part of the ambitious PM-KUSUM scheme despite a 2022 target.

One of the ways of incentivising solar, experts say, is through reduction in imports and duties.

India hiked the GST rate on renewable energy devices and parts from 5% to 12% from October 2021, and imposed a Basic Customs Duty (BCD) of 40% on solar equipment effective April 1, 2022.

While the government's intention behind imposing a BCD of 40% on solar equipment was to reduce dependence on imports and give impetus to domestic manufacturing, experts have pointed out that India's domestic manufacturing capability is still short of its growing demand for this equipment.

"High reliance on imports creates uncertainty of prices and timely availability of modules," noted the Standing Committee's report from February 2022 in relation to BCD. "[But] owing to inadequate domestic capacity, reliance on expensive imports and price variation may affect the viability of current projects under execution."

Changing the bidding system for wind energy could tap India's wind potential

India has a gross wind power potential of at least 302 GW, but so far has installed capacity of only 39 GW, nearly 65% of its 2022 target of 60 GW. This includes its vast offshore wind potential, which lies untapped.

India is mulling disbanding the reverse e-auctions for wind power that were intended to boost India's wind energy generation capability, but instead ended up slowing the sector down.

"In reverse e-auctions for wind energy, there was a huge gap in the auction volumes and execution because the economics did not work for the developer. The so-called discovered prices (per MW of power) were unsustainable," an official of the Indian Wind Power Association, who did not wish to be named, told IndiaSpend.

In other words, bidding low wins you contracts, but that same low bid ensures that the operation becomes unviable. The same policy also wiped out the sub-50 MW category, the IWPA official added.

Better grid infrastructure key to handling growing renewable energy capacity

The weak transmission grid of the country is a challenge to our RE goals especially when projects are set up in remote areas and away from large cities and consumption centres. For example, ambitious plans to build a large solar project of 7.5 GW in Leh were cancelled in 2021 citing weak transmission infrastructure. The government now aims to build that transmission infrastructure in the region within five years. The plan has been revised to 10 GW and the government is working with the Ladakh administration to implement it.

Grid infrastructure to support renewable energy distribution was also noted as a focus area in an analysis by BloombergNEF's (BNEF) report released in June 2022.

"The main factors driving grid investments are increase in generation capacity, replacement of ageing infrastructure and making grids smarter and reliable by adding sensors and software at nodes and end points," stated the report, which estimates India needs $175 billion from 2020 to 2029 towards its transmission and distribution grid to support new capacity additions and reinforcements of the existing network.

Subsidies for battery storage tech, grid infra

One way the government can give a boost to any sector is through subsidies. RE subsidies peaked in 2017, and have fallen every year until 2021, per a May 2022 assessment by the International Institute for Sustainable Development (IISD) and the Council on Energy, Environment and Water (CEEW), New Delhi.

By 2021, RE subsidies had reduced by 59% since 2017, while subsidies on fossil fuels remained virtually the same, which means that fossil fuel subsidies were nine times higher than for RE, the assessment said.

"The grid-scale solar photovoltaic and wind have achieved cost parity with coal-based generation," said Prateek Aggarwal, Programme Lead at CEEW and author of the assessment. "However, to manage the variable nature of RE power [since solar and wind energy generation varies based on time of the day and season], more subsidy support will be needed to scale up battery storage technology and to strengthen infrastructure for transmission and distribution."

DISCOMs need to change

In a welcome decision, India has now upgraded its targets for distribution companies (discoms) to purchase renewable energy. The government fixes a minimum percentage of the total consumption of electricity to be sourced from RE sources, taking into account availability of these resources and its impact on retail tariffs. The total renewable purchase obligation (RPO)--the target--for states for the year 2022-23 has been increased to 24.6%, from 21% in 2021-22.

This target will increase progressively, and by the year 2030, states will have to purchase 43.33% RE as part of these obligations. The Electricity Amendment Bill, 2002, introduced in the Lok Sabha on August 8, 2022 intends to amend the Electricity Act 2003 to introduce penal provisions on discoms that do not fulfil their RPOs. The Bill has been referred to the standing committee.

However, given the lack of capacity, only a few renewable energy resource-rich states have been able to meet the old targets every year while the rest are lagging behind, which leads to the question of how those states will catch up.

IndiaSpend reached out to MNRE on the concerns over new RPO targets, especially when states and discoms have struggled to meet earlier targets, and for comment on the other reforms suggested in this story. IndiaSpend also reached out to the CEA. This story will be updated when we get a response. https://www.indiaspend.com/cop27/5-changes-that-can-help-india-reach-its-green-energy-goal-faster-842381

14. Govt reworks plan to monetize BSNL's surplus property *(livemint.com)* 15 Nov 2022

The government has redrawn its plan for monetising the surplus properties and land assets of Bharat Sanchar Nigam Limited—those valued over ₹100 crore are to be handled by the department of investment and public asset management (DIPAM) and the rest by the department of telecommunications (DoT).

The decision was taken after the sale of non-core assets of BSNL and Mahanagar Telecom Nigam Limited received a poor response in the first-ever sale of non-core assets through auctions in November 2021.

On Monday, BSNL invited bids for the sale of 13 surplus properties situated at prime locations in Andhra Pradesh, Madhya Pradesh, Gujarat, Telangana and Uttar Pradesh. The reserve price for the second set of properties has been kept between ₹300-350 crore which will be sold via auction.

A senior official said the changed plan will now involve the National Land Monetization Corporation for monetising land or properties of over ₹100 crore.

Those under ₹100 crore threshold will be done by DoT through MSTC auction portal, in line with the rules of asset monetisation that were issued by DIPAM in October 2020.

"Two properties located in Hyderabad and Kolkata which were valued at over ₹100 crore will be monetised by NLMC and another two located in Bhavnagar valued at ₹40 crore and Rajpura at ₹70 crore, will be monetised by DoT through MSTC. These sites will be put on sale again," the official said, asking not to be named.

The government had put six properties of BSNL and MTNL for sale for a base price of ₹ 970 crore through the MSTC portal in November 2021.

BSNL's four properties were located in Hyderabad, Chandigarh, Kolkata and Bhavnagar at a reserve price of about ₹660 crore, while MTNL assets located in Vasari Hill, Goregaon in Mumbai were listed at a reserve price of about ₹310 crore.

Mint had reported in February that the government will go for re-bidding of BSNL and MTNL's non-core assets due to the lacklustre response. https://www.livemint.com/companies/news/govt-reworks-plan-to-monetize-bsnl-s-surplus-property-11668448867062.html

15. How RBI went wrong on inflation *(livemint.com)* Updated: 15 Nov 2022

Earlier this month, Shaktikanta Das, the governor of the Reserve Bank of India (RBI), compared the Indian central bank to Arjuna in the Mahabharata.

“When the great warrior Arjuna aimed at the eye of the revolving fish through the pool of water below, he would have certainly assessed the speed at which the fish was revolving, the wind conditions, the intensity of the ripples in the pool of water, the noise levels in the King’s court and similar other factors," he said. While “no one can match the prowess of Arjuna," Das added, “our constant endeavour is to keep an Arjuna’s eye on inflation, which is our primary target."

Growing woes

In simple English, like Arjuna’s unwavering focus on the revolving fish, the RBI is focussed on inflation, or the rate of price rise.

Das clearly has a way with words. Nonetheless, the trouble is that these fancy words come after the Indian central bank failed to meet its inflation target of 4%.

In this piece we look at RBI’s inflation mandate, why it failed to meet it, and how it is currently trying to play catch up.

RBI’s inflation mandate

In February 2015, the RBI entered an agreement on the monetary policy framework with the central government. As per this agreement, the RBI needs to target an inflation of 4% as measured by the consumer price index (CPI), with a leeway of 2% on either side. This means that inflation needs to be within a band of 2-6%, for the RBI to ensure that it doesn’t break its agreement with the government.

The inflation as measured by CPI, or the retail inflation, over the last few years.

The retail inflation, in each of the months since January, has been higher than 6%. In fact, the median inflation during this period was 7%. RBI’s monetary policy framework agreement with the government clearly states that the central bank would be seen to have failed to meet its target rate of inflation, if the inflation was more than 6% or less than 2%, for three consecutive quarters. As stated earlier, inflation from January to September has been higher than 6% in each month, or for three consecutive quarters. This is the first time the RBI has failed to meet its inflation target, since it entered into an agreement with the government.

In fact, a similar situation almost came about in 2020. In each month from April to November during the year, the retail inflation was higher than 6%. The inflation in December came in at 4.6% and thus ensured that the RBI did not fail to meet its targeted rate.

What does the RBI need to do?

The monetary policy framework mandates that when it fails to meet the target rate of inflation, the RBI has to submit a report to the government explaining the following points:

1) Reasons for the failure to achieve the inflation target.

2) Remedial actions proposed to be taken.

3) An estimate of the time period within which the inflation target shall be achieved pursuant to timely implementation of the proposed remedial actions.

The monetary policy committee of the RBI met on 3 November to discuss and draft this report that needs to be submitted to the government. This report is unlikely to be made public. As Das put it: “It’s a report sent under a law, I don’t have the privilege, the authority or the luxury to release…this."

What caused high inflation?

The conventional explanation is that the inflation was primarily driven by high food prices and high oil price. The food items form a little over 39% of the total number of items that go into measuring the consumer price index. Given this high weight, food prices do have a disproportionate impact on retail inflation as it is measured.

The median food inflation from January to September stood at 7.7%, slightly higher than the overall median inflation of 7%. In recent months, high inflation in cereal prices has been driving food inflation, among other things. In September, cereal prices rose by 11.5% in comparison to September 2021.

Of course, there isn’t much that the RBI can do to control food inflation, goes the argument. Nonetheless, the rise in retail prices has not just been because of food and fuel prices. Take a look at Chart 2. This plots the core inflation or inflation that remains after excluding the food group, the fuel and light group, and petrol, diesel and other fuels for vehicles. This core inflation is calculated using around 52% of the overall items that constitute the consumer price index.

In every month since June 2020, the core inflation has been higher than 5%. In every month since October 2021, the core inflation has been higher than 5.5%. In September, it hit 6.5%. The point being that while food and fuel inflation have played a role in pushing up overall retail inflation, even core inflation has been higher than RBI’s target of 4% for a while now. This means that inflation is a much broader economic phenomenon and not just about food and fuel items.

In fact, diesel prices for vehicles, despite being high, have fallen in each of the months from July to September in comparison to last year. Petrol prices have fallen in August and September in comparison to the same months in 2021.

Why did RBI fail?

This is the most important section of this piece given that the RBI report to the government explaining the reasons behind the central bank being unable to meet its inflation target is unlikely to be made public.

The first step towards solving a problem is acknowledging that it exists. The RBI governor, Shaktikanta Das, did not acknowledge the inflation problem for a while. In December 2019, he said: “The forces driving up inflation appear to be transient".

The inflation in December 2019 and January 2020, before the covid-19 pandemic had struck, stood at 7.4% and 7.6%, respectively. Retail inflation was hardly transient through 2020 and remained high. Of course, Das should be given the benefit of doubt here. He, or for that matter anyone else, had no way of knowing in advance that a pandemic would strike and disrupt supply chains and economic production through much of the year.

In October 2020, Das said: “The monetary policy committee has hence decided to look through the current inflation hump as transient." Retail inflation fell to 4.6% in December 2020 and 4.1% in January 2021, respectively, but then rose again over the next few months.

In August 2021, Das again said: “The recent inflationary pressures are evoking concerns; but the current assessment is that these pressures are transitory."

The thinking of the monetary policy committee (MPC), which in order to control inflation, decides on the direction of interest rates in the Indian economy, hasn’t been much different from that of Das. In October 2021, the MPC said: “The CPI headline momentum is moderating with the easing of food prices which, combined with favourable base effects, could bring about a substantial softening in inflation in the near-term." The median retail inflation has stood at 7% from November 2021 to September. The median core inflation has been at 6% during the period.

In February 2022, the MPC noted “that inflation is likely to moderate in H1:2022-23 (April to September) and move closer to the target rate thereafter". Nothing of that sort seems to have happened. The median rate of inflation from March to September has been 7%, significantly higher than the targeted rate of 4%.

Clearly, there is enough evidence and more to suggest that the RBI didn’t think that inflation was a problem for a long time, when it actually was. Of course, a significant portion of the inflation in the recent past has been because of food items, but as shown earlier in the piece, inflation is now well-entrenched in the overall economy.

In fact, as former RBI governor Raghuram Rajan had said in a 2016 speech: “Some argue, rightly, that it is hard for RBI to directly control food demand through monetary policy. Then they proceed, incorrectly, to say we should not bother about controlling CPI inflation."

Of course, the RBI can’t do much to control food demand and prices; only the government can influence that.

Nonetheless, Rajan pointed out: “We can control demand for other, more discretionary items in the consumption basket through tighter monetary policy. To prevent sustained food inflation from becoming generalized inflation through higher wage increases, we have to reduce inflation in other items."

What did the RBI finally do?

On 4 May, the RBI raised the repo rate by 40 basis points to 4.4%. One basis point is one hundredth of a percentage. Repo rate is the interest rate at which the RBI lends to commercial banks.

The funny thing is that as per the original calendar released for the financial year 2022-23, there was no monetary policy meeting scheduled in May. The RBI was forced to meet in May because the US Federal Reserve, the American central bank, was meeting on 3-4 May and it was more or less clear by then that the Fed would hasten the pace of interest rate hikes in order to control decadal high inflation in the US. Given that the US sets the tone of global monetary policy, the RBI had no option but to start raising rates in May.

What next?
A recent news report by the Press Trust of India points out: “Acknowledging that the inflation target has been missed, [Shaktikanta] Das said the RBI decided to support the economy by not introducing a rate hike in face of a spike in inflation."

This is saying something with the benefit of hindsight simply because as shown earlier in the piece, up until February, the RBI thought that inflation was either transitory or was expected to moderate. And given this, there was no question of raising interest rates to control inflation because the RBI did not deem persistent inflation to be a problem.

In fact, there might be an explanation for RBI’s reluctance to acknowledge persistent inflation that has prevailed since late 2019. Once covid broke out, the tax collections of the government collapsed. In this scenario, as the public debt manager of the government, the RBI had to help the government borrow money at low interest rates, so as to be able to fund its expenditure. So, low interest rates had to be the order of the day, despite the inflation being high.

If the RBI had acknowledged persistent high inflation as a problem, then it would have become very difficult to explain as to why it wasn’t raising interest rates. No central bank worth its salt would come out and directly say that they aren’t currently bothered about inflation, but are more interested in supporting the government.

Nonetheless, while this argument made sense in 2020-21, it didn’t make much sense in 2021-22, when the government tax collections did make a significant recovery. Given that there is a time lag between interest rates being increased and inflation being brought under control, the RBI should have started increasing interest rates in the second half of 2021, like many other central banks of developing countries did. (They still haven’t been able to control inflation and that tells you something about the lag between interest rates and inflation and how difficult things become once inflation becomes well entrenched).

Finally, there is the growth argument: we didn’t raise interest rates because we wanted to support the economy. It’s worth remembering here that high inflation does pull down economic growth. Further, high inflation negatively impacts the poor and the not-so-well-off more than the others. Hence, in a developing country like India, controlling inflation should be as important as supporting economic growth, if not more. https://www.livemint.com/economy/how-rbi-went-wrong-on-inflation-11668444793449.html

16. World population hits 8 billion, grows 1 billion in just 12 years *(business-standard.com)* November 15, 2022

In a milestone for humanity, the global population hit 8 billion on Tuesday after having added a billion people in the last 12 years, with India on the cusp of overtaking China as the world's most populous country next year.

The United Nations said the global milestone signals major improvements in public health that have lowered the risk of death and increased life expectancy but the moment is also a clarion call for humanity to look beyond the numbers and meet its shared responsibility to protect people and the planet, starting with the most vulnerable.

"8 billion hopes. 8 billion dreams. 8 billion possibilities. Our planet is now home to 8 billion people," the United Nations Population Fund (UNFPA) tweeted.

Unless we bridge the yawning chasm between the global haves and have-nots, we are setting ourselves up for an 8-billion-strong world filled with tensions and mistrust, crisis and conflict, said UN Secretary-General Antonio Guterres.

India is projected to surpass China as the world's most populous country in 2023. The population prospects report said that India's population stands at 1.412 billion in 2022, compared with China's 1.426 billion. India is projected to have a population of 1.668 billion in 2050, way ahead of China's 1.317 billion people by the middle of the century.

The population clock flashed 8,000,000,000 on November 15, with the world having added one billion people in the last 12 years.

The UN described the global population reaching 8 billion as a remarkable milestone given that the human population numbered under 1 billion for millennia until around 1800, and that it took more than 100 years to grow from 1 to 2 billion.

By comparison, the increase of the world's population over the last century has been quite rapid and despite a gradual slowing in the pace of growth, the global population is projected to surpass 9 billion around 2037 and 10 billion around 2058, according to UN estimates. https://www.business-standard.com/article/international/world-population-hits-8-billion-grows-1-billion-in-just-12-years-122111501188_1.html