



Why Should We Care About Development Finance? ...because it's our money!

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The Economy This Week!

Riding high on war, food and fuel, inflation reached the [highest levels in 8 years](#), while the rupee lost its sheen and touched an [all-time low](#) against a surging US dollar. At the same time, the Finance Ministry went on to [claim that inflation](#) hurt the rich more than the poor in Financial Year 2022. It was surprising, especially coming after the RBI's 40 basis point repo rate hike on May 4th and the [RBI governor's observation](#) that sustained high inflation has "pronounced adverse effects on the poorer segments of the population by eroding their purchasing power."

In the same vein, the government [restricted wheat exports](#), in wake of the inflation and the fact that price rise in rural parts of the country was higher compared to urban pockets.

-Team CFA

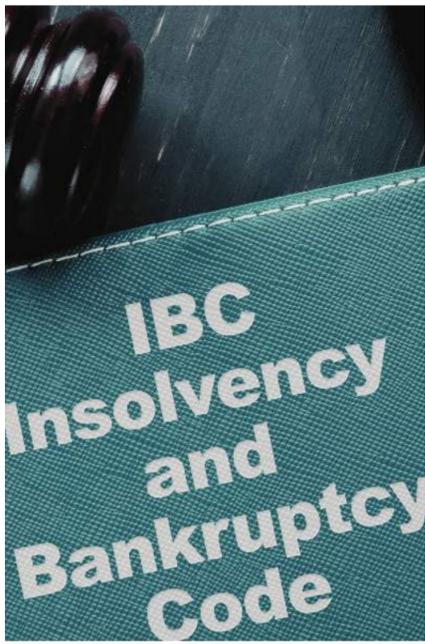
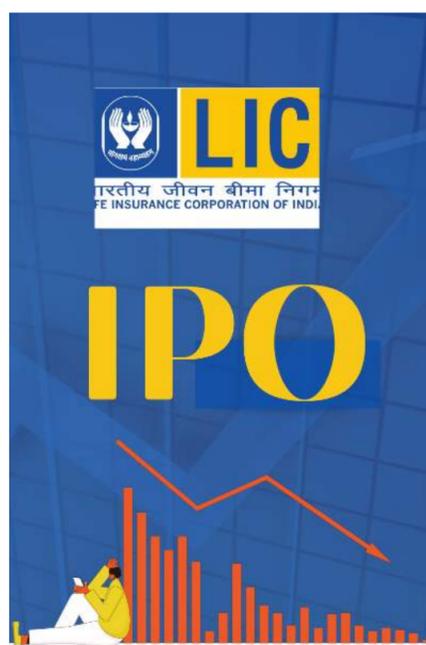


When Finance Ministry takes to fakery

To most, the Finance Ministry's Monthly Economic Report (MER) of April 2022 came as a rude shock. It said: "Evidence on consumption patterns further suggests that inflation in India has a lesser impact on low-income strata than on high-income groups." The Finance Ministry is not a propaganda arm of the political party running the government. When it does that there are sound reasons to feel let down. [Read more.](#)

PIL against LIC IPO; the beginning of a significant battle for people's welfare

On 12th May 2022, the bench headed by Honourable Justice D.Y. Chandrachud, Honourable Justice Suryakant, and Honourable Justice P.S. Narasimha admitted WP(C) No.366/2022 filed by advocate S. Prasanna and argued by senior advocate Dr Indira Jaising and issued notice to the Union of India, LIC, SEBI, and IRDAI. [Read more.](#)



IBC's stressed asset resolution is under severe stress, needs overhauling

In August 2021, the Parliamentary Committee on Finance examined the IBC's performance and expressed serious concerns about low recoveries and huge haircuts creditors took (90-95% haircuts in some cases), apart from long delays in disposal of cases. It told the government that the "fundamental aim of this statute is to secure creditor rights", which it should do. [Read more.](#)

Handbook on India and the Free Trade Agreements

The handbook on India's Free Trade and Investment Agreements is an attempt to keep pace with the dynamic nature of free trade and investment agreements. This book explains the complex economic and technical jargon in lucid language for an intelligent layperson. This handbook maps India's free trade and investment agreements and flags concerns with regard to their implications in various sectors. [Read more.](#)



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