



Finance Matters

News, Views & Perspectives on Financial Policies & Institutions

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

Volume 6, Issue 33, February 10, 2023

The Economy This Week!

Once again the inflation has breached the 6% ceiling and RBI has right away increased the repo rates, yet again. Even though many economists are sceptical about the efficacy of high repo rates in arresting inflation, this has been going on for some time now. While it spikes the interest rate of loans taken by commoners, the rich still get it at cheaper rates! We have a mind-blowing data sheet on it.

After six years of implementation, the Insolvency and Bankruptcy code is set for more amendments, some worse than the existing clauses. About the performance so far, reports point out that the cumulative recovery rate has come down from 43% Q1FY20 to 32.9% Q4FY22. Even in the cases that were resolved, the creditors have taken haircuts even close to 70% and 90%!

On the other hand, the government has given a green signal to develop the [Mega International Container Transshipment Port \(ICTP\)](#) at Galathea Bay of Great Nicobar Island of the Andaman and Nicobar Islands in the Bay of Bengal. But there is nothing 'green' about this project. Keeping aside all the concerns of the environment and the native inhabitants of the island, this project, costing Rs. 41000 crore will see an airport, township and a power plant among others. With such kind of investments, will we be able to align our climate change goals with our developmental goals?

-Team CFA

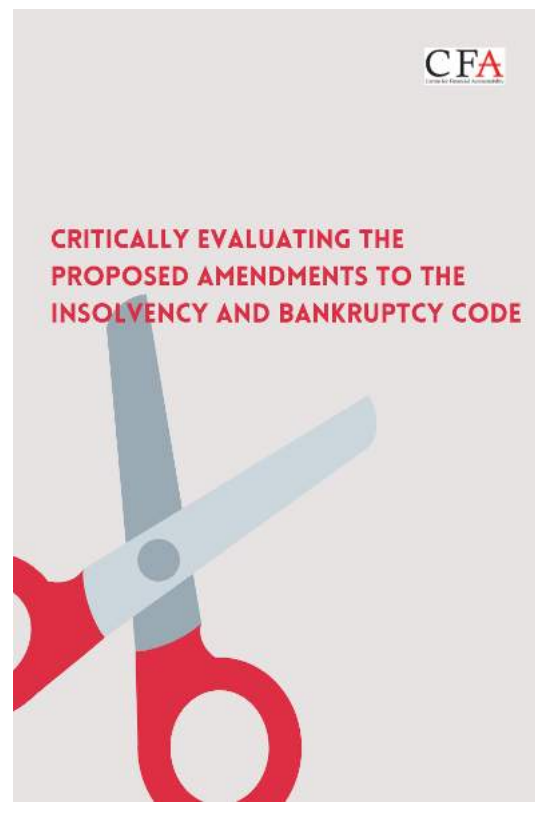


Interest Rates in Banks – Where the rich pay less than the rest!

The Reserve Bank of India has been announcing repo-rate hikes for some time. While most of the commoners don't understand what that means but know that it is spiking their EMI. They are told that it is inevitable to ease the worsening inflation. Nevertheless, inflation is still out of control, crossing the 6% mark most of the time. [Read more.](#)

Critically evaluating the proposed amendments to the Insolvency and Bankruptcy Code

Recently the Ministry of Corporate Affairs sought public comments on changes being considered in the Insolvency and Bankruptcy Code 2016. In consultation with experts and civil society, we submitted our responses to the most recent changes to the law that have been proposed. [Read more.](#)



Government open bids for International Transshipment Port at Great Nicobar Island costing Rs. 41,000 Cr

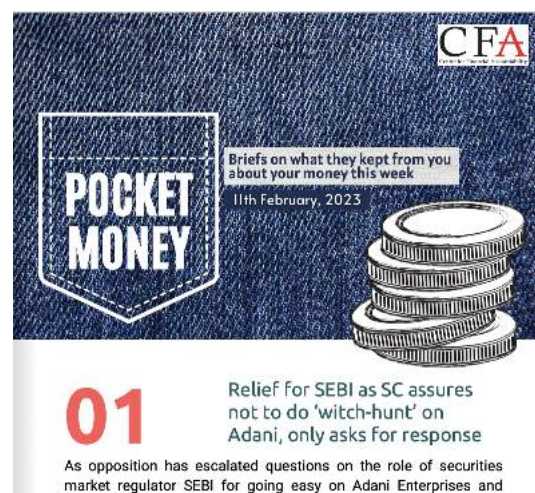
The infrastructure finance update for the month of January 2023 primarily focuses on 3 sectors, namely, railways, roads & highways, and ports. The last month's news coverage also focuses on the large number of infrastructure projects being delayed. [Read more.](#)

POCKET MONEY

Briefs on what they kept from you about your money this week.

A weekly digest from the National Finance team.

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Budget 2023: Ditching people in an Election year? | You, Me and The Economy

How can we explain the cuts to MGNREGA and food subsidy? Has the economy fully recovered from the pandemic?

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