



Finance Matters

News, Views & Perspectives on Financial Policies & Institutions

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

Volume 7, Issue 01, June 30, 2023

The Economy This Week!

It's our 6th anniversary!!!

Finance Matters is six years old today. This journey wouldn't have been possible without the love, support and constant feedback from our readers. A few delays and technical glitches aside, we have come a long way, growing into a community of over 6000 readers, all over the country. As always, we'll continue to bring you news and analysis from the world of finance on a weekly basis.

In its half-yearly [financial stability report](#) released this week, RBI has said that India's economy and domestic financial system are a picture of resilience, supported by strong macroeconomic fundamentals. Though, it also acknowledges that core inflation and global volatility could be big challenges at the same time. The real challenge is also the growing NPAs of the banks and the RBI's recent 'gift' to wilful defaulters, allowing them to write off their debts under compromise.

In the meantime, we have also been exploring inequality in the Indian context with the help of a series curated in collaboration with the Deccan Herald. Massive accumulation of wealth in the hands of a few also means leaving out very little for public spending, read the latest article in the series [here](#).

We'd also like to thank our readers for engaging in our newer formats like the [Money Trail](#), [Humara Paisa](#), [Humara Hisab](#) and our podcast, [You, Me and the Economy](#). As always we look forward to your feedback. Please write to us at newsletter@cenfa.org.

- Team CFA



RBI's 'freebies' for wilful defaulters makes a mockery of the banking system

An RBI statement on June 8 has set off a raging debate. The bank has allowed for write-offs and compromises settlements for even frauds & wilful defaulters "without prejudice to the criminal proceedings underway against such debtors". Among those who have been extremely critical of the decision are the bank unions.

[Read More](#).

It's time to tax the wealthy and bridge inequalities

By all accounts, India is considered one of the most unequal countries in the world, and inequality has been on the rise in recent years. The World Inequality Report 2022 reported that the top 1 per cent in India owns 22 per cent of the total national income, while 10 per cent holds 57 per cent, and the bottom 50 per cent owns only 13 per cent. [Read More](#).



EU – India FTA and Financial Liberalization

Even though India and the European Union (EU) are celebrating 60 years of bilateralism, it was only in 2007 during Prime Minister Manmohan Singh's first tenure that a strategic partnership between the two parties was signed, which after six years of engagements broke down due to unresolved issues.

[Read more](#).

Why are Indian millionaires moving abroad? | Podcast

If the situation is so bad for millionaires who are at the top of the wealth pyramid, how would it be for the ones at the bottom?

[Read More](#).



Pocket Money

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

A weekly digest from the National Finance team.

[Read more](#).



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