



THE  
**VIT** **SHALA**  
**IMES**

# HIGHLIGHTS

## FINANCE AND INVESTMENT

Twitter partners with eToro to let users trade stocks, crypto as Musk pushes the app into finance.

Twitter will let its users access stocks, cryptocurrencies and other financial assets through a partnership with eToro, a social trading company.

## GOVERNMENT SCHEMES

Revamped Loan Guarantee Scheme for Micro, Small Enterprises implemented from April 1

This new credit guarantee program for India's micro and small businesses came into effect on 1st April 2023. The annual guarantee fee for loans up to Rs. 1 crore will be cut from 2% to 0.37% lowering the overall cost of credit for small businesses. From Rs.2 crore to Rs.5 crore, the ceiling for guarantee has been increased. For settlement of cases in regard of assurances for credit extraordinary upto Rs. 10 lakh, commencement of legal procedures will as of now not be needed." the MSME service said. With effect from April 1, 2023, the credit guarantee scheme for micro and small businesses will be revamped with an infusion of Rs. 9000 crore to the corpus, allowing for additional collateral-free guaranteed credit of Rs. 2 lakh crore and a 1% reduction in the cost of credit. This announcement was made in the 2023-2024 budget by finance minister Nirmala Sitharaman.

## BUSINESS CONTROVERSIES

Amul face protests as it enters into the Karnataka market

Protests waged against Amul by opposition leaders and locals as it announced its entrance and expansion into the Karnataka market. The opposition alleges this move as a part of a bigger plan of capturing the popular local brand, Nandini.

## STOCK MARKET

In 7 days of market rally(29th march-11th April), investors wealth increased by about Rs. 12.56 lakh crore and ITC stock touched it's all time high.

## ANALYSIS

Collapse of the Silicon Valley Bank and its implications on the US Financial System

Silicon Valley Bank, a bank that worked with the tech industry, collapsed due to a lack of cash to pay depositors. The bank invested in safe securities, but their value fell rapidly, causing a loss that the bank couldn't make up. Depositors with less than \$250,000 will get their money back when the bank reopens, but those with more may not, what implication will it have on the United States, world's largest economy and its financial system?

## ECONOMY

IMF says Global Economy heading for weakest growth since 1990

The IMF said that five years from now, global growth is expected to be around 3% — the lowest medium-term forecast in a World Economic Outlook for over 30 years. In the short term, the fund expects global growth of 2.8% this year and 3% in 2024, slightly below the fund's estimates published in January.

## BUSINESS

Bharatpe partners with WEP to foster women entrepreneurship in India.

Bharatpe cares is a corporate social responsibility (CSR) initiative by bharatPe. This specific initiative is under bharatPe's CSR programme. The partnership has been launched under this initiative with a purpose of empowering lives through inclusive fintech solutions. The aim is to build an ecosystem that unites women entrepreneurs from across India and equip them with domain knowledge and technical know how required to achieve their goals.

## X FACTORS

Five Financial Myths Debunked

We all encounter sporadic pieces of financial advice, some of which we may have naively followed. However, not every advice is applicable. The following personal financial fallacies need to be dispelled.

# ECONOMY

## Asian Development Bank projects growth in India's GDP

Asian Development Bank (ADB) projects growth in India's Gross Domestic Product (GDP) to 6.4% in FY2023 ending on 31 March 2024 and rise to 6.7% in FY2024.

The projection is part of the latest edition of ADB's flagship economic publication, Asian Development Outlook (ADO) April 2023. The growth moderation for India in FY2023 is premised on an ongoing global economic slowdown, tight monetary conditions, and elevated oil prices.

### Reason

Improving labor market conditions and consumer confidence will drive growth in private consumption. The central government's commitment to significantly increase capital expenditure in FY2023, despite targeting a lower fiscal deficit of 5.9% of GDP, will also spur demand. Helped by recovery in tourism and other contact services, the services sector will grow strongly in FY2023 and FY2024 as the impact of COVID-19 wanes.

## Trading days of the stock market reduced to only 17

There are 13 stock market holidays in April, leaving the markets to operate for only 17 days. On the occasion of Ambedkar Jayanti, the stock market will remain shut on Friday, April 14.

According to the BSE calendar, the equity segment, derivative segment, and SLB segment will be closed on this day. Further, the multi-commodity exchange will also be closed for the morning session, and trading will resume at 5 pm on April 14 for the evening session.



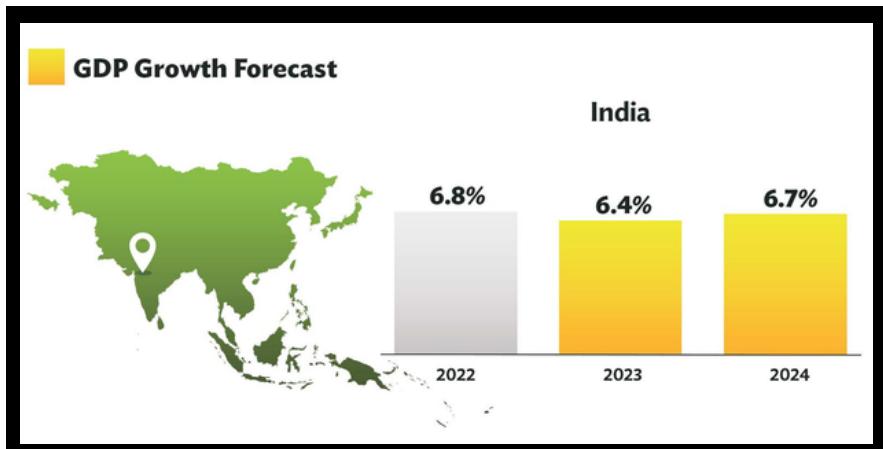
## IMF cuts GDP forecasts, says Global Economy heading for weakest growth since 1990

The International Monetary Fund on April 11 released its weakest global growth expectations for the medium term in more than 30 years.

The Washington, D.C.-based institution said that five years from now, global growth is expected to be around 3% — the lowest medium-term forecast in an IMF World Economic Outlook report since 1990.

"The world economy is not currently expected to return over the medium term to the rates of growth that prevailed before the pandemic," the fund said in its latest economic outlook.

The weaker growth prospects stem from the progress economies like China and South Korea have made in increasing their living standards, the IMF said, as well as slower global labor force growth and geopolitical fragmentation, such as Brexit and Russia's invasion of Ukraine.



# BUSINESS

## Bane NOR selects TCS to strengthen identity and access management across its digital landscape

Bane NOR, the norwegian government agency has selected TCS (tata consultancy services) for the purpose of maintaining, operating and developing the norwegian railway network to enable secure access to latter's digital systems.

The teams of TCS in norway and europe will provide these services to the norwegian agency for access management , life cycle management and application management.



## Adani to launch India's biggest wind turbine

The machine will be built with technology from W2E Wind to Energy GmbH of Germany. It is gearing to put up a prototype of 5.2W at Mundra, Gujarat. Once set up it will be among the largest on-shore machines in the world and the largest wind turbine in India.



## BharatPe partners with WEP to foster women entrepreneurship in India.

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## NBCC signs an MoU to help in construction of 1 lakh housing units in Zambia.

NBCC( formerly known as national building construction corporation) is a navratna central public service enterprises under the ministry of housing and urban affairs, government of India. It has signed an MoU with scirocco enterprises of Zambia for construction of low and medium cost houses to mitigate the acute shortage.

The MoU was signed between KPM swamy, director of NBCC and maustafa saadi CEO of sirrocco enterprises ltd.



# STOCK MARKET

## Nestle India has announced an interim dividend of Rs. 27 per share. HDFC Bank announces highest dividend ever since listing.

Nestle India stated on Wednesday that it would pay an interim dividend of Rs. 27 per equity share for the year 2023 on all of the company's 9,64,15,716 issued, subscribed, and paid-up shares.

If approved by the members at the 64th Annual General Meeting scheduled to be held on April 12, 2023, the interim dividend for the year 2023 will be paid on and from May 8, 2023, along with the final dividend for the year 2022.

The FMCG giant has set April 21, 2023, as the record date to assess whether stockholders are eligible to receive the aforementioned interim dividend.

On April 25, 2023, Nestle is expected to release its financial results for the January-March quarter. On April 15, 2023, the board of HDFC Bank Ltd. Approved a final dividend of Rs. 19 per share for the fiscal year that ended on March 31. Since the lender listed, this is the largest dividend it has ever paid.

## Beginning on May 15, the NSE will offer WTI crude oil and natural gas futures contracts.

The National Stock Exchange (NSE) announced on April 14 that starting on May 15, futures contracts on the underlying WTI crude oil and natural gas would be offered in the commodities derivatives section.

The debut of WTI crude oil and natural gas futures contracts in the exchange's commodity derivatives division was approved by Sebi last month. These agreements will broaden NSE's product selection across its entire commodities segment, including its energy basket. According to experts, these contracts would give market players a productive way to hedging their price risk.

## In 7 days of market rally (29th march - 11th April), investors wealth have increased by about Rs. 12.56 lakh crore. ITC stock touched it's all time high.

Over Rs 12.56 lakh crore was added to equity investors' wealth during the market surge that lasted seven days from March 29 to April 11, 2023, as mood remained strong despite ongoing inflows of foreign capital and consistent global trends.

The market value of BSE-listed companies increased by Rs 12,56,510.59 to Rs 2,64,51,069.93 crore in seven days (29th March-11th April 2023) thanks to the rally that is still going on.

As on 15th April 2023 Sensex is trading at a level of 60431 and Nifty50 at 17828. ITC touched its all time high of ₹398.10 on 11th April 2023.

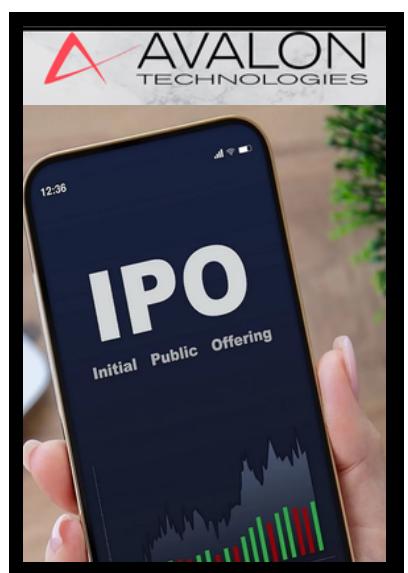
## Avalon technologies IPO Fully subscribed, Ipo to be listed on 18th April 2023, GMP at Rs 12.

The subscription period for the Rs. 865 crore Avalon Technologies IPO began on April 3 and ended on April 6, 2023.

Avalon Technologies IPO got subscribed 2.34 times on strong response from QIB category investors. The retail portion of the public issue got subscribed 0.88 times, whereas its QIB category got subscribed 3.77 times. The public issue got subscribed 0.43 times in the NII segment.

shares of Avalon Technologies Ltd. are trading in the grey market at a premium of 12 per equity share. As on 15th April 2023.

According to market watchers, the grey market is indicating that the share listing date for Avalon Technologies may see a par listing for its shares.



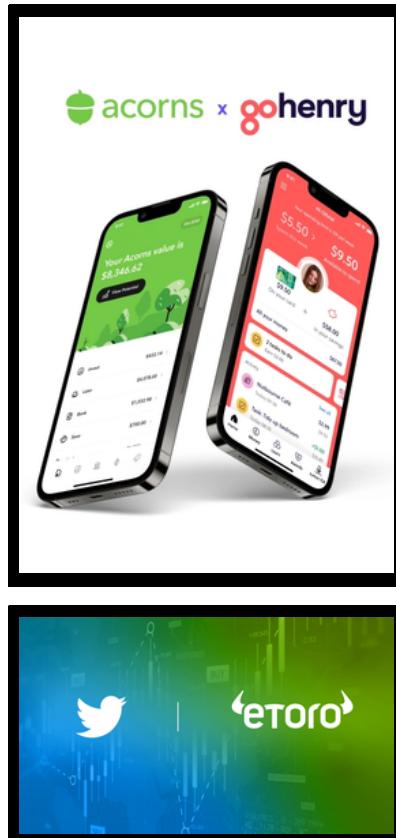
# FINANCE & INVESTMENT

## Investing app Acorns acquires kid-focused fintech GoHenry to expand in Europe

- Micro-investing fintech Acorns has acquired child and teen-focused digital banking startup GoHenry to fuel an expansion into Europe.
- Acorns said it now has a combined 6 million subscribers after its acquisition of GoHenry.
- The deal marks a major growth bet for Acorns, which has up until now only been available in the U.S.

Founded in 2012, GoHenry offers a spending card for children aged six to 18, linked to an accompanying money management app. Parents can track their kids' transactions in real time and set spending limits or savings goals.

The deal's timing is noteworthy. The fintech sector is enduring a tough environment characterized by high inflation and rising interest rates.



## Twitter partners with eToro to let users trade stocks, crypto as Musk pushes the app into finance.

A new feature will be rolled out on the Twitter app. It will allow users to view market charts on an expanded range of financial instruments and buy and sell stocks and other assets from eToro. Currently, it's already possible to view real-time trading data from TradingView on index funds like the S&P 500 and shares of some companies such as Tesla. That can be done using Twitter's "cashtags" feature — you search for a ticker symbol and insert a dollar sign in front of it, after which the app will show you price information from TradingView using an API.

## NPS withdrawal, post office schemes' investment limits, hallmarking of gold: Seven money changes that will come into effect in April 2023

- Gold to be sold with 6 digit HUID number
- The Pension Fund Regulatory and Development Authority (PFRDA) has directed that subscribers upload certain documents from April 1, 2023 in an attempt to speed up and simplify annuity payments after exiting the National Pension System (NPS).
- HDFC Bank has revised the charges and fees structure for unsecured loans such as personal loans with effect from April 24, 2023.
- The tariff structure for savings/salary/trust Accounts is being revised effective April 1, 2023, stated the Axis Bank website.
- The government increased the investment cap for the Senior Citizens Savings Scheme in addition to establishing a new small savings program. The investment cap was previously increased from Rs. 15 lakh to Rs. 30 lakh.
- The government has also hiked the investment limit for the Post Office Monthly Income Scheme (PO MIS). For a single holding account, the investment limit has been hiked to Rs 9 lakh from Rs 4.5 lakh. In case of a joint holding account, the investment limit has been hiked to Rs 15 lakh from Rs 9 lakh earlier.

# GOVERNMENT SCHEMES

## Revamped Loan Guarantee Scheme for Micro, Small Enterprises implemented from April 1



This new credit guarantee program for India's micro and small businesses came into effect on 1st April 2023. The annual guarantee fee for loans up to Rs. 1 crore will be cut from 2% to 0.37% lowering the overall cost of credit for small businesses. From Rs.2 crore to Rs.5 crore, the ceiling for guarantee has been increased. For settlement of cases in regard of assurances for credit extraordinary upto Rs. 10 lakh, commencement of legal procedures will as of now not be needed." the MSME service said. With effect from April 1, 2023, the credit guarantee scheme for micro and small businesses will be revamped with an infusion of Rs. 9000 crore to the corpus, allowing for additional collateral-free guaranteed credit of Rs. 2 lakh crore and a 1% reduction in the cost of credit. This announcement was made in the 2023-2024 budget by finance minister Nirmala Sitharaman.

## Green Credit Programme affirms commitment to green growth

The green credit programme which was included in the budget, would promote environmental conservation, increase energy and resource efficiency and help mitigate climate change. It would also improve adaptive capacity. Living up to the expectations, the budget has made key declarations affirming its vision for 'Lifestyle for Environment(LIFE), 'panchamrit' and net zero carbon emissions by 2070.

Methodology for fostering Green Credit System:-

- To make a critical and enduring way towards a net zero future, the green credit program requires a component lined up with the homegrown and worldwide carbon market.
- Changes will be made to the market infrastructure to make green credit trade and transfer easier. Green credit trading should be made possible by the existing trading infrastructure, market stability should be made possible by existing trading infrastructure, market stability should be ensured by demand side management strategies and MRV protocols should be in line with global best practices.

## Pharma Innovation Program

This program is aimed at promoting research and innovation in the pharma sector, which will be taken up through centers of excellence in the country. The pharmaceutical industry had urged the center for an addition in the program to prioritize tax incentives for drug development expenditures and programs to boost innovation and research. Increasing innovation and R&D in the Indian pharmaceutical sector will aid elevating the sector to global prominence. This scheme promotes private funding through alternate investment funds(AIFs) or venture capitalist(VCs) with the goal of encouraging startups to enter the pharma sector.



# CONTROVERSIAL NEWS

## Amul face protests as it enters into the Karnataka market

The Gujarat Cooperative Milk Marketing Federation, or GCMMF, which distributes its dairy goods under the famous brand name Amul, made an announcement on 5th April of supplying its dairy products and expanding into the Karnataka market. However, this move was opposed and criticized by the opposition leaders as well as the locals. Few months back, the Union Home Minister Amit Shah proposed a merger between Amul and Nandini, the local brand of Karnataka Milk Federation, which is closely associated with the identity and culture of the locals in Karnataka. He further stated that a merger between the two reputed brands could do wonders for the dairy sector.

However, as Amul announced its plans of expanding into the Karnataka market, the opposition leaders alleged that BJP is trying to merge the two brands in order to create a monopoly for Amul all across India so that there could be "One nation, one Amul" in the country. They further alleged that Amul wants to finish off its sole competitor in Karnataka and destroy the Nandini brand. As a result, protests waged against Amul for entering into the state. In response to this, the Chief Minister of Karnataka, Basavaraj Bommai said that the government is clear on the issue of Amul and there is no intention to merge the two brands. He further accused the opposition party of politicising this issue because of the upcoming state elections. He further stated that Nandini is a national brand and it is the pride of Karnataka having a wide reach, so there is no need to fear Amul on this matter.

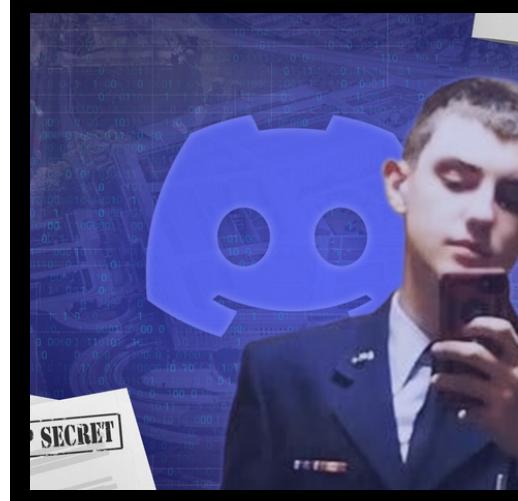
## Anheuser - Busch market cap falls more than 5 billion dollars in value

The shares of Bud Light's parent company, Anheuser-Busch have plummeted by nearly 4 percent, leading to a fall in its market capitalization of more than 5 billion dollars in value. This happened as Bud Light announced its collaboration with a transgender social media influencer Dylan Mulvaney and chose her as a spokesperson for its marketing campaign.

Well-known conservatives called for a boycott of this brand for partnering with a trans influencer. The 26-year-old transgender social media influencer, Dylan Mulvaney has more than 10.8 million followers on Tiktok and about 1.8 followers on Instagram. On April 1, Mulvaney posted a video on Instagram promoting and announcing her partnership with Bud Light, which in turn, received a lot of backlash particularly from the right-wing community. Right-wing activists started targeting the company, calling for a boycott of the famous beer brand. Kid Rock, an American singer-songwriter shared a video of shooting Bud Light cans calling for a boycott in response to this. Another supporter of the boycott, Representative Dan Crenshaw, Republican of Texas also posted a video showing that his fridge does not have Bud Light beers, but it did have beer from Karbach Brewing Company, another brand owned by Anheuser-Busch. Mulvaney, in response to this, accused the critics for claiming her as an "easy target". In response to the backlash, the CEO of Anheuser-Busch released a statement stating their purpose of inclusiveness and bringing people together over a beer.

## Leaked Pentagon documents circulated on Discord

Discord is an online social media platform, especially popular among the video game players for streaming and communicating while playing games. The app has gained increased popularity among the younger generations after the pandemic. However, the platform has been in several controversies regarding the circulation of harmful and prohibited messages and actions. Recently, there has been another controversy regarding the Leaked Pentagon documents said to have been circulated on the platform before appearing on other sites. The Pentagon documents are highly classified US military documents and consist of certain sensitive and highly confidential information. Discord is currently working with the concerned authorities to investigate in this matter urgently and taking suitable actions regarding its content moderation policy.



# X FACTORS

## Five Financial Myths Debunked

We all encounter sporadic pieces of financial advice, some of which we may have naively followed. However, not every advice is applicable. The following personal financial fallacies need to be dispelled.

### #Myth1 To begin investing, you need to have a sizable savings:

Many people make the decision to start investing once they have saved at least X amount of money. They believe investing needs a lot of wealth since they don't fully comprehend the financial world. The truth is that unless you start investing, you won't be able to save that "X" amount. The Systematic Investment Plan (SIP) style of investment allows you to start investing in mutual funds with as little as Rs 500 per month, defying the common misconception that you need a huge sum of money to begin investing.

### #Myth 2 If you are young and healthy, you do not need to get life insurance:

Contrary to popular belief, the optimum time to purchase a life insurance policy is when you are healthy and young since you may receive the most coverage for a reasonable price.

Life insurance is not just for people who have families. If you are unmarried, you may have unpaid debts like education loans, personal loans, vehicle loans, etc. that, in the event of an unpleasant circumstance, fall on your parents' shoulders.

### #Myth 3 Investment at an early age is a bad idea:

Warren Buffett started investing at a young age, buying his first stock at age 11 and his first real estate investment at age 14.

The assumption that investment is best left to older people and specialists is a misconception that hinders young people to start investing at an early age.

You may start little if you start early, and compounding makes it possible for you to grow your small monthly investment into a sizable amount.

### #Myth 4 Credit Rating Is Improved by Using a Credit Card:

Owning a credit card only helps your credit score if you pay off all of your balances each month. On the other side, your credit score will suffer greatly if you use a credit card and are unable to pay your bills on time or make the minimal payment.

### #Myth 5 Savings Account is the best way to save money for the future

By putting all of our savings in FDs and savings account we are essentially surrendering any real returns for "safety" because inflation is larger than the returns.



# X FACTORS

## Five Financial Mistakes That Young Investors Should Avoid

A personal financial plan, which provides stability and comfort that you're on the correct track, can change your life. You may invest in a future that belongs to you, save with true understanding, and spend with more assurance. The ability to manage money is one that requires careful consideration. The likelihood of being financially indebted may be the most likely scenario in the event of some mismanagement.

Here are five mistakes that investors should avoid to better financial stability:

### 01 Lowering One's Credit Rating

Young borrowers must keep in mind that timely loan repayment is a positive habit that needs to be instilled. A person's credit score can be severely impacted by late payments. Following that, borrowing might not be possible or might only be possible with higher interest rates. Limiting borrowing to what can be paid back on time makes sense. It is advised for Indian students and young professionals to select trustworthy lending applications that provide quick cash loans with flexible repayment periods.

### 03 Buying Obligations

You might make purchases out of social pressure without considering the financial benefits. Instead of living in the illusion of calm, you should start spending money on things that will pay you back.

### 04 Prioritizing spending over saving

Focusing on saving rather than spending could be a better idea because the goal of budgeting is to start growing the saving percentage of your income. Spend your remaining funds rather than saving them at the end of the month.

### 02 Investing Before Budgeting

We must be mindful of the reality that budgeting, rather than investing, is where financial management begins. Most people typically make the error of jumping right into investing, which could result in financial loss. You must now begin managing your personal finances on a step-by-step basis by writing down each payment you make each month and keeping track of it at the end of each month.

### 05 Investing or saving utilized to pay off debt

Many people can be upset about not having any money left over at the end of the month. At the time of financial crisis you may have to use your investments or savings to pay your EMI. Never forget that your debt should never be higher than 30% of your net income or any other ratio that is reasonable during the current financial crisis.

# ANALYSIS

## Collapse of Silicon Valley Bank and Its Implications for the US Financial System

Silicon Valley Bank (SVB), a bank that provided financial services to the tech industry for three decades, collapsed on March 10, 2023, due to a bank run that left the bank without enough cash to pay depositors. State regulators seized the bank, and the Federal Deposit Insurance Corporation (FDIC) became its receiver. SVB was the largest US bank to fail since the 2008 financial crisis and the second-largest ever.

### Why did SVB collapse?

During the pandemic, SVB, like many other banks, was taking in more deposits than it could lend out. In 2021, deposits at SVB doubled, and the bank invested what it could not lend out in ultra-safe US Treasury securities. However, the rapid increase in interest rates in 2022 and 2023 caused the value of these securities to plummet. The bank recently took a \$1.8 billion hit on the sale of some of those securities, and it was unable to raise capital to offset the loss as its stock began to drop. Prominent venture capital firms advised the companies they invest in to pull their business from SVB, causing a snowball effect that led a growing number of SVB depositors to withdraw their money too. The investment losses, coupled with the withdrawals, were so large that regulators had no choice but to shut the bank down to protect depositors.

### Implications for the US Financial System

SVB's collapse has highlighted the risk that many banks have in their investment portfolios, and if interest rates continue to rise, the value of banks' investment portfolios across the US will continue to decrease. While these losses are just on paper, meaning they're not realized until the assets are sold, they still can increase a bank's overall risk. However, most banks currently have enough capital to absorb these losses, in part because of the efforts taken by the Fed after the 2008 financial crisis to ensure that financial firms can weather any storm. Furthermore, SVB's collapse does not pose a significant risk to other banks since it only represents 0.91% of all banking assets in the US.

### Are the deposits now safe?

The FDIC is now running the bank, and it will reopen on March 13 as the Deposit Insurance National Bank of Santa Clara. For depositors with \$250,000 or less in cash at SVB, the FDIC said that customers will have access to all of their money when the bank reopens. For those with uninsured deposits at SVB – basically anything above the FDIC limit of \$250,000 – they may or may not receive back the rest of their money. The FDIC has already said it will pay some of the uninsured deposits by next week, with additional payments possible as the regulator liquidates SVB's assets. But if SVB's investments have to be sold at a significant loss, uninsured depositors may not receive any additional payment.

### Conclusion

In conclusion, the collapse of Silicon Valley Bank was due to the bank's investments in ultra-safe US Treasury securities, which lost value due to a rapid increase in interest rates. The implications of this event are that it highlights the risk many banks have in their investment portfolios, and if interest rates continue to rise, the value of banks' investment portfolios across the US will continue to decrease. Nevertheless, most banks have enough capital to absorb these losses, and SVB's collapse does not pose a significant risk to other banks. However, uninsured depositors at SVB may not receive back the rest of their money if the bank's investments have to be sold at a significant loss.

# THE VIT T SHALA IMES



## VITTSHALA THE FINANCIAL LITERACY CELL

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**Shri Ram College of Commerce**

University of Delhi North Campus, Maurice  
Nagar Delhi - 110007, INDIA