
# THE VITTSHALA TIMES

# HIGHLIGHTS

## EDITORIAL

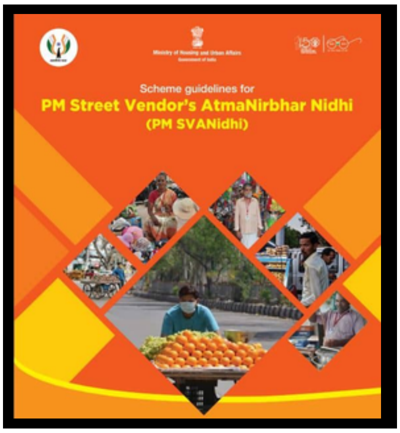
### Germany in Recession: What's Next?

Germany's economy shrank for two quarters due to high inflation and energy crisis. This hurt consumer spending and exports. India and the world also felt the impact of Germany's downturn. The outlook for recovery is unclear and depends on many factors. The government and the central bank have announced some stimulus measures.

## GOVERNMENT SCHEMES

### PM SVANIDI: A Boost for Street Vendors

The PM SVANIDI scheme provides collateral-free loans, interest subsidy, and cashback to street vendors to revive their businesses. The scheme targets 50 lakh vendors in urban and rural areas. It has received 2 million applications and disbursed 218,751 loans so far.




## 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

### Sebi cancels Karvy Stock Broking's registration.

The market regulator has cancelled the certificate of registration of Karvy Stock Broking (KSBL) through an order issued on May 31.


## ECONOMY

### India's GDP grows 6.1% in Q4; expands 7.2% in FY23: Govt data

India's economy grew 6.1% in the January-March quarter, accelerating from revised 4.5% in the previous quarter and 4.1% in Q4FY22 helped by a pickup in manufacturing activity, showed government data on Wednesday. After this, the Indian economy is now $3.3 trillion in size.

## BUSINESS

### Apollo Hospitals: A Healthcare Giant on the Rise

Apollo Hospitals, India's leading healthcare provider, reported a 60% jump in net profit and a 21% rise in revenue for Q4 FY23. The company aims to increase occupancy and expand its network of hospitals and diagnostics. Apollo's shares gained 1.5% on Wednesday

## X FACTORS

Financial literacy is the ability to understand and manage one's personal finances effectively. It is an important skill that can help people achieve their financial goals and avoid common pitfalls. However, there are also some myths regarding financial literacy that need to be debunked. Move on further in this newsletter to get over those myths.

# ECONOMY

## India's defence exports skyrocket to all-time high surpassing Rs 16,000 crore in FY 2022-23

This paradigm shift in India's defence landscape has transformed the country from primarily being an importer of defence equipment to emerging as an exporter of significant platforms.

India's defence exports have reached an unprecedented peak, skyrocketing from Rs. 686 Crore in FY 2013-14 to an estimated Rs. 16,000 Crore in FY 2022-23, representing a remarkable twenty-three-fold increase. In a recent press release, the Ministry of Information and Broadcasting highlighted this surge as a testament to India's significant progress in the global defence manufacturing industry. The ministry emphasised that India's defence industry has demonstrated its prowess in design and development by exporting to more than 85 countries, with a staggering 100 firms currently engaged in defence product exports. This paradigm shift in India's defence landscape has transformed the country from primarily being an importer of defence equipment to emerging as an exporter of significant platforms. Notable examples include the indigenous production of aircraft such as the Dornier-228, artillery guns, Brahmos Missiles, PINAKA rockets and launchers, radars, simulators, and armoured vehicles. India's successful foray into the global defence market showcases its expertise and potential to meet the diverse needs of nations worldwide.

## India's GDP grows 6.1% in Q4; expands 7.2% in FY23

India's economy grew 6.1% in the January-March quarter, accelerating from revised 4.5% in the previous quarter and 4.1% in Q4FY22 helped by a pickup in manufacturing activity, showed government data on Wednesday. For the 2022/23 fiscal year, economic growth was revised upwards to 7.2% from an earlier estimate of 7%. After this, the Indian economy is now $3.3 trillion in size. Growth in the January-March period was higher than the revised 4.5% expansion in the previous October-December quarter of 2022-23. The growth was boosted by a 5.5% expansion in agriculture and a 4.5% growth in manufacturing. Other sectors of the economy - construction, services and mining - too posted handsome growth rates. The Gross Domestic Product (GDP) had expanded by 4% in the January-March period of 2021-22, according to data released by the National Statistical Office (NSO). As per the data, the economy expanded 7.2% in 2022-23 against a 9.1% growth in 2021-22.


## India emerged stronger, more resilient due to digital transformations: RBI annual report

The report added that on the back of sound macroeconomic policies and softer commodity prices, India's growth momentum is likely to be sustained in 2023-24 in an atmosphere of easing inflationary pressures. The Reserve Bank of India (RBI), in its annual report for FY23, said that digital transformations were responsible for India's post-pandemic resilience. It said that India saw massive growth in total digital payments during the pandemic and after the pandemic period. Transactions routed through digital modes recorded a marked expansion in 2022-23 over and above the strong growth witnessed a year ago. "In 2022-23, total digital payments recorded growth of 57.8 per cent and 19.2 per cent in volume and value terms, respectively, on top of growth of 63.8 per cent and 23.1 per cent, respectively, in the previous year," the annual report said, which was released on Wednesday. It added that India outpaced other nations to emerge as the largest player in real-time transactions at the global level, with a 46 per cent share in 2022."The strong penetration and growth in Unified Payments Interface (UPI) were buoyed by rapid merchant onboarding, growing digital awareness and policy thrust on continuous enhancements in the scope and reach of payment systems," the report further said."On the back of sound macroeconomic policies, softer commodity prices, a robust financial sector, a healthy corporate sector, continued fiscal policy thrust on quality of government expenditure, and new growth opportunities stemming from global realignment of supply chains, India's growth momentum is likely to be sustained in 2023-24 in an atmosphere of easing inflationary pressures," it said.

# BUSINESS



## Apollo Hospitals eyes occupancy boost, gears up for expansion

Apollo Hospitals Enterprises Ltd, a major healthcare provider in India, reported a 60% increase in net profit and a 21% rise in revenue for Q4 FY23. The company aims to increase occupancy in its hospitals to 68-70% by FY24 and expand its network in major cities. It plans to add 2,000 beds with an investment of over ₹3000 crores ($404 million) over the next four years. Apollo's diagnostics and retail health segment posted a net loss but is expected to turn profitable by FY24. Apollo's non-COVID diagnostics and pharmacy distribution businesses grew by 45% and 31%, respectively. The company said that its pharmacy distribution business has reached over 1 million customers. Apollo Hospitals' shares gained 1.5% on Wednesday. The company said that it is confident of sustaining its growth momentum and delivering value to its stakeholders in the coming years.

## Global startup ecosystem gains momentum as G20 leaders engage in embassy meetup

The Startup20 engagement group recently organized an Embassy meetup, bringing together representatives from various countries to shape the future of the global startup ecosystem. Esteemed representatives from G20 countries actively participated in the event, playing a crucial role in shaping startup-related policies in their respective nations. The meetup allowed participants to provide their inputs on the first draft of the Policy Communiqué, which contains policy recommendations formulated through an inclusive consultative process involving stakeholders from India, G20 nations, and invitee nations. The discussions aimed to foster a robust global startup ecosystem and establish consensus among G20 nations' leadership in this domain. The purpose of the exclusive meetup between the Startup20 engagement group and Embassy representatives was to gather important stakeholders responsible for startup-related matters in various countries. Through active engagement in discussions on recommendations and policy directives, the goal was to promote the development of a strong global startup ecosystem. Key topics discussed during the meeting included effective strategies for distributing the Policy Communiqué document to relevant stakeholders in participating countries. Additionally, participants aimed to reach a shared consensus on the draft Policy Communiqué, highlighting the leadership role of G20 nations in the startup ecosystem.

# STOCK MARKET

## Indian NBFCs double fundraising via bonds in five days as bank rate gap widens

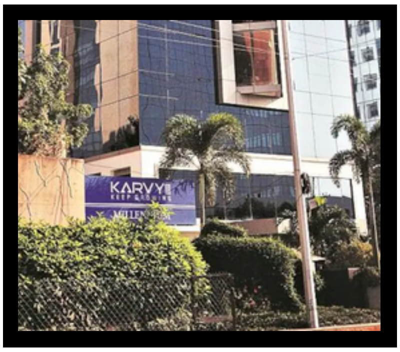
Indian non-banking financial companies (NBFC) have raised around 100 billion rupees ($1.21 billion) via bonds in the past five days, double that of the preceding work week, with more such issues likely as interest rates in the debt market remain low, five bankers said. Lower interest rates for such organisations typically help bring down lending rates, which in turn can push demand up.
The Refinitiv benchmark three-year yield for AAA-rated companies is around 7.45%, down 30 basis points this fiscal year, as compared to the benchmark three-year marginal cost of lending rate for State Bank of India that stands at 8.70%.

The spread between lending rates and yields further rose as the latter eased after banking system liquidity improved. Large borrowers over the last week include State-run IRFC, which raised 25 billion rupees and NHB which raised 20 billion rupees via over three-year bonds. Institutions coming to market soon include HDFC, which aims to raise up to 100 billion rupees via two-year bonds, LIC Housing Finance which plans to raise 15 billion rupees through five-year bonds this week and NABARD which will raise 50 billion rupees. Here are the details of some of the bond issues completed, as well as planned, as reported by Reuters.



## Sebi cancels Karvy Stock Broking's registration

The market regulator has canceled the certificate of registration of Karvy Stock Broking (KSBL) through an order issued on May 31. The Securities and Exchange Board of India (Sebi) had banned the stock broking company and its promoters from the market for seven years through its order issued on April 28, 2023. This was done for various violations including misappropriation of clients' securities and diverting the proceeds from pledging them to the stock broker's associate companies. Meanwhile, it had also been investigating if the violations by Karvy Stock Broking warranted a suspension or cancellation of the Certification of Registration.
KSBL will continue to be liable for any pending dues. "Irrespective of the cancellation of the Certificate of Registration, the Noticee shall continue to be liable for anything done or omitted to be done as a Stock Broker and continue to be responsible for payment of outstanding fees and dues, if any, payable to SEBI," the Sebi order stated.




## RBI to restore HTM limits for government securities

The central bank will restore the held-to-maturity (HTM) limits for parking government securities and state development loans from 23% to 19.5% in a phased manner by March 31, 2025, and the reduction will begin from the quarter ending June 30, 2024, the RBI said in its Annual Report.

The HTM limits, which were raised to 23% of net demand and time liabilities (NDTL) from 19%, applied to government securities eligible under the statutory liquidity ratio (SLR) facilities.

# FINANCE & INVESTMENT

## SEBI's New Guidelines For Investment Advisers And Research Analysts

SEBI, the Securities and Exchange Board of India, has issued new guidelines for investment advisers (IAs) and research analysts (RAs) to address misleading information and deceptive practices in their advertisements. These guidelines cover all forms of communication used to influence investment decisions and require accurate information, including registration details and a market risk warning. Advertisements must be vetted by SEBI before release and are prohibited from containing false statements or biased testimonials.

The guidelines are expected to impact Finfluencers who promote investments on social media. Finfluencers must align their advertisements with SEBI's regulations, avoid technical terms, and refrain from guaranteeing returns. Viewers are encouraged to verify credentials and be cautious of unrealistic promises or influencers selling products through direct messages.

SEBI's guidelines aim to protect the public, promote transparency, and discourage unrealistic promises. Compliance with the guidelines enhances the credibility of financial influencers in India.

# BUSINESS CONTROVERSY

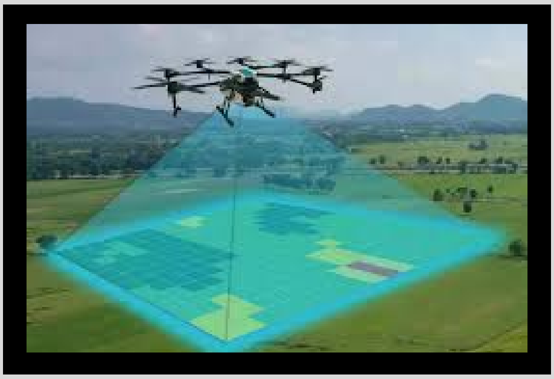
## Why are people mad at Target? Retailer's hostile backlash over Pride merch explained

Target is facing backlash over its LGBTQ+ merchandise ahead of Pride Month. Safety concerns for employees targeted by hostile customers have led to adjustments and the removal of certain items. Conservative media attacked the collection, and false videos claiming the retailer is selling "tuck-friendly" bathing suits for kids fueled the controversy. Advocacy groups criticize Target's response, urging the company to reaffirm support for the LGBTQ+ community. Some customers knocked down displays, approached workers angrily, and posted threatening videos. Target removed items from the collection and made adjustments to selling LGBTQ+ merchandise. Activists call for products to be put back on shelves, arguing against giving in to backlash. Anti-LGBTQ+ bills being introduced in state legislatures add to the context. Target's stock value has fallen over 12.6%, resulting in a $9.3 billion decline in market value. The situation underscores the challenges in supporting LGBTQ+ rights amid opposition. Target's response and stock impact are closely watched.

# GOVERNMENT SCHEMES

## Unique Land Parcel Identification Number (ULPIN)

The Unique Land Parcel Identification Number (ULPIN) is a component of the Digital India Land Records Modernization Programme (DILRMP). It is a 14-digit identification number assigned to land parcels based on their longitude and latitude coordinates. ULPIN is generated using the standards of the Electronic Commerce Code Management Association (ECCMA) during the import of geo-referenced shape files into BhuNaksha, which is a cadastral mapping solution of NIC.



ULPIN serves as a single, authoritative source of information on land parcels and properties, providing integrated land services to citizens and stakeholders. Its objectives include offering single window services to citizens, ensuring transparent land records and transactions, maintaining up-to-date land records, facilitating easy sharing of records among stakeholders, protecting government land, and adhering to standards. By implementing ULPIN, various departments such as Revenue, Panchayat, Forest, Registration, Survey, and settlement departments can provide multi-dimensional land-related services to citizens. ULPIN supports comprehensive information on land and properties and ensures consistency of core data across all government departments and agencies throughout the country.

## PM SVANIDI


The Ministry of Housing and Urban Affairs has launched the PM Street Vendor's AtmaNirbhar Nidhi (PM SVANIDI) scheme, aimed at empowering street vendors by providing them with loans and supporting their overall development and economic upliftment. The scheme aims to provide collateral-free working capital loans of up to INR 10,000 with a one-year tenure to approximately 50 lakh street vendors, enabling them to restart their businesses in urban, peri urban, and rural areas.

The PM SVANIDI scheme offers several benefits, including an interest subsidy of 7% per annum for regular loan repayment, cashback of up to INR 1200 per annum on prescribed digital transactions, and eligibility for an enhanced next tranche of loans. The scheme has received close to 2 million applications, out of which 752,191 have been sanctioned, and 218,751 loans have already been disbursed.

# X FACTORS

## Eight Financial Myths Debunked

These are some more common myths that can hinder one's financial literacy and well-being. By debunking them and learning the facts, one can improve their financial knowledge and skills and make better choices for their financial future.

### #Myth1 : Financial Literacy is Only for Adults

*Reality:* Financial literacy is a life skill that should be taught from an early age. Children and young adults can benefit from learning the basics of money management, such as budgeting, saving, investing, etc. Moreover, financial literacy can also improve their academic performance, career prospects, and social skills.

.

### #Myth 2 : Financial Literacy is Only About Numbers

*Reality*: Financial literacy is not only about knowing how to calculate interest rates, budgeting, or reading financial statements. It is also about having a positive mindset, attitude, and behavior towards money. It involves developing habits such as saving regularly, spending wisely, avoiding debt, setting goals, planning ahead, etc.

### #Myth 3 : Financial Literacy is a One-Time Thing

*Reality*: Financial literacy is not something that can be learned once and forgotten. It is an ongoing process that requires constant learning and updating. The financial world is constantly changing and evolving, with new products, services, regulations, trends, etc. Therefore, one needs to keep abreast of the latest developments and adapt their financial strategies accordingly.

### #Myth 4 : Financial Literacy is a One-Size-Fits-All Solution

*Reality*: Financial literacy is not a universal concept that applies equally to everyone. Different people have different financial situations, needs, goals, preferences, values, cultures, etc. Therefore, financial literacy should be tailored to one's specific context and circumstances..

### #Myth 5 : Financial Literacy is Only Relevant for Personal Finances

*Reality*: Financial literacy is not only useful for managing one's personal finances, but also for understanding and participating in the broader economic and social systems. Financial literacy can help one make informed decisions about issues such as taxes, public spending, social security, environmental sustainability, etc. It can also help one become more aware of their rights and responsibilities as consumers, investors, workers, entrepreneurs, etc.

# X FACTORS

## Eight Financial Myths Debunked

These are some more common myths that can hinder one's financial literacy and well-being. By debunking them and learning the facts, one can improve their financial knowledge and skills and make better choices for their financial future.

### **#Myth 6 :** Financial Literacy is Only Taught in Schools

*Reality:* Financial literacy is not only a subject that can be learned in formal education settings, but also a skill that can be acquired and practiced in various informal and non-formal settings. For example, one can learn financial literacy from their family, friends, peers, mentors, role models, etc. One can also learn financial literacy from their own experiences.

### **#Myth 7 :** Financial Literacy is Only About Moneys

*Reality*: Financial literacy is not only about money, but also about values. Therefore, financial literacy should be aligned with one's personal values and priorities. For example, Some people may value happiness more than wealth, while others may value wealth more than happiness. Therefore, financial literacy should help one define and pursue their own vision of success and fulfillment.

### **#Myth 8 :** Financial Literacy is Boring

*Reality*: Financial literacy is not boring, but exciting and empowering. Financial literacy can help one achieve their dreams and aspirations by enabling them to make smart and strategic choices with their money. Financial literacy can also help one have fun and enjoy life by allowing them to spend money on things that matter to them.

# GERMANY'S RECESSION

## Causes, Consequences and Outlook

Germany, Europe's largest economy, has slipped into recession in the first quarter of 2023, after two consecutive quarters of negative growth. The main culprit behind this downturn is the persistent high inflation that has eroded the purchasing power of German consumers and dampened their spending. The energy crisis triggered by Russia's invasion of Ukraine in February last year also played a role in weakening the German economy, as it raised the costs of production and transportation for businesses and households. In this article, we will examine the causes, consequences and outlook of Germany's recession and its implications for India and the world.

### Causes of Germany's Recession

The German economy contracted by 0.3% in the first quarter of 2023, following a decline of 0.5% in the fourth quarter of 2022. A recession is commonly defined as two successive quarters of contraction. The Federal Statistical Office attributed the recession to the high price increases that continued to burden the German economy at the start of the year. According to the office, household consumption fell by 1.2% in the first quarter, as consumers faced soaring energy prices and reduced their spending on goods and services.

The energy crisis was one of the major factors that affected Germany's economy. Heavily reliant on Russia for gas supply, Germany was hit hard by Moscow's military intervention in Ukraine and its subsequent reduction of gas exports to Europe. This led to a sharp increase in energy prices, which reached record highs in late 2022 and early 2023. The high energy prices not only hurt consumers, but also disrupted industrial activity and trade, as many factories had to cut production or shut down due to power shortages or high costs.

Another factor that contributed to Germany's recession was the weakness of its export sector, which accounts for about half of its GDP. Germany's exports were affected by the slowdown in global demand, especially from China, its largest trading partner. The coronavirus pandemic also hampered Germany's exports, as travel restrictions and supply chain disruptions reduced international trade flows. Moreover, Germany faced increasing competition from other countries, such as India, that have improved their manufacturing capabilities and gained market share in sectors such as automobiles and machinery.

### Consequences for India

Germany's recession could have both positive and negative effects for India. On the positive side, India could benefit from lower energy prices, as it imports most of its oil and gas from abroad. Lower energy prices could reduce India's current account deficit, ease inflationary pressures and boost consumer spending. India could also take advantage of Germany's economic weakness to increase its exports to Europe and other markets, especially in sectors where it has a competitive edge over Germany.

On the negative side, India could also suffer from Germany's recession, as it could reduce its exports to Germany and other European countries that are affected by the downturn. India could also face lower foreign investment from Germany, as German companies might postpone or cancel their plans to invest in India due to their own financial difficulties or uncertainty about the future. Moreover, India could face spillover effects from Germany's recession on global financial markets, such as lower stock prices, higher interest rates or currency volatility.

### Consequences for World

Germany's recession could have a negative impact on global economic growth and stability. As one of the largest and most influential economies in the world, Germany plays a key role in supporting global trade, investment and cooperation. Germany's recession could weaken its ability to contribute to these areas and undermine its leadership role in Europe and beyond. Germany's recession could also trigger a domino effect on other European countries that are closely linked to it through trade or financial ties. This could lead to a deeper and longer recession in Europe as a whole, which could in turn affect other regions of the world.

# GERMANY'S RECESSION

## Outlook for Germany's Recession

The outlook for Germany's recession is uncertain and depends on several factors, such as the evolution of the energy crisis, the progress of the pandemic, the policy response of the government and the central bank, and the external environment. Some analysts expect Germany's recession to be short-lived and predict a recovery in the second half of the year, as inflation eases, energy supplies improve, consumer confidence rebounds and exports pick up. Others are more pessimistic and forecast that Germany's recession will persist or worsen in the coming quarters, as interest rates rise, demand remains weak, investment falls and deflation sets in.

In conclusion, Germany's recession is a serious challenge for its own economy, as well as for India and the world. The recession is mainly caused by high inflation and the energy crisis, which have reduced consumer spending and industrial activity. The recession has negative consequences for income, employment, public finances and social stability. The outlook for the recession is uncertain and depends on various factors. The government and the central bank have taken some steps to counter the recession, but more action might be needed to ensure a swift and sustainable recovery.

# THE VITTSHALA TIMES

# VITTSHALA

## THE FINANCIAL LITERACY CELL

**Shri Ram College of Commerce**

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