



# THE VIT SHALA TIMES

# HIGHLIGHTS

## FINANCE AND INVESTMENT

### Prime Minister Modi & Walmart CEO Discuss Investment and Export Opportunities in India

Indian Prime Minister Narendra Modi and Walmart CEO Doug McMillon held a fruitful meeting, focusing on investment prospects and collaboration. Prime Minister Modi expressed his satisfaction with India's growing appeal as an investment destination, while McMillon affirmed Walmart's commitment to strengthening logistics, skill development, and supply chains in India. Walmart aims to export goods worth \$10 billion annually from India by 2027, with a particular emphasis on toys, seafood, and other products. This meeting highlights the shared vision of economic growth and trade expansion, showcasing India's potential as a key partner for global businesses like Walmart.

## BUSINESS CONTROVERSIES

### The Adani Hindenburg Clash

This is a dispute between the Adani Group, an Indian conglomerate and Hindenburg Research, a research firm. A report was released by Hindenburg which accused the Adani Group of environmental and human rights violations and other allegations. The Adani Group denied the allegations and accused Hindenburg of manipulating the market. The controversy remains unsolved till date.

## GOVERNMENT SCHEMES

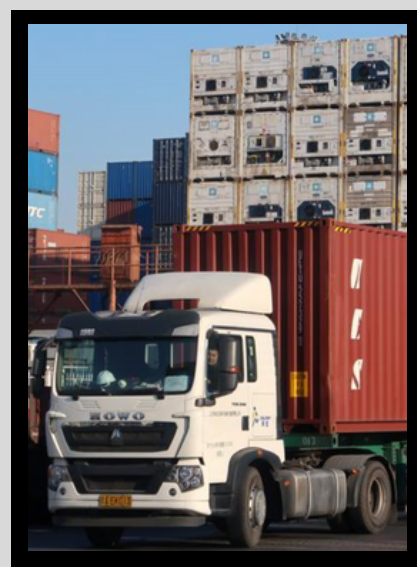
### NAPS Apprenticeship

NAPS stands for National Apprenticeship Promotion Scheme, which is a flagship initiative of the Government of India aimed at promoting apprenticeship training and providing employment opportunities to the youth. It was launched as part of the Skill India Mission. Under this scheme, the government provides financial incentives to establishments that hire apprentices for on-the-job training. The scheme covers all sectors except for the state and central government organizations. The financial incentives provided include reimbursement of 25% of prescribed stipend to the apprentices and an additional 25% of the stipend to the employers. The objective of the scheme is to provide hands-on experience to the youth to enhance their skills and employability. It also aims to encourage industries to adopt apprenticeship training as a tool for skill development and to provide a platform for youth to earn while they learn. The scheme also has an online portal called the Apprenticeship Training Portal, which connects job seekers with potential employers who offer apprenticeship training programs. The portal provides information about various apprenticeship programs, their duration, eligibility criteria, and other details.

## ECONOMY

### India's Resilient Growth Surpasses Leading Economies, Projected to Sustain Momentum

India has exhibited resilience and surpassed the GDP growth of other leading economies, with its growth rates recovering strongly from -5.8% in 2020 to 9.1% in 2021 and 6.8% in 2022. Projected growth of 5.9% in 2023 and higher rates for 2021-2028 are expected. In contrast, global growth is projected to decelerate. India's connectivity with Global Value Chains, improved competitiveness, and investments are driving its growth, while support for the manufacturing sector and improved ease of doing business are crucial for sustaining it amidst global uncertainties.





**NAPS**  
NATIONAL APPRENTICESHIP PROMOTION SCHEME

For more details, visit [www.apprenticeship.gov.in](http://www.apprenticeship.gov.in)

**National Apprenticeship Promotion Scheme (NAPS)**  
scheme of Government of India to promote apprenticeship. Apprenticeship Training consists of Basic Training and On-the-Job Training/Practical Training at workplace in the industry. The main objective of the scheme is to promote apprenticeship training and to increase the engagement of apprentices.



# ECONOMY

## India's Resilient Growth Surpasses Leading Economies, Projected to Sustain Momentum

According to a report by the PHD Chamber of Commerce and Industry, India has shown resilience and is experiencing growth above pre-pandemic levels, surpassing the GDP growth of other leading economies. India's GDP growth rate recovered from -5.8% in 2020 to 9.1% in 2021 and 6.8% in 2022, with a projected growth rate of 5.9% in 2023. The growth rates for 2021-2028 are expected to be significantly higher than the 3.9% growth rate recorded in 2019, pre-pandemic. In comparison, the global economy is projected to decelerate with growth rates of 2.8% in 2023 and 3.0% in 2024. Among the top 10 leading economies, India's growth will remain above 6% during 2023-2028, while others are expected to perform below their 2019 GDP growth rates.

India's connectivity with Global Value Chains, improved competitiveness, and investments are driving its growth, but industry needs support amidst global economic uncertainties. Strengthening the manufacturing sector, reducing borrowing costs, and improving ease of doing business are crucial for sustaining growth, according to the PHDCCI.

## China's Imbalanced Recovery Raises Concerns for Western Policymakers amid Slowing Imports and Economic Challenges

China's recovery is imbalanced, causing concerns among Western policymakers. In April, imports contracted by 7.9% and exports grew at a slower rate of 8.5% compared to the previous month. Consumer prices rose at the slowest pace in over two years, and factory gate deflation worsened. New bank loans were significantly lower than expected, with lenders extending only 718.8 billion yuan, less than a fifth of March's total. China's economic growth has not returned to double-digit levels, partly due to the substantial debt incurred from previous stimulus measures, including local government debt reaching a record 66 trillion yuan. Geopolitical tensions with the West, trade disputes with the US, the Belt and Road Initiative's concerns, and China's strategic shift toward quality growth also contribute to the slower recovery. However, China is expected to remain the largest contributor to global economic growth, accounting for 22.6% over the next five years, supported by pent-up domestic demand and accumulated excess savings from Chinese consumers.



## President Biden and Lawmakers Continue Talks to Avoid US Debt Default

President Joe Biden and top lawmakers have agreed to continue discussions to resolve the deadlock over raising the US debt limit, with just three weeks remaining before a potential unprecedented default. Following a meeting in the Oval Office, Biden and House Speaker Kevin McCarthy deputized their aides to engage in daily talks about potential areas of agreement. Biden expressed openness to compromises, including considering the clawback of unspent coronavirus relief funds to reduce government spending. However, he emphasized that Republicans must remove the threat of default, and he did not rule out the possibility of invoking the 14th amendment to declare the debt limit unconstitutional. Economists warn that a prolonged default could trigger a recession and disrupt the global financial system. Both sides are under pressure to find a resolution before the Treasury's predicted default date in June.





# BUSINESS CONTROVERSY

## The Adani-Hindenburg Controversy

The Adani-Hindenburg controversy is a dispute between the Adani Group, a large Indian conglomerate, and Hindenburg Research, a US-based investment research firm. The report caused a significant stir in the financial world and led to a sharp drop in the Adani Group's share prices.

As per the Hindenburg's report, the Adani Group had inflated the value of its subsidiaries, particularly Adani Enterprises, by approximately \$6 billion, through fraudulent accounting and transactions with other Adani companies. The report also accused Adani Group of environmental and human rights violations, as well as involvement in questionable deals with influential individuals in India.

Adani Group denied these allegations and accused Hindenburg of making incorrect and defamatory statements in order to manipulate the stock market. The company filed a case against Hindenburg in India and obtained a court order impeding access to the research firm's website in the country.

The controversy ignites debates regarding corporate governance, role of short-sellers, regulation of global businesses etc. As of May 2023, the controversy remains unresolved, with both sides continuing to make counter arguments.

## Credit Suisse Controversy 2023

Credit Suisse is one of the world's largest wealth managers and one of the most systemically important banks. Credit Suisse was like a national icon for Switzerland, representing the country's robust finance industry on the world stage and giving stiff competition to some of the biggest banks.

It has played a role of immense significance in the largest developmental projects and safeguarding the wealth of the world's richest individuals. It was an extremely powerful force, but has taken a hit over the past few years.

The takeover of First Boston created a lot of problems for Credit Suisse. This followed by the detrimental expansion plans, hiring a fraudulent private banker etc. This worsened by the public feud between the CEO Tidjane Thiam and wealth management division head Iqbal Khan. This was followed by many blows which dented the bank's reputation. Even after the chairman and CEO presented a plan to restructure the bank so that it becomes profitable from 2024 onwards, interest rate hikes hit the investor confidence, which led to the fall of Credit Suisse.



# STOCK MARKET

## CHAT GPT to predict stock prices by analyzing news headlines

A study conducted by finance professor Alejandro Lopez-Lira at the University of Florida demonstrated the predictive capabilities of OpenAI's ChatGPT in the stock market. Analyzing over 50,000 news headlines related to publicly traded stocks, the researchers found that ChatGPT's predictions based on sentiment analysis outperformed traditional methods and even human-scored datasets. The model's advanced language understanding abilities enabled it to capture nuances in headlines and generate more reliable sentiment scores, leading to improved stock market return predictions. The findings have practical implications for regulators, asset managers, and investors, highlighting the potential benefits of integrating advanced language models into financial decision-making processes.



## Lupin Stock Surges 22% in Two Months: "Should Investors Consider Buying?"

Lupin shares surged to a fresh 52-week high of ₹799.65, closing at ₹787.50, extending its winning streak for the sixth consecutive session. Over the past two months, the stock has gained around 22%, outperforming the benchmark Sensex. This strong performance is attributed to the company's healthy financial results in the March quarter of FY22-23, where it reported a consolidated profit after tax of ₹235.96 crore, compared to a loss in the same quarter last year.

Total sales for the quarter rose 12% year-on-year to ₹4,330.30 crore. Despite the positive numbers, most brokerage firms remain cautious due to the stock's high valuation and concerns about return ratios. Brokerages like Motilal Oswal Financial Services, Nuvama Wealth Management, Sharekhan by BNP Paribas, and ICICI Direct have maintained their 'sell,' 'reduce,' and 'hold' calls on the stock, respectively.

They highlight limited upside potential and question the stock's return ratio. Technical indicators suggest the possibility of profit-booking and a potential correction in the near term. Traders are advised to consider booking profits around ₹785-790 levels and await a decisive move above ₹800 for fresh long positions. Resistance levels are seen at ₹790-795, while support zones lie around ₹755-760.



# STOCK MARKET

## Why Adani shares are falling despite ₹8500 Crore fund raise plans

Adani Group shares faced downward pressure in early morning trading despite the group's announcement of raising funds up to ₹8,500 crore through fresh issuances. All 10 Adani Group shares turned red during the opening bell, with Adani Total Gas, Adani Transmission, Adani Enterprises, Adani Power, and Adani Green Energy being the most affected. Adani Total Gas shares dropped by around 5%, while Adani Transmission shares fell by approximately 4.50%. Adani Enterprises and Adani Power shares experienced losses of around 3.50% and 3%, respectively, while Adani Green Energy shares declined by over 2%. Adani Wilmar and Adani Ports also saw losses of around 1%.

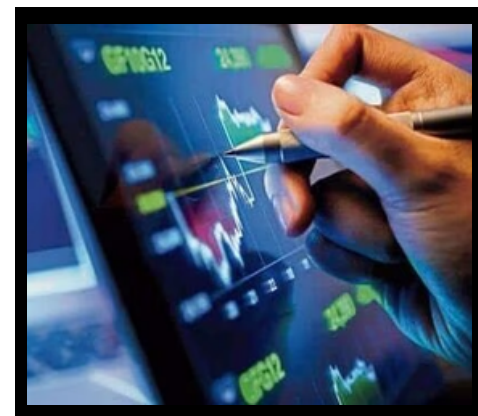
Experts attribute the fall in Adani shares to the recent MSCI Index rejig, which has negatively impacted investor sentiment despite the fund raise announcement. The removal of Adani Total Gas and Adani Transmission from the MSCI Index has led foreign institutional investors (FIIs) and foreign portfolio investors (FPIs) to withdraw investments from these Adani Group shares, as they typically follow the MSCI Index.

The MSCI's decision to revise its index's calculation on freely tradable shares for the two companies will become effective on May 31. Despite the fund raise announcement by Adani Transmission, the negative impact of the MSCI rejig has outweighed the positive news for the group's shares. Overall, the fall in Adani Group shares can be attributed to the MSCI's index changes and the subsequent selling pressure from FIIs and FPIs.

## Stocks to buy: HUL, Concor, Axis Bank, Sun Pharma among nine stocks that analysts recommend buying for short term

The Nifty50 index rose by about half a percent in morning trade on May 15, crossing the 18,400 level and approaching its all-time high. Analysts believe that if the upward trend continues, the index could reach a new all-time high in the next month. Positive market sentiment is driven by healthy domestic macroeconomic indicators, in-line March quarter results, sustained foreign capital inflows, and the expectation of a slowdown in aggressive rate hikes. Based on recommendations from analysts, here are nine stocks expected to provide healthy returns in the next 3-4 weeks:

- Hindustan Unilever (HUL) - Target price: ₹2,760
- Polycab India - Target price: ₹3,620
- Cipla - Target price: ₹980-1,005
- Engineers India - Buying range: ₹95-100, Target price: ₹125
- Container Corporation of India (Concor) - Buying range: ₹630-640, Target price: ₹700
- Jubilant Pharmova - Buying range: ₹338-342, Target price: ₹420
- Axis Bank - Target price: ₹980
- Tata Power - Target price: ₹235
- Sun Pharma - Target price: ₹1,040



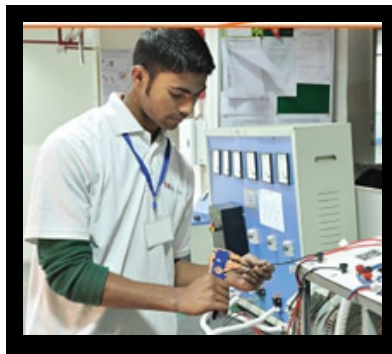
*\*The views and recommendations given in this article are those of individual analysts. These do not represent the views of editors. We advise investors to check with certified experts before taking any investment decisions.*

# GOVERNMENT SCHEMES

## Mission Karmayogi

Mission Karmayogi is a national program for civil services capacity building launched by the Government of India. The program aims to enhance the capacity, performance, and professionalism of civil servants in India. The program is being implemented by the Ministry of Personnel, Public Grievances, and Pensions. The key objective of Mission Karmayogi is to develop a future-ready civil service that can meet the changing needs and aspirations of the citizens. The program is designed to provide competency-driven capacity building to the civil servants. It is based on a competency framework for civil services that is indigenous to India. Under the program, a new National Training Policy has been formulated that emphasizes on competency-based training for civil servants. The program also aims to create a common platform for all civil servants to share their experiences and best practices. It includes a digital platform called iGOT-Karmayogi, which provides online training and capacity building to the civil servants. The program is anchored by an apex body called the Capacity Building Commission, which is headed by the Prime Minister of India. The commission will provide direction and guidance to the program and monitor its implementation. Overall, the Mission Karmayogi program aims to transform the civil service into a future-ready and citizen-centric organization that can deliver high-quality public services.

## NAPS Apprenticeship



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## Pradhan Mantri Vaya Vandana Yojana (PMVVY)



PMVVY stands for Pradhan Mantri Vaya Vandana Yojana. It is a government-backed pension scheme for senior citizens aged 60 years and above, launched by the Indian government. The scheme is implemented by the Life Insurance Corporation of India (LIC) and is designed to provide social security and protect elderly persons against a future fall in their interest income due to uncertain market conditions. Under the scheme, an assured rate of return of 7.40% per annum is offered for the initial years. In subsequent years, while the scheme is in operation, there will be an annual reset of the assured rate of return with effect from April 1st of the financial year in line with applicable rate of return of Senior Citizens Saving Scheme (SCSS) up to a ceiling of 7.75% with a fresh appraisal of the scheme on breach of this threshold at any point. The mode of pension payment under the Yojana is on a monthly, quarterly, half-yearly or annual basis, depending on the option exercised by the subscriber. The minimum purchase price under the scheme is Rs. 1,62,162/- for a minimum pension of Rs. 1000/- per month, and the maximum purchase price is Rs. 15 lakh per senior citizen for getting a pension amount of Rs. 9,250/- per month.



# FINANCE & INVESTMENT

## Prime Minister Narendra Modi and Walmart CEO Doug McMillon Discuss Investment Opportunities and Collaboration

In a recent meeting between Indian Prime Minister Narendra Modi and Walmart CEO Doug McMillon, the leaders engaged in fruitful discussions covering a range of subjects. Prime Minister Modi expressed his satisfaction with India's emergence as an attractive investment destination, highlighting the country's growing appeal to global businesses. The meeting took place last week, and both parties expressed their positive sentiments on social media. Walmart Inc., in a tweet on May 11, expressed gratitude to Prime Minister Modi, saying, "Thank you Prime Minister @narendramodi for a great conversation. We are working toward exporting USD 10B per year from India by 2027 and are committed to strengthening logistics, skill development & supply chains to make India a global export leader in toys, seafood & other goods." This highlights Walmart's ambitious plans to enhance its presence in India and leverage the country's potential as a key export hub for various industries. During the meeting, McMillon emphasized the shared value between Walmart and India, reaffirming their dedication to supporting the country's manufacturing growth and creating opportunities. The discussions centered around strengthening logistics, skill development, and supply chains to bolster India's global standing as a leading exporter of toys, seafood, and other goods. This commitment from Walmart underscores the company's long-term vision for collaboration and economic growth in India. The meeting between Prime Minister Modi and CEO Doug McMillon marks a significant step forward in strengthening bilateral ties and fostering a mutually beneficial partnership.

## India's Energy Imports Bill Could Be Slashed by \$2 Billion through Coal Bed Methane Harnessing, Say Experts

In a groundbreaking revelation, experts have highlighted that India has the potential to significantly reduce its energy imports bill by \$2 billion. This remarkable opportunity can be realized if the nation effectively taps into just 10 percent of its abundant coal bed methane (CBM) reserves, estimated at a staggering 2,600 billion cubic meters. This development gains even greater significance in light of India's recent achievement of record-high coal production during the last fiscal year, with plans underway to further increase production. Having surpassed the milestone of 778.19 million tonnes of coal, India aims to surpass the remarkable mark of one billion tonnes by the year 2025-26. Dr. J.S. Sharma, the Head of the International Centre for Climate and Sustainability Action Foundation (ICCSA), emphasized the collective efforts needed to harness CBM and highlighted its potential benefits.

By leveraging just 10 percent of the vast CBM reserves, India could save over \$2 billion by reducing its reliance on oil imports. Dr. Sharma further emphasized that the savings could be even more substantial if a larger portion of the CBM reserves is tapped into. As part of its endeavors to raise awareness about the potential of methane, the ICCSA has been actively organizing workshops for various sectors such as Oil & Gas, Agriculture, and Livestock. The harnessing of CBM reserves not only presents a tremendous opportunity for cost savings but also contributes to reducing emissions and strengthening India's energy security. By embracing this resource, India can make significant strides towards a greener and more self-reliant energy future.

## Government to Infuse Rs 300 Crore in Alliance Air to Ease Financial Challenges

According to a senior official cited by PTI, the Indian government is set to inject Rs 300 crore into Alliance Air, previously a part of Air India and now owned by AI Assets Holding Ltd (AIAHL), a special-purpose vehicle created by the central government. This move aims to mitigate the financial difficulties faced by Alliance Air and support its operations. Alliance Air, which operates approximately 130 flights daily, has encountered challenges such as pilot strikes protesting the non-restoration of pre-Covid salaries and non-payment of allowances. However, the equity infusion by the government is expected to provide relief and help the company navigate these turbulent times. The government's decision comes as Alliance Air remains on track for disinvestment. In fiscal year 2021-22, Alliance Air witnessed a widened net loss of Rs 447.76 crore, while its cash loss expanded to Rs 224.18 crore for the financial year ending in March 2022. AIAHL, the entity that currently owns Alliance Air, also oversees three other companies previously associated with Air India: Air India Air Transport Services Ltd, Air India Engineering Services Ltd, and Hotel Corporation of India Ltd. These four entities are slated for divestment in the future. Looking ahead, the Expression of Interest (EoI) for Air India Air Transport Services and Air India Engineering Services is expected to be floated soon as part of the government's disinvestment plans.



# BUSINESS

## Ratan Tata, Tiger Global-backed Upstox breaks even in FY23; revenue touches Rs 1,000 crore

Upstox, backed by Ratan Tata and Tiger Global, has cash reserves of over Rs 1,000 crore now and is looking for both organic and inorganic growth opportunities.

Discount broking company Upstox, backed by Ratan Tata, has achieved breakeven in FY2022-23. The company is aiming for a 10-times jump in its customer base to 10 crore in the next 5-6 years, said its co-founder and CEO Rajiv Kumar.

Apart from Ratan Tata, the company is also backed by investor giant Tiger Global. Upstox's operating revenue crossed 40 per cent to Rs 1,000 crore. It also generated a positive net cash flow of approximately Rs 130 crore in the last quarter of FY2022-23. The company has cash reserves of over Rs 1,000 crore now and is looking for both organic and inorganic growth opportunities. However, the company has no fundraising plans at the present. It had raised \$100 million as part of Series C funding in January 2022.

Kumar said that its financial stability will help it fortify its market position through both organic and inorganic routes and help it achieve the aspiration to have 100 million customers in the next 5-6 years.

Upstox that competes with rivals such as Zerodha, said that less than 5 per cent of Indians are investing in stocks and the overall potential in the Indian market remains largely untapped, for which the company has paused expansion in the US in the last 18 months and is focussing on business in India.

## UK-based SRAM & MRAM Group to invest \$100 million in SpiceXpress; signs MoU

SRAM & MRAM Group, the UK-based diversified group, will invest \$100 million in SpiceXpress and Logistics Pvt Limited. As part of the investment deal, both sides have signed a Memorandum of understanding (MoU). SpiceJet Limited said in a regulatory filing on Monday. Recently, airline SpiceJet completed the hive off of its cargo and logistics division, SpiceXpress, into a separate entity, paving way for the company to raise funds independently. The separation has been effective from April 1.

The airline said that the hive off would strengthen its balance sheet and wipe out a substantial portion of its negative net worth, and unlock significant value. Commenting on the investment, Ajay Singh, Chairman and Managing Director, SpiceJet, said, "We had recently hived off SpiceXpress into a separate Company as we were extremely confident and bullish about the potential of our tech-enabled logistics business and this MoU reaffirms our belief." The MoU with SRAM & MRAM Group follows a restructuring agreement with aircraft lessor Carlyle Aviation Partner wherein the latter picked up a stake in SpiceXpress at an anticipated future valuation of \$1.5 billion or Rs 12,422 crore, SpiceJet Limited said.

"We see excellent growth opportunities in the logistics and cargo space in India," Sailesh Lachu Hiranandani, Chairman, SRAM & MRAM Group, stated.

SRAM & MRAM Group's interests are spread across multifarious services, business verticals and operations -- including agricultural and agro-food products, neural networks, artificial intelligence, hedge fund management, forex management, hospitality services and solutions, information technology, media and publishing, embedded systems and infrastructure.



# BUSINESS

## Another Round of Layoffs at Amazon India: Employees in web services, HR teams handed pink slips

Amazon India has undergone a fresh round of layoffs impacting employees in Amazon Web Services (AWS) and People Experience and Technology Solutions (PXT) verticals. A source aware of the matter noted that the current downsizing round is part of the layoffs announcement made in March by Amazon CEO Andy Jassy, which were to impact 9,000 employees.

Another source said that around 100 employees have been laid off from People Experience and Technology Solutions (PXT) late last week. People Experience and Technology Solutions (PXT) refers to Amazon's Human Resources team. AWS CEO Adam Selipsky had announced in an internal memo late in April that the layoffs at AWS would begin from the North American teams, and would then take place globally. He noted that the slowdown in growth of AWS revenues and the macroeconomic conditions were the major reasons behind the downsizing round.

## DMart Q4 results: Net profit rises 8% to Rs 505 cr; revenue jumps 21%

Revenue dipped from the previous quarter ended December that reported Rs 11,304.58 crore, while the net profit also decreased from Rs 641.07 in the quarter ended December. Radhakishan Damani-helmed Avenue Supermarts that runs DMart retail store chain, reported a 21 per cent increase in revenue at Rs 10,337 crore, as opposed to the same period previous year that had clocked revenue of Rs 8,606.09 crore. Its net profit also climbed to 8 per cent to Rs 505.21 crore over Rs 466.35 crore in the same period previous year.

However, the revenue dipped from the previous quarter ended December that reported Rs 11,304.58 crore, while the net profit also decreased from Rs 641.07 crore in the quarter ended December. DMart reported a rise in expenses from Rs 7,999.03 crore in the same quarter previous year to Rs 9,709.20 crore. The company's margins decreased 7.6 per cent as compared to 8.6 per cent on a year-on-year basis. Its EBITDA (earnings before interest, taxes, depreciation, and amortization) was up 5.5 per cent to Rs 783 crore.



# THE VIT SHALA TIMES



## VITTSHALA

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