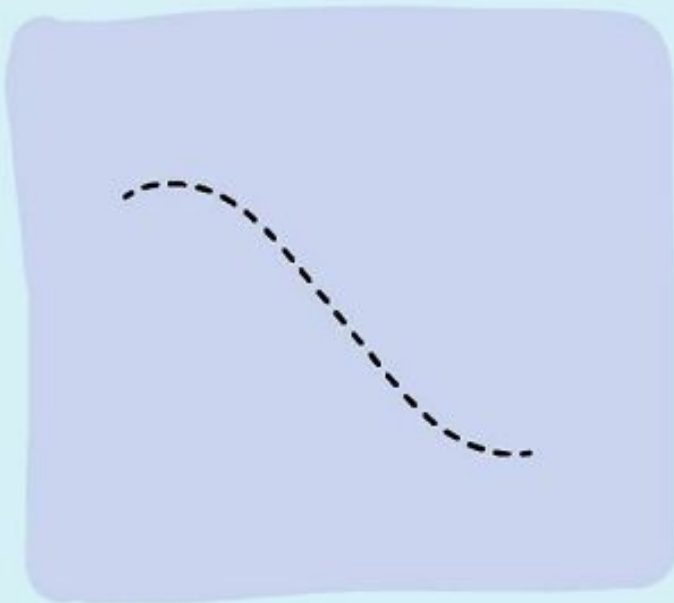
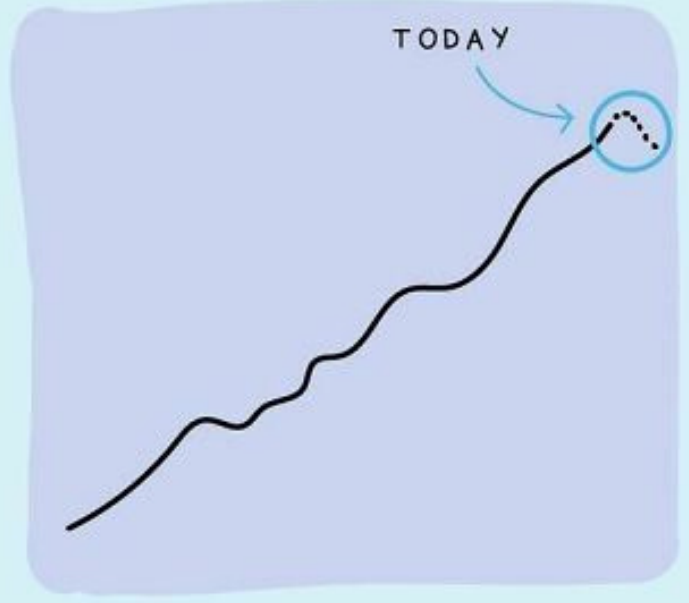


# THIS FISCAL

THE MONTHLY NEWSLETTER BY SIMANDHAR ENGAGEMENT COUNCIL



DON'T LET A BAD DAY



DISTRACT YOU FROM  
ALL THE PROGRESS  
YOU'VE MADE



## INSIDE THIS ISSUE:

SUCCESS STORIES  
FROM SIMANDHAR- 2

INFLATION - ALL YOU  
NEED TO KNOW - 5

ECONOMIC CALAMITY-  
RECESSION - 7

BOOK RECOMMENDATION  
OF THE MONTH - 9

# SUCCESS STORIES FROM SIMANDHAR

TOPPER OF THE MONTH



Abhissek Agrawal

REG - 97 | FAR - 96 | AUD - 96 | BEC - 92

## PLACEMENTS

 SHRAVAN T K - Deloitte

 CHAITANYA GROVER - EY



## SPECIAL SHOUTOUT

Student of the Month



JATAN BHATT

## CPA ALUMNI CELEBRATION



# Congratulations

## US CPA ALUMNI OF AUGUST



**S Charitha  
Reddy**



**Nidhi Singh**



**Khushboo Vora**



**Yamini Gera**



**Amulya Kumar**



**Janhavi  
Kadambande**



**Abhishek  
Agrawal**



**Parvinder Singh**



**Samyukta  
Ravichandran**



**Priyank  
Bhambhwani**



**Barkha Tajeja**



**Harvinder Singh**



**Saranya  
Govindaraj**

# *Congratulations*

## US CMA ALUMNI OF AUGUST



**Meera Kumari**



**Lally goli**



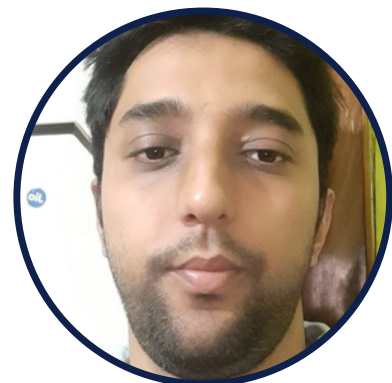
**Ankur Yadav**



**T.Chandana**



**Angad Singh  
Pandher**



**Sharik  
Shurfuddin**



# INFLATION – ALL YOU NEED TO KNOW

India's economy is showing signs of resilience despite fears of recession and war globally. India has a chance to escape inflation, says RBI . The global economy is going through an extremely uncertain period amidst the simultaneous interplay of various headwinds – a lingering war and enduring COVID; the sharp rise in energy and other commodity prices; strains in global supply chains; and worsening food security. In several economies, inflation is ruling at levels not seen by the recent generations.

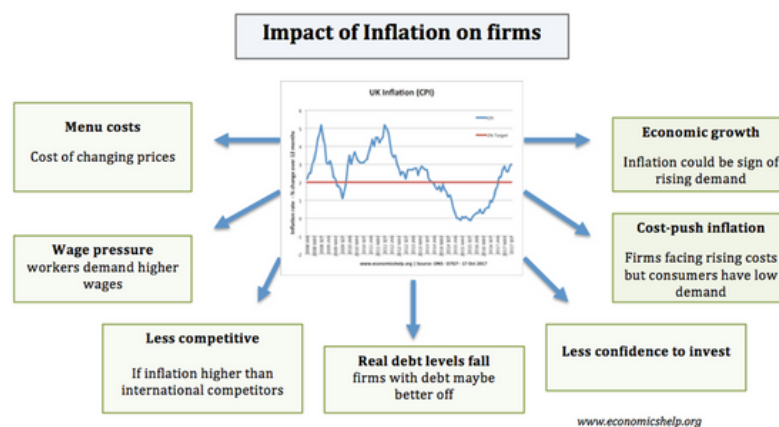
Contributed by  
**NIKHIL ASRANI**



## INFLATION AND ITS IMPACT

The inflation measures the annual percentage rise in the cost of living, which declines the purchasing power over time. An increase in the supply of money is the root cause of inflation.

The history of inflation in India since independence (1947) reveals that incidents of high and volatile inflation mainly emanated from droughts; wars; trends in minimum support prices (MSPs); global crude oil price shocks; large fiscal deficits and their monetisation; and sharp exchange rate movements. Overall, while there were sporadic occurrences of high inflation, the Indian economy did not encounter episodes of hyperinflation.



## RBI'S ACTION ON COMBATING INFLATION

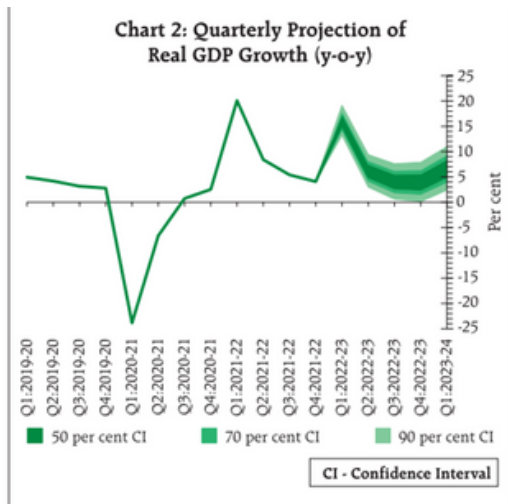
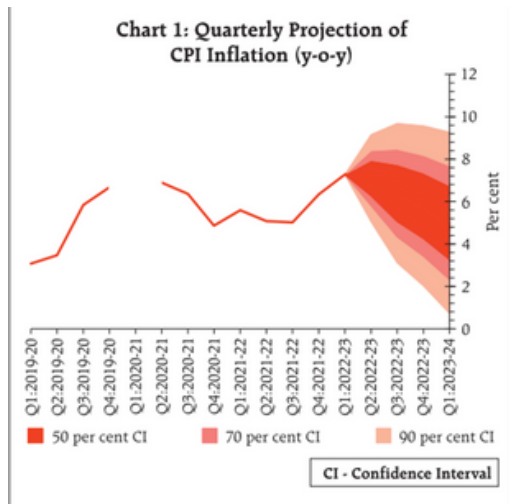
RBI has been proactive in combating inflation as seen in the recent Monetary Policy Committee (MPC) Meets. India's inflation has been above the central bank's target of 4 percent for 33 months and has stubbornly remained above the upper bound of the 2-6 percent tolerance range for six straight months.

The Apex bank has increased the repo rate by 90 bps to current 4.9% this fiscal in order to reduce adverse impacts of inflation. US federal reserve hiked its rate by 75 bps recently and markets expect another 50bps hike in September. "Indian markets expect a rate hike of 25 bps in the September MPC Meet."

The government has curbed exports and reduced duties of key food items including wheat, dal, palm oil, nuts, spices. The centre had cut excise duties on petrol and diesel by Rs 8 and Rs 6 in a bid to curb the rise of crude oil fuelled by the global supply chain disruptions led by the Russia-Ukraine war.

RBI in its move to make rupee globally acceptable for trade has mandated international trade settlement in Indian Rupee (INR). Previously invoicing for imports and exports used to happen in a foreign currency usually the USD, with this initiative it will now happen in INR. This move will reduce dependency on dollar and also keep the rupee stable in the long term.

RBI has also planned to launch 'Digital Rupee' by 2023 which has the the potential to provide significant benefits, such as reduced dependency on cash, higher seigniorage due to lower transaction costs, reduced settlement risk. It would possibly lead to a more robust, efficient, trusted, regulated and legal tender-based payments option.

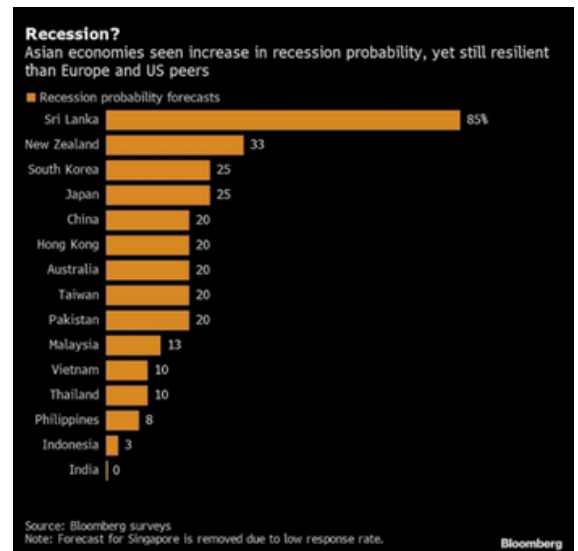


## GLOBAL OUTLOOK

Inflationary pressures will persist for a lot longer than the markets suspect. The direction of inflation today, regardless of the correction in commodity prices, is unpredictable. The only thing that would bring down these pressures is falling prices of consumer goods and services, which currently seems difficult.

A recession is inevitable. Central banks around the world have been far too cavalier with money printing for a long time. Now we have uncontrollable consumer price inflation hitting around the world. The response is inevitable: Higher interest rates and slower growth.

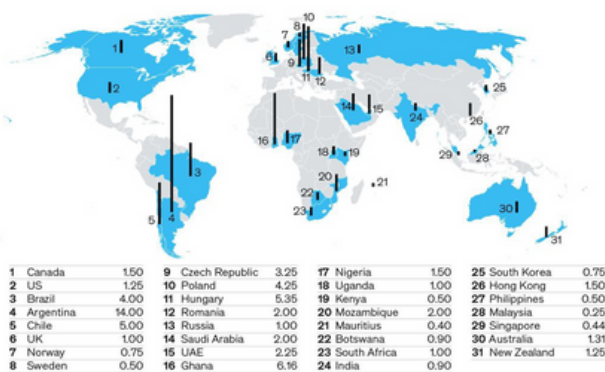
The levels of debt are unprecedented and will not even cope with interest rates where they are now. If central banks cut rates too soon the inflation consequences and social unrest will be frightening. We are in a perfect storm.



Recently USD and EUR hit Parity as the economic conditions are unfavourable in Europe with rising inflation. India is well positioned in the global market and is less vulnerable because it is less open than other economies, which helps the government in proactively combating the adverse effects. Active money and fiscal policy intervention by RBI is ensuring inflation is within the comfort zone and also doesn't impact economic growth to a larger extent.

## GLIMPSE OF INFLATION AROUND THE WORLD

Rise in central bank lending rates in 2022, percentage points (as of Jun 30, 2022)



Note: The boundaries and names shown on this map do not imply official endorsement or acceptance by McKinsey & Company. Source: Central bank websites

McKinsey & Company

COUNTRY	CPI inflation (YoY)
VENEZUELA	167.00%
RUSSIA	15.10%
UK	10.10%
IRELAND	9.10%
EUROZONE	8.90%
USA	8.50%
MEXICO	8.20%
CANADA	7.60%
GERMANY	7.50%
INDIA	6.70%
SINGAPORE	6.70%
AUSTRALIA	6.10%
TAIWAN	3.40%
CHINA	2.70%
JAPAN	2.40%

(INFLATION RATES AS ON 15TH AUGUST, 2022)

# ECONOMIC CALAMITY-RECESSION

*Contributed by*  
**Parmeshwari Dodia**



## RECESSION

A recession occurs when there is a massive decline in spending, decelerating economic growth, and GDP (gross domestic product) falls for two consecutive quarters. People start losing their jobs, the stock market turns bearish and the exchange rate declines. In addition to this, demand goes down from consumers, businesses, and the government.

## HOW DOES RECESSION IMPACT THE ECONOMY ?

A recession always impacts monetary and fiscal policies. Interest rates tend to fall and credit availability tightens up. This hereby leads to slower demand, a higher unemployment rate and all businesses irrespective of their size suffer. The recession might cause financial troubles like bankruptcy and lesser outflow (spending) of money by business owners and consumers in general.

## WAYS TO MITIGATE RECESSION-

### FUND

Make up an emergency fund (both personal and business emergency Fund). Just like you make a personal reserve for yourself for a rainy day, your business should also have an emergency fund for the uncertain and the unanticipated. Ideally, you should have reserves of at least three month's expenses covering necessities and businesses should ensure adequate risk-adjusted working capital is available. Access to adequate funds in such tough times is crucial.

### DEBT

Be it an individual or a business they all have a certain amount of debt to pay off. By keeping track beforehand of how much amount is to be paid and at what time. Such kind of analysis can help to decide whether the debt should be paid off before the recession hits or during the recession. This way an individual or a business can pay off the debt before the recession and can utilize the lump sum amount during the recession to sustain necessities smoothly.

### EXPENSES

Another way to mitigate the risk of recession is to cut down expenses and spending habits. Cost-cutting strategies can help to save money more effectively. This way you can easily navigate from your less prioritized expenses to more important expenses. Ideally having a strategy will make you more aware of your spending habits and you can always work on improving them.

### ADDITIONAL INCOME

You can only cut so much out of your budget and if you happen to be impacted by mass layoffs things go south. You should always explore avenues of additional income, thus diversifying your income sources and ensuring minimal risks. It's time to improve your skills and learn new ones. It could be something really out of your working field yet it can help you to survive a recession in a much better way.

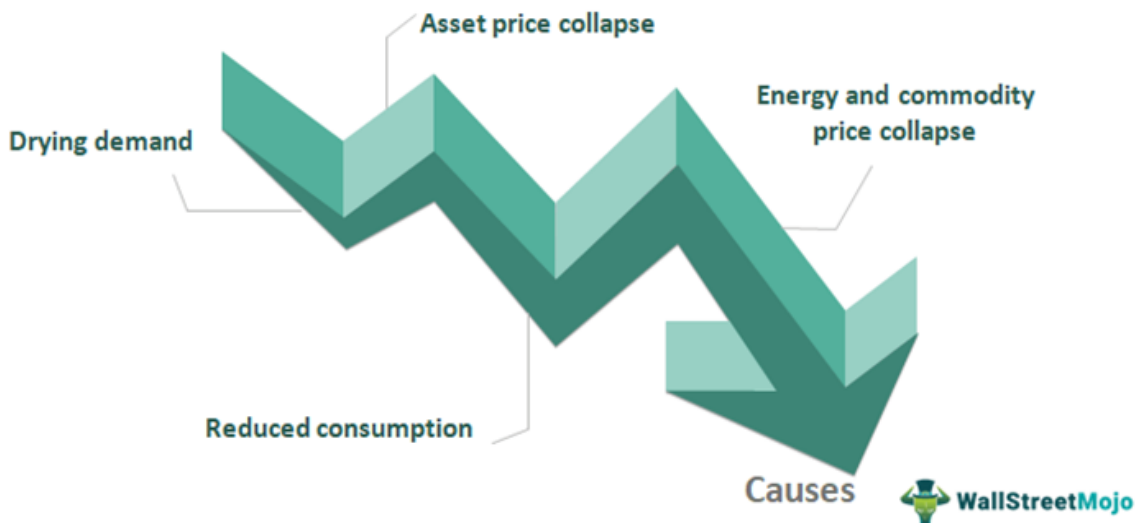
## Overcoming Economic Recession



## CONCLUSION

A recession is an axe to the economy. It affects the masses at large. A recession may even have a negative or positive impact. It also is responsible for inflation, unemployment, and other derailing factors which can be a disadvantage to the prosperity of the country. With proper planning and recommended measures, the impact of recession can be avoided.

## Global Recession





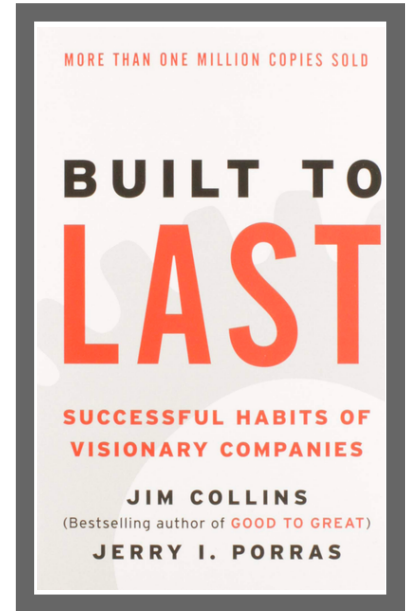
# BOOK RECOMMENDATION OF THE MONTH

## BUILT TO LAST

Contributed by  
**Tanmoy Sal**



This work of Jim Collins is one of the cult classics in the available literature on management and strategy. This book discusses visionary companies in great detail that have been in existence for at least five decades, with many of these companies being over a century old. Throughout the book, two ideas are highlighted namely ‘preserving the core’ and ‘stimulating progress’. The author points out how visionary companies have endured decades of existence by consistently aligning themselves to the core principles of the organization even while operating amid different cultures as well as passing on the leadership across generations. The book also discusses how these visionary organizations have adapted to changing technology and business practices without compromising on their core ideologies. The book also demonstrates the outperformance of shareholder returns of visionary companies vis-à-vis comparison companies and the general market. A dollar invested with visionary companies in 1926 would have delivered roughly 6.5 times the returns of comparable companies and 15.3 times the returns of the general market as of 1990.



## Paintings



Contributed by  
**Pragya Mishra**

## CORPORATE TIEUPS OF THE MONTH



**Simandhar** Ties-Up with **Analytix Solutions**  
as Learning Partner



for Employee Upskilling to Meet Global  
Accounting Demand

### [Additional Resources - Access Here](#)

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**Special Thanks** - Sripal Jain ,Tanmoy, Meera , Abhishek and Sukrut

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