



SETU

THE CONNECT

Dada Says

Love the world and you become worldly. Love the Lord, and you will grow Godlike!

The great Indian corporate debt game



Kingfisher case study is an offshoot of corporate debt fiasco currently looming over Indian financial system. Kingfisher Airlines under massive debt burden of Rs 11,800 crore which it owes to creditors, majorly, state-run banks and to its employees. Industrial baron Vijay Mallya saw an opportunity to help its newly set up Kingfisher airlines and borrowed massively to supplement its aircrafts with seatback TVs, roomy seats and champagne glasses to serve ciders, all a part of a luxury configuration. However, intensified competition in the air-travel space, rising fuel prices and global slowdown led the company to burgeoning losses and eventually company closed down the operations in 2012. The company was unable to repay the loan instalments, leave alone the interest amount. However, the actual acquisition of assets for loan recovery began after 3 years when authorities seized his offices and homes in 2015. The root of problem is the way appraisal and disbursements are carried out by Indian banking institutions. Our banking system needs an institutional mechanism and an operational environment that can insulate their lending from political and other influences. Like in the West, a modern law with a focus on speedy closure will help the bankers as well as firms to be either restructured or sold off with limited pain for all involved. If this is done swiftly, assets can be put to good use and the firm can be revived. India also needs fast-track courts to take these cases to closure fast. All of it will take its own course of time; however at present swift action against Mallya will set a strong example for the rest of the defaulters who have taken Indian banking system for a ride.

SVIMS NEWSROOM

FAREWELL PARTY '16



On 2nd of April, 2016, a farewell party was arranged by first year MBA students to bid adieu to their seniors. Highlights of function included a movie presentation, melodious songs, games and special tiaras for each student. The atmosphere was quite nostalgic with the seniors sharing their memories and experiences at SVIMS.

Height of Self Confidence 😂 **LOL**

A man wrote to SBI; "My Cheque was returned with remark 'Insufficient Funds'. I want to know whether it refers to mine or the Bank."