



Sir M Visvesvaraya Institute of Management Studies &
Research, Wadala, Mumbai -400031

The SVIMSIRIAN Newsletter

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Dear readers,

As we publish this newsletter, the entire country is in the grip of the second wave of the covid 19 pandemic. Some states have already announced lockdowns or lockdown-like restrictions. These are indeed very difficult times. We were all expecting a V shaped economic recovery but on the contrary, we are facing a double whammy of a more lethal mutant and lack of vaccines and oxygen. The government is working on a war-footing, We, as responsible citizens must adhere strictly to all health warnings and protocols. Stay safe. Stay healthy. Stay calm

The Reality of Life

By Vijay Chiraboina (MMS I)

Dreams do come true if we work hard to fulfil them. We should never give up. Even if people try to demotivate you or is courage you; do not let it affect you. Don't get distracted from your goal. Continue to work on the path of your dreams. Bad times never last. Good times will soon come. They are like seasons that come and go. Helping the needy is indeed good. It is said that, when we do something good it multiplies many times and comes back to us. Anything negative that happens to us in life is just to shape us into a better and stronger person.

As we go through life it teaches us many lessons. We have to learn from the past, live in the present and plan for the future.

This is the reality of life.

My Journey to Ernst & Young (EY)

By Natasha D'Mello (MMS IV)

I, Natasha D'Mello, am working as an analyst with the business consulting wing of Ernst & Young. Having completed my graduation from KJ Somaiya college of arts and commerce and being a company secretary student, I was really confused as to what to do in the future. Finally, because of my mother's guidance, I decided to complete my Masters in Management. So, I started preparing for the CET. I completed my CET and I took admission in SVIMS. I had a very good experience at SVIMS; I learnt a lot of things there and also developed a lot of skills.

Then, we had a placement drive in our college where I was the first student to be placed with Swastika Investment. I worked for 4 months in this firm but due to the pandemic, the branch was shut down and I was rendered unemployed. It was a very bad phase when I lost my job but as it is rightly said that, "Whatever happens is for the good", the same happened with me too. Before joining Swastika Investment, I had sent my resume to a lot of organizations. One day, I received a call from EY about a job opening, as they were very impressed with my resume. I attended the interview, successfully cleared it and was selected for the post of an analyst.

This is how I made it to EY: ONE OF THE BIG FOUR as an analyst.

This is my interesting journey from SVIMS to EY.

“Can I interest you in a sarcastic comment”?

(Do I identify myself with Chandler?)

Priyesh Mohite - MMS I

There is this character in a hugely popular American TV show F.R.I.E.N.D.S. His name is Chandler. He is the one character from the show that I can relate to most. He grew up from being childish to a mature and sensible man. That in itself is a great life lesson. But there are a few specific yet important lessons that I learnt and I'm about to share those.

I learnt from Chandler that the best defense mechanism is sarcasm. That you don't have to be offensive to prove a point. Sarcasm helps. It does get you out of embarrassing situations smartly.

I learnt that money can't buy happiness but you can buy coffee for your friends, talk to them, laugh at them, like he does with Ross, while still making fun of yourself to cover up. See happiness isn't expensive at all.

He taught me that it is ok for men to have their vulnerabilities and weaknesses on display. Looking at the childhood that he went through, no doubt he was so scared of relationships. Still when he realized that Monica is the woman he wants to spend his entire life with he held onto her like a gentleman.

He taught me that once a person trusts you with their heart you should never turn your back on them in any circumstances, let that be your friends or family and especially a friend like Joe.

He taught me that no matter how high-paying the job is, you should always follow your passion. He quit his high-paying statistical analyst job to pursue advertising, where he could use his smart sarcasm and his charm to please everyone with his wit.

He taught me that dancing in uncomfortable situations can solve problems. He was never a great dancer, but that didn't stop him from using dance to distract his mind in bad patches of his life.

I also learnt that it is ok to cry and not cry. You don't always have to go with the flow. You can feel sad or anxious when everyone else is happy and you can be content when everyone else is complaining. 'Coz when you have friends like Phoebe and Rachel around who love & support you, what others think should not matter.

Chandler also taught me another life lesson and that is when you are not great at giving advice, you can always interest them in a sarcastic comment.

P.S. If you are a fan of F.R.I.E.N.D.S., well you must already be knowing about REUNION special.

The Rafale Deal - By Vaishnavi Chaudhary (MMS I)

What is the Rafale Deal?

India in 2016 inked a direct deal with the French Government to purchase 36 new Rafale fighter jets for 7.87 Billion Euros. India will get 28 single seater jets and 8 twin seater jets for training.

The Indian Rafales will carry the RB series of tail numbers, which was once operated by air chief marshal RKS Bhadauria. The Rafale jets gained the highest weightage among all the other weapons system in the regions. This jet gives India the ability to face Pakistani jets from a distance without even crossing the LOC line. Also air to ground SCALP missiles will virtually target Pakistani soil with dead accuracy. Has a range of over 300 km which means that for the Balakot operation, Indian jets would not have needed to cross the LOC and could have conducted the strike well within our airspace.

The ones which are supplied to India are the most advanced version, modified for certain requirements. Rafale.

Following were the capacities of Rafale jets:

Ability to take off from high altitude airbases like LEH on a “cold start”-for a quick reaction development.

Towed decoy system to thwart incoming missile attacks.

Helmet mounted sights and targeting systems to give the pilots quick ability to shoot off weapons.

French industrial support for next 50 years

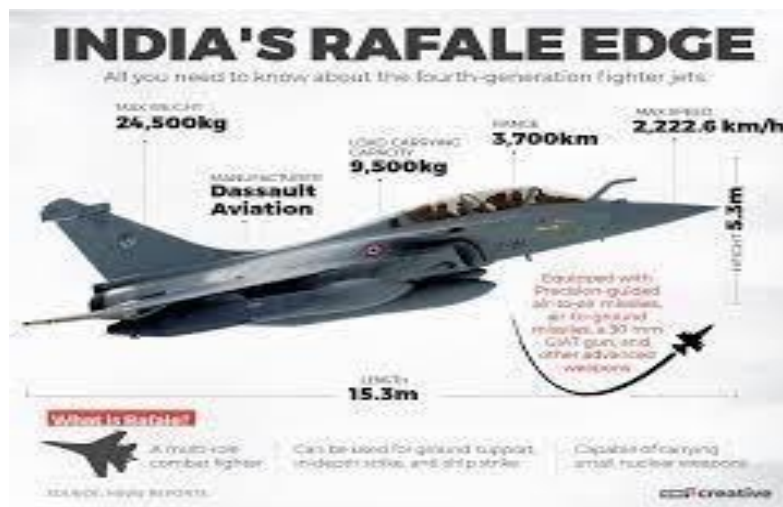
The first batch of four combat jets already arrived in India in May 2020. Those were the 1st Squadron of Rafale Fighter Jets which were deployed at Ambala (Punjab).

India has been keen to welcome 36 new Rafale jets according to their respective deal; out of which 4th Batch of 3 Rafales have landed on Indian soil recently on 31st March 2020. The 1st batch came in July 2020 with 5 jets, 2nd & 3rd batch with 3 jets each in November 2020 and January 2021 respectively. The infrastructure to accommodate this property has already been placed.

With the arrival of Rafale jets Indian Air Force has solid fire power in its arsenal..



Image Credit: Dassault Aviation - F. Robineau



Defence

Benefits of Yoga Asanas - By Anjali Phanse (MMS I)

Yoga Asanas will definitely help you during the pandemic and even otherwise. Asanas are great for boosting health and energy.

Why Yoga?

Continuous anxiety or stress can manifest itself in many health conditions such as high blood pressure, muscle tension, breathing issues, etc. Stress is the element that triggers our sympathetic nervous system causing all these health issues and in such situations, yoga can help us to stay calm. The posture and asanas of yoga help us to reduce muscle tension, joint issues and relax our sympathetic system, resulting in a relaxed mind. There are a lot of yoga poses which help us to manage our blood pressure level and anxiety. Yoga also teaches us to regulate our breath, which can make a person feel relaxed and at peace.

Yoga during the pandemic:

To live through this lockdown & pandemic period, yoga is the best thing to adopt as a lifestyle habit. It helps us build a strong physical, mental and spiritual health system. When combined with breathing and meditation, it acts as the best element to take care of our mind, body and soul. There are different forms of yoga that can help us to stay physically strong and mentally balanced. It could also be something you can motivate others in your family & social circle to do, as it could help them get through these times easily & healthily. Just like a normal walk in the park or 30 minutes of hard-core gym exercising, Yoga brings its own flavour and benefits to the table, which can be performed by people of all ages, and provides you with a holistic sense of health, which is especially required during this time.

Personally I do yoga for good health and to build better immunity. It also helps in...

- Stress relief: One of the most basic and common reasons why people do yoga is because of its immense stress-relieving abilities.
- Flexibility and body strength: These are the immediate benefits to the body. Yoga makes your body undergo numerous poses and stretches which in turn improves the flexibility and strength required for deeper yogic practices. As the body grows stronger, the mind is also able to concentrate and focus more.
- Spiritual benefits: Perhaps the most rewarding aspect of yoga is finding the spiritual balance within you. And that's why people like yoga because it changes their perspective about life completely.
- Concentration and mindfulness: Yoga works a lot with the power of the mind, many people benefit from an increased capacity to concentrate on things. Their focus improves dramatically as the distractions around them start bothering them less and less. One of the main reasons why people love

yoga is because of this aspect. Along with concentration, yoga also makes them more mindful of the things around them and naturally moves the spirit and the mind on the path of bliss and happiness.

So, I will suggest that you have to do yoga asanas for good health and a better immunity system. It will help you in various ways:

1. Yoga helps you in all-around fitness
2. Yoga benefits in weight loss
3. Yoga is one of the best solutions for stress relief
4. Yoga helps for inner peace
5. Yoga Improves Immunity
6. Practice of Yoga Offers Greater Awareness
7. Yoga improves relationships
8. Yoga Increases Energy
9. Yoga gives you Better Flexibility and Posture
10. Yoga helps in managing mood and energy



Halasana

Halasana helps in relieving gas and upper/lower back pain or discomfort. It promotes good digestion.



Sirsasana

It improves blood circulation, gives strength to the respiratory system, improves concentration and memory.



Kukkutasana

Strengthens the entire body with the use of the muscles like; biceps and triceps, core muscles, gluteus, and pelvic floor muscles. Improves digestion and tones the abdominal muscles supporting the internal organs.



Kurmasana

It stretches legs, back, shoulders and chest and lengthens the back muscles. Kurmasana improves the functions of the respiratory and digestive systems.



Sarvangasana

This asana prevents thyroid problems and also ensures smooth blood flow to the heart without any strain by force of gravity. Thus Sarvangasana is good for the proper functioning of the heart and also prevents palpitations.



Paschimottasana

This asana calms the mind and also relieves mild depression and stress. Menopause and menstrual discomfort can be combatted with this asana. The kidneys, liver, uterus, and ovaries are activated by practising this asana regularly.



Kurmasana

It stretches legs, back, shoulders and chest and lengthens the back muscles. Kurmasana improves the functions of the respiratory and digestive systems.



Dhanurasana

Dhanurasana gives maximum stretch on the abdomen and abdominal sides. Regular practice of this asana helps to shed and burn fat of regions of the body. It also provides overall toned shaped to the entire body.



Chakrasana

Chakrasana strengthens arms, shoulders, hands, wrists, legs, buttocks, abdomen, and spine. It stimulates the thyroid and pituitary glands.

Government of India's borrowing programme and its implications:

Prof Mani- Faculty of Finance & Coordinator MMS I

Government of India (GOI) pegs gross market borrowing at Rs 12.05 lakh crore for FY 2021-22. The government will borrow Rs 12.05 lakh crore from the market in 2021-22, lower than the Rs 12.80 lakh crore estimated for financial year 2020-21 (ET 01, February 2021)

The amount of borrowing is humongous by any standards. Why is GOI borrowing so much? First, the economy needs a boost in the form of additional expenditure by the households and the government. This additional expenditure will revive the 'animal spirits' and help India achieve a real GDP growth of 10.5% for the FY 2021-22 (World Bank report)

Hard-pressed for funds to combat rising coronavirus infections, the government in May 2020 increased its market borrowing programme for financial year 2020-21 by more than 50 per cent to Rs 12.80 lakh crore. Further for the current fiscal 2021-22, the government is aiming at a borrowing of Rs 12.05 crore from the market.

What are the implications of this borrowing programme?

First, as any undergraduate economics student would know, this kind of borrowing will give rise to inflationary pressure in the economy and there is also the fear of huge government borrowing ‘crowding-out’ private sector investment.

Crowding-out is a phenomenon where banks are happy putting their money in government bonds rather than lending the money to private sector and individual borrowers – lending to whom is riskier for the banks (credit risk).

Now let’s turn our attention to an interesting phenomenon that is being played out in the bond market.

The tug of war between bond traders and the RBI:

Welcome to the esoteric world of bond-traders. The bond-traders who sit in the banks’ dealing rooms buy and sell government bonds or government securities (G-Sec for short) day in and day out and they do this because the banks have invested hugely in G-secs. The G-secs are used for the mandatory Statutory Liquidity Ratio (SLR) prescribed by the RBI for all banks and also to make profits from trading in G-secs. The Indian banks typically hold G-secs far in excess of the mandatory SLR requirements.

A basic backgrounder about GOI securities (G-secs) or Government bonds:

As mentioned above, the GOI announces its borrowing programme for the fiscal year and the RBI (who is also the banker and merchant banker for the GOI) helps the GOI mop up funds from the market through bond issuance. The process of issuing the bonds is through an auction process called G-sec auction. This auction is conducted by the RBI from time to time depending upon the market conditions. The market players submit their bids in this auction. The bids are in the range of 100 crores to 1000 crores by individual banks. The RBI reserves the right to accept or reject any bid for which the yield is quoted above the cut-off yield. (in simple terms interest rate paid on bonds)

The commercial banks and Primary Dealers (PDs) are major participants in the auction. Apart from the banks and PDs, Mutual Funds, Insurance companies and NBFCs are the other participants. The bonds usually have a face value (or par value) of Rs 100, issue date, maturity date and coupon rate. The bonds have a tenor (life) of 5 years and above and go on up to even 30-40 years. Therefore, these are called long-term bonds or dated securities. The coupon rate is the interest rate payable on the bonds. These bonds are traded in the secondary market (like shares) and the market is very liquid. There is a term called ‘yield’ which is frequently used when we talk about the bonds. This describes the relationship between the price of the bond and the amount of return one receives on bond investments. A bond is simply a financial instrument that pays regular and fixed interest amounts over a period of time and at maturity the principal amount is paid back to the investor.

There is an inverse relationship between the price of the bond and the yield. If the yields rise, the prices fall and vice-versa. This is the first principle of bond mathematics.

Let us now come back to the tug of war. Because of huge government borrowing, there will be a huge supply of government bonds (govt. paper – in bond dealers' parlance) in the market. This huge supply of bonds or G-secs will push down the prices of the bonds (demand-supply and price relationship is at play here) and the yield on the bonds will rise. The market will demand a higher yield on these bonds. You may ask what is the problem here? This is a natural corollary - no? Here lies the nub of the problem.

What is 'yield' for the investor is 'cost' for the issuer of the bond. Who is the issuer of the bond here? The Government of India. Imagine the cost the government would incur on this huge borrowing if the yields go up. It will be in lakhs of crores. The govt. will have to borrow fresh money to service the interest payment alone. This will result in a veritable debt-trap. The RBI wants to keep the cost low. But the market says no way. Market seems to tell RBI and the government that if you want to borrow so much be prepared to pay the cost in the form of higher yield. For instance, the yield on the 10- year Govt. Paper (this is the favourite bench-mark in the bond market) used to be in the range of 5.90 – 5.95%. After the borrowing programme was announced by the government, the yield jumped to 6.05% - a 10 basis point increase which is considered huge. RBI Governor Shaktikanta Das tried to calm the bond markets by various statements but that did not help.

Note that to keep the yields low, there should be persistent buying of bonds which requires a lot of money. The banks say that they do not have the kind of money at their disposal – only RBI with its power to print currency notes can buy bonds on a sustained basis.

So, finally the RBI has in its Monetary Policy statement of 7th April 2021 assured the market participants that it would step in and conduct what is called as G-sec acquisition programme (GSAP) and will buy G-secs from the market and help in keeping the yields low across different maturities. This will lead to another problem. When RBI buys bonds from the market, it has to print currency notes to fund its purchase of bonds. This will increase the money supply and stoke inflationary fires. How will the RBI manage? This is another question. Over to RBI now.

PS: This article has been simplified so that students/lay readers may understand the basic principles.

A POEM - By Arya Burde (MMS I)

LAUGHTER IS THE BEST MEDICINE

Everyone be healthy and happy....

Hold your heads tall and high

At every point just smile

That will cover each of your long mile.

Laugh out so very loud

That it will make you confident and proud.

Be carefree and giggle around

Don't hesitate you'll never be found.

Laugh out loud till your heart is satisfied

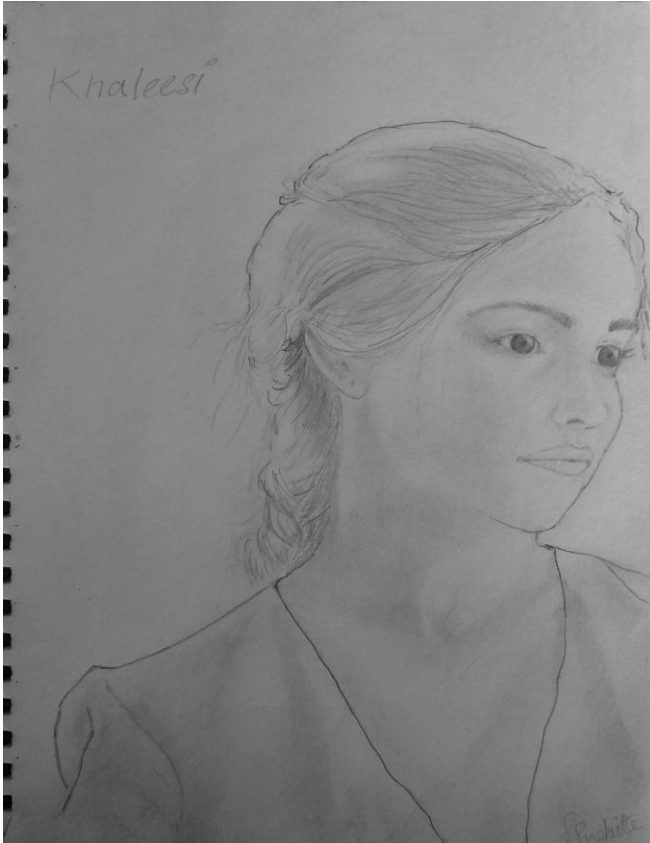
Be so unique that tears roll down your eyes...

Pour out 'HAPPINESS' to each soul around,

Influence everyone with your Cute and sweet 'SMILE'.

Art Gallery

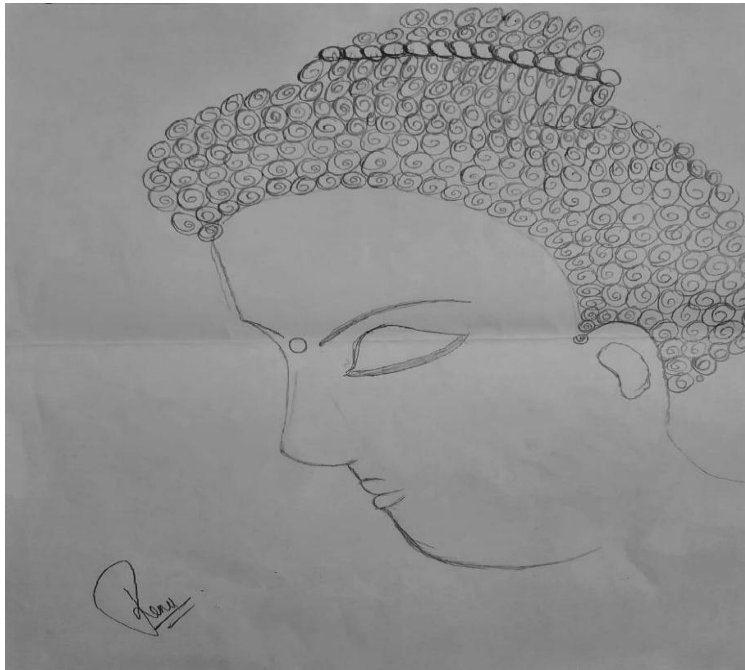
Priyesh Mohite- MMS I



Shrikant Sangle



Renuka Bansode



Quiz corner:

It's the Season of Mangoes. So it is only apt that we have a quiz on mangoes - "Guess the names of Mangoes". The first three all correct entries will get a cash prize of Rs. 100/- each

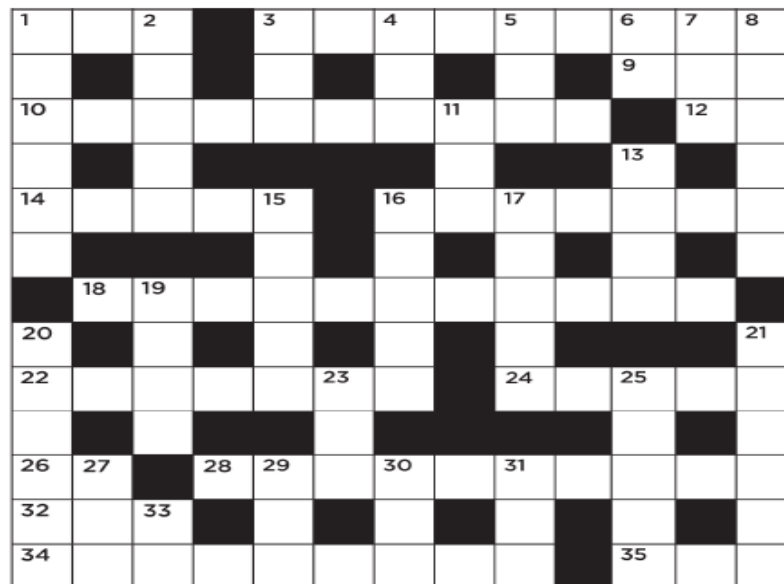
GUESS THE NAMES OF MANGOES

- 1) HANDICAP PERSON
- 2) RELATED TO HINDU FESTIVAL
- 3) A PRECIOUS STONE
- 4) ----- PAUNA WORDS DENOTING MARK OF RESPECT
- 5) TOWN IN KURNOOL DIST IN A.P.
- 6) NAME OF THE QUEEN FROM BUDDHIST LEGENDS WHO WAS ONCE A GIRL SELLING FLOWERS
- 7) AN EXPENSIVE SEASONING SPICE
- 8) PARROT

- 9) NAME OF AN ANCIENT COURT DANCER
- 10) IS IT A DRY FRUIT OR A COLOUR
- 11) MARRIED WOMEN'S HALLMARK
- 12) FULL OF JUICE
- 13) A DISTRICT IN BENGAL
- 14) KING OF MANGOES IN SOUTH INDIA OR CHOICE OF THE COMMUNITY HEAD
- 15) NAMED AFTER A PORTUGUESE GENERAL

Crossword Puzzle:

Note: The first 10 all correct winners will get a cash prize of Rs. 50/- each. Solution will appear in the next issue of the Newsletter. Send your answers to newsletter@svims.com



ACROSS

1. Half-pint
3. Sleepy
9. Sean Lennon's mom
10. Sneezy (phrase)
12. "___ apple a day ..."
14. Bloom of the Netherlands
16. Dopey
18. Grumpy
22. Happy
24. Cheap and showy
26. Physician's request
28. Doc
32. ___ Mahal
34. Bashful
35. Suitable

DOWN

1. Unsullied
2. Flower part
3. August baby, probably
4. Tic-___-toe
5. Hubbub
6. Monopoly starting space
7. Barefoot Food Network star
8. Communicate
11. Santa syllables
13. Clean with a cloth
15. Concise
16. Don Draper, for example
17. Unfit
19. Compatriot

20. What a swindler does

21. Young swan
23. Unusual
25. Pause mark
27. "So there!"
29. Forever and a day
30. Shakespeare classic: Richard ___
31. *Life of Pi* director Lee
33. *Dallas* villain

Sudoku Puzzle:

Note: The first 10 all correct winners will get a cash prize of Rs.100/- each. Solution will appear in the next issue of the Newsletter. Send your answers to newsletter@svims.com

8			9	3				2
		9					4	
7		2	1			9	6	
2							9	
	6						7	
	7				6			5
	2	7			8	4		6
	3					5		
5				6	2			8

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Your views/comments and contributions are welcome

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