

MANAGING THE SILICON VALLEY BANK CRISIS: INDIA'S PRUDENT ECONOMIC RESILIENCE IN A GLOBAL CONTEXT

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1. Introduction

The Indian government has little cause for concern regarding the impact of the Silicon Valley Bank (SVB) collapse on the Indian economy, but some repercussions cannot be entirely disregarded. They adeptly handled adverse effects amid the crisis's potential for positive and negative outcomes. However, it's plausible that a crisis in the US economy might not significantly impact India, given its autonomous approach and pursuit of self-sufficiency. Nonetheless, such presumptions are well-grounded when substantiated by factual evidence. The objective of the study is to assess the sectors affected by Silicon Valley Bank's failure in India, analyze the government's interventions to mitigate losses in these sectors and explore strategies adopted to capitalize on the situation for potential benefits.

2. Research Methodology

The research methodology involved Qualitative Record-Keeping and utilized the Content Analysis Method for data analysis by consulting varied sources like articles, digital news, financial platforms such as Moneycontrol.com.

3. Findings and Discussion

The study underscores that multiple sectors suffered, with the IT industry and Indian startups experiencing the most significant impact. It further emphasizes the swift Indian government response during the SVB crisis, introducing a deposit-backed credit line to assist distressed businesses by leveraging deposits for liquidity. Rigorous RBI regulations protected India's banking sector from SVB's negative consequences. Additionally, the crisis stimulated fresh prospects in Indian financial services and increased investor attention towards startups, leading to alternative funding channels and improved terms in fundraising negotiations.

4. Conclusion and Implications

The study showed that India managed the SVB Crisis well, showcasing strength and setting an example globally with proactive policies, technology focus, and use of digital solutions, thus confirming the objective of our study.

Keywords: Autonomous, Indian Economy, Indian Government, Self-sufficient, Silicon Valley Bank crisis.