

E-MAGAZINE

SNSB

ASP*i*RE

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# EDITORIAL TEAM



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# FOREWORD



I take pleasure in sharing with you the second edition of *SNSB-Aspire*, an E-magazine of the Syndicate-Nitte School of Banking. The first edition has been well received, both in terms of its content and the look. Taking off from the success of the first edition the second edition makes an attempt to bring in new perspectives in banking and also some general thoughts that promise to enrich yourself.

This edition brings to you a thought provoking discourse on the idea of "Differences" that requires some silent contemplation. One of the articles is on "Smart Farming" which is a down to earth treatise on the application of Internet in Agriculture. The piece on Recapitalisation of Banks and Paperless banking provides a different perspective to the much discussed and debated ideas of digital banking and provision of much needed respite to the capital starved banks.

This edition, therefore, maintains the contemporary theme of the E-magazine whilst adding a whiff of fresh air in the form of an off-the-track but simple topic like "प्रगति" - in Hindi.

I am confident that the various articles in the E-magazine will be well received by all its readers. This initiative will help the trainees in exploring issues in Banking and Finance and add to their knowledge. It will serve as a motivation for furthering their interest in Banking.

I do hope that this edition will inspire the trainee officers to contribute to the E-magazine in the form of articles and creative writings.

*Welcome again to the second edition of SNSB-Aspire. Enjoy reading!!!!!!*

Prof. Madhu Hegde  
Dean, SNSB

*In this issue.....*

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# EDITORIAL

*Dear Readers,*

ASPIRE to INSPIRE. With this motto we are here with another Edition of our magazine **ASPIRE**. This is an attempt from all the trainee officers of Syndicate Nitte School of Banking Batch 2017-18 to share their thoughts and ideas on a forum which is available to everyone. **ASPIRE** provides a platform to the budding bankers to think beyond the box and bring out their opinions strongly.

The first edition of **SNSB-ASPIRE** already doing the rounds, we hope that we live up to the bar already raised by our predecessors.

This quarter's edition brings forth a more crisp view of the development in the Banking World. We have a *CREATIVE CRONER* in the magazine to acknowledge the creative thinking of our fellow trainees. There is a permanent column dedicated to different Workshops and Cultural events that are organized in our campus from time to time.

The number of mail boxes **SNSB-ASPIRE** will reach is going to go up significantly. We therefore, aspire to capture our reader's interest and win their hearts through every upcoming edition of **ASPIRE** and hope that this bond grows more strong with time.

*We look forward to suggestions and guidance from our readers for improving their reading experience.*

# **“Smart Farming: Technology & Modernization”**

by Divyanka Nimesh



*“First Green Revolution took place at places with good water supply but Second Green Revolution is needed powered by technology and modernization: PM Narendra Modi”*

**B**y stating the above quote at the “Krishi Unnati Mela” held in March 2017, PM stresses on modernization of agriculture sector, calls for using latest technology. Looking at the present scenario, adopting new methods of farming using technology opens a broad way for the farmers in the agriculture industry. Today the farmers face a set of difficult challenges—an increasing worldwide demand for food, a changing climate, and a limited supply of water, fossil fuels and arable land. To surmount these hurdles, the agriculture industry is adopting an array of digital solutions and adopting smart methods of farming to overcome the problems farmers face.

Smart Farming represents the application of modern Information and Communication Technologies (ICT) into agriculture. It has a real potential to deliver a more fructuous and sustainable agricultural production, based on a more precise and resource-efficient approach.

A forecast was done by the food and agriculture arm of the United Nations (FAO) which says that the food production worldwide should see a 70% increase by 2050 to cater the ever growing population. The increase in production of food to that level is a very big target to achieve. And for the same, the steps are needed to be taken from today itself. The experts believe that IoT i.e., Internet of Things could play a crucial role in meeting this need. Cloud computing, machine learning and artificial intelligence technologies, and powerful communication and collaboration tools -all of which today come at low costs -are enabling societies to gather and analyze large volumes of data in ways that were impossible before, and deliver critical and useful information to the least privileged, who are unable to avail such facilities due to lack of knowledge they have regarding the latest developments taking place worldwide.

Smart farming application areas include farm vehicle tracking, livestock monitoring, large and small field farming, and storage monitoring. For instance, livestock sensors might notify a farmer that an animal is sick, allowing it to be pulled from the herd before the disease has time to spread. Soil sensors alert farm owners to high acidity or other impending problems, allowing time to avert poor yield before it happens. Self-driving tractors can be controlled remotely, providing significant savings in labor costs.

IoT can do so by improving the efficient use of inputs like soil, fertilizers and pesticides, monitoring the livestock, predicting diseases, scanning storage capacities like water tanks, and making sure that crops are well fed and watered. It shows an overall potency to increase the productivity with a reduced cost. It has the potential to address issues such as irrigation and productivity wherein the data gathered by IoT sensors have the ability to provide an

overall performance of the crops and hence determining when the crops might require servicing. At other instances, real-time data about soil, air quality, water levels etc. can help farmers in making a much informed decision about planting and harvesting crops, thereby increasing the overall yield of the crops. As IoT applications in agriculture continue to develop, farms will become more connected, more streamlined, more efficient and ultimately more productive.

It has been reported in Devanakond, Karnataka, the SMS alerts proved their worth when it rained in May, and some farmers decided to sow the model recommended in June that sowing must be avoided during that duration, and 175 farmers went by this advice. The ones who worked accordingly enjoyed and those who sowed early suffered because there was a dry spell, which destroys groundnut, after the plants flowered. ICRISAT and Microsoft have entered an understanding with Karnataka to develop an agricultural commodity price forecasting model for tur crop. Experts there have set the target to reach 2,500 farmers in Andhra, and 1,200 in Karnataka this year. And by next year, the number should be 10,000 in each state.

In India, Indian Space Research Organization (ISRO) has developed an android based app which collects real-time information to assess the damage to agricultural crop due to hailstorm. This app aims to allow the farmers to process faster claims to insurance during crop damage by accessing real-time data. It currently applies to rice and cotton crops in the states of Karnataka, Madhya Pradesh, Haryana and Maharashtra.

Recently, the PM has also launched a mobile application for farmers – "Kisan Suvidha." This will provide information to farmers on subjects such as weather, market prices, seeds, fertilizers, pesticides and agriculture machinery. As on today, there are an approximate 3 lakh active users of this app. The App is available in different languages, i.e., Hindi, English, Punjabi, Tamil and Gujarati for the convenience of the users.

However, large-scale commercial models are yet to emerge. Long-term success may require users to pay for what they use, and the participation of private entities that have the knowledge and incentive to run such projects. In addition, the farmers are needed to be educated regarding the use of applications by running farmers educating programmers which will help them to tackle the ongoing challenges. And for this more and more government initiatives like "Kisan Suvidha" should also be brought into action. By adopting new methods and deploying latest technology in the farming we would be looking at an overall developed society and a strong and well fed country.

## **“Recapitalisation of Indian Banks - Medicine or Cosmetic”** by Priyanka Sharma



**T**his is a common knowledge that Indian Banks are facing the problem of mounting bad debts. As at the end of first quarter of FY 18, the gross bad loans in banks stood at 8, 29,338 crores and are expected to rise further. When these loans are written off the bank’s capital is eroded which limits its ability to lend further.

The damage caused to Public Sector Banks by mounting bad loans could be partially offset by giving them more capital. This is what the Government of India being the majority share holders, is hoping to do with the scheme of Recapitalisation of Indian Banks. The 2.11 lakh crore capital infusion into the banking sector will come over the next two years.

By infusing capital the Government is trying to improve the capital structure of Banks and strengthen its lending capacity. This could give the banking system a good breathing time to enhance its credit portfolio and restore value out of the NPA accounts which will ameliorate their Balance Sheet. But the big question is whether recapitalisation will do the trick for the public sector banks. On deeper analysis it appears that it would prove to be a very temporary solution which would do cosmetic treatment and not address the causes of the disease. The root cause of such a huge pile of bad loans is indiscriminate lending by banks. Increased capital ratio will surely lead to more lending but if banks follow the same old pattern of lending indiscriminately without exercising due diligence then it will lead to further accounts turning NPA. This additional capital will vanish in no time and banks will be back to square one.

Second major reason for recurrence of bad loans is that bankers easily succumb to external pressure. They may have the knowledge to take the right decision but may not always have the gumption to take the right decision. It also must be admitted that lack of appraisal skills and also knowledge too are significant factors in bad lending hence mounting bad loans. In spite of lack of requisite skills the pressure to achieve targets set by a remote authority compel the grass root lenders to take ill informed, sometimes un-informed credit decisions with obvious consequences. A mention of periodic loan waivers announced by various governments is necessary here because it vitiates the recovery atmosphere so much that good intentioned borrowers also stop repayment of their debts in the hope of getting a waiver some day. In fact, those who repay their loans as per schedule feel

***“If banks follow the same old pattern of lending indiscriminately without exercising due diligence then it will lead to further accounts turning NPA”***

cheated and appear to be dumb fools in the face of waivers enjoyed by the bad intentioned borrowers.

Inordinate delays in resolution of bad loans through the intervention of judicial forums restrains the banks from approaching the courts of law, unless it becomes inevitable, and unfortunately, encourages the defaulting borrowers to create conditions that would force the banks to seek legal remedy because delays in the judicial process which is presently a given, works in their favour.

Utilization of work force in banking industry which is of most serious nature with most serious consequences if not managed well, for all and sundry works leaves it with insufficient time for attending to serious business of tending to the depositors money in a fiduciary manner.

Human resources of PSBs are competent and diligent however, their management including pay structure needs to be revamped to realize their potential which presently tends to be disoriented, disheartened and disappointed.

Unless these fundamental issues are addressed recapitalisation or any other bailout package of similar nature is unlikely to give the intended results.

Such bail-out packages also set a bad precedent as they send out a message to both the lenders and the borrowers that Government will come to their rescue some day. This way both the PSBs and the borrowers are not likely to mend their errant ways and more likely to land themselves in financial mess once again.

The Government therefore, along with recapitalisation, needs to enforce such discipline which will make banks as well as borrowers more accountable for their actions and liable for their errors of omissions and commissions. It also needs to unburden the banks from non core banking activities to allow them to focus only and only on their primary job of accepting deposits from and lending money to the public to earn a reasonable profit to pay a reasonable rate of interest to the depositors and dividend to the share holders. Only then will PSBs become strong enough to compete with private sector banks and Indian economy strong enough to face global competition.

# “प्रगति”

— बिपिन प्रसाद



‘प्रगति’ बड़ा ही विलक्षण एवं गूढ़ शब्द है | ‘प्रगति’ का शाब्दिक अर्थ है सामूहिक रूप से होने वाली क्रमिक उन्नति अथवा व्यक्तिगत रूप से आगे बढ़ना | समान्यतः व्यक्ति प्रगति नामक शब्द को आर्थिक विकास समझने की भूल करता है, और परिणाम स्वरूप भौतिक विकास की अनगिनत श्रंखला बना देता है | परन्तु, भौतिक विकास प्रगति का अर्ध सत्य है, जिसमें मानव मूल्य, मान्यताएँ, संस्कार, परोपकार, सत्य आदि अति विलक्षण गुणों की प्रायः आहुति दे दी जाती है | अगर ऐसा नहीं होता तो आज आधा विश्व युद्ध जैसे हालात में क्यों है? साथ ही कुछ राष्ट्र युद्ध की ओर अग्रसर क्यों हैं ? इसका सरल उत्तर है- विकास के नाम पर मानव मूल्यों का हनन |

भौतिक विकास की तलाश में मानव ने प्रकृति के नियमों का उल्लंघन करने का दुस्साहस किया है और प्रतिफल स्वरूप एकांकी बनकर रह गया है | ग्लोबल वार्मिंग, महासागरों का बढ़ता जलस्तर, आंशिक वर्षा, अतिवृष्टि, बाढ़, चक्रवात जैसे भीषण आपदाओं का मानव, जनक बन बैठा है | अब दिग्मूढ़ की स्थिति में प्रकृति को सम्मान देने एवं संरक्षित करने की चर्चा भर ही करता है | काश, अपने अँधाधुंध विकास के साथ प्रकृति का सम्मान करना याद रहता तो भ्रान्तिमय परिस्थिति ही न आती |

इसी श्रंखला में आगे, सर्वशक्तिमान बनने की चेष्टा में मानव अति दुर्बल बन गया है | विश्वभर का सम्राट बनने के प्रयास में अत्यंत विनाशकारी हथियार जैसे की एटम बम, हाइड्रोजन बम बना पूरी मानवता को अंत की कसौटी पर ला खड़ा किया है | अब, भ्रान्त अवस्था में युद्ध न करने की वकालत करता है | अगर, अपने क्रोध और संताप में यह न भूला होता की मानव कल्याण से सर्वोपरि कोई धर्म नहीं है, तो संभवतः ऐसी स्थिति जाग्रत न होती |

उसी विकास श्रंखला में बढ़ते हुए गगनचुम्बी इमारतें बनाते-बनाते मानव नम्रता की गहराइयाँ भूल सा गया है | इन इमारतों पर चढ़ उसे भौतिक ऊंचाई तो दिखाई देती है, परन्तु

अपनी ईर्ष्या, घृणा से जनित खाई पर दृष्टि नहीं पड़ती | संभवतः परोपकार की भावना अक्षुण्ण रखता तो ऐसी खाई कभी मध्य न आती |

विकास श्रृंखला में पुरे विश्व को साथी बनाने के भ्रम में स्वयं का साथ खो बैठा है | वैसे तो इन्टरनेट के माध्यम से संलग्न कई एप से परिपूर्ण रूप से 'कनेक्टेड' है लेकिन उसे अपने ही मनः स्थिति का ज्ञान नहीं है | अतः जो स्वयं अपने को ही नहीं जानता वह दूसरों को मानसिक शान्ति कैसे प्रदान कर सकता है ? क्योंकि जो स्वयं तैरना नहीं जानता वह दूसरो को क्या तैरेगा !

इस प्रगति में सबसे बड़ी उपलब्धि, इस संसार, ब्रह्माण्ड की व्यापकता को चुनौती देना है | हम सितारों की दूरी तथा समुद्र की गहराई का अन्वेषण करते तो हैं परन्तु हम कौन हैं तथा इस संसार में क्यों आयें हैं इसका अन्वेषण नहीं करते | यह बिंदु हमारे निहित अपरिपक्वता को प्रदर्शित करता है |

लेकिन, मानवता केवल आलोचना करने में समाविष्ट नहीं है, अपितु उसके समाधान में निहित है | अभी भी समय है विनाश के दिशा को बदलने का, आवश्यकता है इन विरोधाभासी विचारधाराओं से मुक्त होने की | मानव को अग्रसर होना चाहिए समन्वय की ओर , समन्वय मानव के बौद्धिक क्षमता और उन मानव मूल्यों का जिनकी वह अवज्ञा करता आ रहा है, जिनकी वह अवहेलना करता आ रहा है | जब तक हम मानवतावादी मूल्यों को अपने आचरण में सम्मिलित नहीं कर लेते , तब तक प्रगति के एक ही पहलू अर्थात, भौतिक विकास ,का ही पोषण होगा | जबकि, पूर्ण विकास के लिए भौतिक प्रगति के साथ-साथ मानव आचरण, संस्कार, सभ्यता का भी विकास होना चाहिए | अन्यथा, ऐसा न हो कि जाग्रत अवस्था तक पहुँचते-पहुँचते मानवता काल के मुख तक न पहुँच जाए, जब पछताने के अतिरिक्त अन्य कोई मार्ग न होगा |

# “Paperless Banking – Call of the Day”

by Prof. Prakash Rao



**T**oday in India, for many people, paperless banking may not be an exciting notion . People would say it just translates to online or mobile access to existing banking services and nothing more as such.

Till recently in India, the three most common paperless banking activities among customers have been:

- 1.Receiving communication from banks through their digital channels such as email/SMS.
- 2.Checking account balances or recent transactions, either through email/SMS on their digital devices or by logging into their bank’s website.
- 3.Transferring money to different accounts of the same person or to different individuals with same bank or different banks

Earlier, banks in India did not see the need for implementing anything beyond these traditional services on a digital platform. The basic idea was to provide digital access to some of the most popular services that were already rendered via other traditional channels. Till 2011, the internet penetration in India was quite abysmal and the market was not deep enough for any institutions to invest in building significant digital banking solutions. While smart phone penetration was already on a meteoric rise, access to affordable data plans wasn’t quite there yet. Online security and privacy of personal information continued to be common talking points at that time and people were generally wary of conducting financial transactions on their smart phones or desktops.

Off late, we are seeing a massive penetration of digital services on the mobile and desktop platforms. We now have a few hundred million e-wallet users in the country. Many banks have launched interesting digital initiatives.

Today, paperless banking is gaining momentum:

## **1. Payments:**

A quick sign up on a mobile or handheld device and is for the sole use in case of making online payments.

## **2. Identification and authentication:**

To access multiple banking services,for instance, opening a new bank account using Aadhaar.

## **3. Eliminate the need for physical presence:**

No need to walk into a bank branch or meet a banking representative. If you have a piece of hardware that is biometric-enabled, then you can self-authenticate. This one is still not main

stream but the assisted model is omnipresent, wherein, an agent carrying a biometric-enabled device could come to your premises and swiftly complete authentication services.

Some banks have launched UPI-enabled mobile apps, digital wallets, payment gateways and other easy payment services. For example, DigiBank from DBS is intended to be a completely digital banking service, PhonePe is a popular payment service and the BHIM app, now universally accepted, is powering digital payments like never before.

It is the duty on we bankers now to popularise paperless banking by educating our customers to adopt the technology as paperless banking offers several obvious benefits:

### **1. Low cost:**

There is no need to travel to branches, stand in long queues, deal with paper-based statements etc.

### **2. Convenience and independence:**

Anytime, anywhere access is enabled via smart phones with Internet connection, better speed and security. This is becoming the default platform for accessing online services.

### **3. Interoperability:**

Take from anywhere and spend anywhere. Since we move onto a data layer (away from closed networks or switches) it allows transactions to transcend network and technology barriers.

### **4. Scale of access:**

About 24 million credit cards versus around 250 million smart phones. Even a person in a remote village can order for services and goods from anywhere in the country.

### **5. Low-cost digital branches:**

Customers can access banking services without the need for a brick and mortar branch. In this connection, needless to say, Payments banks are a great example . They can be established overnight and in remote corners of the country without brick and mortar hassles.

### **6. Competitive and improved services:**

Services become more transparent and thereby more cost competitive with a better experience. The consumer ultimately wins, as it's a level playing field for small and big service providers on a digital platform. With the ubiquity of smart phones with Internet, the first major step in paperless banking was to make current services available digitally. India has taken several giant leaps in this digital wave.

No matter through which lens you look at the paperless banking revolution, one thing is clear — It has come to stay and is the future of Banking in India. Needless to add, the smart phone-bearing consumer will ultimately win.

# “Differences” by Debleena Das



The greatest similarity we all share amongst ourselves as a species is that we are all ‘different’. Corporeally, we all have different skin, hair and eye colors; the shape, size and the very structure of our bodies differ from person to person. Intellectually, the way our brain analyses, interprets and reacts to diverse situations is different. And spiritually, there is the higher mind – the soul – which bestows uniqueness upon us all. But any geneticist who is worth his mettle can tell you that human beings, or *Homo sapiens* (Latin for ‘wise man’), are 99.9% identical in their genetic makeup. It is only 0.1% of our DNA which is responsible for all the differences around us. Strange, is it not? But even stranger is the fact that instead of coming together and celebrating these differences, we shun, hide or ignore them. And sometimes, even place them under a taboo. The reason behind this is pretty simple – the ‘wise man’ in his nearly half a million years of existence has failed to grasp that the word ‘different’ is not a substitute for the words ‘bad’ and ‘worthless’.

Each of us possesses certain characteristics or abilities inherent to us which make us different. These are involuntary and something we are born with. Like the color of our skin which comes in various shades ranging from white to black. The skin color is different because the level of melanin – the pigment responsible for coloration – differs. In no way does it hold any sway over our capabilities or ethics. But alas, we live in a world where one’s worth is directly related to one’s skin color. Where ‘white’ is good; and more we diverge, worse it gets. Then why, when it comes

*“It is not our differences that divide us. It is our inability to recognize, accept, and celebrate those differences.”*

*— Audre Lorde*

to choosing flowers for our garden, do we desire for a spectrum of colors? The hypocrisy of our species astounds me at times.

Some differences arise due to our choices, which can be both good and bad. Borrowing the words of Jean-Paul Sartre, “We are our choices”. It is quite impossible for us all to choose the same thing, isn’t it? Our hopes, fears, desires, values and aspirations are different. The invisible shackles of this society which stop us from achieving our dreams are also different. But still, in this very sense, we are all similar; for we all wear these manacles all our lives just like some obligatory adornments. Only but a few courageous souls had the courage to rip those chains away; and for this they were truly different. The society, unable to accept their differences, threw all its scorn and hatred at them. But they were the souls who were truly free – and they lived and died soaring unfettered in the sky.

Having differences is not a bona fide reason for the segregation of human beings. Rather it is failing to acknowledge and accept the differences in others due to our ignorance and conceit which often lashes out in the form bigotry and bias. Yet another reason for this is the fear of the unknown which corrodes our mind and sows the seeds of mistrust and hatred. And these are what differentiate us rather than just being different.

Like the pieces of a jigsaw-puzzle, which are all different and yet so similar because they are a part of one whole – so are we? And if we only allow ourselves to come together and take our respective positions, this world would be a different place; a far better one in fact.

Trying to eliminate these differences is a foolish notion indeed; because it would pose a threat to our very existence. I would like to question every reader here –

***“If all the differences were to cease,  
Wouldn't the world become a terribly boring place  
to live?  
It would, at least for me.  
If all our differences cease to be, I will be you,  
But then, who will you be?”***

So from the next time whenever we come across something new or unknown, let us pause while admitting our ignorance and letting go of our conceit and fear, and finally declare that it is – ‘different.’



**campus saktira**

A 3D cartoon illustration of Santa Claus. He is wearing his traditional red suit with white trim, a red hat with a white pom-pom, and black boots. He has a white beard and a friendly expression. He is holding a large white rectangular sign with both hands. To his right, a portion of a green Christmas tree is visible, decorated with red and gold ornaments and a gold garland. The background is plain white.

*WISH YOU A MERRY  
CHRISTMAS & HAPPY  
NEW YEAR!!!!*