



# NIBM VISTA

## Banking: The Backbone of Economic Growth





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Dear Readers,

Welcome to the latest edition of VISTA, Volume 6, Issue IV. This quarter, we explore an important theme: "Banking: The Backbone of Economic Growth." We aim to show how banking helps create economic stability and growth.

In this edition, we bring you a detailed look at banking and its role in economic growth. We are excited to share articles by two of our students, offering fresh ideas and insights on the theme. Their work shows the talent and engagement of our students with key economic issues.

Alongside our theme-focused content, this issue of VISTA highlights the vibrant life on our campus. We share the experiences of our students in the "Internship Diaries," where they talk about their journeys and learnings from their internships. Our "Placement Diaries" give you a peek into the job experiences of our seniors, showing their transitions from college to the working world.

Our convocation ceremony is another highlight, celebrating the achievements of our senior batch. We honor their hard work, creativity, and commitment to excellence, and we wish them the best as they move forward.

VISTA also contains our "Creative Corner," featuring a collection of poems by one of our talented students. This section adds a touch of artistic flair to our magazine, showcasing the diverse talents in our community.

As you read through this issue, we hope you find inspiration, knowledge, and a sense of connection to our lively community. Thank you for being a part of our journey.

We hope you enjoy and find great fulfilment in reading this edition.

## Banking: The Backbone of Economic Growth

In the current context, can anyone imagine of an economy without banking? Though the obvious answer could be a big no, one may also think that in today's digital world there is no need to carry cash and hence we do not need banks. On the contrary, banking has gained more relevance and importance in today's digital world. If we consider India as an example, it is the fastest growing large economy in the world and it has taken several steps towards cashless economy. The major steps in this direction are Direct Benefit Transfer (DBT), Jan Dhan Yojana (JDY), Demonetisation, Digital Banking, Digital Lending, Digital Payments and Unified Payment Interface (UPI), etc.



**Dr.M Manickaraj**  
**Associate Professor(NIBM)**

Banks being the places for safekeeping of savings it led to capital formation and lending. Lending by banks in turn led to asset creation and income generation. As of March 2023, the total amount of loans outstanding of scheduled commercial banks (SCBs) in the country was Rs.136.55 lakh crore. Banks also lend money to the government and investment in G-Secs by the SCBs as of March 2023 was Rs.54.14 lakh crore. Another major function of banking is that banks are the nerve centre for all sorts of payments and collections. Thanks to the convenience and efficiency offered by digital banking, today everyone prefers digital payments and bank account is necessary for digital payments. In India, total digital payments during the month of May 2024 was around \$2.64 Trillion and total digital payments during FY2024 was around \$29.26 Trillion. The schemes like JDY, and DBT coupled with digital banking have enabled the achievement of financial inclusion and inclusive economic development in the country. Transfer of funds by the government of India to DBT beneficiaries since its inception was Rs.36.99 lakh crore. All these have contributed to increase in the velocity of circulation of cash and credit creation which in turn is leading to faster and inclusive economic development.

Banks contribute significantly to the operation of financial markets including stock markets, debt markets, and commodity markets. Transactions in all these markets are necessarily settled through bank accounts. Similarly, for almost all the online transactions like online shopping, travel booking, etc banking is necessary. Yet another contribution of banking, particularly digital banking, is transparency and compliance with taxation by the citizens and business firms in the country. During the last 10 years the number of tax returns filed has increased from 36.1 million in 2013-14 to 79.7 million in 2023-24. At present, the largest source of revenue of the government of India is income tax. Given the above mentioned facts, it becomes clear that banks are the backbone for every economy and critical for the wellbeing of society.

## Financial Inclusion and Economic Growth in India

Financial inclusion is a pivotal element in India's journey towards sustainable economic growth. It refers to the process of ensuring access to financial services and adequate credit where needed by vulnerable groups at an affordable cost. The relationship between financial inclusion and economic growth in India is multifaceted, influencing various aspects of the economy.

### Current Landscape:

India has made significant strides in financial inclusion over the past decade. According to the Global Findex Database 2021, the percentage of adults with a bank account in India increased from 53% in 2014 to 80% in 2021. The Pradhan Mantri Jan Dhan Yojana (PMJDY), launched in 2014, has been instrumental in this progress, with over 450 million bank accounts opened under this scheme by June 2023.

### Economic Impact:

The increased access to financial services has had a profound impact on economic growth. Financial inclusion has enabled more people to save, invest, and access credit, thus fostering entrepreneurship and innovation. Small and medium-sized enterprises (SMEs), which contribute about 30% to India's GDP and 45% to exports, have particularly benefited from easier access to credit. Enhanced financial inclusion has led to an increase in the formalization of the economy, with the informal sector gradually integrating into the formal financial system.

### Digital Revolution:

The digital revolution has further accelerated financial inclusion in India. The Unified Payments Interface (UPI), launched in 2016, has revolutionized the payment system, making transactions seamless and secure. In 2023, UPI recorded over 8 billion transactions per month, highlighting its widespread adoption. Digital wallets and fintech companies have also played a crucial role in extending financial services to the unbanked and underbanked populations.

### Social Benefits:

Financial inclusion has also had significant social benefits. Direct Benefit Transfers (DBT), facilitated by the JAM (Jan Dhan-Aadhaar-Mobile) trinity, have improved the efficiency of welfare schemes, reduced leakages and ensuring that subsidies reach the intended beneficiaries. This has helped in poverty alleviation and enhanced social welfare.

### Challenges and the Way Forward:

Despite the progress, challenges remain. Financial literacy remains low, with only 27% of the Indian adult population considered financially literate as of 2021. Additionally, there is a need to improve access to financial services in rural and remote areas. Policymakers must focus on enhancing financial literacy and leveraging technology to bridge these gaps.

In conclusion, financial inclusion is a key driver of economic growth in India. It has facilitated increased savings, investment, and consumption, thereby boosting GDP growth. Continued efforts to expand financial inclusion, particularly through digital means, will be crucial in sustaining and accelerating India's economic growth trajectory.



**Rushikesh Honmore**  
PGDM(2023-25)

## The Role of Banks in Economic Development in India

Banks have been instrumental in shaping India's economic development. Before independence, banks were known as agency houses, primarily serving urban areas. However, post-independence, the Reserve Bank of India (RBI) strengthened the banking system through various policies. The nationalization of banks in the late 1960s marked a significant shift, directing focus towards rural development and inclusive growth.

### Concept of Development

Development is a multifaceted process aimed at improving the quality of life. As defined by the United Nations in 1970, it encompasses social, cultural, political, and economic dimensions. Development implies transforming a backward, stagnant state into a progressive, modern, and dynamic one. According to the Oxford Dictionary, development means advance, betterment, change, growth, and progress. It involves continuous qualitative and quantitative changes that enhance living standards and infrastructure, covering aspects like education, healthcare, agriculture, and industry.

### Banks and Economic Development

Economic development is a dynamic, continuous process involving economic progress and the improvement of a country's standard of living. Banks act as financial intermediaries, playing a crucial role in this process. They mobilize savings, create credit, and allocate funds to various sectors of the economy. Banks' ability to control a significant portion of the money supply makes them catalysts of economic growth.

### Key Functions of Banks in Economic Development

- **Capital Formation:** Banks mobilize savings and convert non-productive financial resources into productive ones. They encourage saving habits and channelize these funds into investments, leading to capital formation and economic growth.
- **Branch Expansion:** Post-nationalization, banks expanded rapidly into rural and semi-urban areas, supporting economic development by providing financial services to previously underserved regions.
- **Credit Creation:** By mobilizing deposits, banks provide the necessary credit to various productive sectors, including agriculture, industry, and services, facilitating economic activities and growth.
- **Priority Sector Lending:** After nationalization, banks prioritized lending to critical sectors like agriculture, ensuring these sectors received adequate financial support to thrive.
- **Finance for Agriculture and Industry:** Banks provide essential funds for agricultural and industrial development. They support farmers with loans for seeds, fertilizers, and equipment, and industries with capital for expansion and innovation.

- **Allocation of Funds:** Banks help in the equitable distribution of financial resources across regions, transferring surplus funds from developed to underdeveloped areas, thus aiding balanced regional development.
- **Financial Inclusion:** Banks promote financial inclusion by offering banking services to disadvantaged and low-income groups. Initiatives like the Pradhan Mantri Jan Dhan Yojana have significantly increased access to banking, helping reduce poverty and promote inclusive growth.
- **Modern banking in India** is evolving with digital transformation, blockchain technology, artificial intelligence (AI), machine learning (ML), cybersecurity, green banking, and regulatory technology (RegTech).
- **Digital Transformation:** Banks are integrating digital technologies to enhance customer experience and operational efficiency. Mobile banking, digital payments, and online services are key components of this transformation.
- **Blockchain Technology:** Blockchain offers a secure, transparent, and decentralized way to conduct transactions, reducing costs and enhancing efficiency.
- **AI and ML:** These technologies automate routine tasks, enhance fraud detection, and improve credit scoring, enabling banks to offer better services and make informed decisions.
- **Cybersecurity:** Advanced cybersecurity measures protect sensitive information and prevent cyberattacks, ensuring the safety and trustworthiness of banking operations.
- **Green Banking:** Banks promote environmentally friendly practices and finance sustainable projects, contributing to environmental conservation and sustainable development.
- **RegTech:** RegTech automates compliance processes, reducing costs and ensuring banks meet regulatory requirements efficiently.

Banks are indispensable to India's economic development. Their roles in mobilizing savings, providing credit, promoting financial inclusion, and supporting government policies are crucial for economic progress. The integration of advanced technologies further enhances the efficiency, security, and sustainability of the banking sector. As India continues to develop, the banking sector will remain a cornerstone of its economic progress, driving the nation towards greater prosperity.



**Saiyog Tomar**  
PGDM(2023-25)

## Bank of New York

Joining BNY has been a remarkable experience, highlighting the importance of both professional excellence and an inclusive workplace culture. From day one, I have found that everyone, regardless of their position, is highly approachable and supportive. This culture of openness fosters collaboration and innovation, enabling us to tackle complex challenges and understand various departments functioning effectively. As the largest custodian bank with extensive global operations, my role involves in managing credit risk at multiple levels—counterparty, sector, and country. I oversee the risk portfolio meticulously, ensuring that any potential risk excesses are promptly identified and reported for approval. This multifaceted responsibility requires a keen understanding of various financial instruments and global markets. I would like to thank NIBM and all the faculties for providing me with the knowledge and skills that are helping me excel in my workplace.



**Disha Patwa**  
PGDM(2022-24)

## Perfios

Being in a techno-functional role at Perfios, which is essentially a SaaS company, has been an altogether different experience. However, the culture of learning and camaraderie is so profound that everyone is ready to help, which eventually helped me grasp the ropes quite swiftly. My education at NIBM equipped me with solid fundamentals of the banking and financial sector, which I now apply here. My work primarily involves working on bank & financial statements and account aggregator. Additionally, staying up-to-date with new fintech trends and products provides a significant edge.

One great aspect of working at Perfios is the opportunity to interact with various teams and clients, most of whom are banks and NBFCs. As a result, different sets of problems arise from different clients, making the nature of this job dynamic.



**Prakhar Sharma**  
PGDM(2022-24)



## KPMG

As a consultant at KPMG, the exposure you get is unparalleled, especially when your role involves directly interacting with clients. The competitive environment pushes you to constantly improve, while the learning opportunities and the connections you build are invaluable for career growth. NIBM students are particularly specialized in risk management roles, which has greatly boosted my confidence and skills in this area. The knowledge and skills I gained at NIBM have been directly applicable in my work at KPMG, making the experience all the more rewarding. Overall, it has been a surreal experience so far, and I am grateful for the opportunities and support that both KPMG and NIBM have provided me.



**Dayashankar Chhalotre**  
PGDM(2022-24)

## Intueri

Being a Associate Strategy consultant, I have the opportunity to explore & study the companies operating in different industrial segments; research and understand the challenges & opportunities that exist in different sectors, in depth understanding of the company, understanding their present problems and chalking out a feasible plan that will help to propel them on a growth trajectory based on data analytics. I am thankful to all my colleagues & seniors at Intueri for helping me to become familiar with design thinking approach that they apply in solving complex business problems. The exposure to plethora of business case studies and financial analysis of various companies at NIBM has helped me a lot in analysing different types of businesses & come up with effective solutions.



**Manish Singh**  
PGDM(2022-24)

## Tata Capital

I've been at Tata Capital for a few months now as a credit manager, and the experience has been genuinely rewarding. My background from NIBM has helped me immensely in my work, providing a strong foundation. The renowned Tata culture truly lives up to its reputation. My colleagues and mentors are incredibly supportive, creating an environment where I feel valued and understood. They treat me like a student in these early days, recognizing that I'm still learning and generously offering their guidance. This supportive atmosphere has made my transition smooth and enriched my professional journey. Tata Capital isn't just a workplace; it feels like a community that cares about my growth and success.



**Priyanka Jadhav**  
PGDM(2022-24)

## Ernst & Young

At Ernst & Young, I am responsible for designing a credit underwriting strategy for lending operations along with a target operating model to optimize client operations. Additionally, I support the model validation team in drafting their reports. NIBM has provided a strong foundation in risk management and finance which has helped my growth at EY.



**Akshay Pawar**  
PGDM(2022-24)

On June 10, 2024, the National Institute of Bank Management (NIBM) held its 18th Convocation for the PGDM (Banking & Finance) 2022-24 batch. Shri Shaktikanta Das, Honorable Governor of the Reserve Bank of India and Chairman of the NIBM Governing Board presided over the prestigious event.

The ceremony commenced with a welcome speech by Prof. Partha Ray, Director of NIBM, who highlighted the key achievements of the Institute for the academic year 2023-24. Prof. Ray provided a comprehensive overview of the Institute's educational, training, research, and consulting activities over the past year.

Dr. Arindam Bandyopadhyay, Dean (Academic Programme) & Principal of PGDM (B&FS) at NIBM, introduced the Chief Guest, Prof. (Dr.) T. G. Sitharam, Chairman of the All-India Council for Technical Education (AICTE). The introduction was made to an esteemed audience comprising high-ranking bank officials, industry representatives, academicians, students, and their parents.

In his convocation address, Prof. Sitharam emphasized the significant growth potential of technology in banking and finance. He articulated the vast opportunities available for the graduating PGDM students to contribute to this dynamic sector. Prof. Sitharam advised the students to focus on innovation, adaptability to changes, and the ethical use of technology. He also highlighted the critical skill requirements in banking, finance, technology, audit, and payment systems. The Chief Guest underscored the pivotal role of financial services in promoting innovation and supporting business startups.



A notable feature of this year's ceremony was the introduction of the India EXIM Bank Gold Medal for Academic Excellence. This prestigious award was presented to Ms. Disha Pankaj Patwa for her outstanding performance in the Risk Management subject. Ms. Patwa also received the State Bank of India Gold Medal for Academic Excellence.

A total of 130 students from the 2022-24 batch received their diplomas. Additionally, nine gold medals were presented by various banks in recognition of academic excellence. The recipients were:

- Disha Patwa, awarded by the State Bank of India
- Ayush Mishra, awarded by Bank of Baroda
- Manish Singh, awarded by Canara Bank
- Kaushal Bhatia, awarded by Bank of India
- Shantanu Tamrakar, awarded by Indian Bank
- Shivam Sharma, awarded by Central Bank of India
- Aman Chauhan, awarded by Bank of Maharashtra
- Shyam Rathod, awarded by Standard Chartered Bank



The India EXIM Bank also presented a special award for academic excellence in the Risk Management domain to Ms. Disha Patwa.

Dr. Arindam Bandyopadhyay concluded the ceremony by congratulating all the students and expressing gratitude to all attendees for contributing to the successful completion of the event.



## Tata Capital Limited

During my internship at Tata Capital Limited in the Risk (Channel Finance) department, I delved into the intricacies of supply chain finance, focusing on benchmarking performance metrics in the steel and auto sectors. This practical experience reinforced the theoretical knowledge I gained at NIBM, particularly in financial analysis and risk-related subjects. The hands-on exposure to real-world scenarios and data analytics tools enhanced my analytical and problem-solving skills. This experience will be invaluable in my future career, enabling me to make data-driven decisions and contribute effectively to my organization's financial and operational strategies.

Describe your internship experience in one word: **Transformative**



**Somesh Jagdale**  
PGDM(2023-25)



## Federal Bank

I did my internship in Federal Bank's Treasury Department and I was allotted the Interbank desk. During my internship, I did the project on "Impact of Economic Events on Various Asset Classes". In this, I did the analysis of how the economic indicators/events of different countries impact on various asset classes. Further, I studied how trading strategies could be formed at the time of the economic data release to earn profits in the FX Market.

At NIBM various courses are offered which gives you the details for how the Treasury Department works, various products offered by them. One course from all these is the Integrated Treasury Management which is divided into two parts i.e., Government Securities and Interbank. Course related to Technical Analysis is also offered which gives the knowledge about designing trading strategies, using various indicators for trading.

If someone wants to pursue its career in Treasury then the knowledge of the economic events and its impact on the asset classes will keep you updated in the market and it will help in taking better trading decisions.

Overall, my experience during internship was great.



**Ishan Saini**  
PGDM(2023-25)



## HDFC Bank

During my internship at HDFC's Integrated Risk Management Department, I collaborated with the Portfolio Estimation Risk Analyst team, bridging the gap between theory and practice from my NIBM studies. Immersed in real-world scenarios, I applied classroom concepts to practical situations, learning continuously through daily knowledge transfer. My mentor's guidance was crucial, helping me transform theoretical understanding into practical solutions, and enhancing both my analytical skills and decision-making abilities.

This hands-on experience was transformative, as I navigated complex risk scenarios and refined my expertise in portfolio estimation. The challenges faced and solutions developed significantly enriched my professional acumen. Looking ahead, the insights and skills gained during my internship will be invaluable in shaping my future career. My time at HDFC was not just educational but a profound journey of personal and professional growth, encapsulating the essence of learning and development.

Describe your internship experience in one word :- **Insightful**



**Diksha Kumari**  
PGDM(2023-25)



## Mavuca Capital

At Mavuca Capital as an Investment Banking Intern, I had the opportunity to delve deeply into the intricacies of debt financing in India and offshore countries. I learned about the regulatory frameworks, compliance requirements, and the practical challenges faced by lenders and borrowers.

This hands-on experience complemented my academic knowledge from NIBM, where I was taught the practical and theoretical aspects of credit analysis, debt markets and debt financing. Applying this knowledge in a real-world setting enhanced my understanding and reinforced the concepts I had learned in class. My mentors provided invaluable guidance and support, offering expert insights and feedback that significantly enhanced my learning experience and professional growth.

The experience I gained during my internship has equipped me with a solid foundation in credit analysis and regulatory compliance, which will be invaluable in my career.

My internship at Mavuca Capital can be summed up in one word: **Enriching**



**Revati Jagtap**  
PGDM(2023-25)



## PNB Bank

The Indian bond market, a dynamic beast influenced by a complex interplay of global and domestic forces, was the captivating landscape of my recent internship at PNB. Witnessing first-hand how factors like US yields, oil prices, and the Rupee-Dollar exchange rate shape Indian bond yields was an invaluable learning experience. This internship bridged the gap between academic theory and real-world application. Equipped with the knowledge gained from my studies in econometrics and financial markets at NIBM, I actively participated in analysing these relationships. The practical exercise of applying theoretical concepts to real-world data analysis solidified my understanding and sparked a curiosity to delve deeper. The mentorship of seasoned PNB professionals proved instrumental. Their guidance provided invaluable insights into the market's nuances, fostering the development of strong analytical skills. This internship has equipped me with a practical foundation in bond market analysis, making me well-prepared to navigate the complexities of the financial services industry. This internship wasn't just about acquiring skills; it was about demystifying the intricate world of the Indian bond market. It instilled a passion for understanding and analysing the interplay of economic forces that shape this dynamic landscape. To sum it up in word: **Synergistic.**



**Rohan Gokte**  
PGDM(2023-25)



## RXIL

I had the opportunity of interning at the Receivables Exchange of India (RXIL) in the Product Department of International Trade Financing Services (ITFS). During my internship, I undertook a variety of tasks including customer engagement, analysing the trade finance requirements of MSMEs, product development, and conducting credit analysis of importers. This internship provided a unique opportunity to bridge the gap between theoretical knowledge and practical application, closely aligning with the curriculum at NIBM. Where I had learnt various facets of international trade financing, credit analysis, and due diligence of borrowers. This experience was pivotal in enhancing my knowledge and skillset. It significantly broadened my analytical abilities, improved my communication skills, and offered a comprehensive understanding of the trade finance ecosystem. Overall, this experience has been instrumental in developing my professional capabilities and I am deeply grateful to my institution and RXIL for this invaluable opportunity. If I were to encapsulate my internship experience in one word, it would be "**Enlightening.**"



**Janhavi Maddehsiya**  
PGDM(2023-25)



## Ajva Fin Tech Pvt Ltd

My internship experience at eMSME Ajva Fin Tech Pvt Ltd was a learning and enriching experience. I got the opportunity to undergo two Projects at my organisation. One was a research project on 'ONDC, its effect on the economy and potential collaboration with eMSME'. My second project was on 'Compliance Health check-up and Product development of product- Saarthi'. Apart from this I had a wholesome experience of being the Intern-in-Charge (IIC) of the 21 other fellow interns from NIBM. Being an IIC I was assigned as the Single-point of contact between the Interns and the Management. I was also responsible for handling all matters related to coordination, organisation and administration during our internship period. This experience helped me develop some important Research Abilities, Leadership, Inter-personal and real world Problem-solving skills. Such a diverse and indispensable experience will surely help me in my future, in both the personal and professional domains. I Thank eMSME and NIBM for giving me this Summer Internship opportunity, that will be cherished by me forever.

Describe your Internship experience in one word: **DYNAMIC**



**Govind Bhui**  
PGDM(2023-25)



## IDBI Bank

During my internship at IDBI Bank in the Treasury Department, I gained hands-on experience in various facets of treasury operations. I learned about operations on the forex desk, equity desk, SLR & Non-SLR desk, Money Market desk, and Compliance desk. I also worked on Autoregressive Integrated Moving Average (ARIMA) and Vector Autoregressive (VAR) models to forecast foreign exchange rates, particularly the USD/INR pair.

The internship allowed me to apply theoretical knowledge from NIBM in a practical setting, particularly in forecasting currency pairs, which are integral to the courses taught at NIBM. The skills and insights gained will be invaluable in my future endeavors, providing a solid foundation in treasury operations and financial forecasting that will be crucial for my career in the banking and finance industry.

One word to describe this experience: **Illuminating.**



**Abhishek Kumar**  
PGDM(2023-25)





## Sands of Time

I feel like the grains of sand,  
Slipping through the nooks of life.  
Uncertain of what the future holds  
And anxious of the fleeting times.

That constant feeling of numbness,  
Cold dead hands,  
Words stuck behind my throat  
And oh! those gushing emotions!

Pictures flashing before my eyes,  
Trying to rip apart my heart,  
That sense of sinking into my own with no escape,  
Crying out for help...  
If only you could hear!

Countless vain attempts;  
Untold realizations of accepting the reality.  
Hardest being making peace with myself  
While darkness is playing with my sanity.

It's not that I've not been into all this before,  
It's not that I don't want it to be true,  
But this constant dilemma between what I want and  
also what I want  
Is what I want not to brew!

I hope it ends with some bright light,  
The way I have wanted it to be,  
I hope my stars are watching over  
And mend it with love for me.

-DIPSIKHA 

## In the Garden of Bliss

Wandering around the garden of bliss  
I see no signs of misery;  
I feel no hint of fear anywhere;  
Just the smell of life, that's free!

As I stroll barefoot on the grass,  
The gentle breeze caresses my skin.  
The birds rest high on branches  
and cannot help but sing!

As they chant the melody of earth,  
My legs, my body all dance in glee!  
I watch a flutter of butterflies around  
And they too join with me!

As I ramble here and there  
In awe and ecstasy;  
The leaves and twigs finger my hair  
Or stroke my face with love, I see!

As my heart fills with joy  
And clears all the gloom,  
I feel I too am a bud  
That is yet to bloom!

- Dipsikha

Dipsikha Dutta  
PGDM(2023-25)



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