

Articles

* **Regulating Microfinance Institutions in South Asia: Issues and Challenges with Special Reference to India**

✉ *Debabrata Das & Pinky Dutta*

We compare the regulatory framework governing the microfinance companies in different South Asian countries, viz. Bangladesh, India, Nepal, Pakistan and Sri Lanka. The microfinance institutions in Pakistan and Nepal seem to have been regulated much earlier in comparison to those in Bangladesh and India. The prudential and non-prudential norms were incorporated by the apex authorities to ensure solvency and client protection of the microfinance institutions. We highlight the positive and negative consequences of regulating the microfinance sector. The changes in operations incorporated by the MFIs to cope with the new regulation are also reviewed.

* **Management of Distressed Loan Assets**

✉ *V S Kaveri*

Currently, the banking system in India has been witnessing a rise in slippage in loan asset quality which is a matter of concern. This has created not only a stress on bank profitability but has also made bank staff hesitant to take credit decisions. In this context, Reserve Bank of India has rightly suggested a framework for management of distressed assets by making banks more disciplined and professional revival of financial health of mega projects. The framework suggests incentives to prepare and implement, corrective action plan for turnaround of mega projects, and, penal provisions are suggested for failure to implement policy guidelines. For availing of incentives and thereby arresting slippage in loan asset quality, it is necessary to understand the framework and work out strategies to implement it timely and effectively. In this backdrop, the present article is written for the benefit of bank staff to educate them on the suggested framework to manage distressed assets in banks.

* **BASEL III: Challenges for Public Sector Banks in India**

✉ *R K Sinha & D K Chellani*

Basel III is a new Global Regulatory framework to strengthen capital and liquidity structure of Banking System. This framework prescribes stronger liquidity buffers in the banking sector in order to improve its ability to absorb shocks arising from financial and economic stresses.

The implementation, however, will have significant impact on profitability and lending capabilities of banks. Maintaining the enhanced quality and quantity of capital would be a greater challenge for Public Sector Banks (PSB) as well as for Government of India. This article is an attempt to explore the challenges faced by Indian Public Sector Banks. It also offers an insight into the measures may be taken to comply with Basel III norms.

* **An Analysis of the Basel III Norms, Capital Structure, Profit and Credit Expansion Capacity**

✉ *Kanhaiya Singh & C S Pasricha*

The Basel III capital regulation has been implemented in India from April 1, 2013 in phases and will be fully implemented as on March 31, 2018. These norms lay greater focus and importance on quality, consistency and transparency of the capital base. This is supplemented by a non-risk ratio in the form of Leverage Ratio, Liquidity Reforms in form of

LCR (Liquidity Coverage Ratio) and NSFR (Net Stable Funding Ratio) which are indicators for liquidity health of a firm/organization and other elements related to addressing systemic risk and interconnectedness have been rolled out as part of the reform package. Under the Basel III regime, every bank will need to provide higher capital for the same level of business as compared to previous framework, i.e. Basel II.

* **Entrepreneurship Development through Institutions in India**

✍ *Pallvi Aggarwal & Neelam Jain*

Unemployment is posing a big problem for the continuously rising population in India. Mostly students are struggling in the world of unemployment for many reasons. To fill the gap of jobs demand; motivation and application of the knowledge of entrepreneurship ensures solution to the problem to some extent. Management institutions are known for providing a platform for various professional activities. This paper focuses on the role of management institutions in providing skills and motivation to promote entrepreneurship. The main aim is to examine the present methods of providing entrepreneurial education and impact of management education on students' entrepreneurial intentions. Also the study seeks to determine the innovative ways of managing entrepreneurial education by institutions to ensure success in terms of private placement. Data is collected through questionnaire from 250 students. The major finding is that students have positive attitude towards the entrepreneurship but the packaging and delivery of the knowledge still do not match perfectly in changing environment.