

Speech

Basel II Implementation in Indian Banks : Challenges Ahead

- V Leeladhar

Articles

Technology in Banking Sector : Issues and Challenges

- R K Mittal & Sanjay Dhingra

Transactions through technology channels cost much less to the banks than the customers reaching the bank and doing the transaction. In the last decade banks have invested heavily in the technology such as e-commerce, m-commerce, ATMs, debit cards, data warehousing and data mining, customer relationship management solution softwares, knowledge management systems, etc. In the use of information technology, the new private and foreign sector banks have taken lead over the public and old private sector banks. Today, public sector banks are also investing heavily in technology to compete with the new private and foreign sector banks. In this paper, we have identified the different technology issues and challenges such as the choice of right channel, justification of IT investment in terms of ROI, e-governance, customer relationship management, security concerns, technological obsolescence, mergers and acquisitions, penetration of IT in rural areas, and outsourcing of IT operations. Banks are required to address these issues and challenges effectively to stay in business and grow.

Understanding Risks in Banking : A Note

- Aastha Bhasin

The fast changing as also increasingly competitive financial environment exposes the banks to various types of risks. Basel Accords I and II have provided broad frameworks to regulators all over the world in this regard. It is imperative that financial intermediaries, in particular banks need to not only understand the various types of emerging risks but also the ways and means to measure and mitigate them. This paper discusses important concepts in task management as applicable to banks against the backdrop of Basel II.

Fostering Small Industrial Enterprises : Role of Commercial Banks

- Prabir K Biswas

The importance of Small Scale Industries in a country like ours needs no emphasis. While the performance of SSIs has been commendable, the flow of institutional credit, in particular, bank credit continues to be a major constraint for growth and graduation of small enterprises. The banks and others concerned must remember that made-to-fit all enterprises types of solutions have not helped in this regard. Apart from learning lessons from their own successful experiences in supporting SSIs, banks must play the role of 'banking partner' in extending credit support to SSIs. Towards this end, what is needed is a change in the mind-set of bankers. An attempt is made in this paper to critically evaluate the performance and flow of bank credit to SSIs on the one hand, as also issues and suggestions to improve the flow of bank credit to SSIs on the other.

Motivating the Bank Employees for Performance in the Present Banking Environment

- G G Loganathan

As a sequel to changing market environment, banks in India have started focusing on human capital. Recruitment of suitable talents, retention and efficiency from the employees, therefore, have emerged as major challenges for banks. The motivational aspects assume greater significance in the present environment, particularly in PSBs. This paper examines certain factors required for improving the motivational level of employees.

Financial Inclusion : Issues and Challenges

➤ A U Gadewar

Promoting financial inclusion has become a part of India's missions or goals. Besides, it is also viewed as an opportunity to tackle poverty and deprivation. It is an essential precondition to building uniform economic development, both spatially and temporally and ushering in greater economic and social equity. Financial inclusion encompasses a range of different activities that seek to combat financial exclusion. It is nevertheless a daunting task. It needs to address several issues like geographic coverage of appropriate size, appropriate community/section of the society, capacity building, effective promotion of services and products, financial education, etc. Similarly, financial inclusion throws open an unique set of challenges to building the financial knowledge, skills of poor and vulnerable people. The paper highlights these dimensions.

Notes & Comments**NABARD's Contribution to Capital Assets Formation in Farm Sector**

➤ K Prabakkar Rajlkumar

Booknotes

➤ **Bibha Ganguly**