

## Articles

### **Corporate Governance in Banks : International and Indian Scenario**

➤ *Joffy George Chalakal & K Sasikumar*

In view of the importance of banking system for financial stability, sound corporate governance is not only relevant at the level of individual banks, but is also a critical ingredient at the system level. Effective risk management systems determine the health of the financial system and its ability to survive economic shocks. To a large extent, many risk management failures reflect a breakdown in corporate governance which arise due to poor management of conflicts of interest, inadequate understanding of key banking risks, and poor Board oversight of the mechanisms for risk management and internal audit. This paper is an attempt to look into some important aspects relating to corporate governance in banks.

### **Knowledge Management for Effective CRM in Banks**

➤ *K P Malathi Shiri*

It is an acknowledged fact that Customer Relationship Management (CRM) assumes greater significance in the present competitive banking market. Through Knowledge Management (KM), banks will be in a better position to manage their customers, both internal and external, for their own advantages. This paper is an attempt to look into the strategies, relating to KM and CRM.

### **Securities Market Regulations and Corporate Disclosures**

➤ *Sohail Issa Magableh & P Kallu Rao*

The main concern of the regulators whether they are regulating securities market, insurance and banking, has been to protect investors and clients. Secondly, regulators must be in a position to understand the need of the investors, who normally expect clear, timely and accurate disclosures to allow them to take correct, timely and informed investment decisions. Since the investors are spread across the globe, the disclosures plays a significant role. The quality information provided will have direct positive impact on investors and their investment decisions. Taking this view as a focal point, the authors have made an attempt in this paper to focus on the issues, viz., disclosures in view of corporate governance, significance of corporate disclosures and related theories, insider-trading disclosures, etc. Further, the authors have also highlighted the efforts made by the international organizations like IOSCO, SEC, FSA and their contributions.

### **A Comparative Study of Customer Satisfaction from Virtual Banking in Public and Private Sector Banks**

➤ *Sourabh Sharma & K S Thakur*

This paper is a survey of public and private sector bank customers' responses toward computerization of banking services. The objective of this paper is to measure the customers' awareness, perception, and the level of satisfaction with regard to Virtual Banking Services offered by the Indian public and private sector banks in the city of Jaipur.

This survey declares that in comparison, private sector bank customers are satisfied with regard to ATM, I-Banking and IVRS services. However, the study also reveals that public sector banks are preparing to take on private sector banks in this regard.

### **XBRL in Banking : Ensures Better Risk Management**

➤ *D Muthamizh Vendan Murugavel*

Since exposure to credit risk continues to be the leading source of problems in banks world-wide, banks should now have capacity to identify, measure, monitor and control credit risk. In this backdrop, XBRL could be a means of ensuring better credit risk management. XBRL is not just a technical "IT" matter. Also it is relevant to banking supervision, both nationally and internationally. It will enable banks to fulfill the reporting requirements of supervisory authorities. XBRL presents a unique opportunity to improve information flows for both the generators and users of financial information, which will in turn promote greater efficiency for the system as a whole. These benefits come through its flexibility, integrity and speed. It has less administrative and implementation costs and also increased cost effectiveness of supervisory activities due to the use of IT standards. Small banks may also benefit from a free standard like XBRL.

### **Emerging Dynamics in Recovery Management of NPAs : A Professional Perspective**

➤ *L P Padhy*

With the introduction of norms for Income Recognition and Asset Classification (IRAC) in the banking sector in India, management of Non-Performing Assets (NPAs) has emerged as one of the major challenges facing banks. High level of NPAs not only affects "critical performance area" of the banking sector but also raise corporate governance issues where every stakeholder is keen to know the reasons of the same. In this paper, an attempt is made to analyze developments in the area of recovery and prevention of NPAs and also suggest measures for the management of NPAs.

### **Notes & Comments**

#### **High Level Committee to Review the Lead Bank Scheme : Some Comments**

➤ *M R Das*