

Articles

Emerging Challenges of Financial Regulation

- *Gaurav Singh Chauhan*

Banks are important source of liquidity and finance for an economy. They are also different from other firms not only in terms of their operations but also in terms of externalities attached to their failure. These externalities while being huge in magnitude comes out to be largely negative. This is the reason banking regulation is by far so intensively researched and thought about. The notion of regulating individual banks in light of recent global meltdown needs serious reconsideration. This is important for emerging markets like India, given their increasing share in international financial transactions and trade in present day context of globalization. The article here stresses on emerging challenges for banking regulation as seen by India. The challenges are explored into two domains: firstly, India specific concerns and secondly, globally accepted generic concerns which might impact Indian banking and economy.

A Systematic Approach Towards Taking Information Systems Outsourcing Decisions

- *Umesh Gulla & M P Gupta*

Information Systems (IS) outsourcing is being explored to address various Information Systems management problems faced by banks and this phenomenon is worldwide. However, inspite of the criticality of the nature of decision, it still remains in the nascent stage about how to initiate and execute the IS outsourcing process. This paper suggests a framework for the IS outsourcing process that would guide the decision maker to undertake a systematic and structured approach towards the IS outsourcing process. The framework guides the IS practitioners to align business and technology factors to create appropriate synergy and further accounts for drivers and outsourcing risks in the outsourcing decisions.

The Challenges of Leveraging HR Talent in PSBs

- *D S Sangwan*

Employees are the most valuable asset of any organization and have a key role in building the organization strong and successful. Only the organizations which are able to attract the best manpower through an efficient human resource management would manage to survive in this scenario of globalization, liberalization and privatization. All the banks more or less are or will be almost at the same level of technology, and in that case, the quality of human resource will be the only differentiator for the services and the success of any business strategy and growth. Attracting and retaining qualified and efficient manpower is one of the biggest challenges today.

Customer Awareness Regarding Banking Services: An Empirical Study

- *Fulbag Singh & Davinder Kaur*

Banking sector plays a pivotal role in the growth of any economy by mobilizing people's funds into productive channels. Banks provide services for the fulfilment of consumers' financial needs. Whether the area is rural or urban, banks are trying to diversify their services to the masses, and customers should also be aware of these. But due to lower literacy level and inadequate sources of information in rural areas, the customers are not

fully aware of the services offered by the banks. Therefore, the present research work is being carried out to find the gaps in the awareness level of rural and urban bank customers and to identify the significant sources of information influencing customer awareness.

Rehabilitation of Sick Companies and NCLT

- *V S Kaveri*

Board for Industrial Finance and Reconstruction (BIFR) was specially created to deal with matters concerning rehabilitation and winding up of sick companies. Despite BIFR being in existence for more than twenty years, the process of revival of industrial sickness is slow. Hardly ten per cent of companies registered with BIFR have been fully revived. Hence, a need was felt to replace BIFR by National Company Law Tribunal (NCLT) which would act as a single window to deal with all issues relating to merger, amalgamation, takeover, financial reconstruction and winding up. This would be a powerful body whose orders would be binding on all parties concerned in rehabilitation of sick companies. At the same time, NCLT is expected to be more friendly to banks, sick companies and workers. This article is specially written for bankers who are expected to understand the unique features and implications of NCLT on rehabilitation of sick companies.

Islamic Banking in India: The Potential

- *Faye Xavier e Colaco & Andrea Almeida*

The rapidity with which Islamic banks have been set up and evolved across the world have surprised banking experts. Through this paper, an attempt is made to understand the evolution and progress of Islamic banking to highlight its principles, uniqueness and its usefulness in India. The global financial meltdown which originated in the West, have lead academics and experts from the Arab world to pitch for Islamic banking in India, which has the third largest Islamic population in the world.

In India, the minority sections find it impossible to meet the demands of high rates and their mortgaged properties are most often taken over leaving them bankrupt. These sections would be willing to take bank finance if it comes without the demands of high rates of interest but willing to share profit thereby reducing their risk as well. The main difference between Islamic and conventional banks lies in the fact that commercial banks charge and pay interest and Islamic banks are prohibited to charge and pay interest as it is based on the teachings of the Quran.

This kind of banking will assist and transform the poor and minority sections of the Indian society to obtain finance at low risk and cost.

Notes & Comments

Towards Building a Business Risk Proof System

- *B K Mukhopadhyay*
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Role of Mutual Funds in Portfolio Management

- *Sangeetha & Ishita Chaudhuri*