



## **Institute for Development and Research in Banking Technology**

*Welcome Address by  
Shri Vepa Kamesam, Chairman, Governing Council, IDRBT  
At the Banking Technology Excellence Awards Function and  
Launch of National Financial Switch  
on August 27, 2004 at 11.00 am at IDRBT, Hyderabad*

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Governor, Dr. Y.V. Reddy, Shri G.N. Bajpai, Chairman, SEBI, Shri. C.S. Rao, Chairman, IRDA, Members of the Governing Council of IDRBT, Chairmen and Chief Executives of the Banks, distinguished invitees for this function, PGPBTM students and my colleagues from IDRBT, I deem it a great privilege to welcome you all to this important function for the launch of the National Financial Switch, Presentation of Banking Technology Excellence Awards for the year 2003 and the Graduation Ceremony of the Post Graduate Programme in Banking Technology Management (PGPBTM) students. It is an important day for us as we have three of India's important Regulators dealing with banking, money and finance, capital markets and insurance, which touches the lives of every individual in the country. I am extremely grateful to all of them for having readily responded to my request that they share with the audience their perceptions of how technology can bring about better controls and provide the Regulators with necessary inputs and information based on which they can take informed decisions.

I would not like to take much of your time in this welcome address except highlighting the three basic pillars on which this Institute stands.

- Firstly, to provide research towards improvement of technology in the Banking sector.
- Secondly, to provide the services such as the INFINET backbone, products like EnDeSign, which is an Encryption, Decryption, Signature Software and in its capacity as a Certifying Authority issuing Digital Certificates (crossed 16,000 so far) being the highest issued by a single authority.
- Thirdly, opportunities exist for doing Post Graduate courses in Banking Technology at various levels.

Today's function touches upon all these three together with the dedication of the National Financial Switch to the Banking community which falls under Category II of services, keeping in mind ultimately the convenience of customers in going to ATM of any Bank. Technology ensures both speed and accuracy in delivering the service.

All the Banks are computerized perhaps, 100% of the operations using centralized or distributed solutions. I would like to flag my concerns that the rapid computerization in the Banking system, correspondingly, imposes a high level of internal controls and supervision which calls for concurrent in-depth IS Audits, framework for providing disaster recovery management centers and upgrading skills of the staff and this awareness must percolate to all tiers of the staff of the Bank so that no one is left out and the systems do not become vulnerable or exposed to any misuses. I request Governor, RBI to ensure that the IS Audit Certification and consequential operational risk, a bank carries needs to be crystallized and disclosed in a Bank's Balance Sheet for the benefit of all stakeholders. I appeal to the Chairmen of the Banking Institutions to continue to place demands on IDRBT for any specific issues on which they would like research to be focused and solutions found, which could be shared with the entire Banking system. With these words, I once again extend my hearty welcome to all of you to this function.

Thank you,

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