

EDITORIAL



Greetings!!!

Banks form the backbone of every economy and play a pivotal role in the lives of citizens by providing them with essential financial services. The impact of the COVID-19 crisis has come on top of a combination of persistently low interest rates, regulatory changes, and competition from shadow banks and new digital entrants that have challenged the traditional bank business model over the past decade.

The Government of India and the Reserve Bank of India have been taking various initiatives to inject liquidity into the banking system and provide some respite to customers during the COVID-19 crisis. One such measure was offering a three-month moratorium on term loans. This has led to a spike in customer queries and service requests. Recently in the month of November, the Government announced the Emergency Credit Line Guarantee Scheme 2.0 under which stressed sectors can avail themselves of debt moratoriums for up to five years, consequently would help revive pandemic-hit companies and encourage them to invest in building new capacities. The ECLGS 2.0 will provide collateral-free, additional credit at capped interest rates to firms in 26 stressed sectors identified by the KV Kamath panel in October. The stressed sectors identified by the panel include aviation, power, construction, steel, roads and real estate.

Even, Public Sector Banks have massively stepped up to support the

nation during the COVID-19 crisis. From different modes of staffing to remote working, more than 80,000 bank branches were operational during COVID-19. Additionally, there has been 90% uptime of self-service machines during the COVID times and around three times increase in Aadhaar Enabled Payment System transactions through micro ATMs, and enhanced doorstep banking support by more than 75,000 Bank Mitras.

A comprehensive agenda for smart, tech-enabled banking has been adopted for FY 2020-21, under which PSBs have initiated eShishu Mudra for straight-through processing of loans to micro-enterprises and digital personal loan for customers. PSBs have started providing customer-need driven credit offers through analytics and partnerships with FinTechs and e-commerce companies. Many PSBs have already started taking steps in line with the reform priorities. Progress of PSBs will continue to be tracked on metrics linked to Reform Action Points, and their progress will be published through a quarterly index.

The concept of remote work culture has been introduced in the banking industry recently, which will continue to remain in the post-Covid world as well. Banks are trying to adopt more comprehensive business continuity plans to prepare for unexpected situations like the current crisis. This includes a mix of digital workspace, cloud scalability, intrinsic security and enhanced network capabilities.

Our Institute is already carrying

out various Certificate courses on BFSI domain for up-gradation of existing knowledge and skills and for acquiring new knowledge and skills for practicing members, professionals and students. Further, the COVID-19 crisis can be seen as an opportunity for a bold cost transformation. The Cost and Management Accountants with their specialized professional skill, expert knowledge and analytical capabilities can assist banks to manage their costs effectively. This would enable the Banks to achieve service excellence and focus on long-term initiatives.

This issue presents a good number of articles on the cover story "Catalytic Role of the Banking Sector for India's Economic Revival" presented by distinguished experts. Also, we have tried to incorporate the wonderful insights on Banking issues shared by eminent speakers of the Live Discussion event organized by our Journal & Publications Directorate. We look forward to constructive feedback from our readers on the articles and overall development of the Journal. Please send your emails at editor@icmai.in. We thank all the contributors to this important issue and hope our readers would enjoy the articles.

Wishing you all a very happy and prosperous New Year 2021!!!