

Fifteen years of IDRBT: Reflections on an eventful journey

Respected Dr Rangarajan, Shri Sambamurthy, colleagues from RBI and IDRBT and other dignitaries. It is my honour and privilege to be here today with you all on the 15th Anniversary of IDRBT.

2. While 15 years is not a significant length of period in the normal course, in an ever-changing and dynamically evolving field like Information Technology, 15 years is, indeed, a considerable duration. Fifteen years ago, all that tablet could mean was what people popped in when they were sick and a cloud meant what hovered in the sky.

3. To keep pace with rapid changes and to serve the ever growing and changing needs of the banking industry is no small task and I commend IDRBT for their achievements. I am sure, with their zeal for continuous innovation, IDRBT will scale newer heights in the years to come.

I. IDRBT: The Story so far

4. IDRBT has grown from strength to strength since its inception and has assumed a critical place in the realm of banking industry in India. The beginnings of this journey trace back to the Chief Guest of this morning, Dr. C. Rangarajan. His reports in the years 1984 and 1989 and subsequently the Saraf Committee report, kick started the induction of technology in the Indian Banking and also led to setting up of IDRBT in 1996 for fostering use of technology.

5. Over the period of 15 years, IDRBT has traversed a long way in integrating technology in the banking and financial sector and has many achievements to its credit. Let me to briefly state some of the significant achievements of the Institute.

Launching of INFINET

6. The most significant achievement, would undoubtedly, be the setting up of the INdian FInancial NETwork (INFINET), the nationwide Closed User Group Communication Backbone for the Indian Banking and Financial Sector in June 1999, which has changed the way the Payments systems are operated in this country.

*Opening remarks by Shri Anand Sinha, Deputy Governor, RBI at the Foundation Day, IDRBT on November 28, 2011. Inputs provided by Ms. Nikhila Koduri are gratefully acknowledged

Launching of SFMS

7. Launch of the Structured Financial Messaging Solution (SFMS) for free flow of financial messages, was another major achievement of IDRBT. The Institute addressed the demand of the banking sector for a secure and common intra-bank and inter-bank financial messaging solution through the SFMS in December 2001.

Launching of NFS

8. Setting up of the National Financial Switch (NFS) and Inter-Bank Payment Gateway was another feather in the cap for IDRBT. The Institute ushered in convenience-banking for the users by setting up the National Financial Switch (NFS) in 2004. The NFS facilitated a National Network of ATMs, by enabling interconnectivity among ATMs of different banks.

PKI enabling of various applications

9. IDRBT provided a major boost to electronic communications in the Indian financial sector by PKI-enabling various applications through its Certifying Authority Services. Using the digital certificates issued by IDRBT, banks and Financial Institutions have built full-fledged security in their electronic communications and intra-bank and inter-bank applications and messaging, thereby, facilitating speedy, secure and cost-effective financial transactions and improving customer service and satisfaction.

Education, Research and Training- Building a Talent pool

10. IDRBT has, over the years, created a pool of banking technology professionals by offering students degrees in M.Tech (in Information Technology) and Ph.D courses (in Computer Science, Information Technology and Management Studies) in collaboration with the University of Hyderabad and IIT, Bombay respectively.

11. The Institute regularly conducts International Conferences and Seminars to promote exchange of knowledge, experiences, research findings and technical know-how so as to attain and sustain international standards of excellence in Banking Technology.

12. IDRBT has also created a platform for research in banking technology, which is contributing to promoting security and efficiency in the banking sector. Involvement in research projects has enabled the Institute to develop and finetune standards and systems of banking technology. The Institute is focusing on conducting applied research in the specific areas of Banking Technology. It has brought out booklets for the benefit of the

banking industry in the areas of IT Governance (*Organizational Structure for IT in the Indian Banking Sector*), CRM (*Holistic CRM and Analytics for Indian Banking Industry*) and IS Governance (*Information Security Governance for Indian Banking Sector*).

13. The Institute has been providing vital inputs for officers in the banking sector through trainings and workshops. The Institute regularly conducts Executive Development Programmes, Seminars and Workshops for the top and middle management of Banks and Financial Institutions. Customised Programmes are being conducted to meet the specific needs of the Industry.

Banking Technology Awards- Recognition of work

14. In order to infuse a spirit of healthy competition and speed up the process of technology absorption among banks in the country, IDRBT instituted the Annual Banking Technology Awards in the year 2001. Now in the twelfth year, these awards are recognition of the efforts of banks in improving customer service, customer convenience and enhancement in productivity by leveraging technology.

II. Charting the future – Recommendations of the Expert Committee

15. With a view to redefining the role of IDRBT and to developing the institute into a knowledge centre, the Expert Committee (June 2009) under the Chairmanship of Dr. Rangarajan, has made comprehensive recommendations in the areas of governance, especially relating to redefining R & D activities; revamping education & training activities; redefining the role of services offered; and also in respect of talent management and funding requirements. The Institute has taken several steps based on the recommendations made by the Expert Committee; the major ones include, transferring the activities of the National Financial Switch (NFS) to the National Payments Corporation of India (NPCI) as also initiating the process of entrusting service activities to a Strategy Business Unit (SBU). The Institute is now set to cross the bridge to reorient itself as a primary institute/centre of excellence in the area of research and development in banking technology.

IDRBT- Centre of Excellence

16. RBI's IT Vision document 2011-17 recognises the role of the IDRBT to evolve as a Centre of Excellence and as a major player in developing cost effective technologies for Banking and Financial services. IDRBT can achieve this by, (i) playing the role of a mentor and catalyst in the areas relating to banking technology such as use of cloud computing

which can help groups of small banks to share common IT resources, (ii) evolving efficient project management and application development standards which would aid in building robust systems, sustaining environmental changes (illustratively cryptography standards), and (iii) creating necessary tools to ensure that analytics are used extensively in risk management, CRM and fraud management. Institute may also look to conduct collaborative research programmes with universities to develop innovative solutions for the use of the banking sector.

17. I am sure IDRBT is going to reposition itself as a centre of excellence and scale new heights in providing technological solutions to the banking and financial sector.

18. With this, I welcome each of you to this momentous occasion and wish IDRBT the very best in the years to come. May I now request the Chief Guest of this morning to deliver his Foundation Day address.

Thank you.