According to research done by the India Brand Equity Foundation, the Indian banking industry has remained largely insulated from the effects of the global economic crisis, owing to the measures taken by the Reserve Bank of India.

Net banking capital totalled $4.8 billion during April-September 2008 as compared to $5.7 billion in April-September 2007.Going forward, the sector is expected to grow at a healthy compounded annual growth rate (CAGR) of around 23.3 per cent till 2011, according to a report, "Opportunities in Indian Banking Sector", by market research company RNCOS.

To tap the lucrative business opportunities, IDBI Capital Market Services Limited had to move away from a branchcentric model and adopt a centralised approach. This was essential to keep pace with the competition and stay connected with all its customers and partners. tele.net tracks the development of the company's telecom infrastructure...

## Background

DBI Capital is a wholly owned subsidiary of IDBI Bank and offers a full suite of products and services to corporate, institutional and individual clients. The services include investment banking, capital market products, private equity, corporate advisory services, mergers and acquisitions, project appraisals, debt syndication and stockbroking, both institutional and retail.

## Legacy system

Initially, the bank had a decentralised IT set-up. Each branch office had its own IT server, and information on transactions was restricted to the branches and was not available on a national level.This made the banking processes limited and branch specific.

The bank's basic telecom network comprised an email-centric backbone and a mix of servers and connectivity mediums that ran different applications at every branch. This resulted in duplication of back-end services and procedures as there was no single system for core banking applications.

However, IDBI Capital's growing client and product portfolio demanded a simple, centralised and modern IT architecture, one that facilitated services on a national level. The need of the hour was always-on connectivity.

**The solution**

The organisation started overhauling its IT infrastructure by setting up a centralised data centre and a multi-protocol label switching (MPLS)-based "hub and spoke" architecture. Technologies such as leased lines and Wi-Max were deployed for last mile connectivity.

The MPLS "hub and spoke" set-up was seen as a reliable, scalable, secure, feasible and performance-oriented solution. The structure facilitated aggregation of data from remote branches at hub locations, which was then carried over backbone links to the centralised data centre. At the hub locations, routers were deployed which led to better maintenance and reduced hardware costs and rack space requirements.

The company also deployed the Proventia desktop firewall and Check Point Software Technology's security solution for network protection.

Internet-based applications were developed as a strategic business tool. IDBI Capital's investment portal, www.idbipaisabuilder.in, is primarily aimed at helping retail investors make informed equity-related investment decisions. The portal helps retail investors minimise risks through a stream of information and analysis. The portal offers retail investors a three-in-one account that combines the services of a bank, a depository participant and a trading account. It enables investors to make investments in initial public offerings, mutual funds and the secondary equity market.

Going a step forward, IDBI Capital opted for the Finacle Core Banking solution which uses web technology. The solution offers new-generation features like straight-through processing, 24x7 banking and the e-Xtensibility tool kit. Finacle Core Banking has helped IDBI Capital seamlessly interface with multiple delivery channels and offer its customers a one-stop window for interaction and transactions. This has led to greater customer satisfaction. The solution has also helped the company to rapidly roll out new products and services and thus increase its retail portfolio within a short time-frame.

**Benefits**

By deploying Finacle, IDBI Capital has been able to bring down its end-of-day processing time by more than 80 per cent. Moreover, with a new, updated IT and telecom infrastructure, the organisation has been able to integrate all the information collected from its branch offices onto one platform. This has helped plug the earlier gaps in information and made the processes faster and more accurate.

Net, net, by upgrading its IT and telecom infrastructure, IDBI Capital has been able to significantly improve its overall productivity and efficiency.

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