



Banking and Finance Paper I
Indian Banking System
[Discipline Specific Course]

Semester: III	*Credits: 4	Subject Code: C32107	Lectures: 48
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Course Outcomes:

At the end of this course, the learner will be able to:

- Describe the structure of the Indian Banking system
- Explain and analyze the changes in the Indian Banking system from Privatization to Nationalization to Privatization once again
- Describe and analyze the reforms in the Indian Banking system
- Explain and analyze the structural changes in the Indian Banking system in the post-1991 period

Unit 1: Banking in India - Introduction	10
<ul style="list-style-type: none">• Structure of Banking in India• Pre- and Post-Independence Development in Indian Banking System• Wave of Nationalization in Indian Banking System (Post Independence): Need and Objectives• Wave of Privatization in Indian Banking System(Post 1991): Need and Objectives	
Unit 2: Progress of Banking (1947-1990)	14
<ul style="list-style-type: none">• Role, Progress and Challenges to Developments in Indian Banking• Reserve Bank of India• State Bank of India• Public Sector Banks• Regional Rural Banks	
Unit 3: Progress of Banking (1991 onwards)	10
<ul style="list-style-type: none">• Committee on Indian Financial System (Narasimham Committee): Objectives• Recommendations and Reforms-<ul style="list-style-type: none">○ On Directed Investment○ On Directed Credit;○ On Interest Rate Policy○ On Organization of Banks	

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Unit 4: Structural Change in Indian Banking System Post-1991	14
<ul style="list-style-type: none"> • Capital <ul style="list-style-type: none"> ○ Changing Capital Requirements, Emergence of New Private Banks, Payment Banks, Small Banks • Capital Adequacy <ul style="list-style-type: none"> ○ Meaning & Composition, Requirements • Non-Performing Assets <ul style="list-style-type: none"> ○ Classification of NPAs ○ Reasons for Non-Performing Assets and ○ RBI Initiatives to tackle NPAs • Banking Regulation & Supervision <ul style="list-style-type: none"> ○ Supervision of Banks-Onsite and Off-site Supervision ○ Basel Accord (Basel I, Basel II & Basel III) – Implementation, Progress and Evaluation 	

#12 contact hours for Assignments, Visits, Research, Field Studies, etc.

***01 credit to be evaluated as a Skill-based Component**

Recommended Basic Reading:

- Bhasin, Niti. *Indian Financial System: Evolution and Present Structure*. New Century Publications: 2014.
- Bhole, L.M. *Financial Institutions and Markets*. Tata McGraw Hill: 2017.
- Pathak, Bharati. *The Indian Financial System*. Pearson Education: 2018.
- Tannan, M.L. *Banking Law and Practice in India*. Lexis-Nexis India: 2017.

Recommended Reference Books:

- Bhasin, Niti. *Banking Developments in India 1947 to 2007*. New Century Publications: 2006
- Chawla O. P. *Evolution of Banking in India since 1900*. Sage Publication: 2019.
- Das S. C. *The Indian Financial System: Markets, Instruments, Institutions, Services and Regulations*. PHI Learning: 2015.
- Gordon E. and Natarajan K. *Banking Theory, Law & Practice*. HPH: 2018.
- Rangarajan C. *Financial Sector Reforms*. RBI Bulletin: 1997.
- Saha Siddhartha. *Indian Financial Systems and Markets*. McGraw Hill Education: 2017.
- Shekhar KC, Lekshmy Shekhar. *Banking Theory and Practice*. Vikas Publication: 2013.
- Sharma, K.C. *Modern Banking in India*. Deep and Deep Publications: New Delhi; 2007.

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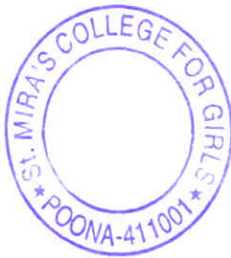
Journals:

- Bose Sukanya “*Regional Rural Banks: The Past and the Present Debate.*” www.macrosan.com/fet/jul05/pdf/RRB_Debate.pdf
- Misra Biswa Swarup (2006) “*The Performance of Regional Rural Banks in India: Has past anything to suggest for the future?*” Reserve Bank of India, Occasional Papers, Vol. 27, No. 1 & 2, Summer & Monsoon

Reports and Bulletins:

- Report of the Committee on the Financial System- 1991 & 1998
- RBI Annual Reports
- Report on Currency and Finance

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Banking and Finance Paper I
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[Discipline Specific Course]

Semester: IV	*Credits: 4	Subject Code: C42107	Lectures: 48
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Course Outcomes:

At the end of this course, the learner will be able to:

- Examine the changes in mechanism in Customer Service of Banks in India
- Explain and analyze the changes in the Role of Reserve Bank of India and its functions
- Describe and analyze the challenges to the Indian banking system with reference to Bank Failures and Bank Mergers
- Explain and analyze the importance of Financial Inclusion and Financial Education

Unit 1: Customer Services and Grievance Redressal in Banks	12
<ul style="list-style-type: none">• Customer Service in Banks<ul style="list-style-type: none">○ Policy on Customer Service○ Customer Service and Grievances○ Grievance Redressal Mechanism in Banks• Banking Ombudsman<ul style="list-style-type: none">○ Concept and Definition○ RBI Banking Ombudsman Scheme, 1995○ Pre-requisites for Complaining to a Banking Ombudsman○ Complaints Accepted and Not-Accepted by Banking Ombudsman	
Unit 2: Changing Role of Reserve Bank of India	12
<ul style="list-style-type: none">• Currency Management<ul style="list-style-type: none">○ Clean Note Policy○ Problem of Fake Currency• Central Bank Independence<ul style="list-style-type: none">○ Meaning of Central Bank Independence○ Arguments for and against○ Central Bank Independence & Reserve Bank of India• Liquidity Management<ul style="list-style-type: none">○ Liquidity Adjustment Facility (LAF)- Concept○ Purpose and Benefits• Exchange Management<ul style="list-style-type: none">○ Management of Foreign Exchange Reserves in the Post-1991 period○ India as an Emerging Donor Country	

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Unit 3: Challenges to Banking Sector in India	12
<ul style="list-style-type: none"> • Acquisitions and Mergers, Policy on Weak Banks • Changing Regulatory framework and International Standards • Growing Competition and Need to Right-Size/ Down Size • Liberalization and Deregulation of Business Environment • Changing Technology in Banking System • Bank Failure and Moral Hazards 	

Unit 4: Financial Inclusion and Micro Finance	12
<ul style="list-style-type: none"> • Financial Education- Importance and Role of Banking System • Financial Inclusion-Barriers to Financial Inclusion • RBI Initiatives for Financial Inclusion • Business Correspondent and Business Facilitator Model: <ul style="list-style-type: none"> ○ Concept, Eligibility and Scope of Activities • Micro Finance- Concept and Objectives • Micro Finance Institutions (MFIs): <ul style="list-style-type: none"> ○ Role and Formation, Micro-Finance Models ○ RBI Regulation for MFIs • Challenges to Micro Finance 	

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- Bhole, L.M. *Financial Institutions and Markets*. Tata McGraw Hill: 2017.
- Pathak, Bharati. *The Indian Financial System*. Pearson Education: 2018.
- Tannan, M.L. *Banking Law and Practice in India*. Lexis-Nexis India: 2017.

Recommended Reference Books:

- Bandopadhyay Tamal. *Bandhan: The making of a Bank*. Random Business: 2016.
- Gordon E. and Natarajan K. *Banking Theory, Law & Practice*. HPH: 2018.
- Joshi V.C. and Joshi V.V. *Managing Indian Banks: The Challenges Ahead*. Response Books: 2009.
- Mani N. *Financial Inclusion in India*. New Century Publications: 2015.
- Indian Institute of Banking and Finance. *Inclusive Banking*. Taxmann Pub: 2018.
- Indian Institute of Banking and Finance. *Microfinance-Perspectives and Operations*. Macmillan: 2008.
- Indian Institute of Banking and Finance. *Information Systems for Banks*.

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Taxmann: 2017.

- Rakesh Mohan. *Growth with Financial Stability: Central Banking in an Emerging Market*. OUP: 2011.
- Watkins Todd A. *Introduction to Microfinance*. World Scientific Pub. Co. Ltd.: 2020.

Journals:

- Bishnoi T. R., Sofia Devi (2015) "Mergers and Acquisitions of Banks in post-Reform India, EPW, Vol. L No. 37, September 12
- S. L. Shetty, Bipin K Deokar (2014) 'Financial Inclusion-Differences between Government and RBI?' Vol XLIX no 35, August 30
- Sriram M. S. (2014) "Identity for Inclusion-Moving Beyond Aadhar" EPW, XLIX No 28, July 12.

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