BANKING AND INSURANCE

Subject Code: MB01098031

UNIT 1: INDIAN BANKING SYSTEMS & BANKING OPERATIONS

Comprehensive Exam Study Guide — with Diagrams

GTU MBA (Fintech), Semester 1 | Syllabus Weightage: 14 Marks

What this guide covers:

• Full explanations of every topic in Unit 1 with real-world context and examples
• 8 diagrams to visualize structures, processes, and classifications
• Exam tips highlighting how examiners typically frame questions
• 12 exam-ready definitions (2 marks each)
• A bank of likely exam questions mapped to GTU's Bloom's Taxonomy blueprint
• Curated YouTube videos, articles, and official sources for further study

A. Introduction & Evolution of the Indian Banking System

Banking in India has evolved over more than two and a half centuries, moving from small private banking houses to a vast, technologically advanced, RBI-regulated system serving over a billion people. Understanding this evolution helps explain *why* today's regulatory structure exists.

Historical Timeline

1770 — Bank of Hindustan, generally regarded as the first bank in India, was established in Calcutta. It failed in 1832, illustrating the fragility of early unregulated banking.

1865 — Allahabad Bank was established as the first bank managed and owned entirely by Indians, marking the start of indigenous banking.

1894 — Punjab National Bank was founded in Lahore, becoming the second Indian-owned bank and still operating today as a major public sector bank.

1921 — The three Presidency Banks (Bank of Bengal, Bank of Bombay, Bank of Madras) were amalgamated to form the Imperial Bank of India. It performed central-bank-like functions (currency management, banker to government) before RBI's creation, while also conducting normal commercial banking.

1935 — The Reserve Bank of India (RBI) was established under the RBI Act, 1934, following the recommendation of the Hilton Young Commission (Royal Commission on Indian Currency and Finance, 1926). RBI began operations on April 1, 1935, initially as a privately-owned institution.

1949 — The Banking Regulation Act, 1949 was enacted to give RBI statutory powers to regulate all banks, and RBI itself was nationalized the same year, becoming fully government-owned.

1955 — The Imperial Bank of India was nationalized and renamed the State Bank of India (SBI), which remains India's largest public sector bank today.

1969 and 1980 — Major bank nationalization occurred in two waves: 14 large private banks were nationalized in 1969, followed by 6 more in 1980. The stated goal was to redirect credit away from a few large industrial houses and toward agriculture, small industry, and underserved regions — a policy legacy that still shapes Priority Sector Lending today.

1991 onwards — Economic liberalization began, and the Narasimham Committee (1991 and 1998) recommended banking sector reforms including reduced government intervention, new private bank licenses (giving rise to banks like HDFC, ICICI, Axis), stronger capital adequacy norms, and greater competition.

2014 onwards — A new wave of financial inclusion and digital banking reforms followed, including Jan Dhan Yojana, licensing of Payments Banks and Small Finance Banks, and the rollout of UPI (2016), transforming India's banking landscape into one of the most digitally advanced in the world.

EXAM TIP: If asked to "trace the evolution of the Indian banking system," organize your answer into three phases: (1) Pre-independence/early era (1770-1947), (2) Nationalization era (1949-1990), (3) Liberalization & digital era (1991-present). This 3-phase structure is easy to remember and covers the RBT 'Understand' level cleanly.

Structure of the Indian Banking System

India's banking system is broadly divided into two categories based on inclusion in the Second Schedule of the RBI Act, 1934:

Scheduled Banks — Listed in the Second Schedule of the RBI Act. To qualify, a bank must maintain paid-up capital and reserves of at least Rs. 5 lakh and satisfy RBI that its operations are conducted in the interest of depositors. Scheduled banks enjoy privileges such as eligibility for loans from RBI at the bank rate, and access to RBI's clearing house facilities. All commercial banks (Indian and foreign), RRBs, and state cooperative banks fall under this category.

Non-Scheduled Banks — Not listed in the Second Schedule. These banks maintain their own cash reserves (rather than depositing them with RBI) and generally cannot borrow from RBI except during emergencies. Very few such banks exist in India today, typically small local banks.

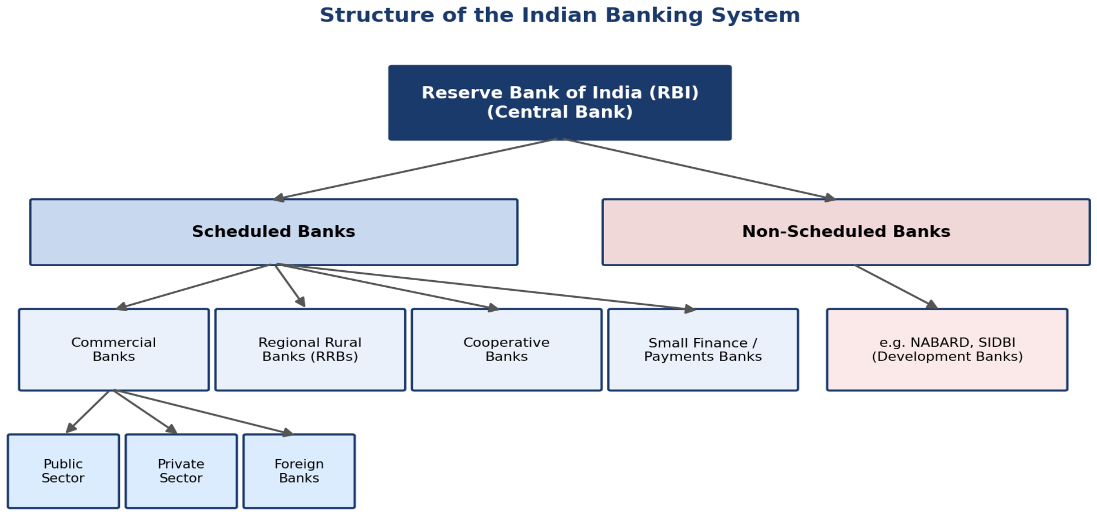

Fig. 1 — Hierarchical structure of the Indian banking system, from RBI down to individual bank categories.

Types of Banks — Detailed

Central Bank (RBI): The apex monetary authority of India. It does not deal directly with the public; instead it regulates, supervises, and guides all other banks. Established 1935, headquartered in Mumbai.

Public Sector Banks (PSBs): Banks where the government holds majority ownership (typically 51% or more). Examples: State Bank of India (SBI), Punjab National Bank (PNB), Bank of Baroda, Canara Bank. PSBs historically dominate rural and priority-sector lending due to their extensive branch networks.

Private Sector Banks: Majority privately owned, often more technology-driven and customer-service focused. Examples: HDFC Bank, ICICI Bank, Axis Bank, Kotak Mahindra Bank.

Foreign Banks: Banks headquartered outside India operating branches within the country, subject to RBI regulation. Examples: Citibank, HSBC, Standard Chartered. They typically serve corporate/institutional clients and high-net-worth individuals in metro cities.

Regional Rural Banks (RRBs): Established under the RRB Act, 1976 to extend credit to rural and agricultural sectors. Jointly owned by the Central Government (50%), the sponsoring public sector bank (35%), and the State Government (15%). Example: Baroda Gujarat Gramin Bank.

Cooperative Banks: Registered under the Cooperative Societies Act, operating on cooperative (not-for-profit-maximization) principles. Divided into Urban Cooperative Banks (UCBs) and Rural Cooperative Banks (further split into State Cooperative Banks, District Central Cooperative Banks, and Primary Agricultural Credit Societies).

Small Finance Banks: A newer category (licensed since 2015) aimed at furthering financial inclusion by providing savings and credit to unserved/underserved sections — small business units, marginal farmers, micro/small industries. Example: AU Small Finance Bank, Equitas Small Finance Bank.

Payments Banks: Can accept deposits (up to a regulatory limit) and offer payment/remittance services, but cannot issue loans or credit cards. Example: Airtel Payments Bank, India Post Payments Bank.

Development Banks: Provide long-term finance for specific sectors rather than day-to-day retail banking. Examples: NABARD (agriculture and rural development), SIDBI (MSME sector), EXIM Bank (export-import finance).

Type	Key Features
Central Bank (RBI)	Apex monetary authority; regulates and supervises all banks; issues currency
Commercial Banks — Public Sector	Majority government-owned, e.g. SBI, PNB, Bank of Baroda
Commercial Banks — Private Sector	Privately owned, e.g. HDFC, ICICI, Axis Bank
Foreign Banks	Headquartered abroad, operate branches in India (e.g. Citibank, HSBC)
Regional Rural Banks (RRBs)	Serve rural/agricultural credit needs; jointly owned by Centre, State, sponsor bank
Cooperative Banks	Urban and rural; operate on cooperative principles, not-for-profit motive
Small Finance Banks	Serve unserved/underserved segments (small businesses, farmers)
Payments Banks	Accept deposits and enable payments but cannot lend (e.g. Airtel Payments Bank)
Development Banks	Sector-specific finance, e.g. NABARD (agriculture), SIDBI (MSME)

Role and Functions of RBI — Detailed

As India's central bank, RBI performs six broad categories of functions that together maintain monetary stability and support economic growth:

1. Issuer of Currency

RBI has the sole authority to issue currency notes in India (except one-rupee notes and coins, which are issued by the Ministry of Finance, though circulated through RBI). This function is carried out through the Issue Department under the 'Minimum Reserve System,' which requires RBI to hold a minimum reserve of gold and foreign securities against note issuance.

2. Banker to the Government

RBI manages the banking accounts of both the Central and State Governments, handles their receipts and payments, manages public debt (issuing and servicing government bonds), and provides advice on monetary and financial matters.

3. Banker's Bank (Lender of Last Resort)

All scheduled commercial banks are required to maintain a portion of their deposits with RBI (Cash Reserve Ratio). RBI holds these reserves, facilitates inter-bank settlements, and — crucially — acts as the 'lender of last resort,' providing emergency liquidity to solvent banks facing a temporary crisis, thereby preventing systemic bank runs.

4. Regulator and Supervisor of the Banking System

RBI licenses new banks, sets prudential norms (capital adequacy, asset classification), conducts periodic inspections, and uses monetary policy tools to manage money supply and inflation:
• **Repo Rate** — rate at which RBI lends short-term funds to banks.
• **Reverse Repo Rate** — rate at which RBI borrows from banks, absorbing excess liquidity.
• **Cash Reserve Ratio (CRR)** — % of a bank's deposits that must be kept with RBI in cash.
• **Statutory Liquidity Ratio (SLR)** — % of deposits banks must maintain in liquid assets like government securities.
• **Bank Rate** — the standard rate at which RBI is willing to buy/rediscount bills, used as a longer-term policy signal.

5. Manager of Foreign Exchange

RBI administers the Foreign Exchange Management Act (FEMA), 1999, maintains the country's foreign exchange reserves, and intervenes in currency markets to manage the exchange rate and facilitate external trade and payments.

6. Developmental Role

Beyond traditional central banking, RBI actively promotes financial inclusion (through PSL mandates and inclusion drives), supervises the payment systems ecosystem (overseeing NPCI, UPI infrastructure), and encourages innovation in the financial sector through frameworks like the Regulatory Sandbox.

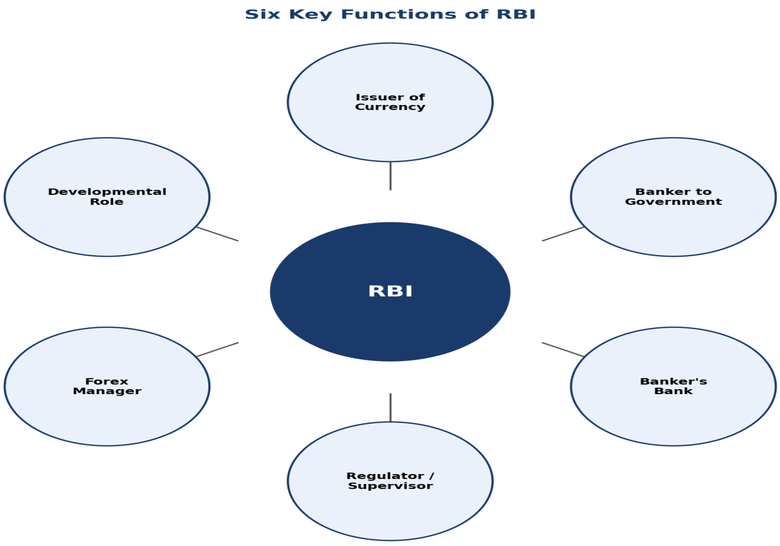

Fig. 2 — The six key functions of RBI at a glance.

EXAM TIP: A common 5-mark question is "Explain the role and functions of RBI." Structure your answer using these 6 numbered functions with 1-2 lines of explanation each — examiners reward clear enumeration over a single long paragraph.

Credit Appraisal — Detailed

Credit appraisal is the systematic process a bank follows to assess a borrower's creditworthiness — i.e., their ability and willingness to repay — before sanctioning a loan. It is critical because poor credit appraisal is one of the leading causes of NPAs (covered later in this guide). The process is commonly explained using the **5 C's Framework**:

Character — Refers to the borrower's credit history and reputation for repaying debts, typically assessed via credit bureau scores (e.g. CIBIL score in India, ranging 300-900). A history of timely repayment signals reliability.

Capacity — The borrower's ability to generate sufficient cash flow or income to service the debt. Banks examine income statements, bank statements, and existing debt obligations (often using a Debt-to-Income ratio) to judge repayment capacity.

Capital — The borrower's own financial stake or net worth invested in the venture/asset being financed. A higher personal stake reduces the bank's risk, since the borrower has more to lose by defaulting.

Collateral — The security or asset pledged against the loan (e.g. property for a home loan, machinery for a business loan), which the bank can seize and sell in case of default. Secured loans generally carry lower interest rates than unsecured ones.

Conditions — The purpose of the loan and the broader economic/industry conditions that might affect the borrower's ability to repay (e.g. lending to a sector facing a downturn is riskier).

Based on a composite evaluation of these five factors, the bank decides the sanctioned loan amount, tenure, interest rate, and any conditions attached (e.g. margin money, guarantor requirement).

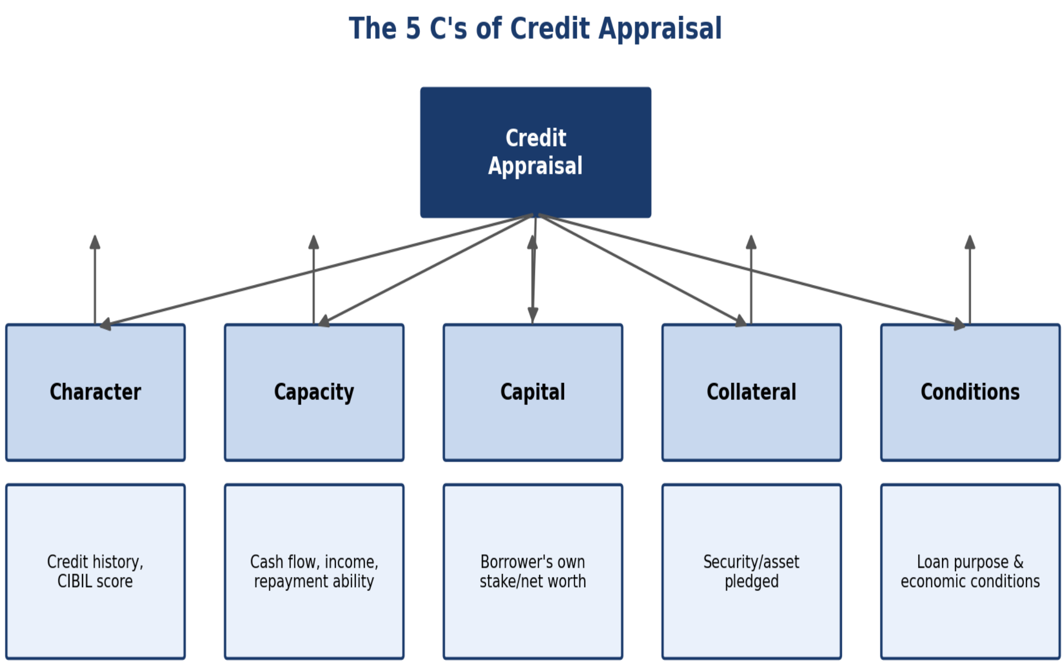

Fig. 3 — The 5 C's framework used in bank credit appraisal.

EXAMPLE: A small business owner applying for a Rs. 20 lakh working capital loan would be assessed as follows — Character: CIBIL score of 750+; Capacity: monthly cash flows sufficient to cover EMI comfortably; Capital: owner has invested Rs. 5 lakh of personal savings into the business; Collateral: business premises pledged as security; Conditions: loan is for inventory purchase during a growing demand season.

Financial Inclusion in India — Detailed

Financial inclusion refers to ensuring access to useful and affordable financial products and services — savings, credit, insurance, payments, and pensions — delivered in a responsible and sustainable way, particularly to low-income and underserved populations who have historically been excluded from the formal financial system. It is a key policy priority for both the Government of India and RBI, since access to formal finance is strongly linked to poverty reduction and economic empowerment.

Pradhan Mantri Jan Dhan Yojana (PMJDY) — Launched in 2014, this flagship scheme provides zero-balance savings bank accounts, a RuPay debit card, and built-in accident insurance cover (and life insurance cover for eligible accounts) to previously unbanked citizens. It is credited with dramatically increasing bank account penetration across India.

Pradhan Mantri Mudra Yojana (PMMY) — Provides collateral-free loans up to Rs. 10 lakh to non-corporate, non-farm micro and small enterprises, categorized into three tiers: Shishu (up to Rs. 50,000), Kishor (Rs. 50,000 to Rs. 5 lakh), and Tarun (Rs. 5 lakh to Rs. 10 lakh).

PM SVANidhi — A micro-credit scheme launched in 2020 to provide affordable working capital loans (initially up to Rs. 10,000) to street vendors affected by the COVID-19 pandemic, helping them resume livelihoods.

Atal Pension Yojana (APY) — A government-backed pension scheme targeted at workers in the unorganized sector, providing a guaranteed minimum pension after age 60 based on the subscriber's contribution amount and age of joining.

Stand-Up India — Facilitates bank loans between Rs. 10 lakh and Rs. 1 crore to at least one Scheduled Caste/Scheduled Tribe borrower and one woman borrower per bank branch, for setting up new (greenfield) enterprises.

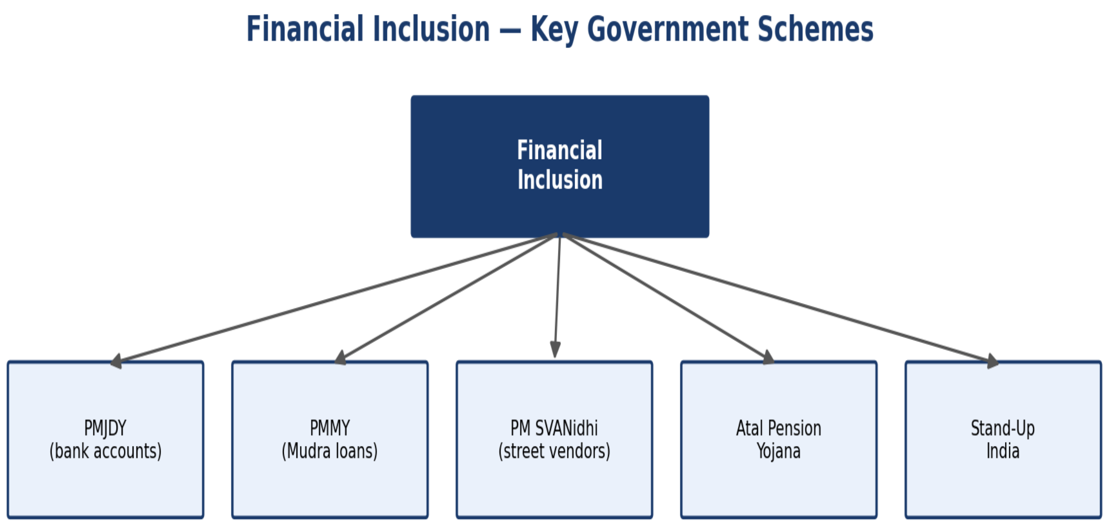

Fig. 4 — Key government schemes driving financial inclusion in India.

B. Banking Operations — Detailed

Basic Banking Products & Services

Deposit Accounts:
• **Savings Account** — for individuals to park surplus funds while earning modest interest; allows limited withdrawals.
• **Current Account** — for businesses with frequent transactions; typically no interest paid, but offers overdraft facilities.
• **Fixed Deposit (FD)** — a lump sum deposited for a fixed tenure at a fixed (usually higher) interest rate; premature withdrawal often incurs a penalty.
• **Recurring Deposit (RD)** — fixed monthly instalments deposited over a fixed tenure, useful for disciplined saving.

Loans: home loans, personal loans, auto loans, education loans — covered in more detail below.

Payment Services: debit and credit cards, NEFT (National Electronic Funds Transfer — batch-processed), RTGS (Real Time Gross Settlement — for high-value, real-time transfers), and UPI (instant, 24x7 transfers).

Locker Facilities: secure safe-deposit lockers for valuables and important documents, rented to customers for an annual fee.

Wealth Management/Investment Services: banks distribute mutual funds and insurance products (bancassurance) to customers, often through a dedicated relationship manager for high-net-worth clients.

Digital Banking: internet banking and mobile banking apps that allow customers to check balances, transfer funds, pay bills, and apply for loans without visiting a branch.

Remittance Services: facilitate domestic fund transfers as well as inward/outward international remittances (e.g. NRI remittances), often via SWIFT for cross-border transfers.

Types of Loans and Advances — Detailed

Term Loan — A loan of a fixed amount disbursed for a defined period (short/medium/long term), repaid through scheduled instalments (EMIs). Commonly used to finance capital expenditure like machinery or a home.

Cash Credit — A revolving credit facility granted against the security of stock-in-trade or receivables, mainly used to meet a business's working capital needs. Interest is charged only on the amount utilized, not the full sanctioned limit.

Overdraft (OD) — Allows an account holder to withdraw more money than their account balance, up to a pre-sanctioned limit. Commonly linked to current accounts for businesses managing short-term cash flow gaps.

Bill Discounting — The bank advances funds to a seller against a bill of exchange (representing money owed by a buyer) before its maturity date, deducting a discount. This provides immediate liquidity to the seller while the bank collects the full amount from the buyer later.

Secured Loans — Backed by collateral (e.g. property for home loans, vehicle for auto loans). Because the bank's risk is lower, these loans typically carry lower interest rates and larger loan amounts.

Unsecured Loans — No collateral is required (e.g. personal loans, credit cards). Since the bank bears higher risk, these loans carry higher interest rates and are usually smaller in amount, with approval based heavily on the borrower's credit score and income.

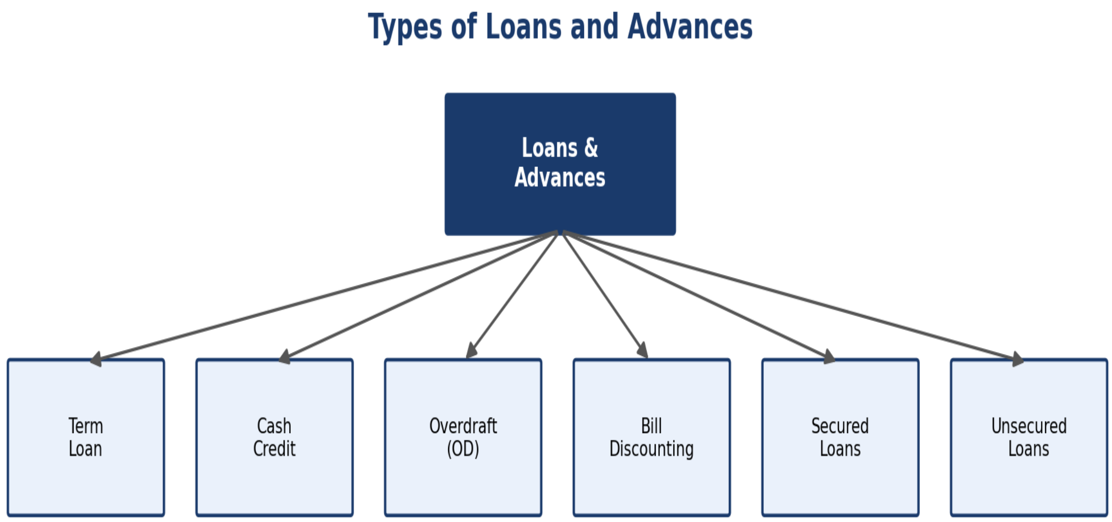

Fig. 5 — Types of loans and advances offered by commercial banks.

Priority Sector Lending (PSL) — Detailed

Priority Sector Lending is an RBI mandate requiring banks to direct a fixed minimum percentage of their lending — measured against **Adjusted Net Bank Credit (ANBC)** — toward sectors considered vital for inclusive economic development. The concept originated from the Narasimham Committee-era policy thinking of the 1970s, building on the post-nationalization goal of redirecting credit away from large industry and toward underserved sectors.

PSL Targets:
• Scheduled Commercial Banks and foreign banks with sizeable presence: **40%** of ANBC.
• Regional Rural Banks and Small Finance Banks: **75%** of ANBC.

Sectors covered under PSL: Agriculture, Micro/Small/Medium Enterprises (MSMEs), Export Credit, Education, Housing, Social Infrastructure, Renewable Energy, and Loans to Weaker Sections.

Priority Sector Lending Certificates (PSLCs): A market mechanism that allows banks which exceed their PSL targets to sell their surplus achievement as tradable certificates to banks that fall short. This lets under-performing banks meet compliance without directly originating the underlying loans, while the certificate seller monetizes their surplus lending — improving overall systemic efficiency in achieving PSL goals.

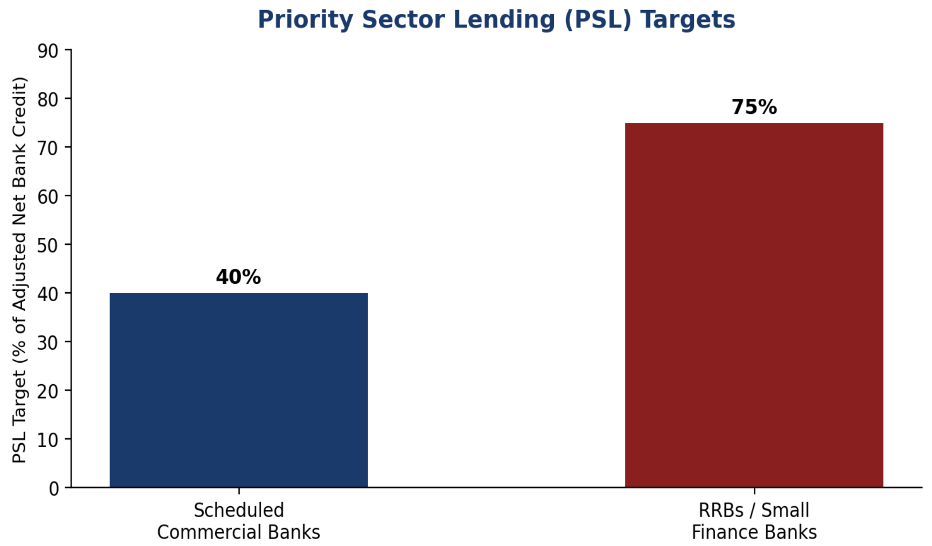

Fig. 6 — PSL lending targets by bank category, as % of Adjusted Net Bank Credit (ANBC).

EXAM TIP: If asked to "analyze the impact of PSL," mention both sides: it drives financial inclusion, balanced regional development, and entrepreneurship — but also creates profitability pressure on banks due to lower interest rate caps and higher default risk in some segments. Presenting both sides shows Analyze-level thinking (per the syllabus RBT blueprint).

Non-Performing Assets (NPA) — Detailed

An asset — typically a loan or advance — is classified as a **Non-Performing Asset (NPA)** when the borrower fails to make interest or principal repayments for a period of **90 days or more**. NPAs are a critical indicator of a bank's asset quality: high NPA levels reduce profitability (since no income is earned on the loan), tie up capital that could otherwise be lent productively, and can threaten a bank's financial stability if left unmanaged.

Classification of NPAs (by duration of default)

• **Substandard Asset** — An account that has remained an NPA for a period less than or equal to 12 months. The bank carries some risk, but recovery is still considered plausible with proper follow-up.

• **Doubtful Asset** — An account that has remained in the substandard category for more than 12 months. Recovery of the full amount is now considered doubtful, though not impossible.

• **Loss Asset** — An asset identified as uncollectible by the bank, internal/external auditors, or RBI inspection, though it may not yet have been fully written off. Little or no value remains for recovery, but the amount is still carried on the books until formally written off.

Gross NPA vs Net NPA

• **Gross NPA** is the total value of a bank's NPAs before subtracting the provisions the bank has already set aside for expected losses.
• **Net NPA** = Gross NPA minus Provisions. Net NPA represents the bank's real residual exposure to bad loans and is generally considered a more accurate measure of a bank's underlying health.

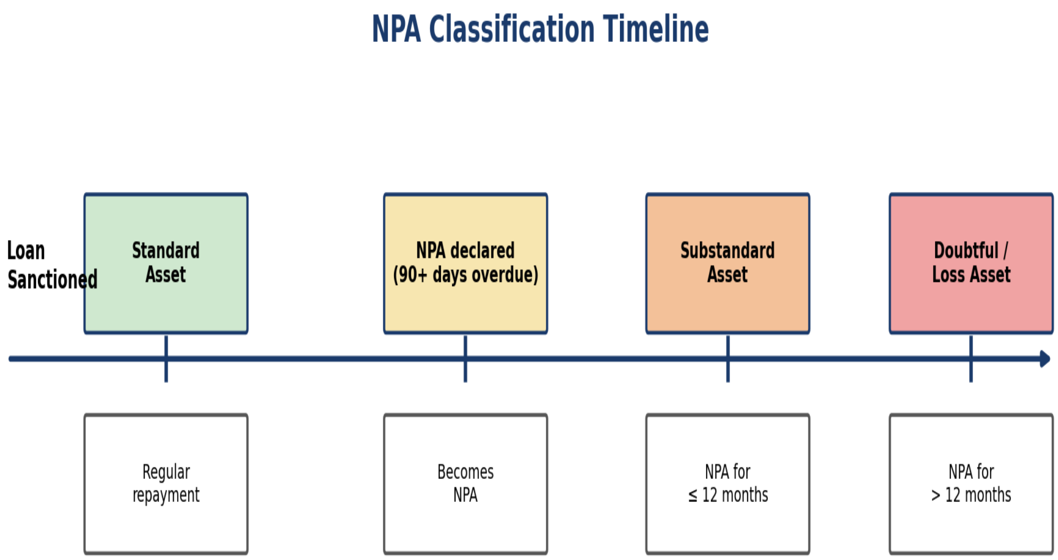

Fig. 7 — Timeline showing how a standard loan progresses through NPA classification stages.

Common Causes of NPAs

• Poor or inadequate credit appraisal at the time of loan sanction.
• Wilful default by borrowers despite having the capacity to repay.
• Economic slowdown or sector-specific downturns affecting borrower revenues.
• Diversion of borrowed funds to purposes other than those sanctioned.
• Natural calamities affecting agricultural or business borrowers.
• Delays in project implementation leading to cost overruns and cash flow stress.

Management of NPA — Strategies (Detailed)

1. Restructuring — The bank revises the loan's repayment terms (extending tenure, reducing interest rate, or offering a moratorium) to help a genuinely stressed but viable borrower recover and resume regular repayment, rather than pushing the account into default.

2. Sale to Asset Restructuring Companies (ARCs) — Banks sell NPAs to specialized ARCs at a discounted value, immediately cleaning up their balance sheet and converting a non-earning asset into upfront cash, while the ARC takes on the recovery effort.

3. SARFAESI Act Enforcement — Under the SARFAESI Act, 2002, banks can, after giving a 60-day notice, take possession of and auction the borrower's secured assets to recover dues, without needing court intervention (this is covered in more depth in Unit 2 — Banking Regulations).

4. One-Time Settlement (OTS) — The bank negotiates a lump-sum settlement with the borrower for a reduced amount, allowing partial recovery and account closure rather than prolonged litigation.

5. Insolvency and Bankruptcy Code (IBC) Proceedings — For larger corporate defaults, creditors can initiate insolvency proceedings before the National Company Law Tribunal (NCLT), which can lead to restructuring under a resolution plan or liquidation of the defaulting company.

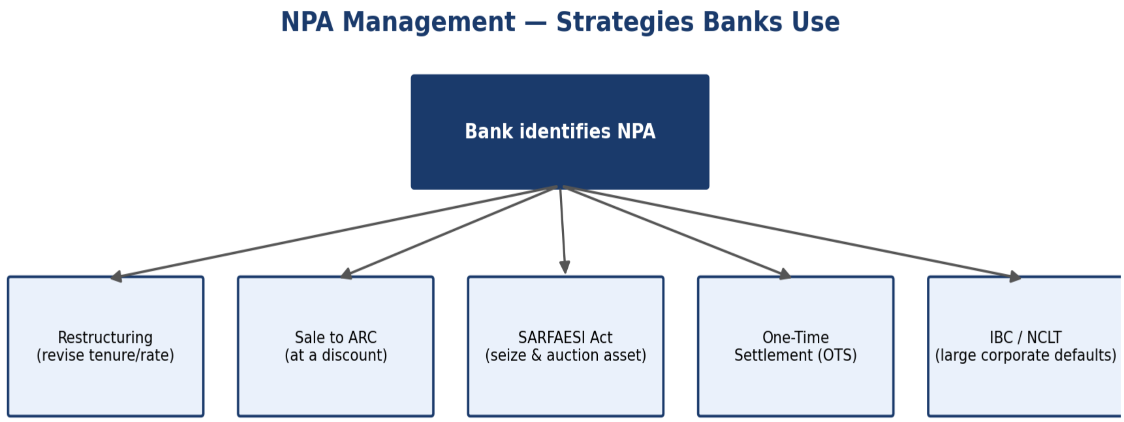

Fig. 8 — Key strategies banks use to manage and recover NPAs.

Asset Restructuring Companies (ARCs) — Detailed

ARCs are specialized financial institutions, registered with and regulated by RBI under the SARFAESI Act, 2002, whose core business is purchasing NPAs from banks and financial institutions (typically at a discount to face value) and then working to recover value from these stressed assets. Their role in the financial system includes:

• Improving banks' asset quality and capital adequacy ratios by removing bad loans from their books.
• Providing banks with immediate liquidity rather than requiring them to wait through a long recovery process.
• Bringing specialized turnaround, restructuring, and recovery expertise that individual banks may lack in-house.
• Enabling banks to focus their management bandwidth on core lending activities rather than recovery litigation.

Example: Asset Reconstruction Company of India Limited (ARCIL) was India's first ARC, established in 2002.

EXAM TIP: Questions on NPA are frequently paired with "explain management strategies" — always mention SARFAESI Act and ARCs together, since Unit 2 (Banking Regulations) builds directly on these Unit 1 concepts. Linking units shows examiners a holistic understanding of the syllabus.

C. Quick-Revision Definitions (Exam-Ready, 2 marks each)

1. Scheduled Bank — A bank listed in the Second Schedule of the RBI Act, 1934, with paid-up capital and reserves of at least Rs. 5 lakh, eligible for RBI facilities like loans at the bank rate and clearing house access.

2. Non-Scheduled Bank — A bank not listed in the Second Schedule of the RBI Act, 1934; maintains its own cash reserves and cannot borrow from RBI except in emergencies.

3. Credit Appraisal — The process by which a bank evaluates a borrower's creditworthiness (via the 5 C's — Character, Capacity, Capital, Collateral, Conditions) before sanctioning a loan.

4. Financial Inclusion — Ensuring access to affordable financial products and services (savings, credit, insurance, payments, pensions) to all sections of society, especially the underserved and low-income population.

5. Priority Sector Lending (PSL) — An RBI mandate requiring banks to allocate a specified share of credit (e.g. 40% of ANBC for SCBs) to sectors like agriculture, MSMEs, education, and housing.

6. Priority Sector Lending Certificate (PSLC) — A tradable certificate allowing banks that exceed PSL targets to sell surplus compliance to banks falling short, without transferring the underlying loan.

7. Non-Performing Asset (NPA) — A loan/advance where interest or principal repayment is overdue for 90 days or more, indicating deteriorating credit quality.

8. Gross NPA — The total value of a bank's NPAs before adjusting for the provisions made against them.

9. Net NPA — Gross NPA minus the provisions a bank has already set aside for bad loans; represents the bank's real residual bad-loan exposure.

10. Asset Restructuring Company (ARC) — A specialized RBI-regulated institution that buys NPAs from banks at a discount and works to recover value through restructuring, management change, or asset sale.

11. One-Time Settlement (OTS) — A negotiated lump-sum recovery arrangement between a bank and a defaulting borrower to close an NPA account for less than the full outstanding amount.

12. Cash Credit — A revolving credit facility granted against stock or receivables to meet a business's short-term working capital needs, with interest charged only on the amount utilized.

D. Likely Exam Question Patterns

Based on GTU's blueprint for this subject — 40% Understand-level, 30% Apply-level, 30% Analyze-level, and no Remember-level (pure recall) questions:

- Explain the role and functions of RBI in the Indian banking system. *(Understand)*
- Discuss the different types of banks operating in India. *(Understand)*
- Explain the concept of financial inclusion and discuss two schemes promoting it. *(Understand/Apply)*
- Discuss NPA and explain strategies banks use to manage it. *(Understand/Apply)*
- Explain the process of credit appraisal followed by banks before sanctioning a loan. *(Understand)*
- Discuss the role of ARCs in resolving stressed assets of banks. *(Analyze)*
- Differentiate between various types of loans and advances offered by commercial banks. *(Understand/Apply)*
- As a bank manager, analyze how you would apply PSL norms while approving loans for different customer segments. *(Apply/Analyze — case-based)*
- "Priority Sector Lending strengthens financial inclusion but pressures bank profitability." Analyze this statement. *(Analyze)*
- Trace the evolution of the Indian banking system from pre-independence to the present. *(Understand)*

E. Curated Study Resources

YouTube Videos

1. Indian Banking System & RBI Functions — CA Rachana Ranade
https://www.youtube.com/watch?v=LynCHhDEv4s
2. Credit Analysis | 5 C's of Credit Framework
https://www.youtube.com/watch?v=k4fQxMR-KWQ
3. RBI's Priority Sector Lending (PSL) Explained
https://www.youtube.com/watch?v=nE_TLJh-gkY
4. NPA — Types, Causes, Provisioning Explained
https://www.youtube.com/watch?v=xWseKgOL_C0
5. NPA Explained — Substandard, Doubtful & Loss Assets
https://www.youtube.com/watch?v=FIzYaRI89T0

Websites & Articles

• Structure of Banking System in India — Types of Banks:
https://pendulumedu.com/general-awareness/banking-system-in-india-and-types-of-banks

• 5 C's of Credit Appraisal (Precisa): https://precisa.in/blog/5-cs-of-credit-appraisal/

• Priority Sector Lending — Meaning, Categories, Targets (Testbook):
https://testbook.com/ias-preparation/psl-priority-sector-lending

• Overview of Indian Banking System (Agriculture Notes):
https://agriculture.institute/agripreneurship/indian-banking-system-types-structure/

Official / Primary Sources

• RBI official site (functions, monetary policy, monthly bulletin): https://www.rbi.org.in

• RBI Act 1934 & Banking Regulation Act 1949 — full text available via rbi.org.in

Prescribed Textbook (per GTU syllabus)

• *Banking Theory and Practice* — K. C. Shekhar & Lekshmy Shekhar, Vikas Publishing

• *Modern Banking* — Shelagh Heffernan, Wiley

• *Indian Financial System* — Bharati V. Pathak, Pearson

— END OF UNIT 1 STUDY GUIDE —