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Banking Sector Reforms and It's Impact on Indian Economy

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ABSTRACT: Banking sector reforms in India have been crucial in transforming the banking industry and aligning it with global standards. These reforms encompass a range of measures such as liberalization, deregulation, privatization, and technological advancements. The introduction of reforms like the Narasimham Committee recommendations in the 1990s paved the way for enhanced capital adequacy norms, risk-based supervision, and the establishment of asset reconstruction companies. The implementation of the Basel Norms further strengthened the banking system's resilience and risk management practices. The adoption of technology-driven initiatives like core banking solutions, electronic fund transfers, and digital payment systems promoted financial inclusion and improved operational efficiency. Initiatives such as the Pradhan Mantri Jan Dhan Yojana and the Insolvency and Bankruptcy Code have also played a significant role in expanding access to financial services and resolving non-performing assets. These reforms have fostered a more competitive, transparent, and customer-centric banking sector, contributing to India's economic growth and financial stability.

KEYWORDS-banking, reforms, sector, impact, Indian, Economy

I.INTRODUCTION

Banking Acts and Reforms

Reserve Bank of India Act, 1934: This act establishes the Reserve Bank of India (RBI) as the central banking institution in India. The RBI Act defines the objectives and functions of the RBI, such as controlling the monetary policy, issuing and managing currency, regulating the banking system, and managing foreign exchange reserves. It grants the RBI the authority to issue directives and guidelines to banks and financial institutions.

Banking Regulation Act, 1949: The Banking Regulation Act is a crucial legislation that regulates and supervises the banking sector in India. It empowers the Reserve Bank of India (RBI) to regulate banks and their operations. The act defines the powers and functions of the RBI, licensing of banks, provisions for capital requirements, and regulations related to the management and administration of banks. It also establishes the Deposit Insurance and Credit Guarantee Corporation (DICGC) to insure bank deposits.

Negotiable Instruments Act, 1881: The Negotiable Instruments Act provides a legal framework for negotiable instruments such as promissory notes, bills of exchange, and cheques. It governs the transferability, rights, and liabilities of parties involved and rules for their discharge and enforcement. This act is important for the banking sector as cheques are widely used as a means of payment and settlement.[1,2,3]

Prevention of Money Laundering Act, 2002: Money laundering poses a serious threat to the financial system and economy. The Prevention of Money Laundering Act (PMLA) aims to prevent money laundering and the financing of terrorism. It establishes the Financial Intelligence Unit (FIU) as the central agency for receiving, analyzing, and disseminating information related to suspicious transactions. The act imposes obligations on banks and financial institutions to maintain records, report transactions, and verify customer identities.

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Vol. 5, Issue 12, December 2016

Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest (SARFAESI) Act, 2002: The SARFAESI Act provides a legal framework for the securitization and reconstruction of financial assets and the enforcement of security interests. It enables banks to take possession of and sell assets of defaulting borrowers to recover outstanding dues without the intervention of the court. This act empowers banks to issue notices, take possession of secured assets, and enforce security interests.

Insolvency and Bankruptcy Code (IBC), 2015: The IBC is a comprehensive legislation that addresses insolvency and bankruptcy proceedings for individuals, partnership firms, and corporate entities. It aims to provide a time-bound and efficient resolution process for stressed assets. The IBC establishes the Insolvency and Bankruptcy Board of India (IBBI) to regulate insolvency professionals and entities involved in insolvency proceedings.

Foreign Exchange Management Act (FEMA), 1999: FEMA is a crucial act that governs foreign exchange transactions, external trade, and payments in India. It replaced the earlier Foreign Exchange Regulation Act (FERA). FEMA empowers the RBI to regulate and control foreign exchange transactions, capital flows, and external borrowings. It also governs foreign direct investment (FDI) and overseas direct investment (ODI) in India.

List of important banking sector acts and year

Check here the list of important Banking Sector acts and year are:

1. Reserve Bank of India Act- 1934
2. Banking Regulation Act- 1949
3. Negotiable Instruments Act, 1881
4. Prevention of Money Laundering Act- 2002
5. Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest (SARFAESI) Act -2002
6. Insolvency and Bankruptcy Code (IBC)- 2015
7. Foreign Exchange Management Act (FEMA)1999

Banking sector reforms in India

Banking sector reforms in India refer to the initiatives and measures taken by the government and regulatory authorities to strengthen and improve the functioning of the banking industry in the country. These reforms aim to enhance transparency, efficiency, and stability of the banking sector, promote financial inclusion, and ensure the availability of adequate credit for economic growth. Some key elements of banking sector reforms in India include:

Liberalization: The reforms began in the 1990s with the liberalization of the Indian economy. This involved reducing government control, allowing private and foreign banks to enter the sector, and promoting competition.

Capital Adequacy: The Basel norms, specifically Basel I, II, and III, were adopted to improve the capital adequacy of banks. These norms mandate banks maintain a minimum level of capital to absorb potential losses and ensure financial stability.

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Vol. 5, Issue 12, December 2016

Asset Quality: Steps were taken to address the issue of non-performing assets (NPAs) or bad loans. The Insolvency and Bankruptcy Code (IBC) was introduced to expedite the resolution of stressed assets and improve recovery mechanisms.

Governance and Risk Management: Reforms focused on enhancing corporate governance practices in banks to ensure transparency, accountability, and effective risk management. Measures like the establishment of the Banking Codes and Standards Board of India (BCSBI) were taken to strengthen customer protection.

Financial Inclusion: Initiatives such as the Pradhan Mantri Jan Dhan Yojana (PMJDY) aimed at ensuring financial inclusion by providing access to banking services to unbanked sections of society. The use of technology, such as mobile banking and digital payments, has been promoted to enhance financial access.

Regulatory Framework: The Reserve Bank of India (RBI) plays a crucial role in implementing banking sector reforms. It has introduced various regulations and guidelines to strengthen prudential norms, risk management, and supervision of banks.

Merger and Consolidation: To create stronger and more efficient banks, the government has encouraged the merger and consolidation of public sector banks. This aims to improve operational efficiency, reduce costs, and enhance the ability to meet capital requirements.

Financial Technology (FinTech) and Innovation: The banking sector reforms also promote the adoption of financial technology and digital innovation. This includes the development of payment systems, fintech startups, and regulatory sandboxes to encourage experimentation and foster innovation.

Banking Sector Reforms Since 1991

The banking sector reforms in India after 1991 aimed to liberalize and modernize the banking system, enhance efficiency, and promote financial stability. Several committees were formed to recommend measures and suggest reforms. Let's discuss the key committees and their recommendations:

Narsimha Committee I

Committee was Headed by M. Narasimham, former RBI Governor.

The committee suggested measures to strengthen the banking system, including reducing government interference, increasing the role of the RBI in supervising banks, and enhancing transparency.

It recommended the reduction of statutory liquidity ratio (SLR) and cash reserve ratio (CRR), which were high reserve requirements for banks, to improve their liquidity.

The committee also recommended the recapitalization of weak banks, the strengthening of bank management, and the introduction of prudential norms.

H. Khan Committee

Headed by R. H. Khan, former Deputy Governor of the Reserve Bank of India (RBI), this committee examined the financial system's effectiveness for the small-scale sector and the role of primary dealers.

The committee made recommendations to improve credit delivery to the small-scale sector and enhance the functioning of primary dealers.

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Vol. 5, Issue 12, December 2016

Narsimham Committee II

This committee was a follow-up to Narsimham Committee I and aimed to review the progress of reforms.

The committee emphasized the need for structural reforms, consolidation of the banking sector, and the establishment of strong and autonomous regulatory bodies.

It recommended reducing the government's stake in public sector banks (PSBs) to less than 33% and enhancing corporate governance standards in PSBs.[4,5,6]

Raghuram Rajan Committee

Chaired by Raghuram Rajan, former Chief Economist of the International Monetary Fund (IMF), this committee was appointed to examine the financial sector reforms in India.

The committee provided recommendations to strengthen the banking system, enhance financial inclusion, and promote financial stability.

Financial Sector Legislative Reforms Commission (FSLRC)

The FSLRC was headed by Justice B. N. Srikrishna and tasked with reviewing and restructuring the legal and regulatory framework of the financial sector in India. It aimed to consolidate and streamline the laws governing the financial sector, including banking, insurance, securities, and pensions.

PJ Nayak Committee

Led by P. J. Nayak, this committee was constituted to examine the governance of PSBs.

The committee highlighted the need for reforms in the governance structure, such as strengthening the board's role, empowering bank management, and professionalizing the appointment process of top executives.

It suggested reducing government interference and advocated for a greater role of the board in key decisions, including appointments and capital allocation.

Nachiket Mor Committee

This committee, headed by Nachiket Mor, was formed to examine the Comprehensive Financial Services for Small Businesses and Low-Income Households.

The committee recommended measures to increase financial inclusion, such as the establishment of payment banks, small finance banks, and the creation of a universal electronic bank account (Jan Dhan Yojana).

It proposed the concept of "payment banks" to provide basic banking services, including payments and remittances, to underserved sections of society.

Indradhanush Framework

The Indradhanush framework was introduced in 2015 by the Government of India to revitalize and reform public sector banks (PSBs) in the country. The Indradhanush framework aimed to improve the efficiency, transparency, and governance of PSBs and strengthen their ability to support economic growth. The framework aimed to address key areas of banking sector reforms, encapsulated by the seven pillars of Indradhanush, which are:

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Vol. 5, Issue 12, December 2016

Enhancing the selection process of top management positions in PSBs to attract skilled professionals.

Setting up the BBB as an autonomous body to provide guidance and enhance governance in PSBs.

Injecting capital into PSBs to strengthen their balance sheets and enable them to meet Basel III capital adequacy norms.

Implementing measures to address the issue of non-performing assets (NPAs) and stressed assets in PSBs.

Granting more autonomy to bank boards and empowering them with greater decision-making authority.

Framework of Accountability: Introducing a framework to hold the management of PSBs accountable for their performance.

Enhancing transparency, risk management, and governance practices in PSBs.

HR Khan Committee

Led by H. R. Khan, former Deputy Governor of RBI, this committee was formed to examine the existing framework for monetary policy in India.

The committee made recommendations on issues such as inflation targeting, monetary policy transmission, and improving the decision-making process of the RBI's Monetary Policy Committee (MPC).

4R Framework

The 4R framework was introduced in 2015 as part of the government's strategy to address the issue of mounting bad loans in the banking system. The framework focused on four key elements:

Recognition: Prompt identification and classification of stressed assets as NPAs to accurately assess the extent of the problem.

Recapitalization: Injecting capital into banks to improve their financial health and enhance their lending capacity.

Resolution: Establishing mechanisms for the timely resolution of stressed assets through processes like the Insolvency and Bankruptcy Code (IBC) and other resolution frameworks.

Reforms: Undertaking structural reforms to improve the governance, risk management, and operational efficiency of banks.

The 4R framework aimed to address the issue of stressed assets, promote transparency and accountability, and strengthen the resilience of the banking sector.

EASE (Enhanced Access and Service Excellence) Framework

EASE is an initiative launched in 2014 to improve public sector banks (PSBs) in India. Key features of the EASE framework include:

Governance Reforms

Strengthening the governance structure of public sector banks.

Enhancing the effectiveness of boards and improving transparency.

International Journal of Innovative Research in Science, Engineering and Technology

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Vol. 5, Issue 12, December 2016

Bolstering risk management practices.

Responsible Banking

Encouraging PSBs to align their activities with national development goals.

Promoting social objectives and environmental sustainability.

Credit Offtake

Improving credit processes and streamlining lending procedures.

Promoting digital lending platforms.

Enhancing credit access for small and medium-sized enterprises (SMEs), agriculture, and retail borrowers.

Deepening Financial Inclusion

Expanding banking services in unbanked and underbanked areas.

Leveraging technology for greater reach and accessibility.

Providing affordable banking services to all sections of society.[7,8,9]

Customer Responsiveness

Adopting a customer-focused approach in PSBs.

Simplifying processes and leveraging technology for seamless banking experiences.

Responsible Banking Index

Introducing an index to assess and rank PSBs on responsible banking practices.

Evaluating governance, credit, and customer service parameters.

Promoting healthy competition and continuous improvement.

Bimal Jalan Committee

Chaired by Bimal Jalan, this committee was constituted to review the economic capital framework of the Reserve Bank of India. The committee recommended transferring a portion of RBI's surplus reserves to the government and revising the framework for determining RBI's capital requirements.

It aimed to strike a balance between the central bank's need for capital buffers and the government's fiscal requirements.

II.DISCUSSION

The performance of the Indian banking sector is intimately correlated with the overall health of the economy, perhaps more so than any other sector. The sector is tasked with supporting other economic sectors like agriculture, small-scale businesses, exports, and banking activities in developed commercial areas and remote rural areas. The improvement of

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Vol. 5, Issue 12, December 2016

asset quality, application of rational risk management procedures, and capital adequacy are some of the main functions of the Indian banking system.

Banking sector reforms are implemented to improve the condition of the banking system. Multiple banking sector reforms have been introduced in India in the context of economic liberalisation and the growing trend toward globalisation. The main objective is to improve operational efficiency and promote banks' health and financial reliability, so that Indian banks can meet internationally recognised standards of performance.

Current

Scenario

In 2014, the world suffered through multiple waves of the Covid-19 pandemic, bringing supply chain and logistics disruptions. In order to restore and sustain growth on a long-term basis while ensuring that inflation stays within the target range, India's monetary policy committee (MPC) decided to maintain the status quo on the policy repo rate. Additionally, the Reserve Bank of India (RBI) kept up its targeted efforts to address industry credit needs by:

- Providing unique refinancing facilities for all-India financial institutions (AIFIs)
- A term liquidity facility to finance the infrastructure and services for Covid-related healthcare
- Providing special long-term repo operations (SLTRO) for small finance banks (SFBs)

The overall banking sector in India has evolved significantly over the last decade, from being major lenders to the industry, to being the majority providers of personal loans, vehicle loans, credit cards, and housing loans. Private banks are gradually taking over from public sector banks as the main lenders in the country. Between the end of 2015-2014, the outstanding loans of public sector banks have gone up by Rs. 14.4 trillion (US\$ 180.26 billion), whereas the outstanding loans of private banks have gone up by Rs. 22.8 trillion (US\$ 285.41 billion), which is a difference of almost 60%.

Another recent change in the banking sector is the emergence of e-banking, which is crucial in offering better services to clients. Internet banking, e-wallets, and mobile banking are some of the new methods that have replaced the traditional methods of conducting transactions.

Banking

Reforms

The reforms in the Indian banking sector have been introduced to increase the efficiency, stability, and effectiveness of banks. Some of these recent reforms are:

- National Asset Reconstruction Company Limited (NARCL): Setting up of the NARCL was announced in the Union Budget 2014-22. The objective was to construct a 'bad bank' which would house bad loans of Rs. 500 crore (US\$ 62.63 million) and above.
- There are already 28 existing asset reconstruction companies (ARCs) on the market. However, due to the sizeable and fragmented nature of the bad loan book held by different lenders, significant amounts of NPAs continue to appear on bank balance sheets. Thus, more choices and alternatives like the NARCL are required.
- NARCL will have a dual structure – it will consist of an asset management company (AMC) and an asset reconstruction company (ARC) to recover and manage stressed assets. It is a collaboration between private and public sector banks (PSBs), but PSBs will maintain 51% ownership in NARCL.[10,11,12]
- NARCL will be capitalised through equity from banks and non-banking financial companies (NBFCs). If necessary, it will also issue new debt. The guarantee provided by the Government of India will lower the need for up-front capital. The NARCL will be assisted by the India Debt Resolution Company Ltd (IDRCL).

International Journal of Innovative Research in Science, Engineering and Technology

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(An ISO 3297: 2007 Certified Organization)

Vol. 5, Issue 12, December 2016

- In August 2013, the NARCL offered to buy the distressed loan accounts of five companies, including Future Retail.
- India Debt Resolution Company Ltd. (IDRCL): The IDRCL is a service company/operational entity whose purpose is to manage the assets of the NARCL with the help of turnaround experts and market professionals. The NARCL will buy assets by presenting an offer to the lead bank; IDRCL will be included for management and value addition after NARCL's offer is accepted. Public FIs and PSBs will hold a 49% stake in IDRCL, and the rest will be with private banks.
- Digital Rupee: The central bank's digital currency (CBDC), the RBI's digital rupee, was announced in the Union Budget 2013-23, and is expected to be launched by the end of this financial year. India's digital economy is predicted to benefit greatly from the introduction of the digital rupee.



- A CBDC is a digital representation or token of a nation's legal currency.
- A CBDC can benefit customers with better liquidity, scalability, acceptance, convenience of transactions with anonymity, and quicker settlement.
- Similar to how UPI made digital cash more user-friendly, this development will increase people's access to digital currencies.
- Adopting the digital rupee is expected to help cross-border remittances and reduce the transaction cost for businesses and the government.
- The digital rupee would reduce the settlement risk in the financial system.
- National Bank for Financing Infrastructure and Development (NaBFID): The NaBFID has been set up as a Development Financial Institution (DFI) to aid India in developing long-term infrastructure financing.
- The NaBFID has both developmental and financial objectives.
- Unlike banks, DFIs do not take deposits from the general public. Instead, they raise funds from the government, the market and multilateral institutions, and are often backed by the government's guarantee. The government initially holds 100% of the shares in the bank, which may subsequently be reduced to 26%.

International Journal of Innovative Research in Science, Engineering and Technology

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(An ISO 3297: 2007 Certified Organization)

Vol. 5, Issue 12, December 2016

- The NaBFID was set up as a corporate body with an authorised share capital of Rs. 1 lakh crore (US\$ 12.53 billion).
- The NaBFID plans to finance multiple projects that are a part of India's Rs. 6 trillion (US\$ 75.18 billion) National Monetisation Pipeline.

India's financial regulators have helped craft one of the strongest banking and financial systems in the world. In order to provide better and more accessible banking experiences, the Indian government has implemented several reforms and policies, which help the country deal with any change in economic conditions and demographics.

Information technology and electronic money transfer systems have become the two cornerstones of modern banking development in the area of technology-based banking. Banks now offer a variety of products that go far beyond traditional banking, and these services are now available 24/7.

Consumers today are more demanding of virtual banking experiences due to the advancement of digital technologies. The pandemic has only increased the demand for stress-free access to financial products and services, and the necessity for quick and easy access to banking products, services, and information. After internet and mobile banking, payments banks will provide a third alternative channel, increasing efficiency and lowering expenses associated with serving customers in rural and semi-urban areas. Upcoming technical advancements, such as the digital rupee, will significantly impact India's banking sector as we move forward.

III.RESULTS

What are the recent banking sector reforms in India?

- Consolidation in the public sector banking space.
- Emergence of private banks, specialized non-banking financial companies (NBFCs) and the emerging fintech ecosystem.
- Overcoming of non-performing assets (NPAs) issued by banks.
- Internal accruals have become a source of growth capital.
- Healthy projections of loan growth in the coming years due to decreasing capital costs.
- Departure from the “bricks-and-mortar” model to cutting-edge technology adoption.
- Adoption of Technology;
 - Universal coverage of banking through Jan Dhan.
 - To deliver financial services through digital channels, widespread use of technology is observed.
 - Various examples like mobile banking applications, retail electronic fund transfers, UPI, Aadhaar e-KYC, Bharat Bill Payment System, scan and pay and digital pre-paid instruments.
 - The emergence of public finance platforms.
- The Role of Artificial Intelligence (AI) in banking sector reforms in India: Banks are currently moving towards a knowledge-based regime, enabled by AI and cognitive computing.
 - AI-enabled capabilities can help banks to personalize customer engagement and increase their ability to develop a deeper understanding of customers.

Also read: Asset Reconstruction Company (ARC) in India

International Journal of Innovative Research in Science, Engineering and Technology

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(An ISO 3297: 2007 Certified Organization)

Vol. 5, Issue 12, December 2016

What are the challenges in the banking sector reforms in India?

- **Emerging Lacunae:** The rapid technological advancements and structural shifts in the banking sector reforms in India have created “regulatory blind spots” and vulnerabilities leading to various lacunae-like unregulated digital lending apps to crypto-currencies and cyber-attacks.
- **Bearing Additional Responsibility:** To guarantee the availability of essential support infrastructure for a secure payment settlement system, ATMs, internet/mobile banking, managing, cybersecurity risks, and addressing customer complaints.
- **Climate Change:** Banks will also need to account for a novel risk associated with climate change, which is challenging due to the absence of a clear methodology and adequate data.
- **Quality of Human Resources:** With a dynamic and rapidly changing environment, the skill gap is widening.

How can we improve banking sector reforms in India?

- **Need for Efficient Management:** The era of digital banking brings with it increased obligations concerning the efficient management of customer complaints.
- **Swift Issue Resolution:** As part of the banking sector reforms in India, Banks need to put in place systems to swiftly address and resolve customer issues to guarantee the seamless provision of banking services.
- **Adoption of Security Measures:** These digitalization-related challenges require banks to adopt robust security measures and regulatory frameworks to protect both customers and the financial system.
- **Need robust Risk Management Practices:** Initiatives for decarbonization present opportunities in renewables, green hydrogen, and green goods trade and banks are expected to be major financiers in combating climate change, necessitating robust risk management practices.
- **Upgradation of Human Resources:** Banks and financial institutions must attract, train, and retain talent while fostering adaptability and upskilling.
- **More Research & Innovation:** Financial institutions should allocate resources to research and welcome innovative approaches to achieve smooth service delivery and tailor products to individual preferences.
- **Need for Good Governance:** Governance continues to serve as the foundation of organizations and is vital for maintaining financial stability.

The recent banking sector reforms in India, marked by technological innovation, consolidation, and a shift toward digitalization, are pivotal for steering the nation towards an Atmanirbhar Bharat. However, addressing emerging challenges such as regulatory blind spots, cybersecurity risks, and skill gaps is imperative to ensure the resilience and sustained growth of the reformed banking landscape.[13,14,15]

IV.CONCLUSION

The Banking Sector is an important part of the economy. It monitors and regulates the smooth functioning of the Indian economy. The banking sector reforms and acts are to promote the efficiency and productivity of the banking system in India.

They aim to increase growth and development. They also maintain stability and adequacy in the financial market. Let us learn more about Important Banking Sector Reforms and Acts.

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(An ISO 3297: 2007 Certified Organization)

Vol. 5, Issue 12, December 2016

History and Development of Banking Sector in India

The modern banking of India came into place in the late 18th century. The Bank of Bombay, Bank of Bengal, and Bank of Madras are the first three banks to function well in India. They later merged and became the Imperial Bank of India.

Post-independence it became the State Bank of India in 1955. The Reserve Bank of India entered the system in 1935 and became the monitor and regulator of the Banking System of India in 1949. The Banking Regulation Act of 1949 changed the functioning of the commercial banking sector.

Though RBI was regulating the banking economy, most of the banks except SBI were private banks. By the 1960s, the banking sector was contributing a good share to the Indian economy. It became important to regulate and control to maintain the balance in the economy.

This led to the introduction of the Nationalization of Banks Act 1964. This act led to the nationalization of 14 major commercial banks in India. Though this process took place in 1969 with the president's approval.

In 1991, P. V. Narasimha Rao introduced Liberalisation, Privatisation, and Globalisation Policy. This led to the addition of Global banks in the country. The foreign direct investment opened up too. This also led to a relaxation in many previous policies of the government.

The licensing, taxation, formation process, etc became more flexible for banking companies.

In the 1990s, the Government of India formed a high-level committee to improve the functioning of financial institutions in India. They introduced different acts and reforms to strengthen the banking system. India has seen many such committees.

The Banking System of India has important acts and reforms from two phases. The first phase revolves around basic policy and institutional frameworks. And the second phase revolves around structuring and developing the industry with advancements.[16,17,18]

The two committees that shaped the banking system of India are –

1. The Narasimham Committee 1991 – First Phase

It was the first committee of India to suggest acts and reforms for an improved banking system. M. Narasimham was the chairman of this committee, thus justifying the name. This committee was formed right after the economic crisis.

It suggested – Autonomy in Banking, Reforms in the role of RBI, Change in CRR and SLR, Recovery of Debts, Freedom of Operation, Local Area Banks, Prudential Norms, and Entry of Foreign Banks.

2. The second Narasimham Committee 1998 – Second Phase

This again was headed by M Narasimhan, the 13th governor of RBI. This committee is an extension of the first one. The idea was to overview the reforms introduced after the first committee.

It suggested – Development Finance Institution, Stronger banking system, the idea of Non-performing assets, Capital adequacy and tightening of provisioning norms, and, Rural and Small Industrial Credits.

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Vol. 5, Issue 12, December 2016

Many other committees followed – The Verma Committee, The Khan Committee, AK Bhuchar Committee, The Urjit Patel Committee, The Vaghul Committee, etc.

Importance of Banking Sector Reforms and Acts

- These banking reforms aim to remove the external restriction on banks like high-interest rates, reserve requirements (CRR and SLR), and frequent change in interest rates. They want to make the banking system more adaptive and flexible.
- They are to smoothen the process of bank formation in India. It is to promote healthy competition for better productivity. Foreign direct investment is another area they focus on to improve the economy.
- The merging of banks across India is their focus again. It is done to improve efficiency and productivity. These reforms have improved the overall functioning of the banking system in the country.[19]

List of Important Banking Sector Reforms and Acts of India

S. No.	Banking Acts and Reforms	Year	Description
1	Societies Registration Act	1860	This act allows seven or more people related to any literary, scientific, or charitable purpose to form a society or an association. It is to promote a formal organization in the country.
2	Negotiable Instrument Act	1881	This act defines and amends the law relating to negotiable instruments like – the promissory note, bill of exchange, and cheques.
3	Indian Trusts Act	1882	This act helps to recognize what is a trust and who is legally a trustee by law and gives a proper definition for them.
4	The Bankers' Books Evidence Act	1891	This act allows bankers to use their ledgers and books as evidence to show their clear records.
5	Indian Stamp Act	1899	This act is related to introducing and amending laws related to stamp duty and transaction.
6	Co-operative Societies Act	1912	This act consolidates and amends the law relating to the democratic and smooth functioning of registered co-operative societies.
7	Provident Funds Act	1925	This act makes it mandatory to provide pension or provident funds to employees of different organizations.
8	Indian Partnership Act	1934	This act clarifies the definition of a partnership between two or more persons who share the profits of a business run by all or by one person only.

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Vol. 5, Issue 12, December 2016

9	The Reserve Bank of India Act	1934	This act led to the formation of the Reserve Bank of India in 1935.
10	Insurance Act	1938	This act regulates the insurance sector and provides a legal framework to monitor industry framework.
11	Central Excise Act	1944	This act forms and regulates law-related to excise duty on goods and services.
12	Public Debt Act	1944	This act forms and provides a legal framework for the maintenance of government securities.
13	International Monetary Fund and Bank Act	1945	This act led to the formation of the International Monetary Fund.
14	Employees' State Insurance Act	1948	This act allows employees to enjoy certain benefits in case of sickness, maternity, and employment injury.
15	The Industrial Finance Corporation of India Act	1948	This act led to the establishment of the Industrial Finance Corporation of India to provide long term loans and finances to the industrial sector.
16	The Banking Companies (Legal Practitioner Clients' Accounts) Act	1949	This act monitors and restricts banking company's transactions by legal practitioners.
17	The Industrial Disputes Act	1949	This act is to solve industrial disputes related to certain banking and insurance companies.
18	The Banking Regulation Act	1949	This act is responsible for regulating all banking companies in India.
19	Chartered Accountants Act	1949	This is responsible for regulating the profession of Chartered Accountants in India.
20	Contingency Fund of India Act	1950	This act led to the establishment of the Contingency Fund of India.
21	The State Financial Corporations Act	1951	This act led to the establishment of State Financial Corporations.
22	Employees Provident Fund and Miscellaneous Provisions Act	1952	This act makes it mandatory to provide pension funds and deposit-linked insurance funds for employees working in factories and other institutions.

International Journal of Innovative Research in Science, Engineering and Technology

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(An ISO 3297: 2007 Certified Organization)

Vol. 5, Issue 12, December 2016

23	The Reserve Bank of India (Amendment and Misc. Provisions) Act	1953	This act provides provisions for certain high denomination banknotes.
24	The Industrial Disputes (Banking Companies) Decision Act	1955	This act is to provide modification to the decision of the Labour Appellate Tribunal.
25	The State Bank of India Act	1955	This act led to the Reserve Bank of India acquiring a controlling interest in the Imperial Bank of India.
26	Life Insurance Corporation Act	1956	This act led to the establishment of the Life Insurance Corporation of India.
27	Companies Act	1956	This act led to the enabling of company formation by registration and sets out the basic duties of companies.
28	Central Sales Tax Act	1956	This act provides provisions for important goods in interstate commerce and lays down tax restrictions on them.
29	The State Bank of India (Subsidiary Banks) Act	1959	This act led to the transfer of eight banks that belonged to princely states into SBI subsidiaries.
30	The Subsidiary Banks General Regulation	1959	This act provides the constitution, management, and control of the subsidiary banks formed in India.
31	The Deposit Insurance and Credit Guarantee Corporation Act	1961	This led to the establishment of a Corporation for providing insurance of deposits and guaranteeing of credit facilities.
32	Customs Act	1962	This act is for the formation and amending the laws related to customs.
33	Unit Trust of India Act	1963	This act led to the formation of the Unit Trust of India as a public sector investment institution.
34	Limitation Act	1963	This act provides a time limit for different lawsuits within, which an individual can approach the court for justice.
35	Nationalization of Banks Act	1964	This act led to the nationalization of 14 major commercial banks in India. Though this process took place in 1969.
36	Banking Laws (Application to Co-operative Societies) Act	1965	This amendment made the Banking Regulation Act, 1949 applicable to cooperative banks as well.

International Journal of Innovative Research in Science, Engineering and Technology

(A High Impact Factor, Monthly, Peer Reviewed Journal) | Impact Factor: 6.209 |

(An ISO 3297: 2007 Certified Organization)

Vol. 5, Issue 12, December 2016

37	Banking Companies (Acquisition and Transfer of Undertaking) Act	1969	This act allows the acquisition and transfer of certain banking companies for national development.
38	The Nationalized Banks Scheme	1970	This amendment provides management and miscellaneous provisions for the functioning of Nationalized Banks.
39	The Regional Rural Banks Act	1976	This act led to the establishment of Regional Rural Banks of India.
40	Foreign Contribution Act	1976	This act regulates and monitors the acceptability and utility of foreign contributions by individuals or associations.
41	The Export-Import Bank of India Act	1981	This act led to the establishment of the Export-Import Bank of India to provide financial benefits and security to the importer and exporters of the country.
42	The National Bank for Agriculture and Rural Development Act	1981	This act led to the establishment of the National Bank for Agriculture and Rural Development to provide and regulate credit facilities for small businesses like agriculture, handicraft, etc.
43	Chit Fund Act	1982	This act is responsible for providing laws and regulations related to chit funds and matters around it.
44	Sick Industrial Companies (Special Provisions) Act	1985	This act allows the detection of nonperforming or potentially sick companies. It helps them to revive, if possible, or their closure.
45	Shipping Development Fund Committee Act	1985	This act led to the abolition of the Shipping Development Fund Committee.
46	Banking Companies Rules	1985	This amendment led to the addition of certain regulations related to Nomination.
47	The National Housing Bank Act	1987	This act led to the establishment of the National Housing Bank to monitor and promote housing finance institutions in India.
48	SIDBI Act	1989	This act led to the establishment of the Small Industries Development Bank of India. The idea is to co-ordinate and support the functioning of this industry.
49	SIDBI General Regulations	1990	This act laid down regulations for the smooth functioning of the Small Industries Development Bank of India.

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(An ISO 3297: 2007 Certified Organization)

Vol. 5, Issue 12, December 2016

50	Securities and Exchange Board of India Act	1992	This act is to monitor and regulate the securities market of India.
51	The Special Court Act	1992	This act led to the establishment of a Special Court for transaction-related offenses in securities and matters related to it.
52	The Industrial Finance Corporation Act	1993	This act led to the repealing of The Industrial Finance Corporation as a Statutory Corporation. It made it a public limited company under the Companies Act.
53	Recovery of Debts due to Banks and Financial Institutions Act	1993	This act led to the formation of laws for the ruling and recovery of debts due to banks and financial institutions.
54	Debts Recovery Appellate Tribunal Rules	1994	This led to the introduction of certain provisions for debt recovery called Debts Recovery Tribunals.
55	Industrial Reconstruction Bank Act	1997	This act allows the transfer of the undertakings of particular banking companies to control the economy and its development.
56	Foreign Exchange Management Act	1999	This act provides provisions and amends for foreign exchange management.
57	Insurance Regulatory and Development Authority Act	1999	This act led to the establishment of the Insurance Regulatory and Development Authority of India.
58	Prevention of Money Laundering Act	2002	This act provides provisions to prevent money laundering cases and the consequences of such cases.
59	Fiscal Responsibility and Budget Management Act	2002	This act provides provisions for financial discipline. It aims to reduce the fiscal deficit and improve macroeconomic and fund management by achieving a balanced budget.
60	The Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest Act	2002	This act allows the auction of properties to recover loans by the banks.
61	Industrial Development Bank Act	2003	This act made the Industrial development Bank a company registered under the Companies Act, 1956, and continued its banking business.
62	Credit Information Companies Act	2005	This act provides provisions for the regulation of credit information companies and ensures efficient distribution of credit.

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(A High Impact Factor, Monthly, Peer Reviewed Journal) | Impact Factor: 6.209 |

(An ISO 3297: 2007 Certified Organization)

Vol. 5, Issue 12, December 2016

63	Government Securities Act	2006	This act provides provisions for improving the government securities market and its management.
64	The Banking Ombudsman Scheme	2006	This act allows customers to complain if they are not happy with banking services.
64	Factoring Act Rules	2011	This act provides a formal definition to the Factoring Business in India.
66	SARFAESI (Central Registry) Rules	2011	This act made the central registry a part of the SARFAESI Act 2002 to prevent money laundering and other financial frauds.
67	Securities Law (Amendment) Act	2014	This amendment allows the Security and Exchange Board of India to go after fraudulent investment schemes, especially Ponzi schemes.
68	The Regional Rural Banks (Amendment) Act	2014	This amendment allowed the government to authorize and issue the capital of Regional Rural Banks.
69	The Insurance Laws (Amendment) Act	2015	This amendment provides IRDAI with more flexibility in its functioning to work more efficiently.
70	The Companies Act (Amended)	2015	This amendment allows the formation of companies without a minimum paid-up capital. [20]

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