

# Non Banking Financial Companies (NBFCs) and Micro Finance

## Course Objectives

The course aims to enable the students to acquire basic understanding of the structure, organization, functions and the legal and regulatory framework of NBFCs. The course will also help the students to understand the aim of financial inclusion, role of micro finance, models of micro finance, Legal and Regulatory Framework, various financial services and products that are offered through micro-finance schemes in India.

## Syllabus

The structure, organization and functions of Non Banking Financial Companies in India. It also covers the various services offered by NBFCs and the legal and regulatory framework of NBFCs. It covers the evolution, scope, impact, trends, models of micro finance, Legal and Regulatory Framework various financial services and products that are offered to micro-finance clients in India.

## Expected Outcome

The students will have enhanced awareness of Non Banking Financial Companies (NBFCs), Financial Inclusion, Micro finance and its implication on the economy. This course will enable the students to manage and avail these services in their professional and personal life. This course will help the students meaningfully participate in the nation building process aligned with the objectives of financial inclusion plans of the government.

## References

1. Khan M.Y. Financial Services, Tata Mc Graw Hill
2. Kohak M. A. Financial Services in India, Digvijay Publication
3. I. M. Pandey, Venture Capital – The Indian Experience, Prentice Hall India
4. J. C. Verma, Venture Capital Financing in India, Response Books
5. J. K. Dietrich, Financial Services and Financial Institutions, Prentice Hall India
6. Stationary Guide for Non-Banking Financial Companies, Taxman Publishers Pvt.
7. V. A. Avadhani, Financial Services and Markets, Himalaya Publishing House
8. S. Teki , R.K. Mishra, Microfinance and Financial Inclusion 2012. Institute of Public Enterprise, Hyderabad.
9. P. K. Sahoo, Financial Services and Markets, Himalaya Publishing House

10. B. L. Mathur, Changing Profile of Financial Services, Bookman Associates
11. Ghosh. D: Banking Policy in India, Allied Publication, Delhi.
12. Srivastava R.M. Management of Indian Financial In situation, Himalaya Publishing House, Mumbai.
13. Muhammad Yunus, Banker to the Poor: Micro-Lending and the Battle Against World Poverty, October, 2003
14. Jonathan Morduch, Beatriz Armendariz, The Economics of Microfinance, May 2010
15. Ananya Roy, Poverty Capital: Microfinance and the Making of Development , April 2010
16. A. Vijayakumar, Banking, Micro Finance and Self-help Groups (SHGs) in India, July 2009
17. www.rbi.org

## COURSE PLAN

I Evolution of Financial Services–Indian Financial System– Formal Financial System And Informal Financial System– Financial Institutions- Banking Companies- Difference Between Banks And NBFCs

II History of Non Banking Financial Companies– Classification of Non Banking Companies – Classification of Activities of Non Banking Finance Companies - Fund Based Activities – Fee Based Activities – Concepts, Growth and Trends of Fee Based And Fund Based Activities.

First Internal Examination

III Sources of Finance- Functions -Investment Policies of Non Baking Financial Institutions in India- RBI Guidelines on NBFCs- Products offered by different NBFCs in India- Features of these Financial Products

IV(a) Major Non-Banking Financial Companies Operating In India- Trends- Legal frame work

Second Internal Examination

IV(b) Procedure of application to the Reserve Bank for NBFC Registration- Section 45-IA of the RBI Act, 1934 - Companies Act Section 3

V Financial inclusion-objectives- Microfinance as a Development Tool - The Indian Experience- Evolution and Character of microfinance in India- Microfinance Delivery Methodologies and models- Legal and Regulatory Framework- Impact of Microfinance - Revenue Models of Microfinance- Profitability Efficiency and Productivity- Emerging issues

Final examination