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BCM ARYA MODEL SENIOR SECONDARY SCHOOL

PRESENTS YOU THE

ECONOMICS NEWSLETTER

BANKING

Welcome to the latest edition of our Economics Newsletter! In this issue, we explore the vital role of banking in driving economic growth and financial stability.

PRINCIPAL'S CORNER: YOUR FINANCIAL FUTURE BEGINS TODAY

Dear Students,

The richest wealth is not found in banks or lockers—it lies in the wisdom to manage money. In today's fast-paced world, this understanding is no longer optional; it is essential. Money is more than notes in your wallet - it isn't just about spending or saving; it's about the choices it gives you, the dreams it makes possible, and the life it helps you shape.

Financial awareness doesn't wait for adulthood; it begins now - with your pocket money, your first savings, and your curiosity. You don't have to wait to grow up to start learning this. From saving your first hundred rupees to understanding how banking fuels the economy, every step you take today prepares you for tomorrow.

At BCM Arya, we believe education is not about exams alone, but about preparing you for life. This Economics Newsletter is a reflection of that vision—a journey into the world of banking, finance, and money matters presented in a way that feels real, exciting, and important.
As you flip through these pages, pause for a moment and ask yourself -

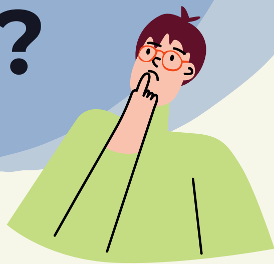
"Am I ready to be financially wise?"

Because your future isn't somewhere far off. It starts with the choices you make today.

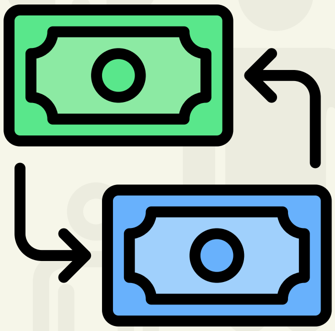
Warm gratitude to the editorial team and to every student whose efforts made this edition so meaningful.

With pride and faith in you,
Dr. Anuja Kaushal
Principal

What Is Banking?



Banking includes accepting deposits, giving loans, and offering financial services to people, businesses and governments.

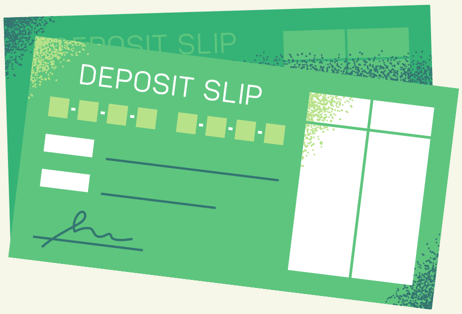


Banking is the backbone of modern economies, ensuring safe wealth storage, money transfers and access to credit.

Modern banking also provides fund transfers, investments, insurance and other financial services.

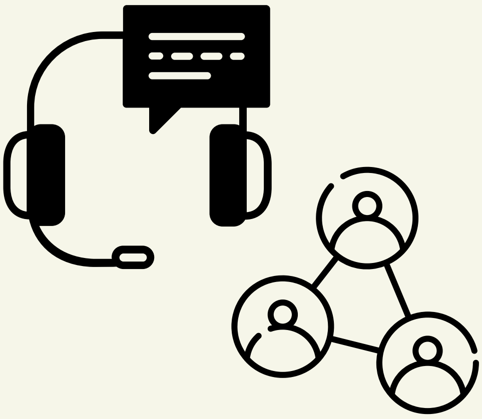
FUNCTIONS OF A BANK

Accept Deposits – Savings, current, and fixed accounts; withdrawable on demand; savings account earn interest.



Create Credit – Every loan generates a deposit, expanding the money supply via fractional-reserve banking

Agency Services – Collect/pay premiums, rent, dividends; buy/sell securities; act as trustee or executor.



Payment instruments – Issue cheques, drafts, Traveller's cheques; clear payments efficiently

Lend Money – Provide loans, overdrafts, cash credit, and discounting bills; interest on loans

Evolution of Indian Banking

Banking has evolved from ancient temples storing valuables to digital platforms, where secure transactions happen with a click.

1770

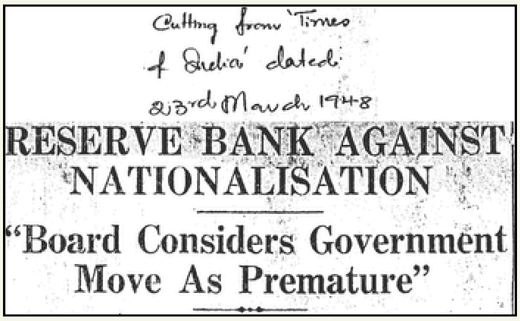
FIRST BANK: BANK OF HINDUSTAN

1921

FORMATION OF THE IMPERIAL BANK OF INDIA

POST-1947

NATIONALIZATION OF THE RBI (1949)


Cutting from 'Times of India' dated 23rd March 1948

RESERVE BANK AGAINST NATIONALISATION

"Board Considers Government Move As Premature"


THE TIMES OF INDIA

14 TOP BANKS ARE NATIONALISED

Ordinance follows unanimous Cabinet decision

Kamaraj, Chavan happy

'Syndicate' in disarray as Morarji goes

A vital step, says Indira

1969

NATIONALIZATION OF 14 BANKS UNDER THE BANKING COMPANIES ACT

1975

FORMATION OF REGIONAL RURAL BANKS

1991

LPG REFORMS OPENED INDIA TO PRIVATE AND FOREIGN BANKS

Structure of Indian Banking System

WHY DO WE NEED A BANKING SYSTEM?

After independence in 1947, India needed banks to:

1 Support rural and industrial growth

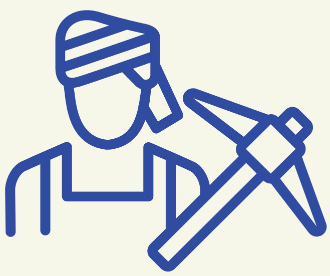
Post-1947, most Indians lacked access to formal financial institutions. Banks were needed for small savings and provide credit, especially to those who previously relied on moneylenders charging high interest.

2 Help people save money and get loans

India's economy was largely agrarian with minimal industrial development. Banks played a crucial role in financing agriculture, small industries and infrastructure to boost self-reliance and economic growth.

3 Bring financial services to every part of the country

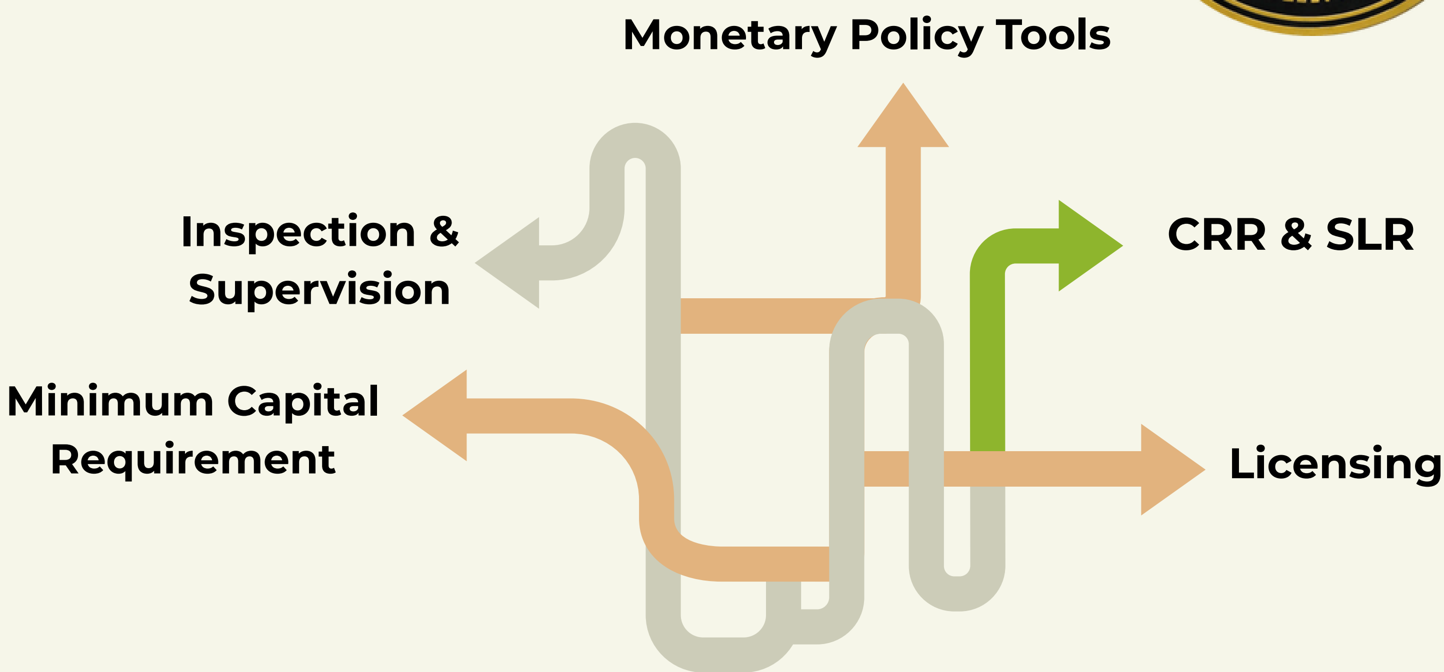
Mostly rural areas remained outside the reach of formal banking and financial services. Expanding banks across regions aimed to ensure inclusive development by integrating remote areas into the formal economy.



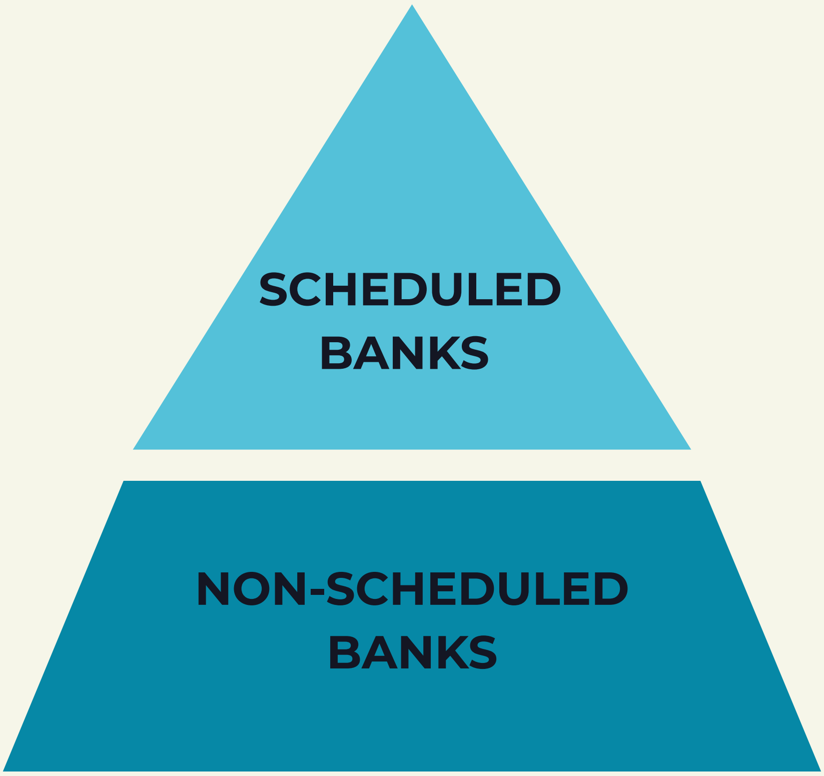
THE REGULATORY FRAMEWORK

The RBI, under the **RBI Act, 1934** and **Banking Regulation Act, 1949**, controls India's banking system.

How RBI Regulates Banks?



Hierarchy of Banks in India



Two types:

1. Commercial Banks (like SBI, HDFC)
2. Cooperative Banks (support rural/agricultural needs)

Smaller local banks

Examples: North Malabar Gramin Bank, Capital Small Finance Bank Ltd.

DIGITAL BANKING 2025: FAST-TRACK ACCOUNT OPENING

Step 1: Choose the Right Type of Account

Your financial goal decides your account

- **Savings –** For personal saving and interest
- **Current –** For businesses and frequent transactions
- **Fixed/Recurring Deposits –** For planned investments
- **Jan Dhan/BSBD –** For basic financial access
- **NRI Account –** For Indians abroad

Step 2: Select a Bank That Suits You

Look at proximity, digital services, minimum balance, fees, and customer support. Public or private, most banks now offer **digital-first experiences**. A hasty process. But with the determined goals and analysis of the banks, it becomes the easiest task.

Step 3: Fill Out the Form

You can get the application at the branch or complete it online through the bank's website or app and fill as asked.

Step 4: Submit KYC Documents

You'll need self-attested copies of:

- Proof of Identity & Address (Aadhaar card, Passport, Voter ID, etc.)
- PAN card or Form 60
- Recent passport-size photo(s)

Step 5: Verification

Banks conduct an in-person or video KYC to verify your identity, address, and purpose of account. This is now quick and tech-enabled.

Step 6: Initial Deposit (if needed)

For account types requiring a minimum balance, an initial deposit must be made as per the bank's terms.

Step 7: Get Started

Once approved, you'll receive your account number, debit card, and digital banking credentials. You officially opened an account!

SOME IMPORTANT KYC DOCUMENTS REQUIRED

Requirement	Acceptable documents
Proof of Identity	Aadhaar Card, Passport, PAN Card, Voter ID, Driving License
Proof of Address	Aadhaar Card, Passport, Utility Bill (not older than 3 months), Rent Agreement
Recent Photograph	One or two recent passport-size color photographs
PAN Card / Form 60	PAN is mandatory for most accounts; Form 60 is accepted if PAN is not available (with a valid reason)

Overview: Account Opening Requirements

Minors

Guardian's documents and birth certificate

NRI Accounts

Passport, Visa, overseas proof, FATCA form

Current Account

PAN, business proof, utility bill

Savings Account

POI, POA, Pan card, Form 60, photographs

BSDL, Jan Dhan Account

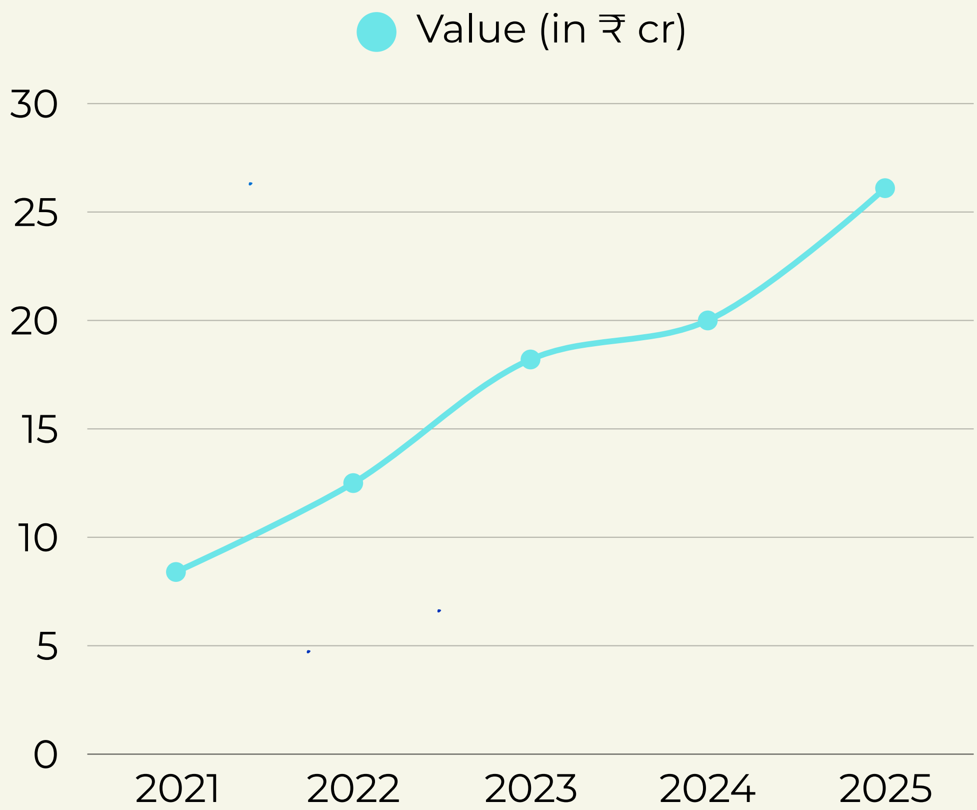
Aadhar card, PAN, self declaration of income

Digital Banking in 2025: Fast, Paperless, Anywhere

Jan Dhan Yojana 2.0 promotes financial inclusion through digital access, zero-balance accounts and UPI-Aadhaar linking, while expanding credit, insurance and mobile banking for economically backward communities.

With Aadhaar OTP, eKYC, and video verification, bank accounts can now be opened in minutes—fully online, no paperwork or queues.

INDIA'S UPI BOOM: 18.6 BILLION TRANSACTIONS AND COUNTING



UPI witnessed robust growth in May 2025, processing 18.68 billion transactions worth ₹25.14 lakh crore, rising to 83.7% of total digital transactions. Now accepted in 7 countries, UPI is set to reach 20 nations by 2028–29

MORE THAN 2 IN 3 INDIANS USE UPI

-HINDUSTAN TIMES

Financial Wisdom: Learn from Banking Mistakes

As India moves toward digital banking and cashless transactions, many customers still make avoidable mistakes. **Here are the most common ones and how to avoid them:**

Transaction Failures

Glitches during system updates can cause failed payments.

Tip: Avoid high-value transactions during maintenance hours.

Ignoring Terms & Conditions

Blindly accepting offers can lead to hidden charges.

Tip: Always read the fine print before signing up.

Neglecting KYC Updates

Outdated KYC can freeze your account.

Tip: Keep ID and address details updated regularly.

Falling for Scams

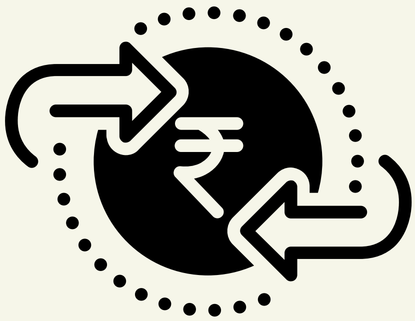
Fake calls and phishing emails trick people into sharing sensitive info.

Tip: Never share OTPs or PINs — banks never ask for them.

Not Keeping Transaction Records

Missing proofs make dispute resolution harder.

Tip: Save receipts or take screenshots of important payments.



Hesitating to Contact Support

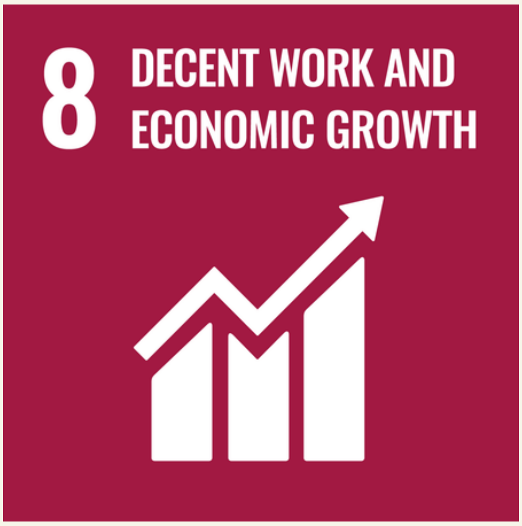
Assuming issues will resolve themselves often worsens the problem.

Tip: Reach out to customer support at the first sign of trouble.

A LITTLE CAUTION AND AWARENESS CAN GO A LONG WAY IN PROTECTING YOUR MONEY. STAY INFORMED, STAY ALERT — AND BANK SMART.

THE 8TH GLOBAL GOAL:

DECENT WORK AND ECONOMIC GROWTH



"Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all"

Economic growth should be a positive force for the whole planet. This is why we must make sure that financial progress creates decent and fulfilling jobs while not harming the environment.

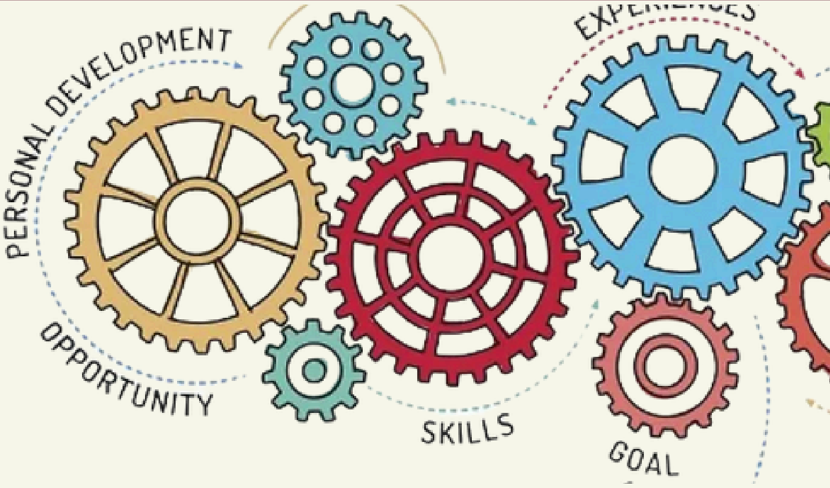
UNIVERSAL ACCESS TO BANKING, INSURANCE AND FINANCIAL SERVICES

"Strengthen the capacity of domestic financial institutions to encourage and expand access to banking, insurance and financial services for all."

TARGET 8·10

Target 8.10 under the 8th SDG aims to strengthen the capacity of domestic financial institutions to encourage and expand access to banking, insurance, and financial services for all. It focuses on building inclusive financial systems for vulnerable populations. By improving financial infrastructure, this target supports economic growth, reduces inequality, and promotes financial inclusion worldwide.

Internships: Step Into the Real World



HOW TO APPLY?

Choose Your Field

Pick something you enjoy in school, like coding, writing, or science.

Build Your Resume & Cover Letter

Add clubs, projects, or volunteer work; use tools like Canva or Zety.

Search Opportunities

Try Internshala, LinkedIn, or email local businesses and NGOs directly.

Apply Smartly

Follow instructions and customize your resume for each role.

Prep for Interviews

Practice with a friend, research the organization, and show genuine interest.

myScheme

Internships on myScheme Portal

Interns get the opportunity to work on live projects related to the Digital India Initiative. To apply:

- Visit **myscheme.gov.in** and enter your basic profile details.
- Browse for internship schemes.
- Check eligibility based on your profile.

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