



Reviewed by Morwin Johans N.G.
Assistant Professor, SCMS-COCHIN,
Prathap Nagar, Muttom, Aluva-683106,
Ernakulam Dt., Kerala,
Email: morwinjohans@scmsgroup.org



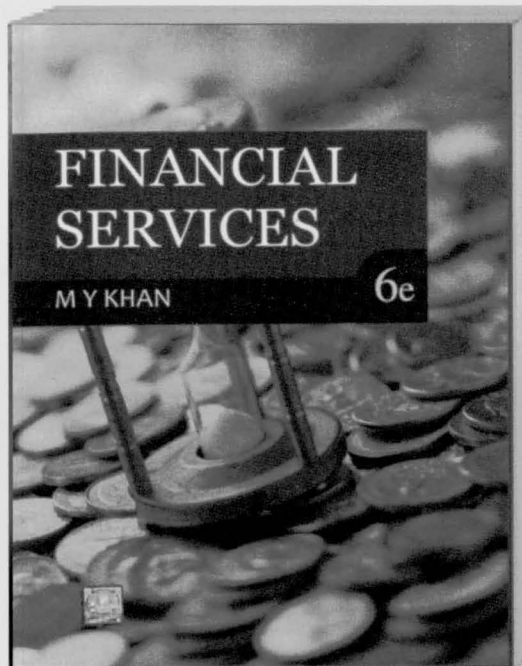
Book Title : *Financial Services*
Authors : M.Y. Khan
Edition : 6th - 2011
ISBN 13 : 978-1-25-900166-6
Pages : 1771
Publisher : Tata McGraw-Hills Education Private Ltd.,
New Delhi.

Financial services are an inevitable part of any financial system. The subject is so vast and dynamic in nature that most of the authors find it difficult to incorporate the latest changes happening in the financial service industry. Even though some of the financial services covered are at a nascent stage in India, the author has gone in detail and has taken efforts to include the latest trends and developments so that the reader is kept informed on the same. The author has gone in depth with each financial service so that the student gets to know the subject better. For each chapter, starting from the page numbering to the recapitulation there is a perfect logical sequencing which captures reader's interest towards the subject.

Financial services can be broadly classified into Fund/Asset based and Fee based/Advisory. This book covers the entire subject in three parts which is further divided into

seventeen chapters based on each financial service. Part 1 gives an overview of the NBFCs with special emphasis to the regulatory framework. Part 2 of this book includes Chapter 2 to 12, which discuss about the various Asset/Fund-Based Financial Services. Part 3 includes chapter from 13 to 17 which detail about the Merchant Banking and Other Fee based/Advisory classification of Financial Services.

The chapter one (Part 1), **Non-Banking Financial Services** outline the system of regulation of the operation of NBFCs regulated by the apex bank in the country, RBI. This chapter speaks about the RBI Act framework and directions given to NBIs/FIs accepting public deposits. Directions include provisions regulating amount/period of deposits, rate of interest etc. This chapter helps the reader to understand the different prudential



norms, Asset Liability Management framework and Fair practice code for NBFC's. It also discusses about the regulatory framework for Core Investment Companies (CICs).

Chapters 2 to 4 discuss the theoretical, regulatory, Accounting framework of **Leasing**. These chapters explain the basic types of Leasing, lease documentation procedures and tax implications for leasing transactions. It also includes the various aspects of financial evaluation of lease transactions.

The Conceptual framework, legal, tax, accounting and evaluation of hire-purchase finance is dealt in chapter 5. This chapter throws light on the basic features of **consumer Credit** as a financial service.

In Chapter 6, the concept, mechanism and forms of **factoring** are explained in detail. This chapter also includes **Forfeiting** and has also included the comparison and contrast factoring and Forfeiting services. It also outlines the recommendations of Kalyansundram Committee which lead to the issue of guidelines for factoring services in India in 1990.

Chapter 7 describes **bills discounting** as an asset based financial service. The different aspects like schemes, procedure, nature, types, advantages and disadvantages and salient features of Bills discounting are covered in this chapter.

The setting up of National Housing Bank as an apex institution in 1988 for **housing finance** marked the beginning of the emergence of Housing finance as a fund based financial service in the country. Chapter 8 tries to explain the guidelines issued by NHB for extending equity and refinance support to HFCs. It also helps to understand the framework for reverse mortgage and reverse mortgage Loan-enabled Annuity. The author has given due importance in explaining the role of HUDCO, HFIs and regulatory framework for MGCs in this chapter.

In chapter 9, starting from the Fundamental Principles of Insurance to the different products available for Life and General Insurance are explained in detail. The different intermediaries for Insurance distribution their licensing procedures and recent amendments to the regulation by IRDA are incorporated in this chapter.

Commercialisation of new Technologies and support to small and medium enterprise in manufacturing and service sectors paved way for **Venture Capital** Institutions around the globe. Chapter 10 discusses this fund based activity in detail starting from selection if investment, investment nurturing, valuation of portfolio and finally exit of venture capital financing. The

chapter outlines an exhaustive list of venture capital Institution and schemes in India.

Chapter 11, **Banking products and services** dwells on the functions of RBI, major products/ services namely deposits, loans/advances, retail and money market products like Call money, Commercial Paper etc...

Chapter 12, **Mutual Funds: Services and Products** explains the benefits and procedures for registering of mutual funds and their constitution and management. This chapter illustrate the role of AMC and custodian. Different types of Mutual fund schemes/ products are also explained in this chapter.

Chapters 13 and 14 enlighten the reader with the broad framework of SEBI regulation relating to **Issue Management: intermediaries and issue activities/procedure**. This chapter discusses on the roles and responsibilities of Intermediaries like Merchant Bankers/ Lead Managers, Underwriters, Bankers to Issue, Portfolio Managers. Chapter 14 details Issue of Capital and disclosure requirements regulation and Issue and Listing of Debt securities Regulations.

Chapter 15 explains in detail the conceptual framework of **corporate restructuring** which includes merger/ amalgamation/ acquisition/ takeover and so on and Chapter 16 creates an in depth understanding on the operational framework of **Stock Brokers**, sub broker, clearing members, trading and self clearing members. This chapter defines and explains the general obligations responsibilities of **custodial services**. It clearly outlines the modus operandi of **depositories** in India.

Credit Rating is the last chapter in this book. Chapter 17 explains the Credit rating process adopted by major Credit rating agencies and their process of registration and management. This chapter details on the credit rating system adopted and the various constituents in the system are explained elaborately.

The author has tremendous constraints in explaining these concepts. The rules and regulations of the financial services have been frequently revised and amended by the respective regulators. The author has the difficulty in internalising all these changes so as to make this edition latest and current. Despite all these, the author has vindicated himself successful in this venture. Without any element of doubt this book can be recommended for students who wish to understand the Structure of Financial Services Industry in India.

