

T.Y. B.Com.
Banking & Finance Special Paper III
Subject Name -: Banking Law and Practices in India.
Course Code -: 306 – b.

Objectives:

1. To acquaint the students with Banking Law and Practice in relation to the Banking system in India
2. To understand the legal aspects of Banking transactions and its implications as Banker and Customer.
3. To make the Students aware of the Banking Law and Practice in India

Term I

Unit No.	Topic	Lectures
1.	LAWS RELATING TO BANKING IN INDIA Provisions of The Banking Regulation Act, 1949, with reference to the following: Definition – Capital - Reserve Fund - Cash Reserve for Non Schedule Banks Liquid Assets – Licensing - Branch Licensing - Management Profit and Loss Account and Balance Sheet – Sec. 10, 29 & 30 Powers of the Reserve Bank of India – Sec. 35 & 36 Voluntary Amalgamation – Sec. 44A Compulsory Amalgamation – Sec. 45 Liquidation – Sec. 45 Banking Regulation Act as applicable to Co-operative Banks.	14
2.	NEGOTIABLE INSTRUMENTS ACT, 1881 Definition, Characteristics and Presumptions of Negotiable Instruments. Promissory Note, Bills of Exchange and Cheque – Definition and Features Parties to Negotiable Instruments Negotiation Presentment Notice of Dishonor Noting and Protesting	14
3.	PAYING BANKER Precautions in Payment of Customers' Cheques Paying Banker's Duties and Rights Statutory Protection to Paying Banker Payment of forged Cheque Return of cheques	10
4.	COLLECTING BANKER Precautions in collecting Customer's Cheques Collecting Banker's - Duties and Rights Statutory Protection to Collecting Banker Dishonor of Cheques by Non-Acceptance and Non-Payment	10
Total		48

Term II

Unit No.	Topic	Lectures
5	RELATIONSHIP BETWEEN BANKER AND CUSTOMER	14

	Definition of Banker and Customer Relationship as Debtor and Creditor Banker as Trustee Banker as Agent Banker's Obligation of Secrecy of Accounts Banker's Lien Right of Set Off Disclosure permitted by the Banker's Practices and Usage Bankers Obligation to honour Cheques Garnishee Order Termination of Relationship	
6	SECURITIES FOR ADVANCES: Principles of Secured Advances Precautions to be taken by the banker while advancing against: a. Documents of title to Goods b. Real Estate c. Fixed Deposit Receipt d. Bullion e. Supply Bills f. Life Insurance Policy g. Shares h. Agricultural Produce	10
7.	MODES OF CREATING CHARGE: Lien , Pledge , Hypothecation Mortgages and types of Mortgages, Precautions to be taken by Bankers while creating and recording charge	10
8.	PROJECT APPRAISAL & RECOVERY MEASURES A) Steps in Project Appraisal - Economic, Technical, Managerial, Operational and Financial Aspects. B) Recovery Measures: i) Legal Measures: Debt Recovery Tribunal – LokAdalat – Corporate Debt ii) Non Legal Measures: Follow up action – One time settlement – Recovery Camps – Recovering through Self Help Groups. Recovery System – Recovery under Securitisation and Reconstruction of financial Assets and enforcement of Security Interest Act, 2003	14
Total		48

Recommended Books

1. Practice of Law and Banking -: G.S. Gill
2. Banking Law and Practice -: P.N. Varshney
3. Banking Theory and Law Practice -: E. Gordon, K. Natarajan
4. Banking Law and Practice in India -: M.L. Tannan

5. Banking Law and Practice in India -: Maheshwari
6. Law and Practice of Banking -: Prof. Mugli
7. Banking Theory and Practice -: K.C. Shekar
8. Law and Practice of Banking -: B.M. Lall and Nigam
9. Banking Law & Practices Shri. PrakashMisal, Success Publication.