



**MOHANLAL SUKHADIA UNIVERSITY, UDAIPUR**

**FACULTY OF LAW**

**FOURTH SEMESTER MASTER OF LAWS**

**(BUSINESS LAW BRANCH)**

PAPER – I (PAPER CODE -52901) : (PAPER NAME – **BANKING LAW**)

**Max. Marks: 100 (80 External + 20 Internal)**

**Min. Marks: 40**

**Unit I: Introduction:**

- a. Nature and development of banking,
- b. History of banking in India and elsewhere indigenous banking evolution,
- c. banking in India- different kinds of banks and their functions
- d. Multi-functional banks-growth and legal issues,
- e. Law relating to Banking Companies in India: Controls by government and its agencies, On management, On accounts and audit, Lending Credit policy, Reconstruction and reorganization, Suspension and winding up, Contract between banker and customer: their rights and duties,
- f. Social Control over Banking:
- g. Nationalization Evaluation : private ownership, nationalization and disinvestments, Protection of depositors, Priority lending, Promotion of under privileged classes

**Unit II: Deposit Insurance:**

- a. The Deposit Insurance Corporation Act 1961 : object and reasons, Establishment of capital of DIC,
- b. Registration of Banking Companies, Insured Banks, Liability of DIC to depositors,
- c. Relations between Insured Banks,
- d. DIC and Reserve Bank of India,
- e. The Central Bank : Evolution of Central Bank, Characteristics and functions, Economic and social objectives, The Central Bank and the State-as bankers' bank,
- f. The Reserve Bank of India as the Central Bank Organizational structure,
- g. Functions of the RBI, Regulation of monetary mechanism of the economy, Credit control, Exchange control Monopoly of currency issue, Bank rate policy formulation,
- h. Control of RBI over non-banking companies, Financial companies, Non-financial companies,
- i. Relationship of Banker and Customer: Legal character, Contract banker and customer, Banker's lien, Protection of bankers, Customers,
- j. Nature and type of Accounts, Special classes of Customers-Lunatics, Partnership, corporations, Local Authorities,
- k. Banking duty of Customers,
- l. Consumer Protection : Banking Service

**Unit III: Negotiable Instruments:**

- a. Meaning and kinds,
- b. Transfer and Negotiations,
- c. Holder and Holder in due course,
- d. Presentment and payment,
- e. Liabilities of parties,
- f. Lending by Banks: Good lending principles. Lending to poor masses, Securities for advance, Kinds and their merits and demerits,
- g. Repayment of loans: rate of interest, protection against penalty, Default and recovery,
- h. Debt Recovery Tribunal (DRT)

#### **Unit IV: Recent Trends of Banking System in India:**

- a. New technology
- b. Information technology,
- c. Automation and legal aspects,
- d. Automatic teller machine and use of internet,
- e. Smart card,
- f. Use of expert system,
- g. Credit cards,
- h. Reforms in Indian Banking Law,
- i. Recommendations of Committees : a review

#### **SELECT BIBLIOGRAPHY:**

- Basu, A. : Review of Current Banking Theory and Practice (1998) Mac Millan
- M. Hapgood (ed) : Paget's Law of Banking (1989) butterworths, London  
R. Goode : Commercial Law, (1995) Penguin, London
- Ross Cranston : Principles of Banking Law (1997) Oxford
- L. C. Goyle : The Law Banking and Bankers (1995) Eastern
- M. L. Tannan : Tannan's Banking Law and Practice in India (1997), India Law House, New Delhi, 2 volumes
- K. C. Shekhar : Banking Theory and Practice (1998), UBS Publisher Distributors Ltd., New Delhi
- M. Dasesse, S. Isaacs and G. Pen : E.G. Banking Law, (1994), Lloyds of London Press London
- V. Conti and Hamaui (eds.) : Financial Markets Liberalization and the Role of Banks', Cambridge University Press, Cambridge (1993)
- J. Dermine (ed.) : European Banking in the 1990's (1993) Blackwell, Oxford
- R. S. Narayana : The Recovery of Debts due to Banks and Financial Institution Act, 1993 (51 of 1993), Asia Law House, Hyderabad
- M. A. Mir : The Law Relating to Bank Guarantee in India (1992) Metropolitan Book, New Delhi
- Mitra : The Law Relating to Bankers' Letters of Credit and Allied Laws (1998), University Book Agency, Allahabad
- K. Subrahmanyam : Banking Reforms in India (1997), Tata McGraw Hill, New Delhi