



Banking and Finance - III
Banking Law and Practice in India
[Discipline Specific Course]

Semester: V	*Credits: 4	Subject Code: C52207	Lectures: 48
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Course Outcomes:

At the end of this course, the learner will be able to:

- Explain and illustrate the concept, types and parties of Negotiable Instruments and analyze the effect of the process of Negotiation on various parties
- Interpret the provisions of the Banking Regulation Act, its amendments and examine the effect of the provisions on the banking system
- Interpret and examine the duties and responsibilities of the Bank in the roles of Paying Banker and Collecting Banker
- Examine the relation between the Banker and its Customer and its implications
- Describe the concept of Digital Currencies and Blockchain and examine the development of digital currency with respect to India

Unit 1: Negotiable Instrument Act 1881	14
<ul style="list-style-type: none">• Definition, Characteristics and Presumptions, Types• Parties to Negotiable Instrument• Negotiation, Presentment• Dishonour, Noting and Protesting• Illustrations and Case studies	
Unit 2: Banking Regulation Act, 1949	8
<ul style="list-style-type: none">• Definition, Functions-Main and Subsidiary• Restrictions on Business of Banks• Capital & Reserve Fund, Cash Reserve and Liquid Assets• Licensing and Branch Licensing• Definition, Characteristics and Presumptions, Types• Management• Part II – P&L A/c and Balance Sheet [Sec 10, 29 & 30]• Powers of RBI [Sec 35 & 36]• Voluntary Amalgamation [Sec 44A]; Liquidation [Sec 45R]• Recent Amendments: Capital, Voting Rights, Issue of Shares	

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Unit 3: Paying and Collecting Banker	14
<ul style="list-style-type: none">• Paying Banker<ul style="list-style-type: none">○ Meaning of Paying Banker○ Duties of Paying Banker○ Material Alteration and Forgery of Signature○ Payment in Due Course○ Statutory Protection to Paying Banker○ Case Studies• Collecting Banker<ul style="list-style-type: none">○ Meaning of Collecting Banker○ Collecting Banker as Holder for Value and As an Agent○ Duties & Rights of Collecting Banker○ Statutory Protection to Collecting Banker○ Case Studies• Relationship between Banker and Customer<ul style="list-style-type: none">○ Definition, General and Special Features○ Relation of Banker and Customer○ Rights and Obligations of a Banker	

Unit 4: The Blockchain Economy and Banking Law	12
<ul style="list-style-type: none">• BlockChain- Concept and Meaning• BlockChain Technology, Block Chain Economy• Crypto Currencies – Concept and Meaning• Central Bank Digital Currencies – Concept and Meaning• Development in the Regulatory Framework – India and the World	

#12 contact hours for Assignments, Visits, Research, Field Studies, etc.
*01 credit to be evaluated as a Skill-based Component

Bare Acts:

- Banking Regulation Act, 1949

Basic Reading:

- Albuquerque Daniel. *Legal Aspects of Business- Texts, Jurisprudence and Cases* Oxford University Press: 2013
- Davar S R. *Law and Practice of Banking*. Progressive Corporation: 1979

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- Paul Vigna, Michael J Casey. *Cryptocurrency: How Bitcoin and Digital Money are Challenging the Global Economic Order*. Vintage: 2016.
- Radhaswamy M, *Practical Banking* S. Chand and Co. 1979.
- Shekhar K C and Shekhar L, *Banking Theory and Practice*, Vikas Publishing House: New Delhi; 1999
- Brian Patrick Eha. *How Money Got Free: Bitcoin and the Fight for the Future of Finance*. Oneworld Publication: 2017.
- Tannan M L. *Banking Law and Practice in India*. Lexis-Nexis India: 2017.
- Tulsian PC. *Business Laws* McGraw Hill Education: 1998.

Reference Books:

- Ellinger, Lomnicka & Hooley. *Ellinger's Modern Banking Law* OUP: India; 2007.
- Gordon E & Natarajan K. *Banking Law and Practice in India*; HPH: India; 2018.
- Gupta H. P. *Banking Law*. Central Law Agency: 2016.
- Maheswari S.K and Maheswari S.N. *Banking Law and Practice in India*. Kalyani Publishers: India; 2014.
- Shekhar K.C. and Lekshmy Shekhar. *Banking Theory and Practice* Vikas Publication: India; 2014.
- Sheth Tejpal. *Business Law*. Pearson Education: India; 2011. (Chapter 14)
- Ravinder Kumar. *Legal Aspects of Business*. Cengage Learning: India; 2009. (Part V)
- Varshney P N. *Banking Law and Practice*. Jain Book Depot: India; 2017.
- Tapscott Don, Alex Tapscott. *Blockchain Revolution*. Penguin: 2016.
- Tulsian PC, Bharat Tulsian. *Business Laws* McGraw Hill Education: India; 2017.

Journal Articles/Discussion Papers:

- IMF Discussion Paper (2018), 'Casting Light on Central bank Digital Currency' <https://www.imf.org/en/Publications/Staff-Discussion-Notes/Issues/2018/11/13/Casting-Light-on-Central-Bank-Digital-Currencies-46233>
- Lagarde Christine (2018) 'Winds of Change: The Case for New Digital Currency' <https://www.imf.org/en/News/Articles/2018/11/13/sp111418-winds-of-change-the-case-for-new-digital-currency>
- RBI Bulletin (2020) 'Distributed Ledger Technologies, Blockchain & Central Banks' February https://m.rbi.org.in/Scripts/BS_ViewBulletin.aspx?Id=18766

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St. Mira's College for Girls, Pune
TYBCom 2022-2025

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Banking Law and Practice in India
[Discipline Specific Course]

Semester: VI	*Credits: 4	Subject Code: C52207	Lectures: 48
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Course Outcomes:

At the end of this course, the learner will be able to:

- Describe and analyze the Principles of Lending and the technical aspects of the modes of creating Charge
- Examine the recent developments in loan recovery measures and its implication on the Banking system in particular and the economy in general
- Explain and analyze the provisions of the Prevention of Money Laundering Act, 2002 and its impact on the Banking system in particular and the economy in general
- Explain and analyze the provisions of the Foreign Exchange Management Act, 1999 and its impact on the Banking system in particular and the economy in general
- Describe the characteristics and the classification of International Banks and relate to the technological developments in International Banking

Unit 1: Lending and Recovery Measures

14

- Principles of Lending
 - Principles of Secured Advances,
 - Types of Securities,
 - Precautions to be taken while accepting securities against advances;
- Modes of Creating Charge against advances –
 - Lien- Meaning, Features
 - Pledge- Meaning & Features,
 - Hypothecation- Meaning & Features,
 - Assignment- Meaning & Features,
 - Mortgage– Meaning & Features, Types
- Recovery Measures
 - Non-legal Measures: Compromise and One-time Settlement
 - Legal Measures- Lok Adalats and Debt Recovery Tribunals
- Guidelines on Willful Defaulters, 2014
 - Definition of Willful Default
 - Meaning of Diversion and Siphoning of Funds
 - Reporting & Penalties
 - Case Studies
- Insolvency and Bankruptcy Code, 2016
 - Definition of Insolvency and Bankruptcy
 - Salient Features and Benefits

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<ul style="list-style-type: none"> ○ Recent Developments to the Insolvency and Bankruptcy Code ○ Case Studies ● The Fugitive Economic Offenders Act, 2018 <ul style="list-style-type: none"> ○ Meaning of Fugitive Economic Offender ○ Salient Features and Benefits ○ Case Studies 	
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Unit 2: Prevention of Money Laundering Act (PMLA), 2002	12
<ul style="list-style-type: none"> ● Concept of Money Laundering, ● Offence of Money Laundering, ● Obligation to Maintain Records-Banks, Financial Institutions & Intermediaries of Securities Market-Nature of records, Maintenance of records, Information on identity of clients. ● Obligation to Access Information ● Powers of the Director, Financial Intelligence Unit, India ● Punishment for Money Laundering 	

Unit 3: Foreign Exchange Management Act, 1999	12
<ul style="list-style-type: none"> ● Review of FERA and FEMA; Definitions under FEMA ● Regulation & Management of Foreign Exchange- Powers of RBI <ul style="list-style-type: none"> ○ Concept of Authorized Person - Meaning, Functions, Duties; ○ Powers of RBI with reference to Authorized Person; ● The Enforcement Directorate ● Penalties for Violation 	

Unit 4: International Banking	10
<ul style="list-style-type: none"> ● International Banking – Features: Legal and Regulatory Aspects, No Geographical boundaries, Cost of Capital, Current Account and Capital Account Transactions and Risks ● Classification of International Banks – Correspondent banks, Foreign Branches, Foreign Subsidiaries & Affiliates and Off shore Banking Units ● International Banking Laws- Choice of Law, Proper Law, Use of Language and Nature of Legal Issues/Disputes ● Technology and International Banking – <ul style="list-style-type: none"> ○ CHIPS (Clearing House Interbank Payment System), ○ CHAPS (Clearing House Automated Payment System), 	

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- CHATS (Clearing House Automated Transfer System),
- SWIFT (Society for Worldwide Interbank Financial Telecommunication),
- Globalization and International Banking
 - Integration of Global Economies and Importance of Bank for International Settlements in Financial Discipline

Bare Acts:

- The RBI Guidelines on Willful Defaulters, 2014
- The Insolvency and Bankruptcy Code, 2016
- The Fugitive Economic Offenders Act, 2018
- The Foreign Exchange Management Act (FEMA), 1999
- The Prevention of Money Laundering Act (PMLA), 2002

#12 contact hours for Assignments, Visits, Research, Field Studies, etc.
***01 credit to be evaluated as a Skill-based Component**

Basic Reading:

- Albuquerque Daniel. *Legal Aspects of Business- Texts, Jurisprudence and Cases*. Oxford University Press: India 2013
- Bhatia Nik. *Layered Money: From Gold and Dollars to Bitcoin and Central Bank Digital Currencies*. Bhatia Nik 2020
- Indian Institute of Banking & Finance. *International Banking*. Taxmann 2011
- Sheth Tejpal. *Business Law*. Pearson Education: India, 2011, Chapter 16
- Sarvaria S.K. *Commentary on the Prevention of Money Laundering Act* Universal Law Publishing - An imprint of Lexis Nexis, 2017 Second Edition
- Tannan M L *Banking Law and Practice in India*. Lexis-Nexis India, 2017

Reference Books:

- Babel Rajiv. *Prevention of Money Laundering- India and International Perspective*. Bloomsbury, 2019
- Gordon E, Natarajan K. *Banking Law and Practice in India*. HPH: India, 2018
- Gupta H. P 'Banking Law' Central Law Agency: India, 2016
- Indian Institute of Banking & Finance. *International Banking Operations'* Taxmann Publications, 2007
- Indian Institute of Banking & Finance. *International Banking Legal & Regulatory Aspects* Taxmann Publications, 2017

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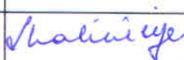
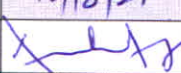
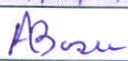


- Maheswari SK and Maheswari SN. *Banking Law and Practice in India*. Kalyani Publishers: India, 2014
- Skinner Chris. *Digital Bank: Strategies to launch or become a Digital Bank*. Marshall Cavendish International (Asia) Pte Ltd. 2015
- Srivastava O. P. *Banking on Technology: The Changing Face of Indian Banking*. Reelism films, 2020
- Varshney P N. *Banking Law and Practice*. Jain Book Depot, 2017

Reports and Bulletins:

- Report on Trends and Progress of Banking-RBI Annual Reports
- Report on Currency and Finance-RBI Publication
- Reports on Money Laundering
- Reserve Bank Guidelines on Foreign Exchange Management

Journal Articles/Discussion Papers:

- Abhiman Das et al. (2020) 'Insolvency and Bankruptcy Reforms: The Way Forward' *Vikalpa-The Journal of Decision Makers*, 45(2)- 115-131, <https://journals.sagepub.com/doi/pdf/10.1177/0256090920953988>

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Faculty	Dr. Meenakshi Wagh	Mswagh 14/8/21
Faculty	Mrs. Amruta Basu	14/8/21 
Subject Expert (Outside SPPU)	Dr. Ishita Dutt	I. Dutt 14/8/21
Subject Expert (Outside SPPU)	Dr. Subhash Patil	14/8/21 
VC Nominee	Dr. Sailee Belsare	Sailee 14/08/2021
Industry Expert	Dr. Nishant Upadhyay	
Alumni	Ms. Asha Panicker	 14/8/21

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