

**SARDAR PATEL UNIVERSITY**  
**Programme & Subject: BBA LLB**  
**Semester: IV**  
**Syllabus with Effect from: June - 2011**

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| <b>Paper Code: IL - 405</b>                                              | <b>Total Credit:</b> |
| <b>Title Of Paper: Banking Laws Including Negotiable Instruments Act</b> |                      |

| Unit                                   | Description in Detail                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | Weightage (%) |
|----------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------|
| <b>Banking Law</b>                     |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |               |
| I                                      | Nature and Development of Banking including Co-operative Banking                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |               |
| II                                     | <b>Constitutional Perspective</b><br>VII List-I Entry : 36, 37,38,43,44,45,46<br>Schedule VII List-II Entry : 30 of Constitution of India                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |               |
| III                                    | <b>Law Relating to Banking Companies in India</b><br>Banking Regulation, Act.1949<br>Lending by Banks<br>Securities for bank advances<br>Pledge<br>Bailment<br>Guarantees as security<br>Contract of guarantee and contract of indemnity<br>Kinds of guarantees: specific & continuing<br>Surety's rights and liabilities.<br>Repayment<br>Reserve Bank of India, Act, 1934<br>Section 45 only – as amended in 1997<br>Chapter-III-A : Collection and Funding of Credit Information<br>Chapter-III-B : Provisions relating to Non-Banking Institutions receiving deposits<br>Bankers' Books Evidence Act, 1891<br>Debt Recovery Tribunal Act, 1993<br>Recovery of Debts<br>Procedure<br>Powers & Functions<br>(Only Sections: 2(d) Bank, 2(g) Debt and Chapter III, IV & V)<br>The Banking Ombudsman Settlement of Dispute/Complaints relating to Banking Services |               |
| <b>The Negotiable Instruments Act:</b> |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |               |
| I                                      | <b>Meaning and Definition of Negotiable Instruments</b><br>Characteristics of Negotiable Instruments<br>Kinds of Negotiable Instruments<br>presumptions as to Negotiable Instrument (Sec. 118 & 119)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |               |
| II                                     | Promissory Note, Bills of Exchange & Cheque<br>Its meaning, characteristics and points of difference between them.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |               |
| III                                    | Parties to a Negotiable Instrument<br>Holder and Holder in due course                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |               |
| IV                                     | <b>Dishonor of a Negotiable Instrument</b><br>Notice of dishonor                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |               |



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|---|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--|
|   | Noting and Protesting<br>Penalties in case of dishonor of certain cheque (New Chapter XVII - Secs.138 & 142)                                                                                                                                                                 |  |
| V | <b>Banker and Customer</b><br>Definition of Banker and Customer<br>Rights and obligations of Banker<br>When may a Banker dishonor a customers' Cheque?<br>When must a Banker dishonor a customers' Cheque?<br>Protection of Paying Banker<br>Protection of Collecting Banker |  |

### Statutory Material

- Reserve Bank of India Act, 1934
- Banking Regulation Act, 1949
- Negotiable Instruments Act, 1881
- Bankers' Books Evidence Act, 1891

### Basic Text & Reference Books:-

- Banking Law and Practice, Universal, 1999 - T.K. Mukherjee
- Tannan's Banking Law and Practice in India, Law house, 2000 - M.L. Tannen
- Banking Law and Practice, Sultan Chand & Sons - P.N. Varshney
- The Banking Law in Theory and Practice, Universal, 1999 - S.N. Gupta
- Banks & The Consumer Protection Law, Universal, New Delhi - S.N. Gupta
- Negotiable Instruments Act, 1881 - Avtar Singh
- The Negotiable Instruments Act, Bharath Law House, 1997 - Bhashyam and Adiga
- Kherganvala on The Negotiable Instruments Act, Buterworth, 1998 - M.S. Parthasarathy
- Sethi's Commentaries on Banking Regulation Act And allied Banking Laws Law Publishers, Allahabad, 2000 - G.S.N. Tripathi
- Recovery of Dept. due to Bankers and Financial Institutes Act, 1993 Asia Law House

