

FOUNDATION COURSE 213 F PRINCIPLES OF BANKING LAWS

OBJECTIVES OF COURSE:

The modern society functions, contrary to the old barter system, on monetary transactions. In a developing country like India, the banking system takes off becomes quite common even among the common people. The services banks render to the general public do have a significant contribution to the development of the economy. *Pan passu*, the security to the assets money as well as other valuable belonging to individuals and family units is to a large extent assured through the service of the bank. The variety of assistance tendered by the banks to the common people and business community cannot be over emphasized in this context. The process of the working of the banks and the legal control over them as well as the protection to the consumers of banking services are areas which a student of law is necessarily familiar with.

SYLLABUS:

1. Origin and Development of Banking System:

- 1.1 Evolution of Banking Institutions, Origin of word 'Bank'
- 1.2 Development of British Banking and Banking System in India
- 1.3 Types of Banks in India, Nationalized Banks, Co-operative Banks, Multi-functional Banks etc. and their functions
- 1.4 Reserve Bank of India and its functions, Role of RBI as Central Bank

2. Constitutional Perspectives and Regulation of Banks & Banking Business in India:

- 2.1 Constitutional Perspectives relating to Banking Laws: Entries: 36, 37, 38, 43, 44, 45, 46 of List – I of the Schedule VII, Entry 30 of List II of Schedule VII of the Constitution of India
- 2.2 Bankers' Books Evidence Act: Main provisions
- 2.3 Banking Ombudsman System: Settlement of Disputes and complaints relating to Banking Services
- 2.4 Main provisions of Banking Regulation Act, 1949
 - 2.4.1 Regulation of Banking Companies
 - 2.4.2 Suspension and winding up of Banking Companies

3. Recovery of Debt due to Banks & other Financial Institutions:

- 3.1 Recovery of Debt due to Banks and other Financial Institutions Act
 - 3.1.1 Amount of Debt, who can initiate litigations?
 - 3.1.2 Procedure to recover Debt under the Act
 - 3.1.3 Debt Recovery Tribunal: Constitution, Powers and Jurisdiction
 - 3.1.4 Powers of the Recovery Officer
 - 3.1.5 Provisions of Appeal
- 3.2 Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest (SARFAESI) Act, 2002
 - 3.2.1 Objects and reasons of the act
 - 3.2.2 Main provisions of the act
 - 3.2.3 Issues covered under the act

Suggested Reading :

1. Recovery of Debt. Due to Bankers and Financial Institutions Act, 1993
2. Asia Law House Ltd.
3. Banking Regulation Act, 1949
4. Reserve Bank of India Act, 1935
5. Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest (SARFAESI) Act
6. M.L. Tannen, Tennen's Banking Law and Practice in India India Law House, New Delhi
7. S.N. Gupta, The Banking Law in Theory and Practice, Universal New Delhi