



**NATIONAL LAW UNIVERSITY AND JUDICIAL ACADEMY, ASSAM**

**PROGRAMME: B.A., LL.B (HONS)FYIC**

**DETAILS OF COURSE OFFERED**

**EVEN SEMESTER (X) – ACADEMIC YEAR.....**

<b>SL. NO</b>	<b>COURSE CODE</b>	<b>COURSE TITLE</b>	<b>L</b>	<b>T/P</b>	<b>CR</b>	<b>CH</b>
<b>1</b>	<b>1002 BL SP-VII</b>	<b>EVOLUTION OF BANKING SERVICES AND LAW</b>	<b>4</b>	<b>1</b>	<b>4</b>	

**A. CODE AND TITLE OF THE COURSE: 1002 BL SP VII, EVOLUTION  
OF BANKING SERVICES AND LAW**

**B. COURSE CREDIT: 4 (TOTAL MARKS 200)**

**C. MEDIUM OF INSTRUCTION: ENGLISH**

**D. COURSE COMPILED BY: ANKUR MADHIA**

**E. COURSE INSTRUCTOR: ANKUR MADHIA**

## **1. COURSE OBJECTIVES:**

The economy of any country is vitally dependent upon the banking industry of that particular country. This vitally important economic institution – the banking system is deeply influenced by socio-political and economic changes. The emerging changes in India, particularly after the initiation of the planning process as an instrument of rapid economic development had moulded and affected the banking structure, policies, pattern and practices. The significant development of banking sector by diversification in banking and financing has helped the economy of the country to grow at a faster rate. The course on evolution of banking services and law is focused with the objective to acquaint the students with banking laws, judicial interpretations and various international regulations of banking sector. The course tries to engage to students from the evolution of banking sector in India to the recent problems and challenges faced by the banking sector.

### **Course Objectives:**

1. To engage students in understanding evolution of banking sector in India
2. To introduce the various regulations relating to banking like Basel norms and regulatory authority-RBI.
3. To understand and deal with emerging trends in the banking sector and challenges
4. To develop a deeper understanding regarding laws relating to banking sector in India

## **2. TEACHING METHODOLOGY:**

The method adopted for teaching is mixed method including regular classroom teaching. Secondly, the methodology is not a traditional lecture method but participatory teaching with discussion on legal principles and precedents in the classroom. The students are informed in advance the topic for discussion and the topic of project / assignment they have to prepare. The students prepare their topics from the sources suggested to them. The students are also encouraged to do independent research on their respective assignments. In the classroom every student is required to

present his/her topic and to have his/her doubt cleared through discussion. The teacher will be helping and guiding the students in their pursuits of legal learning. The teacher summarizes after the students have completed their discussion, and he clarifies the doubts, if any, and answer their queries. Students will be encouraged to study the case material provided for the course and prepare and discuss various case laws related to the topic.

### 3. COURSE OUTCOMES

- The course is designed to acquaint the students with the conceptual and operational parameters of banking law, the judicial interpretation and the new and the emerging dimensions of the banking system.
- At the end of the course the student will be acquainted with the various regulations and authorities in relation to the banking sector in India and throughout the globe.

### 4. COURSE EVALUATION METHOD:

The course evaluation is divided into:

**Internal Assessment: 70% (140 Marks)**

**External Assessment: 30% (60 Marks)**

S. No.	Internal Assessment	
1.	Assignments (Written/ Presentation Mode)	40 Marks
2.	Seminar/Group Discussion	20 Marks
3.	Internal Examinations	70 Marks
4.	Attendance	10 Marks
5.	Semester End Examination	60 Marks

### 5. DETAILED STRUCTURE OF THE COURSE

#### MODULE I

##### Evolution of Banking and History in India

Basel Norms – Basel Committee, Basel-I, Basel-II, Basel-III, History of Banking in India, Bank Nationalization and social control over banking, Various types of Banks

and their functions, Contract between banker and customer: their rights and duties, Role and functions of Banking Institutions.

## **MODULE II**

### **Banking Services in India and RBI as Regulatory Authority**

Definition of 'bank', 'banker', 'banking', 'banking companies'; Development of banking business and companies; Regulations and restrictions; Powers and control exercised by the Reserve Bank of India (B.R. Act, sections 5-36AD),

## **MODULE III**

### **Central Bank – RBI**

Evolution of Central Bank, Characteristics and functions, Economic and social objectives, The Central Bank and the State – as bankers' bank, The Reserve Bank of India as the Central Bank, Organisational structure, Functions of the RBI, Regulation of monetary mechanism of the economy, Credit control, Exchange control, Monopoly of currency issue, Bank rate policy formulation.

## **MODULE IV**

### **Relationship of Banker and Customer**

Legal character, Contract between banker and customer, Bankers' lien, Protection of bankers, Customers, Nature and type of accounts, Special classes of customers – lunatics, minor, partnership, corporations, local authorities, Banking duty to customers, Consumer protection : banking as service.

## **6. PRESCRIBED READINGS:**

- C.R. Datta & P.M. Bakshi, M.L. Tannan's Banking - Law and Practice in India (21th ed., 2008) R.K. Gupta, Banking - Law and Practice (2nd ed. 2008)
- Mark Hapgood, Paget's Law of Banking (13th ed., 2007)
- M.L. Tannam, Banking Law and Practice in India (23rd ed., 2010)
- L.C. Goyle, The Law of Banking and Bankers (1995) Eastern.
- M.L. Tannan, Tannan's Banking Law and Practice in India (1997) India Law House, New Delhi, 2. Volumes.