

		<b>SGT UNIVERSITY, GURGAON</b> <b>FACULTY OF LAW</b>	
<b>PROGRAMME</b>	<b>SEMESTER</b>	<b>COURSE NAME</b>	<b>COURSE CODE</b>
LL. B. (Hons)	V	BANKING LAW (INCLUDING. NI ACT)	08040509

### **Banking Law (Including the Negotiable Instruments Act)**

#### **Course Objective:**

The objective of the course is to enable aspirants to understand the banking system of India. The course provides information and sessions regarding different aspects of banking through which a candidate can figure out the working of public, private and corporate banks. The course will also introduce the students with various aspects of Negotiable Instruments and Insurance in India.

#### **Module – I                      Introduction of Negotiable Instruments Act**

- 1.1                      History and nature of Negotiable Instruments.
- 1.2                      Different kinds of Negotiable Instruments viz.  
  
Promissory Note, Bill of Exchange & Cheque; Definition and Nature

#### **Module – II                      ‘Holder’ and ‘Holder in Due Course’**

- 2.1                      Meaning of Holder and Holder in Due Course                      2.2  
Rights & privileges of holder in due course

#### **Module – III                      Transfer of Negotiable Instruments**

- 3.1                      Meaning and effect of Negotiation, Assignment
- 3.2                      Meaning and effect of Negotiable Instruments -Who may indorse?
- 3.3                      Kinds of Indorsement – Indorsement in Blank and Full
- 3.4                      Conditional Indorsement, Restrictive Indorsement, Sans Recourse Indorsement, Partial Indorsement

#### **Module – IV                      Liability of Parties and Discharge from Liability**

- 4.1                      Liability of acceptor or Maker, Drawer, Drawee and Indorser
- 4.2                      Banker’s liabilities for Unjustified dishonour of cheque

- 4.3 Discharge from liability by Cancellation, by Release, by Payment, by Material Alteration, by qualified acceptance by Negotiation

**Module – V Crossing of Cheques**

- 5.1 Meaning, Object and consequences of crossing;  
5.2 Different Kinds of crossing – general, special, not-negotiable & account payee crossing  
5.3 Who may Cross?  
5.4 Rights and duties of paying banker  
5.5 Protection of collecting banker

**Module – VI Criminal Liability of drawer for issuing cheques without fund**

- 6.1 Criminal liability of drawer for issuing cheques without fund; prosecution of drawer; fine and composition; compounding of offence;  
6.2 Cognizance of offences and Jurisdiction; summary trial and sentence

**Part – B Banking**

**Module – VII Banking System in India and Control by Reserve Bank of India**

- 7.1 Definition of ‘bank’, ‘banker’, ‘banking’, ‘banking companies’  
7.2 Development of banking business and companies;  
7.3 Regulations and restrictions; Powers and control exercised by the Reserve Bank of India

**PART – C INSURANCE**

**Module – VIII Law of Insurance**

- 8.1 Nature and Scope of Insurance; Classification; General Principles – Proximate Cause  
8.2 Doctrine of Utmost Good Faith  
8.3 Rules of Construction of Insurance Policy

**Course Outcomes:** Upon successful completion, students will have the knowledge and skills to:

1. Identify and contextualize complex materials and through an examination and critical analysis of information, including legislative and regulatory requirements, gain an understanding of then practical issues under Banking Law;
2. Understand the various legal issues related to Negotiable Instruments.
3. Understand the basic principles of the Law of Insurance in India.

**Suggested Reading:**

1. O. P. 'Faizi' & Ashish Aggarwal, Khergamvala on The Negotiable Instruments Act
2. RanganathMisra, Bhashyam&Adiga's The Negotiable Instruments Act
3. Avtar Singh, Negotiable Instruments
4. S. KrishnamurtiAiyar, Law Relating to the Negotiable Instruments Act
  
5. C.R. Datta& P.M. Bakshi, M.L. Tannan's Banking - Law and Practice in India (21th ed., 2008)
6. R.K. Gupta, Banking - Law and Practice (2nd ed. 2008)
7. Mark Hapgood, Paget's Law of Banking (13th ed., 2007)
8. K.S.N. Murthy & K.V.S. Sarma, Modern Law of Insurance in India (4th ed., 2002)
9. S.V.Joga Rao, M.N. Srinivasan's Principles of Insurance Law (9th ed., 2009)