

## M.Com. 115 Legal Framework of Banking and Banking Law & Practices

Unit No.	Topic
01	<p><b>Banking Regulation Act 1949</b></p> <p>Provisions relating to- Definition of bank (Sec. 5B and 5C), Business of Banking Companies (Sec.6), Restrictions on business of banking companies (Sec.8, 19 and 20), Capital Structure(Sec.12), Powers of the RBI (Sec.21, 22and 36 to 36AD), Applicability of the Act to Cooperative Banks (Sec.56), amendments of BRA1949 up to 2012, Banking Regulation (Amendment) Bill 2017</p>
02	<p><b>The Negotiable Instrument Act 1881</b></p> <p>Provisions relating to: Definition of negotiable Instrument (Sec- 13), Promissory note (Sec -4), Bill of exchange (Sec -5), and Cheque (Sec -6), Comparative Study of Negotiable Instruments Parties to negotiable instrument (Section -7), Holder (Sec -8), Holder in due course (Sec -9), Payment in due course (Sec -10), Negotiation (Sec -14), Endorsement (Sec -15), Dishonour of Negotiable Instruments (Sec -91-92), Noting and Protest (Sec -99-104-A), Penalties in case of dishonour of certain cheques for insufficiency of funds in the account (Sec. 138 to 147), Negotiable Instruments (Amendment and Miscellaneous Provisions) Act, 2002: Electronic Cheques/Truncated Cheques</p> <p>Negotiable Instruments (Amendment) Act, 2018- Empowers the Appellate Court to order payment pending the appeal against conviction (Sec.148)</p>
03	<p><b>A. The Reserve Bank of India Act, 1934</b></p> <p>Provisions relating to: Incorporation, Capital management and Business (Sec 3 to 19), Central Banking functions ((Sec -20 to 45),Regulatory and Supervisory Collection and furnishing of credit information (45 A to 45 G), Penalties (Sec 58 B to 58 -G), RBI Act ( As Amended By Finance Act 2018)- Monetary Policy Committee (Sec.45 ZA to 45 ZO)</p> <p><b>B. RBI and Regulation of Digital Financial Services in India, 2012 to 2016.</b></p>
04	<p><b>Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002</b></p> <p>Provisions relating to: Preliminary (Section 1 and 2) Regulation of securitisation and reconstruction of financial assets and financial institutions (Section 3 to 12 A) Enforcement of security interest (Section 13 to 19) Central registry (Section 20 to 26) Offences and penalties (Section 27 to 30) Miscellaneous (Section 31 to 41) Relevant amendments between 2004 and 2008 and Amendments in SARFAESI Act in 2016: (Taking possession over collateral: Audit and inspection)</p>

5	<p><b>Introduction to Prevention of Money Laundering Act, 2002:</b></p> <p>Provisions relating to: Preliminary (Section 1 and 2), Offence of money laundering (Section 3 and 4), Attachment, adjudication and confiscation (Section 5 and 11), Obligation of banking companies, financial institutions and intermediaries (Section 12 and 15) Summons, searches and seizures (Section 16 and 24) The RBI guidelines regarding prevention of money laundering, The Prevention of Money Laundering (Amendment) Act, 2012</p>
6	<p><b>The Foreign Exchange Management Act, 1999</b></p> <p>Provisions relating to: Preliminary (Sec 1-2), Regulation and management of foreign exchange (Sec 3 to 9) Authorized person (Section 10 to 12) Contravention and penalties (Section 13 to 15) Adjudication and appeal (Sections 16 to 21 and sections 34-35) Directorate of enforcement (section 36 to 38).</p>
7	<p><b>Asset - Liability Management :</b></p> <p>Definition of assets and liabilities, Asset liability mismatches on the grounds of locations, maturity, return and currency Risks while managing the assets and liabilities: Liquidity risk, Interest rate risk, Pre-mature withdrawal and pre-payment risk, Price Risk, Foreign exchange and sector based risk, Strategies to manage these risks, RBI guidelines for asset and liability management. Management of loan portfolio with special reference to Non-Performing Assets (NPAs): Definition of NPA, Income Recognition and Asset Classification Norms (IRAC Norms), Reasons for rising NPAs, Strategic approach in reduction of Non-Performing Assets, Management of investment Portfolio- Regulatory aspects, Overview of Basel I, II, and III</p>
8	<p><b>Hi-tech banking and Mergers and Acquisition in banking sector and Banking Ombudsman Scheme 2006:-</b></p> <p><b>A. Hi-tech banking and Mergers and Acquisition in banking sector:</b></p> <p>Role and uses of Technology upgradation- Impact of Technology on Banks- Protecting the confidentiality and secrecy of data, Meaning of Merger and Acquisition: Recent cases of mergers and acquisition in Indian Banking sector, Consolidation of Banks, Impact of mergers amongst Public Sector Banks</p> <p><b>B. Banking Ombudsman Scheme 2006:-</b></p> <p><b>I. Role of Banking Ombudsman:</b> Grounds of Complaint, Procedure for Filing Complaint; Power to Call for Information, Settlement of Complaint by Agreement, Award</p> <p><b>II. The Banking Codes and Standards Board of India:</b> Customer Service, Grievances Redressal Mechanism</p>

## References:

1. Gordon & Natarajan: Banking Theory Law and Practice, Himalya Publishing House
2. Srivastava S. P.; Banking Theory & Practice, Anmol Publications
3. PrakhasM., Bhargabhi R: Banking law & Operation, Vision Book House.
4. Tannan : Banking Law and Practice in India, Indian Law House
5. Sheldon H.P: Practice and Law of Banking.
6. VenkataramanaK., Banking Operations, SHBP.
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14. Legal and Regulatory Aspects of Banking– Published by Indian Institute of Banking & Finance.
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19. 3. Joshi Vasant C. and JoshiVinay V.; Managing Indian Banks- The Challenges Ahead- Sage Publication Ltd.
20. 4. Singh,Agarwal (2011):Internet Banking Technology, Raj Publishing House, Jaipur.
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24. 8.All relevant and recent Bare Acts, Indian Institute of Bankers: Laws and Practices relating to banking
25. 9. All journals published by Indian Institute of Banking and Finance
26. 10. Indian Banking Associations Bulletin
27. 11. RBI Bulletin
28. 12. Customer Service & Banking Codes and Standards: IIBF Publication
29. 13. [www.rbi.org.in](http://www.rbi.org.in)