LL.B VI TERM

LB-6032- Banking, Insurance Law and Negotiable Instruments

Cases Selected and Edited by

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LL.B. VI Term

Paper: LB – 6032 – Banking, Insurance Law and Negotiable Instruments

PART – A: BANKING

Prescribed Legislation:  The Banking Regulation Act, 1949 (B.R. Act)

Prescribed Books:
1. C.R. Datta & P.M. Bakshi, M.L. Tannan’s *Banking - Law and Practice in India* (21\textsuperscript{th} ed., 2008)

**Topic 1: The Evolution of Banking Services and its History in India**

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.

**Topic 2: Banking System in India and Control by Reserve Bank of India**

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)

1. *Sajjan Bank (Pvt.) Ltd. v. Reserve Bank of India*, AIR 1961 Mad. 8

PART B: INSURANCE

Prescribed Legislations:
1. The Insurance Act, 1938
2. The Marine Insurance Act, 1963
3. The Life Insurance Corporation Act, 1956
5. The Insurance Regulatory and Development Authority Act, 1999

Prescribed Books:

**Topic 3: Law of Insurance**

Nature and Scope of Insurance; Classification; General Principles – Proximate Cause

3. *Pink v. Fleming* (1890) 25 QBD 396

**Topic 4: Doctrine of Utmost Good Faith**


**Topic 5: Rules of Construction of Insurance Policy**

11. *Harris v. Poland* (1941) All ER 204: 1 K.B.D. 204

**PART – C: NEGOTIABLE INSTRUMENTS**

Prescribed Legislations:
1. The Negotiable Instruments Act, 1881 (N.I. Act)
2. The Information Technology Act, 2000 (I.T. Act)
Prescribed Books:

Recommended Readings:

**Topic 6: Kinds of Negotiable Instruments**
Promissory Note, Bill of Exchange, Cheque – Definition and Nature (N.I. Act, sections 4-7, 13)

**Topic 7: ‘Holder’ and ‘Holder in Due Course’**
Definition of Holder and Holder in Due Course; Comparison between Indian and English Law; Rights of holder in due course; Law Commission of India, Eleventh Report, 1958 (N.I. Act, section 8 read with 78; 9, 19-25, 53, 58, 59 and 118; and the English Bills of Exchange Act, 1882, sections 2, 29 and 90)
15. *Lachmi Chand v. Madanlal Khemka*, AIR 1947 All. 52 75
17. *Nunna Gopalan v. Vuppuluri Lakshminarasamma*, 82
Topic 8: Transfer of Negotiable Instruments

Modes - Negotiation (N.I. Act, sections 14, 46, 47, 48, 57); Assignment (The Transfer of Property Act, 1882, sections 130-132); Meaning of Indorsement - Who can indorse (N.I. Act, sections 15 and 51); Kinds of Indorsement – Indorsement in Blank and Full (N.I. Act, sections 16 and 54), Conditional Indorsement (N.I. Act, section 52), Restrictive Indorsement (N.I. Act, section 50), Sans Recourse Indorsement (N.I. Act, section 52); Partial Indorsement (N.I. Act, section 56)

Topic 9: Liability of Parties and Discharge of Parties from Liability on Promissory Note, bill of exchange and Cheque

Liability of Maker, Drawer, Drawee and Indorser (N.I. Act, sections 30, 31, 32, 35 and 36) Modes – Cancellation [N.I. Act, section 82 (a)]; Release [N.I. Act, section 82 (b)]; Payment [N.I. Act, section 82(c)]; Material Alteration (N.I. Act, sections 87-89)

20. Canara Bank Ltd. v. I.V. Rajagopal (1975) 1 M.L.J. 420

Topic 10: Crossing of Cheques

Object of crossing; Kinds of crossing – general, special, not-negotiable & account payee crossing; who may cross; Rights and duties of paying banker; Protection of collecting banker (N.I. Act, sections 123-131-A)

24. Great Western Rail Co. v. London & County Banking Co. Ltd. (1900-3) All ER Rep. 1004 (HL)
26. Indian Overseas Bank v. Industrial Chain Concern 1990)1 SCC 484
Topic 11: Liabilities for Dishonour of Cheques

Dishonor of cheque for insufficiency etc. of funds; cognizance of offences (N.I. Act, sections 138-147) *The Negotiable Instruments (Amendment) II Ordinance, 2015*

30. **MMTC Ltd. v. Medchl Chemicals & Pharma (P) Ltd.,** AIR 2002 SC 182
32. **C.C. Alavi Haji v. Palapetty Muhammed.** 2007 (7) SCALE 380
36. **The Negotiable Instruments (Amendment) II Ordinance, 2015**

**IMPORTANT NOTE:**

1. The students are advised to read only the books prescribed above along with legislations and cases.
2. The topics and cases given above are not exhaustive. The teachers teaching the course shall be at liberty to add new topics/cases.
3. The students are required to study the legislations as amended up-to-date and consult the latest editions of books.

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