

**SES's L.S. RAHEJA COLLEGE OF ARTS AND COMMERCE
(AUTONOMOUS)**



BOARD OF STUDIES: AD-HOC BOS LAW

PROGRAMME: Bachelor of Commerce (Banking and Insurance)

SEMESTER: IV

NOMENCLATURE OF THE COURSE: Laws Governing Banking and Insurance

NEP Vertical: OE

Credit: 02

(As Per Choice Based Credit System (under NEP 2020) with effect from the academic year 2025-26)



Programme:	Bachelor of Commerce (Banking and Insurance)
Nomenclature of the Course	Laws Governing Banking and Insurance
Total Marks	50
Semester:	IV
Academic year	2025-26

LEARNING OBJECTIVES:

1. Understand the key laws and regulations governing the banking and insurance sectors in India, including the role of RBI and IRDAI.
2. Learn about important legal provisions related to banking operations, negotiable instruments, and prevention of financial frauds like money laundering.
3. Gain knowledge of different types of insurance, essential principles, consumer rights, and legal remedies available under the Consumer Protection Act.
4. Analyse real-life case studies to understand the impact of legal frameworks on banking, insurance, and financial transactions in India.

COURSE OUTCOMES:

1. Students will be able to understand the legal framework governing banking and insurance in India, including key regulations and regulatory bodies like RBI and IRDAI.
2. They will gain practical knowledge of banking operations, negotiable instruments, money laundering laws, and consumer rights in financial transactions.
3. Learners will be able to analyze and apply legal principles related to different types of insurance policies, contracts, and dispute resolution mechanisms.
4. By studying real-life case laws and recent developments, students will develop critical thinking skills to address legal challenges in the banking and insurance sectors.

Unit	Course Content	Andragogy	No of Lectures
I - Banking Laws and Regulatory Framework	<p>1. Introduction to Banking Laws in India 1.1-What is a bank and its functions (accepting deposits, lending, payments, investments). 1.2-Types of banks (Commercial, Co- operative, Payment Banks, etc.). 1.3-Case Study: RBI’s approval of Payment Banks (Airtel Payments Bank, Paytm Payments Bank) – How small banks are changing financial inclusion.</p> <p>2. Banking Regulation Act, 1949 2.1- The role of RBI in licensing, SLR, CRR, and corporate governance in banks. 2.2-Case Study: Yes Bank Crisis (2020) – How RBI intervened to restructure Yes Bank and protect depositors.</p> <p>3. Reserve Bank of India Act, 1934 3.1-RBI’s control over monetary policy, interest rates, and banking supervision. 3.2-Case Study: Demonetization (2016) and Its Impact on Banking – How RBI managed liquidity.</p>	Lectures – case studies and Class test	15

	<p>4. The Bankers' Books Evidence Act, 1891 4.1-Protection Towards Payment of Cheques (Sections 33 & 34 of the (Negotiable Instruments Act, 1881) Section 33: Relates to the acceptance of bills of exchange and its effect on liability. Section 34: Deals with the liability of parties in negotiable instruments. 4.2-Additionally, under the Negotiable Instruments Act, 1881, certain provisions protect bankers when making payments on cheques, particularly: Section 85: Protects banks that make payments on an order cheque bearing a forged endorsement, provided it was made in due course. Section 131: Provides protection to a collecting banker from liability for conversion when receiving a cheque in good faith and without negligence. 5. Prevention of Money Laundering Act, 2002 5.1-KYC norms and the role of banks in preventing money laundering. 5.2-Case Study: PNB Scam – Nirav Modi Case (2018) – How banks failed in due diligence, leading to financial fraud.</p>		
II – Insurance Laws and Regulatory Framework	<p>1. Introduction to Insurance Laws in India 1.1-Types of insurance (life, general, health, marine, fire). 1.2-Case Study: COVID-19 and Health Insurance Claims (2020-2022) – How insurance companies handled claims during the pandemic. 2. The Insurance Act, 1938 2.1-Licensing of insurance companies, capital requirements, and IRDAI’s role. 2.2-Case Study: LIC’s IPO (2022) – Impact of public listing on insurance regulation and customers. 3. IRDAI Act, 1999 3.1-Regulation of insurance agents and protection of policyholders. 3.2-Case Study: HDFC Life and Max Life Merger (2021) – How IRDAI regulates mergers in the insurance sector. 4. Consumer Protection Act, 2019 in Insurance 4.1-Consumer rights and legal recourse for insurance disputes. 4.2-Case Study: Motor Insurance Claim Dispute (2022) – How consumer courts resolved a denied insurance claim. 5. Legal Aspects of Insurance Contracts 5.1-Valid contracts in insurance (proposal, acceptance, consent, claims settlement).</p>	Lectures – case studies and Class test	15

	<p>5.2-Case Study: Sahara India Life Insurance Case (2023) – How IRDAI cancelled Sahara’s license for violations.</p> <p>6. Recent Amendments and Case Studies</p> <p>6.1-Digital banking, fintech innovations, Insurtech, and emerging trends.</p> <p>6.2-Case Study: UPI Payments and RBI’s Role in Digital Banking Growth (2022-2023).</p>		
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SUGGESTED REFERENCE READINGS: (LATEST EDITIONS)

Banking Laws in India

1. Mishra, S. K. (2023). Banking Law and Practice in India. LexisNexis.
2. Varshney, P. N., & Mittal, D. (2022). Banking Law and Practice. Sultan Chand & Sons.
3. Sethi, J. (2022). Banking Law and Negotiable Instruments Act. Taxmann Publications.
4. Tannan, M. L. (2023). Tannan’s Banking Law and Practice in India LexisNexis.
5. Gupta, S. N. (2023). The Banking Law in Theory and Practice. Universal Law Publishing.

Insurance Laws in India

1. Tripathi, M. N. (2023). Insurance Law and Practice in India. LexisNexis.
2. Kanika, S. (2022). Insurance Law in India: Regulations and Compliance. Bloomsbury India.
3. Singh, A. (2023). Principles of Insurance Law. Eastern Book Company.
4. Banerjee, A. K. (2022). Law of Insurance in India. Universal Law Publishing.
5. Kumar, R. (2023). Insurance Law and Consumer Protection. Taxmann Publications.

These books cover the latest laws, regulatory frameworks, case studies, and practical aspects of banking and insurance, making them highly relevant for teaching SYBBI students.