

**GUJARAT NATIONAL LAW UNIVERSITY
GANDHINAGAR**

**Course: Law of Banking and Negotiable Instruments
Semester- VI (Batch: 2018-23)**

End Semester Online Examination: July-August 2021

Date: 01st August, 2021

Duration: 8 hours

Max. Marks: 50

Instructions:

- The respective marks for each question are indicated in-line.
- Indicate correct question numbers in front of the answer.
- No questions or clarification can be sought during the exam period, answer as it is, giving reason, if any.
- Word Limit: 12 Marks: 1000-1100 Words, 10 Marks: 800-900 Words, 8 Marks: 600-700 words.

	Marks
Q.1 The Debt Recovery Tribunals have been given a mandate to decide cases pertaining to the recovery of debts due to banks and financial institutions and to deal with the matters related to the proceedings initiated by the borrowers or aggrieved persons against the measures taken by the secured creditors under the Securitisation and Reconstruction of Financial Assets and Enforcement of Securities Interest Act, 2002. In light of the statement, discuss in detail about the role of Debt Recovery Tribunals for effective and efficient recovery of debts. Suggest some changes required to the Recovery of Debts and Bankruptcy Act, 1993 and the Securitisation and Reconstruction of Financial Assets and Enforcement of Securities Interest Act, 2002, for a robust debt recovery mechanism in India. Substantiate your answer with the help of relevant provisions, leading case laws and contemporary examples.	(12)
Q.2 ‘T’ issued a cheque of Rs. 58,840/-, on September 23, 2020 in favour of ‘G’ on Nitya Nagar Branch of Allahabad Bank, Indore. Next day, the cheque was presented by ‘G’ at the Azad Pura Branch of the State Bank of India, Patna, but the same was returned as dishonoured. Thereafter, ‘G’ contacted ‘T’ through telephone, whereupon, ‘T’ requested ‘G’ to represent the cheque on or after November 15, 2020. Consequently, ‘G’ presented the cheque on November 18, but once again the said cheque was returned as dishonoured. On the basis of the above stated facts answer the following with the help of leading case laws and suitable provisions of the applicable law:	(3+4+3=10)
a) When the cause of action for dishonor of cheque and limitation period for filing the complaint would begin?	
b) What is the territorial jurisdiction? How would it be determined?	
c) Can ‘G’ represent the same cheque? Can ‘G’ file a criminal complaint against ‘T’ after the representation of the same cheque?	
Q.3 How does the Reserve Bank of India exercise various regulatory powers over the banks under the Banking Regulation Act, 1949? Do you think that the Reserve Bank of India has lesser regulatory powers over the public sector banks in comparison to the private	(10)

sector banks under the Banking Regulation Act, 1949. Substantiate your answer with the help of relevant provisions, leading case laws and contemporary examples?

- Q.4 Explicate how significant is the banker's duty of secrecy and fidelity in maintaining and enhancing a robust banker customer relationship? Substantiate your answer with the help of relevant provisions, leading case laws and contemporary examples? (10)
- Q.5 Discuss in detail the functions of credit information companies and the role of the Reserve Bank of India with regard to the business and management of the credit information companies in India. Substantiate your answer with the help of the suitable provisions of the applicable laws. (08)
