

**GUJARAT NATIONAL LAW UNIVERSITY
GANDHINAGAR****Course: Law of Banking and Negotiable Instruments
Semester- VI (Batch: 2019-24)****End Semester Online Examination: May 2022****Date: 10th May, 2022****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: 10 Marks: 900 -1000 words.

Marks

- Q.1 'The Nationalisation regime which aimed at controlling the monopoly of private sector banks had failed to create a flawless banking system since it was not able to serve every household. However, a serious effort was made to make banking services easily accessible: geographically, socially and functionally.' (10)

In light of the above statement, discuss in detail the benefits and drawbacks of bank nationalisation and discuss whether it would be a good decision to go back to the pre-nationalisation regime by privatising some of the public sector banks in India. Substantiate your answer with the help of relevant examples and adequate reasons.

- Q.2 'It is an implied term of the contract between a banker and his customer that the banker will not divulge to third person without the express or implied consent of the customer either the state of the customer's account or any of his transactions with the bank or any information relating to the customer acquired through the keeping of his account unless the banker is compelled to do so by order of a Court or the circumstances give rise to a public duty of disclosure or protection of the banker's own interest requires it.' (10)
- Examine the nature, scope and extent of the duty of secrecy in light of the above statement. Can the duty to maintain confidentiality end upon termination of the banker-customer relationship? In addition, how are the standards of duty of secrecy different in India and Switzerland?

- Q.3 'The issuance of the cheque itself gives the presumption that not only the cheque was issued for consideration but also that there existed a legally enforceable debt or liability and to controvert the same, it is for the drawer of the cheque to prove otherwise. For the rebuttal of presumption of debt or liability mere explanation would not do but proof would be required.' (10)

In light of the aforesaid statement, critically analyse the concept of debt or liability. Also, do you agree that the proceedings pertaining to dishonour of cheque is quasi criminal in

nature? Substantiate your answer with the help of leading case laws and relevant examples.

- Q.4 Critically analyse the role of Debt Recovery Tribunals in addressing the issue of bad debts and non-performing assets in India. Distinguish between the nature and scope of section 19 and section 17 of the Recovery of Debts and Bankruptcy Act, 1993 and the Securitisation and Reconstruction of Financial Assets and Enforcement of Securities Interest Act, 2002, respectively. Also, explain the concept of an 'Aggrieved Person' as mentioned under the Securitisation and Reconstruction of Financial Assets and Enforcement of Securities Interest Act, 2002. Substantiate your answer with the help of leading case laws and relevant examples. (10)
- Q.5 'By virtue of the Banking Regulation Act, the Reserve Bank of India is given adequate powers to ensure regulatory compliances and to implement adequate supervisory measures so that banks can be remediated when their prudential standards are not met'. Do you agree with the statement? Substantiate your answer with the help of leading case laws and contemporary examples. (10)
