



COURSE MANUAL

Name of the Elective Course: Banking Law and SARFAESI

Course Code:

Name of the responsible Faculty Instructor:

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**FALL 2026
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This document is prepared by the course instructor and contains basic information relevant to the execution of the course. It is the official record for all intends purposes as far the elective course, ***Banking Law and SARFAESI*** is concerned.

This course manual can be used as a general guide to the subject. However, the instructor can modify, extend or supplement the course (without tampering its basic framework and objectives) for the effective and efficient delivery of the course. The instructor will provide students with reasons for such changes.

Part I

Course Title: **Banking Law and SARFAESI**

Course Code:

Course Duration: **One Semester (14 Weeks)**

No. of Credit Units: **4 Credits**

Level: **Both**

Medium of Instruction: **English**

Pre-requisites (if applicable): **Basic understanding of company law and corporate laws**

Equivalent Courses: **N/A**

Part II

1. Acknowledgement of Course Ideators

This course would not be ideated if not for my esteemed colleagues at the School of Banking and Finance, my law firm partners who taught me the nuances of this field in practice, Prof Dr.Dipika Jain for allowing me to teach this course.

2. Course Description

This course is an elective course focusing on understanding the nuances of banking and related laws. It is important to identify the key role that the banking sector plays in the economy of India. The Banking Regulation Act 1949 laid down principles for governing banking related services across the country. Banking laws have evolved since 1773. The presidency banks earlier were the Bank of Madras, Calcutta and Bombay. The swadeshi movement encouraged the Indian business community to create their own banks. Some of the oldest banks that have managed to survive are Bank of Baroda, Canara Bank, Indian bank, and Central Bank of India. The establishment of the Reserve Bank of India in 1934 was a major change in understanding the legalities of banking. A central authority for adjudication of how banks function is crucial. The RBI is also the lender of the last resort and the banker

to other banks. Understanding the RBI statute facilitates the key rules that the banks must follow during their day-to-day functioning.

There have also been vast developments in banking litigation. Many tribunals and alternate forums were established to help resolve disputes. The National Company Law tribunals and the Debt Recovery Tribunals both at an original and an appellate level were created for resolving specific disputes. This step towards a systemized allocation of resources for speedy judicial proceedings has had a drastic impact on the banking sector.

This course will teach students to understand and learn the legal aspects of banking laws, and how disputes are resolved by the judiciary. It is crucial to learn how to navigate issues of recovery, hypothecation among other issues especially for those who want to have a future in banking.

3. Course Aims

- Learn about the Indian banking system and its legal framework
- Identify different ways of management of Non-Performing Assets (NPA)
- Appreciation and understanding of banking regulations
- Learning about Asset management, resolution strategies and focused credit sharing.

4. Teaching Methodology

The course will be taught across the semester using slides as a teaching aid and not the sole source for information. Bare acts and handouts will be provided along with readings as well as case studies. The methodology shall be a combination of the Socratic method placing emphasis on interaction between students, pre readings for class as well as lectures.

5. Intended Learning Outcomes

Course Intended Learning Outcomes	Weightage in %	Teaching and Learning Activities	Assessment Tasks/ Activities
The objective of this course is to identify and learn about banking laws and concepts related to the same	25%		Research paper- 25 marks
Learn the different regulations for banks.	25%		Midterm- 20 marks

Course Intended Learning Outcomes	Weightage in %	Teaching and Learning Activities	Assessment Tasks/ Activities
Learn how the legal system for banks work in India along with important case laws.	25%	Teaching with the help of bare acts and slides and using hypotheticals.	Simulation exercise- 20 marks
Appreciating and understanding the different banking procedures and processes for future use.	25%	Learning through case studies and understanding concepts using bare acts and landmark judgements/precedents	Class participation- 5 marks
			(70 marks)

6. Grading of Student Achievement

To pass this course, students shall obtain a minimum of 40% in the cumulative aspects of coursework, i.e., internal assessments (including moot court, mid-term exam, presentations, research paper) and the end term examination. Internal assessments shall carry a total of 70 marks. **End of semester exam shall carry 30 marks out of which students have to obtain a minimum of 30% marks to fulfil the requirement of passing the course.**

The details of the grades as well as the criteria for awarding such grades are provided below:

PERCENTAGE OF MARKS	GRADE	GRADE VALUE	GRADE DESCRIPTION
80 and above	O	8	Outstanding – Exceptional knowledge of the subject matter, thorough understanding of issues; ability to synthesize ideas, rules and principles and extraordinary critical and analytical ability
75 – 79	A+	7.5	Excellent - Sound knowledge of the subject matter, thorough understanding of issues; ability to synthesize ideas, rules

PERCENTAGE OF MARKS	GRADE	GRADE VALUE	GRADE DESCRIPTION
			and principles and critical and analytical ability
70 – 74	A	7	Very Good - Sound knowledge of the subject matter, excellent organizational capacity, ability to synthesize ideas, rules and principles, critically analyze existing materials and originality in thinking and presentation
65 – 69	A-	6	Good - Good understanding of the subject matter, ability to identify issues and provide balanced solutions to problems and good critical and analytical skills
60 – 64	B+	5	Fair – Average understanding of the subject matter, limited ability to identify issues and provide solutions to problems and reasonable critical and analytical skills
55 – 59	B	4	Acceptable - Adequate knowledge of the subject matter to go to the next level of study and reasonable critical and analytical skills.
50 – 54	B-	3	Marginal - Limited knowledge of the subject matter and irrelevant use of materials and, poor critical and analytical skills
45 – 49	P1	2	Pass 1 – Pass with basic understanding of the subject matter
40 – 44	P2	1	Pass 2 – Pass with rudimentary understanding of the subject matter
Below 40	F	0	Fail - Poor comprehension of the subject matter; poor critical and analytical skills and marginal use of the relevant materials. Will require repeating the course

PERCENTAGE OF MARKS	GRADE	GRADE VALUE	GRADE DESCRIPTION
Incomplete	I	0	Incomplete - “Extenuating circumstances” preventing the student from taking the end-semester, or re-sit, examination as the case may be; the Vice Dean (Examinations) at their discretion assign the “I” grade. If an "I" grade is assigned, the student would appear for the end-semester, or re-sit examination, as the case may be, as and when the subsequent opportunity is provided by the University.

7. Criteria for Student Assessments

Assessment of the participants will be based on the following criteria.

Assessment	Weightage	Remarks
Research paper	25 marks	Students are assessed on creativity, originality, cohesive arguments, analysis and structure. Proper format, flow of ideas with evidence. Uniform citation and non-AI based writing. Students will be given 4 weeks’ time to turn in a complete research paper of 3000-4000 words.
Simulation exercise	20 marks	Teaching students how real-world scenarios work and test their analytical skills and presence of mind. This will be conducted in class after letting the students prepare with topics surrounding the class material and will be held across the semester.
Mid Term	20 marks	Decision taken on date of exam after consultation with students.

Assessment	Weightage	Remarks
Class participation	5 marks	Assessed throughout the semester on attendance, readings, overall demeanor, participation, conduct and activeness in class.
End Semester Examination	30 marks	In class open book examination. There will be a compulsory end-semester examination/component for all participants of the course who have successfully met the requisite attendance as per the governing JGU policies.

Part III

Course/Class Policies:

Cell Phones, Laptops and Similar Gadgets

Students are not allowed to use their cell phones in class. Laptops are not necessary since most teachings will be lecture or discussion based. **Recording lectures is not allowed.** Students are expected to take notes and participate in class thoroughly. We understand that note taking can be done better on gadgets but that may distract from the class.

Academic Integrity and Plagiarism

Learning and knowledge production of any kind is a collaborative process. Collaboration demands an ethical responsibility to acknowledge who we have learnt from, what we have learned, and how reading and learning from others have helped us shape our own ideas. Even our own ideas demand an acknowledgement of the sources and processes through which those ideas have emerged. Thus, all ideas must be supported by citations. All ideas borrowed from articles, books, journals, magazines, case laws, statutes, photographs, films, paintings, etc., in print or online, must be credited with the original source. If the source or inspiration of your idea is a friend, a casual chat, something that you overheard, or heard being discussed at a conference or in class, even they must be duly credited. If you paraphrase or directly quote from a web source in the examination, presentation or essays, the source must be acknowledged. The university has a framework to deal with cases of plagiarism. All form of plagiarism will be taken seriously by the University and prescribed sanctions will be imposed on those who commit plagiarism.

Disability Support and Accommodation Requirements

JGU endeavours to make all its courses inclusive and accessible to students with different abilities. In accordance with the Rights of Persons with Disabilities Act (2016), the JGU Disability Support Committee (DSC) has identified conditions that could hinder a student's overall well-being. These include physical and mobility related difficulties, visual and hearing impairment, mental health conditions and intellectual/learning difficulties e.g., dyslexia, dyscalculia. Students with any known disability needing academic and other support are required to register with the Disability Support Committee (DSC) by following the procedure specified at <https://jgu.edu.in/disability-support-committee/>

Students who need support may register before the deadline for registration ends, as communicated by the DSC via email each semester. Those students who wish to continue receiving support from the previous semester, must re-register every semester prior to the deadline for re-registration as communicated by the DSC via email. Last minute registrations and support are discouraged and might not be possible as sufficient time is required to make the arrangements for support.

The DSC maintains strict confidentiality about the identity of the student and the nature of their disability and the same is requested from faculty members and staff as well. The DSC takes a strong stance against in-class and out-of-class references made about a student's disability without their consent and disrespectful comments referring to a student's disability. With due respect for confidentiality, faculty and students are encouraged to have honest conversations about the needs of students with disabilities and to discuss how a course may be better tailored to cater to a student with disability.

All general queries are to be addressed to disabilitysupportcommittee@jgu.edu.in

Safe Space Pledge

This course may discuss a range of issues and events that might result in distress for some students. Discussions in the course might also provoke strong emotional responses. To make sure that all students collectively benefit from the course, and do not feel disturbed due to either the content of the course or the conduct of the discussions. Therefore, it is incumbent upon all within the classroom to pledge to maintain respect towards our peers. This does not mean that you need to feel restrained about what you feel and what you want to say. Conversely, this is about creating a safe space where everyone can speak and learn without inhibitions and fear. This responsibility lies not only with students, but also with the instructor.

P.S. The course instructor, as part of introducing the course manual, will discuss the scope of the Safe Space Pledge with the class.

Part IV

Keywords Syllabus

Banking law, SARFAESI, recovery, debt, hypothecation, possession, auction, asset reconstruction, defaulter, non-performing asset, securitization, financial restructuring, liquidation, resolution plan, liquidation, resolution professional, committee of creditors, notice, insolvency, bankruptcy.

Course Design and Overview (Weekly Plan)

Week	Topic and Description	Reading/Course Materials
(1-2)	<p>Module 1: Introduction to Indian Banking System:</p> <ul style="list-style-type: none"> • Evolution of Banking in India • Types of Banks and non-banking financial service providers* (Scheduled, Cooperative, Non-Banking Financial Companies, etc.) • Role of RBI and its regulatory powers • Banking Regulation Act, 1949 	<ul style="list-style-type: none"> • Banking Regulation Act, 1949 • Carrière-Swallow, Yan, Vikram Haksar, and Manasa Patnam, 'India's Approach to Open Banking: Some Implications for Financial Inclusion', in Linda Jeng (ed.), <i>Open Banking</i> (New York, 2022; online edn, Oxford Academic, 24 Mar. 2022) • <i>Tannan's Banking Law and Practice in India</i> – M.L. Tannan (chapter 1 and 2) • Master directions of RBI about banking.

<p>(3-4)</p>	<p>Module 2: Banker-Customer Relationship</p> <ul style="list-style-type: none"> • Legal nature of the relationship • Rights, duties, and liabilities of banks and customers • Types of bank accounts • Garnishee Orders and Banker's Lien <hr/> <p>Module 3: Negotiable Instruments Act, 1881</p> <ul style="list-style-type: none"> • Promissory Notes, Bills of Exchange, Cheques • Dishonour of Cheques – Section 138 • Recent amendments and digital instruments 	<p>Case Studies:</p> <ul style="list-style-type: none"> • Canara Bank v. Canara Sales Corporation • Joachimson v. Swiss Bank Corporation <hr/> <ul style="list-style-type: none"> • NI Act 1881, selected sections • M/s. Dalmia Cement (Bharat) Ltd. v. M/s. Galaxy Traders & Agencies Ltd AIR 2001 SC 676 • Modi Cements Limited v. Kuchil Kumar Nandi, 1998 AIR SCW 842 • Bir Singh Vs Mukesh Kumar, (2019) 4 SCC 197 • Vinaya Devanna Nayak Vs Ryot Sewa Sahakari Bank Ltd , 2008(2) SCC 305
<p>(4-7)</p>	<p>Module 4: Recovery of Debts – DRT and DRAT</p> <ul style="list-style-type: none"> • Debt Recovery Tribunals (DRT) • Debt Recovery Appellate Tribunals (DRAT) • Procedural laws and jurisdiction • Comparison with civil court proceedings 	<ul style="list-style-type: none"> • Recovery of Debts and Bankruptcy Act, 1993 (RDB Act) • Indian Bank v. ABS Marine Products, (2006) 5 SCC 72 • SBI v. Ranjan Chemicals Ltd., (2007) 1 SCC 97 • Nahar Industrial Enterprises Ltd. v. Hongkong & Shanghai Banking Corporation (• Bank of Rajasthan Ltd. Vs. VCK Shares & Stock Broking Services Ltd • Unit Trust of India Vs. M/s Derby Textiles Ltd • P.K. Krishnakuma and Anr. v. IndusInd Bank and Ors • M/S Transcore vs Union Of India & Anr

		<ul style="list-style-type: none"> • Syndicate Bank vs Sri Basalingappa • K. Sreedhar vs M/S. Raus Constructions Pvt. Ltd
	<hr/> <p>Module 5: The SARFAESI Act, 2002 – Structure & Purpose</p> <ul style="list-style-type: none"> • Background and need for the Act • Scope and applicability • Definition of NPAs and secured assets 	<ul style="list-style-type: none"> • SARFAESI Act, 2002 (Sections 2, 13, 17, 34) • RBI Guidelines on SARFAESI
(7-8)	<ul style="list-style-type: none"> • Securitization and reconstruction of financial assets. • Asset reconstruction companies 	<ol style="list-style-type: none"> 1. Chandraappa Parkash (June 2014) “A Cyclical structure on non-performing assets of scheduled commercial banks in India”. IOSR Journal of Economics and Finance Vol.3 issue 4 ISSN : 2321-5925
(8-11)	<p>Module 6: Enforcement of Security Interest (Sec 13)</p> <ul style="list-style-type: none"> • Procedure for enforcement without court intervention • Measures under Section 13(4) • Rights of secured creditors • Possession, sale, and lease of assets • Appeal to DRT under Section 17 • Writ jurisdiction and scope of judicial review • Role of Chief Metropolitan Magistrate/District Magistrate 	<ul style="list-style-type: none"> • SARFAESI Act, 2002 (Sections 2, 13, 17, 34) • Mardia Chemicals v. Union of India • Transcore v. Union of India • Udichibarna Bose, Stefano Filomeni, Sushanta Mallick, “Does bankruptcy law improve the fate of distressed firms?”. The role of credit channels, Journal of Corporate Finance, (Volume 68,2021,101836, ISSN 0929-1199) 2. Gurumoorthy T.R and SufhaB. “Non – performing assets (A study with reference to Public sector Banks)”, Indian journal of Applied Research Vol.2,No.2 November 2012.pp.7 (week 8-10)
(11-13)	<p>Module 7: Insolvency And Bankruptcy Code 2016</p> <ul style="list-style-type: none"> • Difference between insolvency and bankruptcy • Insolvency resolution and liquidation processes 	<ul style="list-style-type: none"> • IBC SELECTED SECTIONS • Juhi Gupta, Smita Kashiramka, Financial stability of banks in India: Does liquidity creation matter? Pacific-Basin Finance Journal, Volume 64,2020,101439,ISSN 0927-538X

	<ul style="list-style-type: none"> • CIRP • National Company Law Tribunal 	<ul style="list-style-type: none"> • Vidarbha Industries Power Ltd. v. Axis Bank Ltd., (2022) 8 SCC 352. • M. Suresh Kumar Reddy v. Canara Bank, (2023) 8 SCC 387. • Synergies-Dooray Automative Ltd v. Edelweiss Asset Reconstruction Company Limited in C.A. No. 123 of 2017 in CP(IB) No. 01/HDB/2017 • State Bank of India and ors. v. Videocon Industries Limited, 2019 SCC OnLine NCLT 34792. • State Bank of India v. Uttam Galva Steels Ltd., CP 2054/ I&BP/ NCLT/ MB/ 2018).. • State Bank of India v. Uttam Value Steels Ltd., CP (IB) 1830/ MB/ 2017. • State Bank of India v. Uttam Galva Metallics Limited, MA No. 1750 of 2019 in CP 2054 (MB) of 2018. • Jet Airways (India) Limited v. State Bank of India, 2019 SCC OnLine NCLAT 1216 • K Sashidhar v. Indian Overseas Bank, (2019) 12 SCC 150. • Standard Chartered Bank v. Satish Kumar Gupta, 2019 SCC OnLine NCLAT 388. • Committee of Creditors of Essar Steel India Limited v. Satish Kumar Gupta and Others, (2020) 8 SCC 531 (para 131). • Gujarat Urja Vikas Nigam Ltd. v. Amit Gupta, (2021) 7 SCC 209. • Kalyani Transco v. Bhushan Power and Steel Ltd, 2025 SCC Online SC 1010
(13-14)	Revision and practice tests and scenarios.	CASE MATERIALS, CASE STUDIES AND CLASS INTERACTIONS

REVISION WEEK

[NOTE: There shall be teaching classes scheduled during the fourteenth week subject to the JGU Academic Calendar circulated by the Office of the Registrar, JGU and any official declaration of non-working days by the JGU Registrar.]

Part VI Relevant Readings / Essential Readings

(Week 1-2):

- Carrière-Swallow, Yan, Vikram Haksar, and Manasa Patnam, 'India's Approach to Open Banking: Some Implications for Financial Inclusion', in Linda Jeng (ed.), *Open Banking* (New York, 2022; online edn, Oxford Academic, 24 Mar. 2022)
- *Tannan's Banking Law and Practice in India* – M.L. Tannan (chapter 1 and 2)
- Master directions of RBI about banking.

(Week 3-4):

- Canara Bank v. Canara Sales Corporation
- Joachimson v. Swiss Bank Corporation
- NI Act 1881, selected sections
- M/s. Dalmia Cement (Bharat) Ltd. v. M/s. Galaxy Traders & Agencies Ltd AIR 2001 SC 676
- Modi Cements Limited v. Kuchil Kumar Nandi, 1998 AIR SCW 842
- Bir Singh Vs Mukesh Kumar, (2019) 4 SCC 197
- Vinaya Devanna Nayak Vs Ryot Sewa Sahakari Bank Ltd , 2008(2) SCC 305

(Week 4-7):

- Recovery of Debts and Bankruptcy Act, 1993 (RDB Act)
- Indian Bank v. ABS Marine Products, (2006) 5 SCC 72
- SBI v. Ranjan Chemicals Ltd., (2007) 1 SCC 97
- Nahar Industrial Enterprises Ltd. v. Hongkong & Shanghai Banking Corporation (
- Bank of Rajasthan Ltd. Vs. VCK Shares & Stock Broking Services Ltd
- Unit Trust of India Vs. M/s Derby Textiles Ltd
- P.K. Krishnakuma and Anr. v. IndusInd Bank and Ors
- M/S Transcore vs Union Of India & Anr
- Syndicate Bank vs Sri Basalingappa
- K. Sreedhar vs M/S. Raus Constructions Pvt. Ltd

(Week 7-8):

- SARFAESI Act, 2002 (Sections 2, 13, 17, 34)
- RBI Guidelines on SARFAESI
- Chandraappa Parkash (June 2014) “A Cyclical structure on non-performing assets of scheduled commercial banks in India”. IOSR Journal of Economics and Finance Vol.3 issue 4 ISSN : 2321-5925

(Week 8-11):

- RBI Master Directions on FEMA
- Mardia Chemicals v. Union of India
- Transcore v. Union of India

- Udichibarna Bose, Stefano Filomeni, Sushanta Mallick, “Does bankruptcy law improve the fate of distressed firms?”. The role of credit channels, Journal of Corporate Finance, (Volume 68,2021,101836, ISSN 0929-1199)
- Gurumoorthy T.R and SufhaB. “Non –performing assets (A study with reference to Public sector Banks)”, Indian journal of Applied Research Vol.2, No.2 November 2012. pp.7 (week 8-10)

(Week 11-13):

- IBC SELECTED SECTIONS
- Juhi Gupta, Smita Kashiramka, Financial stability of banks in India: Does liquidity creation matter? Pacific-Basin Finance Journal, Volume 64,2020,101439,ISSN 0927-538X
- Vidarbha Industries Power Ltd. v. Axis Bank Ltd., (2022) 8 SCC 352.
- M. Suresh Kumar Reddy v. Canara Bank, (2023) 8 SCC 387.
- Synergies-Dooray Automative Ltd v. Edelweiss Asset Reconstruction Company Limited in C.A. No. 123 of 2017 in CP(IB) No. 01/HDB/2017
- State Bank of India and ors. v. Videocon Industries Limited, 2019 SCC OnLine NCLT 34792.
- State Bank of India v. Uttam Galva Steels Ltd., CP 2054/ I&BP/ NCLT/ MB/ 2018)..
- State Bank of India v. Uttam Value Steels Ltd., CP (IB) 1830/ MB/ 2017.
- State Bank of India v. Uttam Galva Metallics Limited, MA No. 1750 of 2019 in CP 2054 (MB) of 2018.
- Jet Airways (India) Limited v. State Bank of India, 2019 SCC OnLine NCLAT 1216
- K Sashidhar v. Indian Overseas Bank, (2019) 12 SCC 150.
- Standard Chartered Bank v. Satish Kumar Gupta, 2019 SCC OnLine NCLAT 388.
- Committee of Creditors of Essar Steel India Limited v. Satish Kumar Gupta and Others, (2020) 8 SCC 531 (para 131).
- Gujarat Urja Vikas Nigam Ltd. v. Amit Gupta, (2021) 7 SCC 209
- Kalyani Transco v. Bhushan Power and Steel Ltd, 2025 SCC Online SC 1010

(Week 13-14)

- CASE MATERIALS, CASE STUDIES AND CLASS INTERACTIONS