

Rep. by Act 52 of 1964, s. 2 + Sch. I (w.e.f. 29.12.64)

THE BANKING COMPANIES (AMENDMENT) ACT, 1960

No. 23 OF 1960

[26th August, 1960]

An Act further to amend the Banking Companies Act, 1949.

BE it enacted by Parliament in the Eleventh Year of the Republic of India as follows:—

Short title. 1. This Act may be called the Banking Companies (Amendment) Act, 1960.

Insertion of new section 34A. 2. After section 34 of the Banking Companies Act, 1949, the following section shall be inserted, namely:—

Production of documents of confidential nature.

“34A. (1) Notwithstanding anything contained in section 11 of the Industrial Disputes Act, 1947, or any other law for the time being in force, no banking company shall, in any proceeding under the said Act or in any appeal or other proceeding arising therefrom or connected therewith, be compelled by any authority before which such proceeding is pending to produce, or give inspection of, any of its books of account or other document or furnish or disclose any statement or information, when the banking company claims that such document, statement or information is of a confidential nature and that the production or inspection of such document or the furnishing or disclosure of such statement or information would involve disclosure of information relating to—

(a) any reserves not shown as such in its published balance sheet; or

(b) any particulars not shown therein in respect of provisions made for bad and doubtful debts and other usual or necessary provisions.

(2) If, in any such proceeding in relation to any banking company other than the Reserve Bank of India, any question arises as to whether any amount out of the reserves or provisions referred to in sub-section (1) should be taken into account by

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the authority before which such proceeding is pending, the authority may, if it so thinks fit, refer the question to the Reserve Bank and the Reserve Bank shall, after taking into account principles of sound banking and all relevant circumstances concerning the banking company, furnish to the authority a certificate stating that the authority shall not take into account any amount as such reserves and provisions of the banking company or may take them into account only to the extent of the amount specified by it in the certificate, and the certificate of the Reserve Bank on such question shall be final and shall not be called in question in any such proceeding.

(3) For the purposes of this section, "banking company" shall have the meaning assigned to it in the Industrial Disputes Act, 1947."

14 of 1947.