

Rep. by Act 52 of 1964, s. 2 + sch. I (w.e.f. 28.12.64)

THE RESERVE BANK OF INDIA (AMENDMENT) ACT,
1960

No. 14 OF 1960

[30th April, 1960]

An Act further to amend the Reserve Bank of India Act, 1934.

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 Reserve Bank of India (Amendment) Act, 1960.

Amendment of section 17. 2. In section 17 of the Reserve Bank of India Act, 1934,— 2 of 1934.

(a) after clause (4), the following clause shall be inserted, namely:—

“(4A) the making to any State Financial Corporation established under the State Financial Corporations Act, 1951, 63 of 1951, of loans and advances repayable on the expiry of fixed periods not exceeding eighteen months from the date of such loan or advance, against securities of the Central Government or of any State Government, of any maturity, or against bonds and debentures issued by that Corporation and guaranteed by the State Government concerned and maturing within a period not exceeding eighteen months from the date of such loan or advance:

Provided that the amount of loans and advances granted to a State Financial Corporation under this clause shall not, at any time, exceed in the aggregate sixty per cent. of the paid-up share capital thereof;”;

(b) existing clause (4A) shall be renumbered and relettered as clause (4AA);

(c) for clause (4BB), the following clause shall be substituted, namely:—

“(4BB) the making to any financial institution notified by the Central Government in this behalf, of loans and advances,—

(a) repayable on demand or on the expiry of fixed periods not exceeding ninety days from the date of such loan or advance, against the securities of the Central Government or of any State Government, or

(b) repayable on the expiry of fixed periods not exceeding eighteen months from the date of such loan or advance, against securities of the Central Government or of any State Government, of any maturity, or against bonds and debentures issued by that financial institution and guaranteed by the Central Government or any State Government, and maturing within a period not exceeding eighteen months from the date of such loan or advance:

Provided that the amount of loans and advances granted to a financial institution under sub-clause (b) shall not at any time, exceed in the aggregate sixty per cent. of the paid-up share capital thereof;”

(d) after clause (11), the following clause shall be inserted, namely:—

“(11A) the acting as agent for the Central Government in guaranteeing the due performance by any small-scale industrial concern approved by the Central Government, of its obligations to any bank or any other financial institution in respect of loans and advances made to it by such bank or other financial institution and the making as such agent of payments in connection with such guarantee;”.