Banking Laws (Amendment) Act, 2012

Section 9 - Insertion of New Section 29-A."After Section 29 of the principal Act, the following Section shall be inserted, namely"

29-A. Power in respect of associate enterprises."(1) The Reserve Bank may, at any time, direct a banking company to annex to its financial statements or furnish to it separately, within such time and at such intervals as may be specified by the Reserve Bank, such statements and information relating to the business or affairs of any associate enterprise of the banking company as the Reserve Bank may consider necessary or expedient to obtain for the purpose of this Act.(2) Notwithstanding anything to the contrary contained in the Companies Act, 1956 (1 of 1956), the Reserve Bank may, at any time, cause an inspection to be made of any associate enterprise of a banking company and its books of account jointly by one or more of its officers or employees or other persons along with the Board or authority regulating such associate enterprise.(3) The provisions of sub-sections (2) and (3) of Section 35 shall apply mutatis mutandis to the inspection under this Section. Explanation.""associate enterprise" in relation to a banking company includes an enterprise which"(i) is a holding company or a subsidiary company of the banking company; or(ii) is a joint venture of the banking company; or (iii) is a subsidiary company or a joint venture of the holding company of the banking company; or(iv) controls the composition of the Board of directors or other body governing the banking company; or(v) exercises, in the opinion of the Reserve Bank, significant influence on the banking company in taking financial or policy decisions; or(vi) is able to obtain economic benefits from the activities of the banking company.'.