

सत्यमेव जयते

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The Public Financial Institutions (Obligation as to Fidelity and Secrecy) Act, 1983

(ACT NO. 48 OF. 1983)

[*As on the* 1*st July*, 2026]

LIST OF AMENDMENT ACTS

1. The Repealing and Amending Act, 1988 (19 of 1988).
2. The Credit Information Companies (Regulation) Act, 2005 (30 of 2005).

LIST OF ABBREVIATIONS USED

Cl., cls.	. . . . .	*for*	Clause, clauses.
Ins.	. . . . .	,,	Inserted.
Notifn.	. . . . .	,,	Notification.
S., ss.	. . . . .	,,	Section, sections.
Sch.	. . . . .	,,	Schedule.
Subs.	. . . . .	,,	Substituted.
w.e.f.	. . . . .	,,	with effect from.

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THE PUBLIC FINANCIAL INSTITUTIONS (OBLIGATION AS TO FIDELITY AND SECRECY) ACT, 1983

ARRANGEMENT OF SECTIONS

SECTIONS

1. Short title.
2. Definitions.
3. Obligation as to fidelity and secrecy.
4. Declaration of fidelity and secrecy.
5. [*Repealed.*].
6. [*Repealed.*].

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THE PUBLIC FINANCIAL INSTITUTIONS (OBLIGATION AS TO FIDELITY AND SECRECY) ACT, 1983

ACT NO. 48 OF 1983

[30*th December*, 1983.]

An Act to provide for the obligation of public financial institutions as to fidelity and secrecy.

BE it enacted by Parliament in the Thirty-fourth Year of the Republic of India as follows:—

1. Short title.—This Act may be called the Public Financial Institutions (Obligation as to Fidelity and Secrecy) Act, 1983.

2. Definitions.—(*1*) In this Act, "public financial institution" means—

(*a*) the Industrial Credit and Investment Corporation of India Limited, a company formed and registered under the Indian Companies Act, 1913(7 of 1913);

(*b*) the Industrial Reconstruction Corporation of India Limited, a company formed and registered under the Companies Act, 1956(1 of 1956); or

(*c*) any other institution, being a company as defined in section 617 of the Companies Act, 1956(1 of 1956) or a company to which the provisions of section 619 of that Act apply, which the Central Government may, having regard to the nature of the business carried on by such institution, by notification in the Official Gazette, specify to be a public financial institution for the purposes of this Act.

(*2*) Every notification issued under clause (*c*) of sub-section (*1*) shall, as soon as may be, after it is issued, be laid before each House of Parliament.

3. Obligation as to fidelity and secrecy.—(*1*) A public financial institution shall not, except as otherwise provided in sub-section (*2*) or in any other law for the time being in force, divulge any information relating to, or to the affairs of, its constituents except in circumstances in which it is, in accordance with the law or practice and usage, customary among bankers, necessary or appropriate for the public financial institution to divulge such information.

(*2*) A public financial institution may, for the purpose of efficient discharge of its functions, collect from, or furnish to,—

(*a*) the Central Government; or

(*b*) the State Bank of India constituted under section 3 of the State Bank of India Act, 1955(23 of 1955), any subsidiary bank within the meaning of the State Bank of India (Subsidiary Banks) Act, 1959(38 of 1959), any corresponding new bank constituted under section 3 of the Banking Companies (Acquisition and Transfer of Undertakings) Act, 1970(5 of 1970) or under section 3 of the Banking Companies (Acquisition and Transfer of Undertakings) Act, 1980 (40 of 1980), any other scheduled bank within the meaning of the Reserve Bank of India Act, 1934(2 of 1934); or

(*c*) any other public financial institution,

such credit information or other information as it may consider useful for the purpose, in such manner and at such time as it may think fit.

Explanation.—For the purposes of this sub-section, the expression "credit information" shall have the same meaning as in clause (*c*) of section 45A of the Reserve Bank of India Act, 1934 (2 of 1934) subject to the modification that the banking company referred to therein shall mean a bank referred to in clause (*b*) of this sub-section or a public financial institution.

[1][(*3*) Nothing contained in this section shall apply to the credit information disclosed under the Credit Information Companies (Regulation) Act, 2005 (30 of 2005).]

1. Ins. by Act 30 of 2005, s. 34 and the Schedule (w.e.f. 14-12-2006).

4. Declaration of fidelity and secrecy.—Every director, member of any committee, auditor or officer or any other employee of a public financial institution to which this Act applies, shall,—

(*a*) before entering upon his duties; or

(*b*) where he has entered upon his duties as such before the date on which this Act became applicable to such institution, within thirty days from the date on which this Act became applicable to such institution,

make a declaration of fidelity and secrecy in the form set out in the Schedule to this Act.

5. [*Amendment of Act* 15 *of* 1948.] *Rep. by the Repealing and Amending Act,* 1988 (19 *of* 1988), *s*. 2 *and the First Schedule* (*w.e.f.* 31-3-1988).

6. [*Amendment of Act* 63 *of* 1951.] *Rep. by s*. 2 *and the First Schedule*, *ibid*. (*w.e.f*. 31-3-1988).

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THE SCHEDULE

(*See* section 4)

DECLARATION OF FIDELITY AND SECRECY

I, _____, do hereby declare that I will faithfully, truly and to the best of my skill and ability, execute and perform the duties required of me as director, member of any Committee, auditor, officer or other employee (as the case may be) of the _____* and which properly relate to the office or position held by me in, or in relation to, the

*

I further declare that I will not communicate or allow to be communicated to any person not legally entitled thereto any information relating to the affairs of the _____ * or to the affairs of any person having any dealing with the _____ *nor will I allow any such person to inspect, or have access to, any books or documents belonging to, or in the possession of, the _____ *and relating to the business of the _____*or the business of any person having any dealing with the _____

Signed before me.

Signature.

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*Here insert the name of the public financial institution concerned.

STATEMENT OF OBJECTS AND REASONS

The duty of bankers as to secrecy concerning their customers' affairs arises out of their contractual relationship and it has been universally accepted as a customary usage in banking and has also been recognized in law. The various enactments providing for the establishment of public sector financial institutions contain provisions in respect of this obligation as to fidelity and secrecy. It is considered appropriate to make similar statutory provisions with respect to companies functioning as public financial institutions.

2. This opportunity is proposed to be availed of to make the provisions as to the obligation of secrecy and fidelity contained in the Industrial Finance Corporation Act, 1948, and the State Financial Corporations Act, 1951, more comprehensive.

3. The Bill seeks to achieve the above objects.

NEW DELHI;
The 18*th November*, 1983.

PRANAB MUKHERJEE.

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