

# **Bihar Protection of Interests of Depositors (in Financial Establishments) Rules, 2004**

BIHAR

India

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### **Rule**

### **BIHAR-PROTECTION-OF-INTERESTS-OF-DEPOSITORS-IN-FINANCIAL of 2004**

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Bihar Protection of Interests of Depositors (in Financial Establishments) Rules, 2004Published in Bihar Gazette (Extra Ordinary) dated 10.3.2004Last Updated 31st January, 2020In exercise of the powers conferred by Section 18 of the Bihar Protection of Interests of Depositors (in Financial Establishments) Act, 2002 (Bihar Act 18 of 2002), the State Government of Bihar hereby makes the following rules, namely:

#### **1. Short Title, Extent and Commencement.**

(1)These Rules may be called the Bihar Protection of Interests of Depositors (in Financial Establishments) Rules, 2004.(2)It shall extend to the whole of State of Bihar.(3)It shall come into force at once.

#### **2. Definitions.**

- In these rules, unless the context otherwise requires-(a)"Act" means the Bihar Protection of Interests of Depositors (in Financial Establishments) Act, 2002 (Bihar, Act 18 of 2002).(b)"Competent Authority" means the officer appointed as the Competent Authority by the Government under Section 5(1) of the Act.(c)The "Collector" means collector of any district and it also includes Additional Collector as authorized by the State Government in this behalf.

### **3. Complaints.**

- The Collector of a District shall also be competent to receive the complaints from any person in his District under sub-section (1) of Section 4 of the Act and he shall forward the same together with his report to the Government as soon as possible.

### **4. Power to issue order of attachment.**

(1)An order of attachment of any establishment to be issued by the Government under Section 4 of the Act shall be issued by an Officer not below the rank of a Secretary to Government in the Department of Institutional Finance and Programme Implementation.(2)The Competent Authority may, on issue of the order under sub-rule (1) of Rule 9, require the necessary assistance of police officer or an officer of the government for the purpose of taking possession of the property in respect of which the attachment order has been made and on such requisition, it shall be the duty of such officer to render the necessary assistance to the Competent Authority.

### **5. Examination of complainant and witnesses.**

(1)Upon the publication of the order of attachment of money or other property by Government Officer under sub-rule (1) of Rule 4 such officer shall immediately forward copies of all the relevant papers and his report relating to such attachment order to the Competent Authority.(2)The Competent Authority may examine the complainant and witnesses, if any, and such examination proceedings shall be recorded in writing.(3)The Competent Authority shall have power to examine any person or office bearer or employees of the Financial Establishment who in his opinion, is competent to give any information about the Financial Establishment in respect of which the attachment order has been issued by the Government.

### **6. Administration of the attached money and properties.**

- Upon the publication of the attachment order by the Government and, on the receipt of relevant papers and other record from the Government, the Competent Authority shall immediately prepare a register, recording detailed account and description of all the money and properties attached and vested in him under sub-section (2) of Section 4 of the Act, and shall, as far as may be practicable, administer the said money and properties in the best interest of the Depositors and the Financial Establishment, as he deems fit.

### **7. Right of Competent Authority to require information.**

(1)The Competent Authority shall have power to call for or require any information about the Financial Establishment or its office bearers including the promoter, director, partner or manager or members of such Financial Establishment or direct any office or authority of the Government or a local authority or any other person, to furnish such information as may be required, and such Financial Establishment or its office bearer or promoter, director, partner or manager or members

of such Financial Establishment or office or authority of the Government or local authority or any other person, shall forthwith furnish such information to the Competent Authority.(2)Any financial establishment/institution intending to establish an office and operate in a district in the State of Bihar shall furnish information in writing to the office of the District Collector or any officer authorized by the State Government in this behalf, about the details of its activities, area of operation and/or business, supported by all necessary papers.This information shall also include its registration by the Registrar of Companies of the State concerned as also about the registration and the license obtained from the Reserve Bank of India, Securities and Exchange Board of India or any other regulatory authority for the purpose aforesaid with details of its office structure and specific location/address.(3)An officer in charge of the police station, when required by the Competent Authority, shall take all steps, including inquiry, investigation or survey in respect of any person, place, property, documents, books of account etc., of the Financial Establishment or promoter, director, manager, officers, servants or member of such Financial Establishment and submit his report to the Competent Authority.

## **8. Powers of Competent Authority relating to absconding person.**

- Where the Competent Authority is satisfied or has reason to believe that a person in respect of whom an action is contemplated under the Act, has absconded or is likely to abscond or is concealing himself, the Competent Authority shall immediately make a report in writing to the Designated Court.

## **9. Power of Competent Authority to sell or dispose of property.**

(1)Where any property attached and vested in the Competent Authority under the provisions of the Act is subject to speedy and natural decay and if it is expedient to dispose it, the Competent Authority may, after obtaining permission of the Designated Court, sell or otherwise dispose of the said property and shall include the sell proceeds in the account of the Financial Establishment.(2)The Competent Authority shall, after disposing of the said property under sub-rule (1) report the same to the Designated Court.

## **10. Maintenance of the record of money or property attached.**

(1)All money or property attached by the Government and vested in the Competent Authority under the provisions of the Act shall be sealed by the Competent Authority and shall be in the custody of the Competent Authority.(2)The Competent Authority shall maintain the record of all the income received and the expenditure incurred on attachment of the property and management and disposal of the same, and furnish the details of the same to the Designated Court from time to time.

## **11.**

The Competent Authority shall render such assistance to the Special Public Prosecutor/Special Government Pleader in conducting the cases in the Designated Court as may be required.