

The Karnataka Protection of Interest of Depositors in Financial Establishments Rules, 2006

Sl. No.

1. Title and Commencement
2. Definitions
3. Ad. Interim order and Examination of the Complainant and witnesses.
4. Powers relating to absconding persons.
5. Powers to freeze or seize property
6. When an order is made attaching the money or other property transfers made shall be null and void.
7. Competent Authority to assist Special Public Prosecutor.

FINANCE SECRETARIAT NOTIFICATION

NO. FD 44 TAR 2006, Bangalore, Dated: 5th February 2007

Whereas the draft of the Karnataka Protection of Interest of Depositors in Financial Establishments Rules 2006 was published as required by sub-section (1) of section 21 of the Karnataka Protection of Interest of Depositors in Financial Establishments Act, 2004 (Karnataka Act 30 of 2005) in notification NO. FD 44 TAR 2006, dated 18-10-2006, in Part IV-A of the Karnataka Gazette Extra-ordinary, No. 1791 dated 16th November 2006 inviting objections and suggestions from all persons likely to be affected thereby within fifteen days from the date its publication in the Official Gazette.

And, whereas the said Gazette was made available to the public on 16th November, 2006;

And, whereas no objections and suggestions have been received by the State Government.

Now, therefore in exercise of the powers conferred by sub-section (1) of section 21 of the Karnataka Protection of Interest of Depositors in Financial Establishments Act, 2004 (Karnataka Act 30 of 2005), the Government of Karnataka hereby makes the following rules namely:-

RULES

1. Title and commencement.- (1) These rules may be called The Karnataka protection of Interest of Depositors in Financial Establishments Rules, 2006.

2. They shall come into force from the date of their publication in the official Gazette.

2. Definitions.- In these rules, unless the context otherwise requires,-

1) Act means The Karnataka Protection of interest of Depositors in Financial Establishments Act, 2004 (Karnataka Act. 30 of 2005);

2) Words used but not detained shall have the same meaning assigned to them in the Act.

3. Ad-interim order and examination of the complainant and witnesses:-

Upon the receipt of the orders of the Government under sub-section (2) of section 3, the Competent Authority may examine the complainant and such examination shall be reduced in writing.

4. Powers relating to absconding persons.- Where the Competent Authority is

satisfied or has reasons to believe that a person in respect of whom action is contemplated under the Act has absconded or is concealing himself, the Competent Authority shall make a report in writing to the Special Court.

5. Powers to freeze or seized property.- Where the Competent Authority is satisfied or has reason to believe that any property which is liable to be attached under the Act is likely to be concealed, transferred or dealt in any manner which will result in defeating the purpose of the Act, it may make an order seizing such property or where it is not practicable to seize such property make an order that such property shall not be transferred or otherwise disposed of or dealt with, except with prior permission of the special court.

6. When an order is made attaching the money or other property transfers made shall be null and void:- When an ad-interim order attaching the money or other property of Financial Establishment is made by the Government under section 3 of the Act, such money or property referred to in the order shall not be transferred to any other persons by any mode whatsoever and if any such transfer is made, it shall be null and void.

7. Competent Authority to assist Special Public Prosecutor:- The Competent Authority shall render all such assistance to the Special Public Prosecutor in conducting the cases in the special court, as may be required.

By Order and in the name of the
Governor of Karnataka,
C. SHAMARAO
Under Secretary to Government
(FR & BCC)
Finance Department.