

**“In compliance with order of Hon’ble Special Court dated 28.03.1995 the RBI issued circular on all the banks directing them to disclose all attached properties belonging to notified persons to Custodian including cases where they had a doubt as to whom the assets belong.”**

## **RESERVE BANK OF INDIA**

**CENTRAL OFFICE  
DEPARTMENT OF BANKING OPERATIONS AND DEVELOPMENT  
OFFICE : 1, WORLD TRADE CENTRE,  
CUFFE PARADE, COLABA, BOMBAY 400 005**

DBOD.Spl.Cell.BC./90/27.08

August 25, 1995

To all banks  
(as per list attached)

Dear Sir,

**Special Court (Trial of Offences relating to Transactions in Securities) Act, 1992 – Non-Declaration of attached assets by holder thereof**

While dealing with an application before it, the Special Court has made the following observations:

“7. Court is noticing that many parties including big Banks, are not performing their obligations. After Notification, all properties of Notified parties stand attached. The Custodian has issued Public Notices calling upon all parties to inform him if any thing is owed to Notified parties. Many parties have not replied. They have kept quiet. This probably in the hope that if things do not come to light, they might escape liability ..... If the Custodian does not learn of the claim, he cannot file an application to recover. Parties, including notified parties, do not inform the Custodian.....

8. In my view, Court must take serious note of this tendency to not to disclose. In my view, if it comes to attention of Court that a party has not disclosed for the last over 2/3 years and that it is holding attached assets, then that party must be made to pay a high rate of interest and high costs.”

2. It may be noticed that Hon’ble Court has taken a serious view of the holders of attached assets particularly the banks not declaring the assets of the notified parties to the Custodian. The banks are advised to take note of this and to take suitable action immediately in the matter

of declaring to the Custodian (latest within one month from the date of this circular) the attached assets in their hands under advice to us. Even if banks have no assets (of notified persons) to declare to the Custodian, his office (and RBI) should be intimated accordingly within the time frame indicated above. In case banks have a claim against the notified person, or the exact extent of the claim is not known, or if banks have genuine doubt as to whom the assets belong, the banks may take up the matter with the Custodian immediately. Any instance of non-disclosure coming to the notice of Reserve Bank, particularly if the non-disclosure is deliberate or intentional, will be viewed very seriously.

Please acknowledge receipt.

Yours faithfully,

Sd/-

(Anand Sinha)  
Deputy General Manager