

**In the High Court of Judicature at Patna - CWJC No.13422 of 2006
Council for the Protection of Public Rights and Welfare vs. Union of India and Others –
Regarding**

**For the petitioner : Mr. M.P. Gupta
For the State : Mr. J.P.Karn, AAG-9
For the R.B.I. : Mr. Chitranjan Kr. Sinha,
Sr. Advocate
Mr. K.K.Jha,
For the Union of India :Dr. Ravi Ranjan, Asst. SG**

6/ 10.4.07

In this Public Interest Litigation under Article 226 of the Constitution of India, the learned Counsel for the petitioner has sought directions against the respondents to take appropriate legal actions against the Non-Banking Companies working in different parts of the State under the different provisions of the Bihar Protection of Interest of Depositors (in Financial Establishments) Act, 2002, as well as, the Bihar Protection of Interests of Depositors (in Financial Establishments) Rules, 2004, alleging, that there has been a great fraud and misappropriation of money of not less than 12,000 crores of rupees deposited by the poor people, namely, daily wagers, small investors, pensioners by the vested interest people We have already given directions and pursuant to which the counter affidavits, in reply, have been filed by respondent no.3 (Reserve Bank of India), respondent no.8 (the State of Bihar) and respondent no.9 (the Registrar of Companies, Bihar).

We have, emphatically, impressed upon that since this is a grave issue affecting the larger Section of public involving lots of money running into alleged 12,000 crores, the respondents should take up this matter very seriously and take, immediately, appropriate actions. Some of the respondents have started taking actions by publishing the notice.

During the course of hearing, there was a consensus that the following further directions should be passed.

1) That the defaulted Companies, which are listed to be 918 are restrained from dealing, transferring, alienating, creating encumbrances, or any sort of transactions or mortgage with regard to their assets without prior permission of this Court, failing which serious view will be taken and further directions shall be issued 2) The Reserve Bank of India (respondent no.3) is directed to issue appropriately strict instructions to all the Banks, Nationalised or otherwise not to deal with the money transaction of such defaulted Companies, which are 918 in number and report the status on the next date.

3) The Registrar of Companies (respondent no.9) is directed to take legal actions against such defaulted Companies in accordance with law and report the status on the next date with full particulars.

On behalf of the State(respondent no.8) it has been stated by the Counsel that the public notices have been issued in various newspapers and the action taken thereon will be reported on the next date.

Put up on 22nd of May 2007.

(Dr. J.N. Bhatt, CJ)
(S.K. Sinha, J.)