

Bill Summary

The Karnataka Protection of Interest of Depositors in Financial Establishments (Amendment) Bill, 2022

- The Karnataka Protection of Interest of Depositors in Financial Establishments (Amendment) Bill, 2022, was introduced in the Karnataka Assembly on September 13, 2022. It repeals the Karnataka Protection of Interest of Depositors in Financial Establishments (Amendment) Ordinance, 2022, which was promulgated on May 04, 2022. The Bill amends the Karnataka Protection of Interest of Depositors in Financial Establishments Act, 2004, which regulates the activities of financial establishments. Key features of the Bill are:
 - **Making offences cognizable and non-bailable:** Under the Act, financial establishments defaulting on the repayment of deposit on maturity, along with any benefit (such as interest, bonus, or profit), are penalised. Punishment for persons responsible for the management of a financial establishment includes imprisonment for three to seven years, and a fine of up to ten lakh rupees. The Bill adds that all offences under the Act will be cognizable and non-bailable.
 - **Clubbing multiple FIRs:** The Bill adds that in cases where multiple First Information Reports (FIRs) are registered against the same accused person or financial establishment for defaulting, an officer may club subsequently registered FIRs into the earliest case and order for a common investigation. Such FIRs may have been registered in the same police station, or multiple police stations of the District or Commissioner, or across police stations in the state. The common final report (report of police officer on completion of investigation) will be filed before the Special Court having jurisdiction of the earliest registered FIR. The case will be tried by the same Special Court or any Special Court designated for the trial of such offences.
 - **Powers of Special Courts:** The Act provides for setting up Special Courts for dealing with cases under the Act. When trying an offence under the Act, these Courts may also try an accused under Code of Criminal Procedure, 1973 during the same trial.

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