Security Interest (Enforcement) Rules, 2002

Rule 10 - Rule 10 Appointment of Manager

(1) The Board of Directors or Board of Trustees, as the case may be, may appoint in consultation with the borrower any person (hereinafter referred to as the Manager) to manage the secured assets the possession of which has been taken over by the secured creditor. 1 In the Security Interest (Enforcement) Rules, 2002 in rule 10, in sub-rule(1) the proviso shall be inserted by the Security Interest(Enforcement)Amendment Rules, 2007. [Noti. No. F. No. 16/7/2003-B.O.I, dt. 26.10.2007-Gaz. of India, Exty., Pt. II-Sec. 3(ii), No. 1317, dt. 26.10.2007, Page 2.]Provided that the Manager so appointed shall not be a person who is, or has been,adjudicated insolvent, or has suspended payment or has compounded with his creditors, or who is, or has been, convicted by a criminal court of an offence involving moral turpitude.(2) The Manager appointed by the Board of Directors or Board of Trustees, as the case may be, shall be deemed to be an agent of the borrower and the borrower shall be solely responsible for the commission or omission of acts of the Manager unless such commission or omission are due to improper intervention of the secured creditor or the authorised officer.(3) The Manager shall have power by notice in writing to recover any money from any person who has acquired any of the secured assets from the borrower, which is due to may become due to the borrower.(4) The Manager shall give such person who has made payment under sub-rule (3) a valid discharge as if he has made payments to the borrower.(5) The Manager shall apply all the monies received by him in accordance with the provisions contained in sub section (7) of S.13 of the 2 Substituted for the word "Ordinance" by Security Interest (Enforcement) Amendment Rules, 2007, w.e.f. 02-02-2007.[Act].