
PART III

GOVERNMENT OF PUNJAB

DEPARTMENT OF FINANCE
(FINANCE EXPENDITURE-4 BRANCH)

NOTIFICATION

The 14th June, 2023

No. G.S.R. 69/C.A.21/2019/S.38/2023.-In exercise of the powers conferred by section 38 of the Banning of Unregulated Deposit Schemes Act, 2019 (Central Act 21 of 2019) and all other powers enabling him in this behalf, the Governor of Punjab, in consultation with the Central Government, is pleased to make the following rules for carrying out the provisions of the said Act, namely.-

RULES

1. Short title and commencement.-(1) These rules may be called the Punjab Banning of Unregulated Deposit Schemes Rules, 2023.

(2) They come into force on and with effect from the date of their publication in the Official Gazette.

2. Definition.-(1) In these rules, unless the context otherwise requires,-

- (a) "Act" means the Banning of Unregulated Deposit Schemes Act, 2019 (Central Act 21 of 2019);
- (b) "application" means an application filed by the Competent Authority under section 14 of the Act;
- (c) "complaint" means a representation or allegation made in writing or through electronic means containing information on the promotion or operation of an Unregulated Deposit Scheme or any advertisement, inducing a person to invest in or become a member of the Unregulated Deposit Scheme;
- (d) "Form" means forms appended to these rules;
- (e) "State Government" means the Government of the State of Punjab in the Department of Finance; and
- (f) "State" means the State of Punjab.

(2) The words and expressions used and not defined in these rules, shall have the same meaning as assigned to them in the Act.

Section 2 (4) (j). **3. Ceiling for self-help groups.**—Any periodic payments made by the members of self-help groups operating with ceiling of the transaction per member of self-help groups for deposit shall be rupees 7,00,000 (rupees seven lakh) per annum.

Section 7(3). **4. Manner of provisional attachment and administration of attached property.**—The Competent Authority shall pass an interim order of the provisional attachment, of the deposits held by the deposit taker and the money or other property (**moveable or immovable**) acquired either in the name of the deposit taker or in the name of any other person on behalf of the deposit taker, under sub-section (3) of section 7 of the Act, in **Form 1** to that effect mentioning the following details of the property(ies) to be attached, namely:—

- (a) a copy of the order of provisional attachment shall be served by the officers appointed under sub-section (2) of section 7 of the Act, to the owner of the property(ies) or any other person who claims to be in possession or any other person who has an interest in the said property(ies);
- (b) after passing the provisional attachment order under this rule, the Competent Authority shall direct the officers appointed under sub-section (2) of section 7, to prepare and maintain details of the property(ies) so attached and the expenditure incurred in this regard;
- (c) the officers appointed under sub-section (2) of section 7, may seek assistance of Police, others officials of the State Government, Central Government, financial institutions, society or body of persons for the purpose of taking possession of the property(ies) so attached;
- (d) the order of provisional attachment shall be published in a leading newspaper both in Punjabi and in English having wide circulation in the area or jurisdiction in which the deposit taker is located;
- (e) the Competent Authority shall send a copy of the order of provisional attachment to the officials concerned of Revenue, Tax, or any other officials required in this regard to place incumbrance on the said movable or immovable property(ies), which shall be removed only

on the written instruction from the Competent Authority to that effect;

- (f) where the Competent Authority or the officers appointed under sub-section (2) of section 7, are not able to serve the order of provisional attachment to a person specified in clause (a), then such person shall be deemed to be served the order by the publication of the order in the manner specified under clause (d);
- (g) the officers appointed under sub-section (2) of section 7, shall take possession of the **immovable property(ies)** by affixing the order of provisional attachment at a conspicuous place of such immovable property(ies);
- (h) where the property(ies) to be attached is/are a **movable property(ies)**, the officers appointed under sub-section (2) of section 7 shall take actual possession of such property(ies) and retain it in his custody;
- (i) the officers appointed under sub-section (2) of section 7 shall assess assets and liabilities of the deposit taker and prepare a complete record of depositors from whom the deposit taker has collected deposits pursuant to an Unregulated Deposit Scheme;
- (j) the officers appointed under sub-section (2) of section 7, may appoint a valuer for the purpose of assessing assets and liabilities of the deposit taker under clause 4(i);
- (k) where any property(ies) of which possession has been taken is of a perishable or hazardous nature, the officers appointed under sub-section (2) of section 7, may dispose-off such property keeping in mind the best interest of the depositors;
- (l) the notice details and proceeds of sale of perishable or hazardous goods under clause (k) shall be entered in **Form 2**; and
- (m) the notice details and proceeds of sale of moveable or immoveable properties as directed by the Designated Court shall be entered in **Form 3**.

5. The Competent Authority or the officers appointed under sub-section (2) of section 7 shall hold the powers of issuing the following notices, namely: - Section 7(4)
(f).

-
- (a) notice for initiation of action in a manner specified in **Form 4**;
 - (b) notice for additional information, if any, in a manner specified in **Form 5**; and
 - (c) final notice for personal appearance of deposit taker or other persons and witnesses in a manner specified in **Form 6**.

Section 38(2) (f). **6. (1) Powers relating to absconding persons.**—Where the Competent Authority or the officers appointed to assist 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 or the officers appointed to assist the Competent Authority shall make a report in writing to the Designated Court for further course of action.

(2) Power to appoint experts in various fields.—The Competent Authority or an officer appointed to assist the Competent Authority shall be entitled to use the services of experts whose services are necessary for implementation and execution of provisions of the Act, as and when required.

FORM 1

[See rule 4]

Reference No.....

To

Name

Address

(Bank/Post Office/Financial Institution/Immovable Property registering authority)

Provisional attachment of property under section 7(3)

This is to inform those proceedings have been lodged against M/s..... (Name), on receiving information that the aforesaid person is soliciting deposits in contravention of section 3 of the Banning of Unregulated Deposit Schemes Act, 2019 (Central Act 21 of 2019).

Hence, I..... (Name), (designation), in exercise of the powers conferred under sub-section (3) of section 7 of the Act, hereby provisionally attach the account/property mentioned below.

Details of Property(ies)/Accounts

The property mentioned above shall not be allowed to be disposed-off without the prior permission of the under-signed.

Copy to

Signature:

Name:

Designation:

FORM 2

[See rule 4(I)]

**NOTICE
FOR SALE OF PROPERTY
(PERISHABLE AND HARZARDOUS NATURE ONLY)**

Office of the.....

.....

Whereas the property belonging to M/s..... (defaulter) mentioned in the Schedule below have been attached for the recovery of arrears amounting to Rs..... which sum is recoverable together with interest at for the period commencing immediately after the dues which are costs, charges and expenses of the proceedings for the recovery thereof.

Considering the perishable or hazardous nature of the property, the undersigned has ordered the sale of the attached property mentioned in the annexed Schedule in satisfaction of the said arrears, costs, charges and expenses;

And whereas on the day of..... (The date fixed for the sale) there will be due thereunder a sum of Rs..... including costs and interest;

Notice is hereby given that in the absence of any order of postponement, the said property shall be sold by..... in public auction at..... a.m./p.m. on the said..... day of..... at..... (Place).

At the sale, the public generally are invited to bid either personally or by duly authorized agents. No officer or other person having any duty to perform in connection with this sale shall, however either directly or indirectly bid or, acquire any interest in the property sold.

The sale shall be subject to the following further conditions: -

- (i) The particulars specified in the annexed Schedule have been stated to the best of the information of the undersigned, but the undersigned shall not be answerable for any error, misstatement or omission in this notice.

(ASAR 2, 1945 SAKA)

(ii) The amounts by which the biddings are to be increased shall be determined by the officer conducting the sale. In the event of any dispute arising as to the amount of bid, or as to the bidder, the lot shall at once again be put up to auction.

(iii) The highest bidder shall be declared to be the purchaser of any lot provided always that he is legally qualified to bid, and it shall be in the discretion of the undersigned to declaim acceptance of the highest bid when the bid is less than the reserve price, if any, fixed or when the price offered appear so clearly inadequate as to make it advisable to do so.

(iv) The person declared to be the purchaser shall pay immediately after such declaration a deposit of fifty percent on the amount of his purchase money to the officer conducting the sale and in default of such deposit, the property shall be put up again and resold. The full amount of the purchase money payable shall be paid by the purchaser to the undersigned on or before the 30th day from the date of the sale of the property, exclusive of such day or if the 30th day is Sunday or other holiday then on the first office day after the 30th day. In default of payment within the period mentioned above, the property shall be resold after the issue of afresh notice of sale. The deposit, after defraying the expenses of the sale shall be liable to be forfeited to the Government and defaulting purchaser shall forfeit all claims to the property or to any part of the sum of which it may subsequently be sold.

SCHEDULE – PROPERTY [Perishable or Hazardous Nature]

| S. No. | Item | Specification Item | Value assessed | Amount for which the sale is ordered |
|--------|------|-----------------------|-------------------|---|
|--------|------|-----------------------|-------------------|---|

FORM 3

[See rule 4(m)]

**NOTICE FOR SALE OF PROPERTY
(AS DIRECTED BY DESIGNATED COURT)**

Office of the.....
.....

Whereas the property belonging to M/s..... (defaulter) mentioned in the Schedule below have been attached for the recovery of arrears amounting to Rs..... which sum is recoverable together with interest at for the period commencing immediately after the dues which are costs, charges and expenses of the proceedings for the recovery thereof.

And whereas the undersigned has ordered the sale of the attached property mentioned in the annexed Schedules in satisfaction of the said arrears, costs, charges and expenses.

And whereas on the day of..... (The date fixed for the sale) there will be due thereunder a sum of Rs..... including costs and interest;

Notice is hereby given that in the absence of any order of postponement, the said property shall be sold by..... in public auction at..... a.m./p.m. on the said..... day of..... at..... (Place).

The sale will be of the property as mentioned in the Schedules below. The liabilities and claims attaching to the said property, so far as they have been ascertained, are those specified in the Schedules against each lot.

When a portion of the property is put for sale, the sale with respect to the remainder portion shall immediately be stopped. The sale will also be stopped if the officer conducting the sale or proof is satisfied that the amount of arrears, interest and costs has been paid, before any lot is knocked down, to the undersigned.

(ASAR 2, 1945 SAKA)

At the sale, the public generally are invited to bid either personally or by duly authorized agents. No officer or other person having any duty to perform in connection with this sale shall, however either directly or indirectly bid or, acquire any interest in the property sold.

The sale shall be subject to the following further conditions: -

- (i) The particulars specified in the annexed Schedules have been stated to the best of the information of the undersigned, but the undersigned shall not be answerable for any error, misstatement or omission in this notice.
- (ii) The amounts by which the biddings are to be increased shall be determined by the officer conducting the sale. In the event of any dispute arising as to the amount of bid, or as to the bidder, the lot shall at once again be put up to auction.
- (iii) The highest bidder shall be declared to be the purchaser of any lot provided always that he is legally qualified to bid, and it shall be in the discretion of the undersigned to declaim acceptance of the highest bid when the bid is less than the reserve price, if any, fixed or when the price offered appear so clearly inadequate as to make it advisable to do so.
- (iv) The person declared to be the purchaser shall pay immediately after such declaration a deposit of fifteen percent on the amount of his purchase money to the officer conducting the sale and in default of such deposit, the property shall be put up again and resold. The full amount of the purchase money payable shall be paid by the purchaser to the undersigned on or before the 30th day from the date of the sale of the property, exclusive of such day or if the 30th day is Sunday or other holiday then on the first office day after the 30th day. In default of payment within the period mentioned above, the property shall be resold after the issue of afresh notice of sale. The deposit, after defraying the expenses of the sale shall be liable to be forfeited to the Government and defaulting purchaser shall forfeit all claims to the property or to any part of the sum of which it may subsequently be sold.

1034

PUNJAB GOVT. GAZ., JUNE 23, 2023

(ASAR 2, 1945 SAKA)

SCHEDULE I – [MOVABLE PROPERTY]

| S. No. | Item | Item Specification | Value assessed | Amount for which the sale is ordered |
|--------|------|--------------------|----------------|--------------------------------------|
|--------|------|--------------------|----------------|--------------------------------------|

SCHEDULE II [IMMOVABLE PROPERTY]

| Taluk | Village | Name of defaulter | The position and extent of the land and of its building and other known improvements thereon | The amount of revenue assessed on the land or upon its different sections | Amount for the recovery of which the sale is ordered |
|-------|---------|-------------------|--|---|--|
|-------|---------|-------------------|--|---|--|

| | | | | | |
|---|---|---|---|---|---|
| 1 | 2 | 3 | 4 | 5 | 6 |
|---|---|---|---|---|---|

FORM 4

[See rule 5(a)]

Notice for initiation of action

To

Sir/Madam,

Sub: M/s

Based on the information or reports received, it is prima facie apparent that the subject (deposit taker) is involved in the act which are cognizable under the provisions of section 3 of this Act. In exercise of the powers under sub section (3) and (4) of the section 7 of the Act, the following is ordered:

In connection with the subject, you are required to submit the following:

- (a) Details of financial entity, registration of the entity, permissions to accept deposits from regulators if any, including unique identification number or Registration and PAN numbers.
- (b) Details of the Promoters, Managing Directors, Directors, Partners, Management persons etc., including unique identification number or Registration and PAN numbers.
- (c) Latest audited Balance Sheet and Profit and Loss accounts filed.
- (d) Details of the Regulator and the copy of registration certificates, permissions to undertake the activity of deposit taking.
- (e) Produce full details of the Scheme of Deposits under which deposits are being collected from public.
- (f) List of the Depositors along with Deposit accepted, Rate of interest, Maturity Date, terms of repayment of interest and principal, any other promises or assurances or commissions payable etc.
- (g) Details of defaults if any in repayment of Deposit or any specified service promised against such deposit along with date of default.
- (h) Total amount in default and number of depositors affected, if any

- (i) Reasons for default if any
- (j) Steps taken or proposed to repay the amount in default
- (k) Details of the Bank accounts of the financial entity with latest balance in the accounts.

You are hereby required to submit full details listed above duly attested and supported by valid documents, accounts and any other evidence, if any, you may rely in support of the activity or the acts of the matter to office of the under signed on _____ at _____, either in person or through representative duly authorized in writing.

In case you fail to comply with the orders of the under signed, it will be deemed that you have nothing to say in the matter and action under the appropriate provisions of the Act will be initiated. Failure to be present at the hearing granted, or failure to present evidence can result in a Best Judgment Assessment or an ex-parte order.

Dated:

Yours faithfully,

Signature

Designation

FORM 5

[See rule 5(b)]

Notice for additional information

To

Sir/Madam,

Sub: M/s

Ref: Notice in Form-4

dated: _____

Based on the information or reports received, it is prima facie apparent that the subject (deposit taker) is involved in the act which are cognizable under the provisions of section 3 of the Act.

In exercise of the powers under sub section (3) and (4) of the section 7 of the Act, the following is ordered:

(A) Certain details or clarifications or additional information listed below are required in connection with the unregulated deposit schemes or any specified services promised against such deposit. You are hereby required to furnish the same immediately.

I.

II.

III.

IV.

(B) You are hereby required to submit full details listed above duly attested and supported by valid documents, accounts and any other evidence, if any, you may rely in support of the activity or the acts of the matter to office of the under signed on _____ at _____, either in person or through representative duly authorized in writing.

(C) In case you fail to comply with the orders of the under signed, it will be deemed that you have nothing to say in the matter and action under the appropriate provisions of the Act will be initiated. Failure to be present at the hearing granted, or failure to present evidence can result in a Best Judgment Assessment or an ex-parte order.

(Note: * Strike whichever is not applicable)

Date:

Yours faithfully,

Signature (Seal)

Designation

FORM 6

[See rule 5(c)]

Final Notice

To

Sir/Madam,

Sub: M/s

Ref: Notice in Form-4

dated: _____

Notice in Form-5

dated: _____

Based on the information or reports received, it is prima facie apparent that the subject (deposit taker) is involved in the Act which are cognizable under the provisions of section 3 of the Act.

In exercise of the powers under sub section (3) and (4) of the section 7 of the Act, the following is ordered:

(A) Whereas you have failed to submit the details and documents called as per the Notice in Form A, at office of the undersigned on _____ at _____.

and/ or

(B) Whereas you have failed to furnish certain additional documents or details as per Notice in Form B, at office of the undersigned on _____ at _____.

In view of non-compliance with the above orders of the under signed, a final opportunity is given to appear at the office of the undersigned along with the details and document called for on _____ at _____. In case you fail to comply with the orders of the under signed, it will be deemed that you have nothing to say in the matter and action under the appropriate provisions of the Act will be initiated. Failure to be present at the hearing granted, or failure to present evidence can result in a Best Judgment Assessment or an ex party order.

Yours faithfully,

Date:

AJOY KUMAR SINHA,

Principal Secretary to Government of Punjab,

Department of Finance.