

SIKKIM

GOVERNMENT



GAZETTE

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GANGTOK

Tuesday 25th March 2025

No. 56

GOVERNMENT OF SIKKIM
FINANCE DEPARTMENT
TASHILING SECRETARIAT
BLOCK-B
GANGTOK

NO: 09/FIN/ADM

DATED: 24/03/2025

NOTIFICATION

In exercise of the powers conferred by section 38 of the Banning of Unregulated Deposit Schemes Act, 2019 (21 of 2019), the State Government, in consultation with the Central Government, hereby makes the following rules, namely:-

**Short title and
commencement: -**

1. (1) These rules may be called the Sikkim Banning of Unregulated Deposit Schemes Rules, 2025.

Definitions

- (2) They shall come into force on the date of their publication in the Official Gazette.
2. (1) In these rules, unless the context otherwise requires,-
 - (a) "Act" means the Banning of Unregulated Deposit Schemes Act, 2019 (21 of 2019);
 - (b) "application" means an application filed by the competent authority under section 14 of the Act;
 - (c) "Company" means any company operating in Sikkim;
 - (d) "Competent Authority" means an authority appointed by the State Government under section 7 of the BUDS Act, 2019;
 - (e) "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 or become a member of the Unregulated Deposit Scheme;

- (f) "Notification" means a notification published in the Official Gazette and the expression "notify" shall be construed accordingly;
- (g) "Form" means a form appended to these rules;
- (h) "Government" means the State Government of Sikkim;
- (i) "State" means the State of Sikkim.

(2) The words and expressions used herein and not defined but defined in the Act shall have the meanings assigned to them in the Act.

Ceiling for self-help groups

3. Where periodic payments or any amount made by the members of self help groups operating with ceiling, the ceiling per transaction of member of self help groups for deposit shall be ₹3,00,000/- (Rupees Three Lakhs) only per annum.

Manner of provisional attachment of property by the Competent Authority:

- 4.
- (1) Where the Competent Authority has reason to believe (the reason for belief to be recorded in writing), that any deposit taker is soliciting deposits in contravention of section 3 of the Act, the Competent Authority shall pass an interim order (in writing) and provisionally attach deposits held by the deposit taker and the money or other property 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 No. 1. to that effect mentioning the details of the property to be attached.
 - (2) A copy of the order of provisional attachment shall be served on the owner of the property, or any person who claims to be in possession of the property or any other person who has an interest in the said property.
 - (3) Where the Competent Authority is not able to serve the orders of provisional attachment to the owner of the property then that person shall be deemed to be served the order by publishing the said order in a leading newspaper both in English and local language of the State.
 - (4) After passing the provisional attachment order under sub-rule (1), the Competent Authority shall direct the officers appointed under sub-section (2) of section 7 of the Act, to prepare and maintain details of the properties so attached and the expenditure incurred in this regard in Form No. 2.
 - (5) The Competent Authority, may seek assistance of Police, other officials of the Government, Central Government, financial institutions, society or body for the purpose of taking possession of the property so attached.
 - (6) A copy of the order of provisional attachment shall be served to the officials concerned of Revenue, tax, or any other officials required in this regard placing incumbrance on the said movable or immovable property, which shall be

removed only on the written instruction from the Competent Authority to that effect.

- (7) The Competent Authority, shall take possession of the immovable property by affixing the order of provisional attachment at a conspicuous place of such immovable property.
- (8) The Competent Authority, shall take actual possession of such property and retain it in his custody if it is a movable property.
- (9) The Competent Authority, shall assess the 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.
- (10) The Competent Authority, may appoint a value for the purpose of assessing the assets and liabilities of the deposit taker under sub-rule (9).
- (11) Where any property of which possession has been taken is of a perishable or hazardous nature the Competent Authority, may sell or dispose the same keeping in mind the best interest of the depositors.
- (12) The notice details and proceeds of the sale or dispose under sub-rule (11) shall be entered separately in Form 3.

Impounding and retention of records

5.

- (1) The person from whose custody records are impounded under sub-section (8) of section 7 of the Act may make copies thereof, or take extracts therefrom, in the presence of an officer authorized by the Competent Authority, at such place and time as the Competent Authority may appoint in this behalf.
- (2) The officer appointed under sub-section (2) of section 7 shall retain such records in his custody without taking approval from the Competent Authority for a period upto three months, and if the records are necessary to be retained beyond the said period, approval of the Competent Authority shall be required.
- (3) If the person from whose custody records are impounded objects for any reason to the records being impounded, he may make an application to the Competent Authority stating therein the reasons for such objection and requesting for the return of the records, and the Competent Authority may, after giving the applicant an opportunity of being heard, pass such orders as he thinks fit.
- (4) The officer shall ensure the safe custody of the records impounded and retained in his custody.

**Powers of
Competent
Authority**

6. (1) Apart from the powers conferred on the Competent Authority under sub-section (4) of section 7 of the Act, the Competent Authority shall have the powers of a Civil Court under the Code of Civil Procedure, 1908 (Central Act 5 of 1908) while conducting investigating or inquiry in respect of the following matters, namely: -
- (a) issuing commission for local inspection;
 - (b) to pass, during the pendency of any complaint, any interim order, which may appear to the Competent Authority to be just and fair to meet the ends of justice;
 - (c) to dismiss a complaint for default or being frivolous.

Issue of summons: -

7. The Competent Authority shall issue summons in Form No. 4 for the appearance of any person or for the production of any documents.

**Authorization for
search and seizure: -**

8. For the purpose of an investigation into any offence under the Act, the officer-in-charge of a police station may, with the authorization in Form No. 5, search for the following, namely:—
- (a) any record, whether physical or electronic, which is used, intended to be used, or suspected to be used, in connection with the promotion or operation of an Unregulated Deposit Scheme;
 - (b) any books of account maintained in connection with an Unregulated Deposit Scheme;
 - (c) any deposits acquired or suspected to be acquired in connection with the promotion or operation of an Unregulated Deposit Scheme;
 - (d) any valuable securities maintained or suspected to be maintained in connection with the promotion or operation of an Unregulated Deposit Scheme;
 - (e) record of any property, whether movable 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, which is suspected to be acquired in connection with an Unregulated Deposit Scheme;
 - (f) record of any account with a bank or financial or market establishment, which is suspected to be used in connection with an Unregulated Deposit Scheme; and
 - (g) any other thing which is suspected to be used in connection with an Unregulated Deposit Scheme.

Sd/-

M.C.P. Pradhan

Controller of Accounts cum Secretary (SFAS)

Form 1

[see Rule 4(1)]

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 that M/s.....(name) is a deposit taker and Proceedings have been lodged against M/s.....(name) under sub-section (3) of section 7 of the Banning of Unregulated Deposit Schemes Act, 2019 (Central Act 21 of 2019) on receiving information that the aforesaid person is soliciting deposits in contravention of section 3 of the said Act.

In order to protect the interests of the depositors and in exercise of the powers conferred under sub-section (3) of section 7 of the said Act, I (name),(designation) hereby provisionally attach the account/property.

The property mentioned above shall not be allowed to be disposed of without the prior permission of the undersigned.

Copy to.....

Signature

Name:

Designation:

Form 2

[see Rule 4 (4)]

NOTICE OF ATTACHMENT OF MOVABLE AND IMMOVABLE PROPERTY

Office of the.....

To

.....

.....

Whereas you have failed to pay the deposit of ₹..... payable by you in respect of for the period from to And the interest of ₹..... payable thereon and process fee of ₹.....

It is hereby ordered that you are prohibited and restrained until further order of the undersigned, from transferring or charging the under mentioned property in any way to any person(s) and that they are hereby prohibited from taking any benefit under such transfer or charge.

It is hereby further ordered that unless the said amount with interest thereon and the cost of process fee be paid within..... the movable and immovable property specified below will be brought to sale in due course of law.

SPECIFICATION OF PROPERTY

Given under my hand and seal at..... on this..... Day
of.....

(Seal) District Collector

FORM 3

[See Rule 4 (12)]

NOTICE OF SALE OR DISPOSE OF PROPERTY

Office of the.....

Whereas the properties belonging to Shri. (defaulter) and mentioned in the Schedule below have been attached for the recovery of arrears amounting to ₹..... which sum is recoverable together with interest at..... for the period commencing immediately after the due and costs, charges and expenses of the proceedings for the recovery thereof;

And whereas the undersigned has ordered the sale or disposal of the attached property mentioned in the annexed Schedule in satisfaction of the said arrears, costs, charges and interest;

And whereas on the..... day of..... (the date fixed for sale or dispose) there will be due thereunder a sum of ₹..... Including costs and interest;

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

The sale will be of the property of the defaulter above named as mentioned in the Scheduled below; and the liabilities and claims attaching to the said property, so far as they have been ascertained, are those specified in the Schedule against each batch.

The property will be put up for sale in the batch specified in the Schedule. If the amount to be realised by sale is satisfied by sale of a portion of the property, the sale shall immediately be stopped with respect to the reminder. The sale will also be stopped if, before any batch is cleared the arrears mentioned, interest payable and costs (including the costs of the sale) are tendered to the officer conducting the sale or proof is given to his satisfaction that the amount of such arrears, interest and costs has been paid to the undersigned.

At the sale, the public generally are invited to bid either personally or by duly authorized agent. No officer or other person having any duty to perform in connection with such 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.
- (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 batch shall at once again be put up to auction.

- (iii) The highest bidder shall be declared to be the purchaser of any batch provided always that he is legally qualified to bid, and it shall be in the discretion of the undersigned to decline 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 of 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 for sale 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 a Sunday or other holiday then on the first office day after 30th day. In default of the 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 be subsequently sold.

SCHEDULE I [IMMOVABLE PROPERTY]

District	Village	Name of defaulter	The position and extent of the land 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

SCHEDULE II [MOVABLE PROPERTY]

Sl. No.	Item	Specification Item	Value assessed	Amount for which the sale is ordered

FORM 4

[See Rule 7]

FORM OF SUMMONS

Summons to appear in person and/ or to produce documents

To

Whereas your attendance is necessary to give evidence/ whereas the following documents are necessary with reference to an enquiry under the Banning of Unregulated Deposit Schemes Act, 2019 (Central Act 21 of 2019) (hereunder briefly the subject of enquiry) now pending before me.

You are hereby summoned to appear in person/..... or/to produce/ or cause to be produced the said documents before me on the Day of 20..... At O' clock at (place) and not to depart thence until permitted by me.

Given under my hand and the seal this day.....

(Seal) Signature

Designation.

FORM 5
[SEE Rule 8]
Authorization

To

(Officer to whom issued)

Whereas on consideration of information furnished before me I am satisfied that a search of (Specify particulars) of the residential buildings or premises required. This is to authorise you (name and designation of the Police Officer) to enter and search the said residential buildings or premises with the assistance of such police or other officers of the Government, as you consider necessary.

(Seal)

Signature

Superintendent of Police.

Copy to:

1. Staff Officer to the Chief Administrator cum Cabinet Secretary, for information to the Chief Administrator cum Cabinet Secretary.
2. Staff Officer to the Chief Secretary for information to the Chief Secretary.
3. Director General of Police, Government of Sikkim.
4. Accountant General, Government of Sikkim.
5. All Heads of Departments, Government of Sikkim.
6. Registrar General, High Court of Sikkim.
7. All District Collectors, Government of Sikkim.
8. All Sub Divisional Magistrates, Government of Sikkim.
9. All Officers of Finance Department (Headquarter), Government of Sikkim.
10. Regional Director, Reserve Bank of India, Sikkim Region, Gangtok.
11. General Manager-cum-State Level Bankers' Committee Convenor, Lead Bank, State Bank of India, Gangtok.
12. Managing Director, State Bank of Sikkim, Gangtok.
13. Joint Secretary (Confidential), Home Department, Government of Sikkim, for publication in the official gazette.
14. IT Division, Finance Department, Government of Sikkim, for uploading on the website.
15. Office copy.
16. Guard file.



M.C.P. Pradhan

Controller of Accounts cum Secretary (SFAS)