

UTTAR PRADESH PROTECTION OF INTERESTS OF DEPOSITORS IN FINANCIAL ESTABLISHMENTS RULES, 2016

04 2016 In pursuance of the provisions of clause (3) of Article 348 of the Constitution, the Governor is pleased to order the publication of the following notification no. 702 san.vi.ka. ni.-6-2()16- dated October 04, 2016 : No. 702 san.vi.ka. Lucknow : daled, Oclober 04, 2016 THE UTTAR PRADESH PROTECTION OF INTERESTS OF DEPOSITORS IN FINANCIAL ESTABLISHMENTS RULES In exercise of the powers conferred by section 17 of the Uttar Pradesh Protection of Interests of Depositors in Financial Establishments Act, 2016 (U.P. Act no. 16 of 2016), the Governor is pleased to make the following rules, with a view to safeguarding the interest of depositors in Financial Establishments: I-Short title, and commencement: (1) These rules may be called the Uttar Pradesh Protection of Interest of Depositors in Financial Establishments Rules, 2016. (2) They shall come into force with effect from the date of their publication in the Gazette. these rules, unless the context otherwise requires.— (a) 'Act' means the Uttar Pradesh Protection of Interest of Depositors In Financial Establishment Act, 2016. (b) "Director General," means the Director General, Institutional Finance Uttar Pradesh appointed by the Government. (c) "Collector" means the Collector Of a district and includes Additional District Collector (Finance/Revenue). (d) "Form " means a form appended to these rules. (e) "Government" means the State Government of Uttar Pradesh. (f) "Superintendent Of Police" . means the Superintendent of Police of a district appointed by the Government. • (2) Words and expressions used but not defined in these rules shall have the meanings respectively assigned to them in the Act. 3—Complaints: (1) Any complaint under sub-section (3) of section 4 of the Act shall be written on plain paper with such details as the complainant may consider necessary along with his/her name and address and send it to the Collector or the district. On receipt of the complaint the Collector shall forward it to the Director General who functions on behalf of the Government immediately with his comments. The complainant may make complaint electronically on the portal designed and established for this purpose. The complaint made through the portal shall be available to the Director General and the Collector of the concerned district. (2) The complaint submitted to the Collector under sub rule (1) shall be recorded in the register maintained in Form I V. A summary of the total complaints received and sent shall be submitted by the Collector to the Director General every six months on 31st March & 30th September of each calendar year. In case the complaints are recorded electronically on the portal no such register shall be maintained as portal by itself shall generate required reports. 8 04 2016 4. Issuance of Ad-interim Order of attachment: The order of attachment under clause (b) of sub-section (1) of section 4 of the Act shall be issued by the Principal Secretary/Secretary-In charge of Institutional Finance with the approval of Minister-In charge of the department after recording reasons in writing and be published in the Gazette. Such order shall be forwarded to the Competent Authority along with relevant records. The Competent Authority shall prepare and maintain detail of accounts or descriptions of all the money and properties attached to and may seek necessary assistance or police officer for the purpose of taking possession of the attached property

5. Examination of complainant and witness etc: (1) Upon receipt of the order of the Principal Secretary/Secretary-In charge of the Institutional Finance Department under rule 4, the Competent Authority shall examine the complainant and witnesses, if any. Such examination proceeding shall be recorded. (2) The Competent Authority if he considers necessary may examine any person or police bearer or employee of the Financial Establishment who, in his opinion will be able to give any information about the Financial Establishment in respect of which ad-interim order of attachment has been made by the Principal Secretary/Secretary, In charge of the Institutional Finance Department under section 4 of the Act

6. Attachment of properties of malafide transference: Where the assets available for attachment of a Financial Establishment or other person recorded in section 4 of the Act, are found to be less than the amount or value which such Financial Establishment is required to repay to the depositors, the Competent Authority with due diligence shall compute the shortfall and investigate the possible diversion of funds. If the conclusions with adequate evidence provide reasons to believe that there is possibility of malafide transfer of funds, the Competent Authority shall by an application, affidavit or otherwise inform the Designated Court requesting it to attach such property

7. Power of Competent Authority to require information: (1) The Competent Authority shall have the power to require any information about the Financial Establishment or its office bearers including the Promoter, Director, Partner, Manager, Member of its office or any other person to furnish such information as may be required and such Financial Establishment or Officer or Authority of the Government or Local Authority or person shall be bound to furnish such information to the Competent Authority.(2) "The Competent Authority may require any officer-in-charge of a Police Station for inquiring the Financial Establishment or Promoter, Director, Officers, Servants or Members of such Financial Establishment and such officer-in-charge shall be responsible to take action

8. Maintenance of IIC record or money and property attached and disposal thereof: (1) Where any attached property vested in the Competent Authority under section 4 or the Act, the Competent Authority may subject to speedy and natural decay or if it is otherwise expedient so to do: sell such property with the due permission of the Designated Court by public auction or otherwise and credit the sale proceeds, in an account opened in a Scheduled Bank for the purpose.(2) The Competent Authority shall maintain the records of all the income received, sale proceeds received on sale of property so attached by the orders of the Designated Court under sub-section (4) of section 8 of the Act or sale of property properly under sub-rule (1) and expenditure incurred thereon properly received, managed and disposed of, and furnish the same to the Designated Court, time to time.

9. Power of Competent Authority with respect to an absconding person: Where the Competent Authority is satisfied or has reason to believe that a person in respect of whom an action is contemplated under the Act, has absconding or is likely to abscond or is concealing himself, the Competent Authority shall immediately make such report in writing to the Designated Court.

10. Filing of report and return by the Financial Establishment: (1) Every Financial Establishment carrying on its business in the State of Uttar Pradesh will get registered with Director General by submitting the return in Form I. The Financial Establishment shall send simultaneously a copy of the return to the Collector and the Superintendent of police in whose jurisdiction the Financial Establishment commenced or carried its business within seven days from the date of start of their business in the State of Uttar Pradesh and Establishments as have been carrying on its business prior to the commencement of these rules shall get registered in Form I, within seven days from the date of commencement of these rules. Care shall be taken so as to specifically include all real estate related businesses/builders where in money/monetary consideration is taken from the buyers/investors. Such real estate businesses/builders shall submit information with regard to their activities in the State of Uttar Pradesh. The Director General shall maintain the record of all registered Financial Establishments in Form-III appended to these rules. (2) It shall be the duty of every Financial Establishment to report to the Director General, the Collector and Superintendent of Police, in case any change in respect of any particulars furnished in Form-I, within seven days after the change has taken place. (3) Every Financial Establishment shall furnish within one month of the expiry of each quarter of a Financial year, a return in Form-II showing particulars in respect of its business including its financial position, the area of its investments and the location of investments of moneys made by it within and outside the State of Uttar Pradesh for each quarter of the financial year to Director General. (4) Whoever fails to submit report required under or fails to furnish return under sub-rule (3) shall be punishable with fine which may extend to Rupees fifty thousand. The Director General shall after giving a notice of 15 days may impose the said fine on concerned Financial Establishment. (5) The Director General, shall be empowered to enquire into the business and financial position, details of investment and other particulars of Financial Establishments and ensure that appropriate action is taken against unreported or clandestine activities of Financial Establishments which are brought to light. For this purpose Director General may constitute a team of official/officials for enquiry of delinquent Financial Establishment headed by an inspecting officer. Collector and Superintendent of Police or the concerned district shall provide necessary police force including CO's/Inspectors/Sub-Inspectors or the concerned jurisdiction in the district in which Financial Establishment is carrying on its business. (6) While the Director General visit any district enforcement purposes of the Act, the Collector and Senior Superintendent of Police/Superintendent or Police of the district will accompany and assist him. The Director General may convene a meeting of Collectors and Senior Superintendent of Police/Superintendent of Police whenever deemed necessary wherein the presence of these officials shall be mandatory.

11. Competent Authority [o assist the Special Public Prosecutor: The Competent Authority shall render! such assistance to the Special Public Prosecutor in conducting the cases in the Designated Court as may be required

12. Establishment and maintenance of a web base Portal: The Director General shall - Inaintain a web base portal which shall be used to file complaints and display such information about Financial Establishments as may be deemed necessary.13 TEE-2 10 To, 2. 3. 4. 5. 6. •7. 8. 9. IO. 04 2016 Form-I [See sub-rule (I) of rgle-l Report of Financial Establishinent or commencing its Business in the State of Uttar Pradesh. I. Director General, Institutional Finance, 16-Vidhan Sabha Marg, Lucknow

2. The Collector, 3.Supcrfntdnt of Police, ...1.....(Distrigt) Neme orthe Financial Establishment : Name and address of Registering Authority : Registration/Incorporation.number with date : State in detail about the authority to carry on such business : Name of the State in which the Financial Establishment is registered : Full address: (i) Registered Office, Pin No., Phone No. (ii) Main Branch Office (if any): Name address (present & permanent) and PAN number of every person* responsible for management of affairs of the Financial Establishment : of Branches/Offices : Name (s) of the Financial Establishment's Banker (s) Name and addresses Name, address (present & permanent) and designation of the person looking after financial matters of the Financial Establishment : Certified that the particula•rs/information furnished in the report have been verified and found to be correct and-complete in all respects. Date Place : Signature of Manager/Managing Director/authorized official Name : Designation : If more than two persons are responsible for the management affairs of the Financial Establishment they may give a list showing name and address appending to this form. • A list Showing the names and address of the place (s) where the Branch Office (s) of the Financial Establishment is/are situated should be enclosed. 11 2 3 4 5 6 7 8 9 IO 11 12 13 14 15. 16 17 18 19 20 21 22 23 04 2016 Form-11 [See sub-rule (3) of rule-IOI OUARTERLYRETURN Financial year Quarter ending Nanie of the Financial Establishinent : Nanie gnd address of Registering Authority : Registration/Incorporation ntllnber with date : PAN nutnbers of the Financial Establishment and MD/Prsident/ Managing Ihartner/CEO/Proprietor Nmne and. addresses of Directors/Partners/Proprietor/ President/Managing Partner/CEO/Proprietor Name and addresses (Present & Permanent) of MD/Prsident/ Managing Partner/CEO/Proprietor Nature of business Details of banks naine, account.numbers and address of the Bankers (s) Bank-wise and Acqount-wise balance as on the end of the• quarter : Details of movable/immovable assets •of the Financial Establishment as on the end of the quarter ; Copies of latesJ Audited Balance sheet - Anhount received during the quarter from the Investors/Depositors : Names and addresses of investors from whom the amount was collected/received • Amount received from other. sources including loans during the quarter : Amount received froin other sources including loans during the quarter : Details of such utilization/investment/spent : Area and location of such investment within and outside state : Details df assets created/acquired during the quarter : Details of payments towards return on deposited amount. such as interest, dividend or any other services : Details of amount refunded including maturity amount to the invcstors/depositors during the quarter : Amount payable to the depositors at end or the quarter : Details of properties such as land/plots 01" flats handed over or other services rendered to the investors/depositors during the quarter : Details of movqble/ilnmovable assets including bank balances of Directors/Managing Directors/CEO/I)artncr/ Proprietor as on the end of the quarter : [No.] By Order of the Governor Director General, Institutional Finance & Speéal Secretary to Government. 12 04 2016 Form-III [See sub-rule (I) of rule-IOI Register of details to be maintâined at DG Office level of Financial Establishments Functional 2 3 4 5 •6 7 -8 •9 10 in State of Uttar Pradesh. Nanw of the District ; Particulars of the Financial Establishments:. •Nmne of the Financial Establishment : Name and address 01' Registering Authority : Registration/Incorporation nun)ber with date : State in detail about the authority to carry on such business : Name of the state in which the Financial Establishment is registered : Full address (i) Registered Office, Pin No. Phone No. (ii) Main Branch Office (if any): •Name, address (prqsent & permanent) and PAN number of every person* responsible for management of affairs of the Financial Establishment : "*Number of Branches/Offices Name (s) of the Financial Establishment's Banker (s) Name and addresses : Name address (present & permaneni) and designation of the person looking after financial matters •of .the Financial Establishment : FormJV • rule Name 01' District Sl.N0. Date of Complaint received Nanlc and address of the complainant Natne and address 01' Financial Establishments Conunents of the Collector Date of dispatch to DG office By order, Remarks DR. ANOOP CHANDRA PANDEY, Principal Secretary.